



How to get the best value out of Interim Managers.

2020/21 Guide

Interim Manager

A senior level independent business leader or project manager; an expert in their field; a high level performer with a track record of quantifiable achievement. A possessor of drive and energy; a perceptive individual capable of adapting to new environments and delivering immediate results.

Our brands and partnerships:

Enabling organisations and individuals to thrive.



**Trustees
Unlimited**

**Step on
» board**

EXECUTIVE SUMMARY

It is precisely at times like this, as we cope with the turmoil and change created by Covid-19, that interim executives come into their own as a vital resourcing option.

Russam have been providing interim executives since 1982. Our network of interims is ever-growing, with almost 30,000 professionals now part of our talent pool it is considered by many to be the largest in the industry.

All our surveys support the fact that interims are most valuable in a crisis. For organisations seeking to restructure and reorganise they often turn to an expert with an outside view to lead on some of the most difficult decisions. An experienced interim can help an organisation scope the way forward, lead change, and bring expertise in areas that are challenged as a result of the pandemic. The question is what skills are vital to ensure business continuity? Answers are likely to include Human Resources, Technology capability, supply Chain and financial wizardry.

This Guide is for organisations looking to harness this type of talent. We want to share best practice in terms of hiring interims and how you go about getting the best value and return from them.

We explain the recruitment processes involved, the key success factors to look for and pitfalls to avoid. We advise on costs and deliverables and explore the benefits interim management makes possible.

Interim management is now mainstream. Today, interims are seen as a proven alternative to the well-worn path of management consultancy; providing a flexible and strategic labour force that can be cost effective and low risk - turned on and off to meet an organisation's exact requirements.

About us.

Russam enables organisations and individuals to thrive. As the original pioneers of UK interim management and as specialists in executive search, we use our experience, depth of knowledge and networks to ensure our clients succeed. Our journey began in 1982 when Charles Russam identified the potential to help organisations find interim professionals. Today, we're as dedicated as ever to connecting talented people with forward thinking organisations.

We're passionate about performance, excellence, diversity, ethics and we make a science out of matching up the perfect professional.

There are four core strands to the Russam business: Interim Management, Permanent Appointments, Board Practices and Total Project Delivery. Our sector experts have extensive insight into the industries they serve, from finance and manufacturing to technology, the public sector and not-for-profits. We work with ambitious start-ups to multinationals. We have a proven track record in providing the right professionals to deliver transformation, gap management, crisis management, business turnaround and rapid growth.

In 2014 we co-founded the The WIL Group (www.wilgroup.net), giving us access to a global network and we also co-founded Step on board and Trustees Unlimited (one of the UK's first B Corporations), putting us at the vanguard of chair, trustee and non-executive recruitment as well as talent development. We teach on the Cranfield NED Programme and through our delivery of Step on board, work with senior leaders across firms including Deloitte, EY, Credit Suisse, Barclays, Bupa and Google.

We also offer coaching and outplacement support.

Our Sector expertise.

- Financial Services
- Not-for-Profit / Charities
- Manufacturing, Engineering, Aerospace and Defence
- Automotive & Smart Mobility
- Energy & Utilities
- Transport & Logistics
- Local and Central Government
- Professional Services
- Hospitality & Leisure
- Retail and Consumer
- Education
- Technology, Media and Telecoms
- Healthcare
- Private Equity and Venture Capital
- Construction, Property and Housing
- Business & Support Services
- International (via our global group - WIL Group)

WHO ARE INTERIM MANAGERS?

Interim managers are senior/board level independent business leaders or project managers who work in a range of disciplines and sectors. They are experts in their field; high-level performers with a track record of achievement.

Years ago it was mainly through force of circumstance that this resource existed but today, things are different. Changing lifestyle patterns, the support of new technologies and the desire for people to be their own boss are fuelling the supply side of this rapidly growing sector. Many talented people want to live their professional lives in this way and there are around 30,000 interims in the UK available for work.

Interims have always helped businesses through uncertain and unsettling times; perhaps now they are needed more than ever. Given that each interim has decades of experience, they can steer the boat through uncharted and turbulent waters. Usually over-qualified, they can drive restructuring and turnaround; sensitively and carefully managing through a downturn, and putting in place protective measures.

Currently, the highest growth area is "digital transformation". A study by Worldwide Interim Leadership (WIL) Group shows that recent assignments relating to digital transformation have grown from 4% in 2018 to 28% in 2019.

Information about the research can be found at:
www.wilgroup.net

Why are interims used?

Our research shows that businesses are hiring interims for the following:

- Bringing in heavyweight management or technical skills for a limited period to solve a particular problem or drive business and performance improvement.
- Managing a complex project or programme. Handling a special project and/or situation that is in crisis.
- Putting together bids or tender documents.
- Developing new products and ventures.
- Managing major restructuring or change management projects.
- Handling turnarounds.
- Business and digital transformation.
- Managing acquisitions, MBOs, MBIs, IPOs and finding key executives to handle the inevitable periods of change that follow.
- Managing disposals or business closures.
- Filling management gaps – during maternity leave, illness, termination or secondment.

Interims are used in all professional disciplines:

- General Management
- Finance
- HR including OD
- Risk & Compliance
- Project & Programme Management
- Sales & Marketing
- Production/Manufacturing Operations
- Purchasing/Distribution
- IT and Digital Transformation
- Fundraising

CASE STUDY:

Risk transformation programme enhances value and organisational stability

The Odeon Cinema Group, operating in 13 countries across Europe, was in need of a group-wide review and refresh of its governance and risk management frameworks and controls. With approximately 45 fundamental issues to be addressed from the outset, Richard Smith faced a sizeable challenge as the Odeon Cinema Group prepared for a sales process to American Multi Cinema (AMC) Group

“People will say, and I take it as a compliment, ‘you don’t behave like an interim, it’s like you’re really here as part of the team.’ You’ve got to immerse yourself in the organisation and what you’re there to do.” Richard Smith, Interim Risk Director, Placed by Russam

The challenges.

Odeon Cinema Group, owned at the time by a Private Equity firm, was preparing to sell. But because the Company had not maintained its risk and governance procedures over a period of years, it faced challenges in a number of fundamental areas:

- Company had been stagnant in a number of different areas
- Safety and security was being handled in a piecemeal manner
- Audit insurance was not being addressed correctly
- Fear and uncertainty among staff had led to low engagement levels

The solution.

Placed Russam Interim Richard Smith as interim risk director. During his interim assignment he:

- Evaluated resources and started forming best practices
- Conducted brainstorming session with senior team to address key threats
- Worked closely with insurance and external cybersecurity to perform assessments



The results.

- Robust cybersecurity infrastructure introduced based on a thorough understanding of the threat to IT systems
- Electronic policy database launched, incorporating risk appetite and KRIs which gives full understanding of policy and how to bring those to life within the organisation
- Unified approach across the group which grew from 4 territories to 7 over the course of the project
- Team of auditors now fully engaged with staff
- Named a Times Top 30 Companies to Work For in 2017

“Richard has overseen a transformation of our Group’s governance and risk abilities since he joined, and leaves us in much stronger position. Across all our markets, Richard has helped us to implement new controls and standards through clear policies and procedures, and built a solid structure and framework to oversee and manage risk throughout our organisation. We now have a consistent set of policies across the Group in PolicyHub and a skilled risk management team. As well as the obvious benefits of this renewed focus, it was also critical in the run-up to, and success of, our sale process last year – and has made a big contribution to our initial integration work with AMC this year.” Odeon Group CFO.

WHAT ARE THE ADVANTAGES OF HIRING AN INTERIM?

01

Availability

Interim managers are often available immediately, whereas typically it could take a minimum of four months to hire a permanent employee serving a notice period.

02

Immediate results

Unlike a permanent employee who is typically given time to settle in, the interim manager will start delivering results immediately, identifying quick wins and building relationships rapidly. They "hit the ground running" with no more than a five-day honeymoon period.

03

Value for money

An employed executive on £80,000 to £100,000 can actually cost an organisation much more than an interim. Once benefits like bonuses, holiday pay, NI contributions, pension, health and a company car are included the real cost is likely to be nearer to £150,000. Such costs do not apply to interims. Interims are only paid for the actual days worked – often this might include just part of a day. The average daily rate to the interim is £600 to £650; but can range quite widely depending on factors.

04

Experience

Interim managers offer instant experience and capability almost always one level above the job requirements. They know what best practice looks like and may even have had a recent assignment at a competitive organisation.

05

Objectivity

Interim managers are objective and won't be side-tracked into office politics. They are not seeking an extended career with the organisation so they say what is required, rather than what the organisation wants to hear.

“As organisations move through various transformations in today’s difficult economy, the flexibility and expertise offered by interim managers is invaluable. These are fluid times and a fluid approach to resourcing strategies is vital if organisations are to remain competitive. Highly skilled interims offer precisely that support.”

Penny Davis,
People and Talent Director, Balfour Beatty Services

TRANSPARENT AND COMPLIANT USE OF INTERIMS

Duration.

By definition an ‘interim’ manager should be hired on a temporary basis, as impartiality can be compromised if an interim becomes too close to the client over a long period of time. On average, interim assignments last 166 days, according to Ipsos MORI figures from the Interim Management Association (IMA). The IMA recommends that most assignments should last for less than a year, unless there are special circumstances or significant changes are made to the required objectives.

Before appointing an interim manager, have a business case, with clear objectives and desired outcomes. Prepare for when the interim departs well in advance of his/her end date and ensure the question “how will this look when the job is done” has a clearly defined response.

Reimbursement.

Interims should be paid a pre-determined professional day rate via a Limited Liability Company. Payment should be provisional upon presentation of a timesheet or a report from the interim.

The interim won’t benefit from any other payment from their client, unless it is reimbursement for expenses such as travel or hotel expenses. Pension payments; training costs; insurance costs; sickness pay and holiday pay are not paid by the client, but factored into the daily rate charged by the interim. Interims don’t claim any reimbursement for shortened or cancelled assignments.

IR35.

At Russam we are working closely with our interim candidates and clients to guide them through what’s involved and what their options are. If your business is affected by the new legislation, we would strongly urge, if you haven’t already, to start taking steps to determine the status of all contractors operating through a PSC within your business, particularly given timelines involved (despite the delays announced by the Government due to the Covid-19 outbreak). There are a vast number of experts available to offer advice and guidance to ensure you have the support you need to make informed decisions.

This is an excellent opportunity to take a step back, review your business operating models and consider the best approach for your projects and business talent in 2020.

Russam is fully geared up and ready to work with you. Our focus is on finding you the “right talent, at the right time” to help your organisation to thrive. We can advise through the structural set up including the tax determination process.

Scope of role.

Interims should have a clear scope of work and terms of reference for their assignment (increasingly we prepare and agree a Statement of Work (SoW)). They should not be given carte blanche to make key decisions that affect the project without ratification and follow good business and corporate governance.

They need responsibility to carry out their role without encumbrance but we recommend that a responsible Director (or equivalent) is in place to oversee their activities.

Management responsibility.

Clear management responsibilities must be agreed from the outset. Best practice also dictates that the interim ensures a skills and knowledge transfer during the assignment which would be supported by the business.

To be truly effective, an interim must be given room to manoeuvre and they need to be “bolted in” with the senior management team – not treated as a consultant on the sidelines.



Please see our IR35 Guide:

<https://russam.co.uk/thrive-news/russam-guide-to-ir35>

TOP 10 TIPS ON HIRING AN INTERIM MANAGER

1. Check if you really need an interim manager or whether the skills you require already exists within your organisation.
2. Have an ideal candidate in mind for the job.
3. Use a reputable interim provider that can find managers with the right balance of management skills, technical know-how and market knowledge.
4. The best interims get snapped up quickly so do not delay any recruitment decisions.
5. Remember that interims speak very openly to clients - they are independent and do not have emotional attachments to companies.
6. Agree the aims and timescales of the assignment at the outset, so that both parties understand their key objectives. Review these objectives and progress often.
7. Once a contract is signed, an interim typically needs five working days to fully understand the role and requirements. They hit the ground running.
8. Communicate to employees that you have hired an interim. The success of any assignment depends on support from the business. Ensure employees also know they can learn from the interim.
9. Do not compare the pay levels of permanent employees with interims - it is misleading. Remember an interim charges an inclusive rate and does not enjoy benefits such as pensions or holidays.
10. Interim managers can work for any size company. For example they may be suitable for an SME business with skills gaps in certain areas that can't justify employing someone senior full-time.

“One of the key benefits of employing interim managers is that they can bring a wealth of experience and sector knowledge. They are not afraid to question the status quo and their fresh perspective and independence often delivers great results.”

Mike Innes
Senior Partner, Graphite Capital

CASE STUDY:

Bridgepoint Capital calls in an interim transformation leader to boost operations for one of its portfolio companies

The challenges.

Evac, acquired by Bridgepoint Capital in 2017, is the global market leader, with a 55% market share, in the provision of environmentally friendly waste, wastewater and water management systems for the marine, offshore, and building industries.

Established in 1979, Evac is headquartered in Espoo, Finland. It provides fully integrated sanitation systems from producing fresh water to processing polluted water and dry waste on board virtually every type of vessel. The cruise sector is Evac's principal market. With a turnover of €160m and a €31m EBITDA the company has employees in 14 countries across 19 offices. It owns assembly and manufacturing units in China, France, UK and USA. The overarching challenge is to build a €1bn operation while maintaining 25% margins

Other challenges included the integration of new acquisitions, the creation of new delivery capabilities and the setting of KPIs. The current management team was good but overstretched. An injection of leadership and new thinking was required. The client asked that the candidate be an 'innovator,' a 'change agent' and able to create an 'engine of continuous improvement.'



The solution.

It was agreed that a transformational chief operating officer was needed to take strategic deliver from 'good' to 'great'. Russam worked closely with the global interim management group - WIL Group - and with the client in London and Helsinki to create and refine the brief.

Dr. Reinhard Schiebeler was subsequently appointed from our German talent pool. Reinhard comes with a strong industry background: 8+ years as Vice President Operations & Supply Chain at GLATFELTER GmbH (Composite Fibers Business Unit) – a \$1.7bn business with 4,300 employees. Previously, he was Director of Operations at Phillip Morris International.

The results.

- Reinhard launched a major project called 'New Horizons' to eliminate operational inefficiencies. The project had a clear structure that received full leadership backing.
- The project is a major step forward for Evac and will vastly improve its market position.
- Reinhard and his team identified and scoped out 100 key elements to the transformation programme.
- He also worked closely with the CFO to implement a new ERP system across the organisation.
- Coaching and support was provided to colleagues at all levels within the organisation to help retain key people and encourage all colleagues to embrace and drive change.
- Reinhard also supported the new CEO and even after the assignment ended continued to provide guidance and advice.
- I know that you have now spoken to Ricky and provided with positive feedback from Chris Bell on the progress of the mission.
- The client was extremely pleased with the achievements and praised Dr. Reinhard for his vision for what was needed to support the organisation.

FLEXING THE CONCEPT OF INTERIM MANAGEMENT

Developing a close working relationship with an Interim Provider can and should deliver a lot more than a supply of Interim Managers.

- Many interim managers end up on the payroll, though this would not have been their original aim. An assignment enables both parties to try each other out before committing to a permanent relationship.
- What better way to recruit a full time employee than for them to work at a senior level within your company on a specific project with goals and deliverables to meet.
- You can easily measure their success and it allows for a long lasting relationship and loyalty to develop, which might be key to persuading the Interim to join you on a permanent basis.
- Many CEO's view a carefully chosen Interim as preferable to hiring a management consultant. Whilst the consultant analyses and advises, so does the interim – the difference being that the interim also implements the project.
- How many consultancy assignments end with the client being told what they already knew at the start? Is external reassurance really worth the cost?
- Interim assignments are usually seen as full-time. However, our research shows that about a third are part-time and their profiles can change to suit the client's requirements.
- In many cases, a successful Interim will return for a fresh and different project at a different time, having the advantage of all the local knowledge gained from the previous assignment.

"Interims are proving their value in every single transformation, in many different ways. Clients in every sector are achieving strategic, financial and efficiency benefits by employing interim professionals. It is this that is driving both Russam and the WIL Group's rapid growth in digital transformation projects worldwide."

- Cathy Kay - Managing Partner – Commercial, Russam

LOOKING FOR BEST PRACTICE?

The service that an Interim Management Provider delivers to you will be based on its business processes – the more robust and transparent these are, the greater the likelihood of finding the best-fit Interim for you

The following is a ten point check list of best practice processes to follow:

- ✓ Does your Provider offer a formal visit to take the brief and take you through its methodology? Setting up the assignment correctly at the start is vital.
- ✓ Does the Provider send you a formal brief following the meeting?
- ✓ Does the Provider understand your organisation, your culture and your needs?
- ✓ Does the Provider use assessment tools to help select the best candidates for your organisation?
- ✓ Does the Provider agree that you need an interim? Might a different approach or a cheaper option be just as good – including doing nothing? Might training or mentoring be part of the solution?
- ✓ Does the Provider present its shortlist in an agreed timetable? It should ideally consist of no more than three candidates, each CV containing its assessment of the person's suitability and you can ask to see their own interview notes.
- ✓ Does the Provider make themselves available to attend the Interviews if required and help in the assignment discussions?
- ✓ Will they set up the assignment, negotiate agreed terms and issue the contracts between the interim and themselves and between you and the Provider?
- ✓ Do they keep in touch with you and with the Interim to ensure that the assignment works well for your organisation and that your goals are achieved? Does the Provider offer a post-completion review to ensure they collate your feedback?

"We chose Russam for our interim resourcing roles for a few simple reasons: They understand our business and they deliver on our business requirements. They deliver the right people, with the right skills, for the right project. We have now taken on two senior interim project managers that have helped us to deliver on our business plan."

Lene Nielsen, Vice President
Human Resources, Rothschild Bank AG

For more information please contact:

Jason Atkinson
Managing Director, Russam
E: jason.atkinson@russam.co.uk
T: 0207 099 2222
M: 07930 356305
www.russam.co.uk



Enabling organisations and individuals to thrive.

Russam

The Gridiron Building One
Pancras Square
King's Cross,
London
N1C 4AG

T: 01582 666 970

Registered Office:

Russam GMS Limited
AW House,
6-8 Stuart Street,
Luton
LU1 2SJ

T: 0207 099 2222

E: hq@russam.co.uk
www.russam.co.uk