



Interim capability

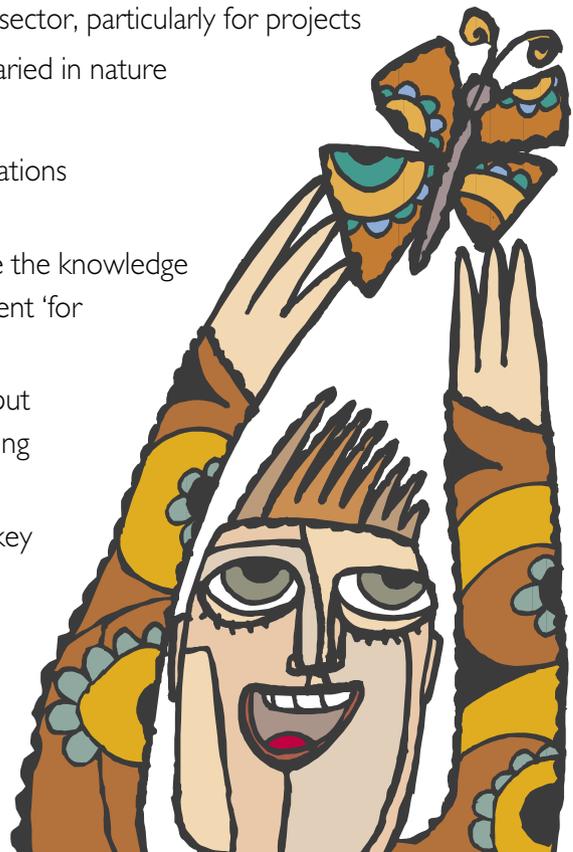
Research findings 2007

Since 2002 Chimento has conducted annual research into the state of the interim management market. The expansion of the Chimento interim division to include interim Finance assignments in mid 2006 means we are now able to collate data from both HR and Finance disciplines, providing a broader view of trends across the industry.

This latest research sought the views of over 700 interim HR and Finance professionals, exploring how they are used within organisations and how they feel clients relate to them. The research established that interims are increasingly recognised for making a valuable contribution to business and their capability extends far beyond use for traditional, operational gap-cover assignments.

Headline findings

- Interim assignments are becoming more strategic and project focused
- Change/ transition management is the top reason for engaging an HR or Finance interim manager
- There is an increasing use of interims in the public sector, particularly for projects
- Interim assignments are getting longer and more varied in nature
- Over 50% of interim assignments are extended
- Interim managers are critical to business as organisations become increasingly lean
- Organisations are still not doing enough to capture the knowledge imparted by an interim manager whilst on assignment 'for reference next time'
- Male interims are more established in the market but there is a growing number of younger females opting for a career in interim work
- Independence and a better work/ life balance are key motivators for choosing an interim career



Exploring the findings

The changing face of interim management

- Recognition of the wider capability of interim managers continues to grow with a move away from traditional, operational 'gap cover' roles. Half of all assignments are now deemed strategic and of these, 81% of interim managers are engaged to undertake special projects/ programmes and only 19% to provide gap cover. Of the remaining assignments considered operational in nature, again, only 29% of interim managers are contracted to cover gaps within organisations.
- The private sector has been quick to embrace the value of interim managers, and the public sector is becoming increasingly aware of the benefits. Within the public sector, Central Government provides the highest number of interim assignments (30%). The next largest user of interim managers is NHS/ Healthcare (14%) and Local Government, NGOs and Education at 12% each. Finance & Banking still holds the top spot in the private sector accounting for 28% of all assignments in this sector, followed by Petrochem & Pharma at 15%, an increase of 5% on last year.
- Compared with previous years, interim assignments are getting longer. While just under half of all assignments completed are for 4-6 months, those lasting 7-9 months now account for almost a quarter of all assignments - an increase of 7% on last year. Shorter assignments of 0-3 months have seen a drop of 6% on last year, now only accounting for 17% of all assignments.
- Only 41% of assignments finish on time, because half of all assignments are extended by client organisations. This is usually because successful assignments result in requests for the interim manager to stay longer. Other reasons include an underestimation by the client of the amount of work involved. Withdrawal of client funding/ budget cuts are the most common reasons cited for an assignment finishing earlier than anticipated.
- Interims aged between 40-49 have worked more days in the last year than any other age group. This age group also has the highest number of female interims (58%) compared to only 16% males. Men, however are more established in their interim careers with 55% having been in the industry for 5 years or more (68% of whom are aged 50-59), compared with only 45% of women.
- The interim market is buoyant and becoming more competitive as an increased number of professionals see interim management as an attractive career option. Since 2005 there has been a 19% growth in the number of providers offering interim services and a similar increase in the number of individuals turning away from permanent employment. Career interims have expressed concern that as the market for interims continues to expand, there is a growing lack of understanding as to the true nature of 'interim' work.



“The market for interim support is growing, as is the need for organisations to ensure they have a clear business case before resourcing external talent. Chiumento specialises in working with career interims who are dedicated professionals intent on getting the job done – interim management for them is not a ‘stop-gap’ solution between permanent roles! In this industry you are only as good as your last assignment and so reputation is paramount to both interim provider and interim manager.”

Graham Bird

Director of Interim management, Chiumento

A valuable and credible resource

- 82% of respondents believe that organisations have now become so 'lean' that they've lost key talent, hence the necessity to 'buy-in' expert knowledge. Client organisations could benefit greatly by engaging an interim professional who can contribute specialist skills, extensive industry knowledge and strong project capability.
- Interestingly, 33% of interim managers have been instrumental in hiring additional interim support while on assignment. Justification for this has included higher than foreseen workload levels and insufficient talent within the permanent workforce to fill gaps.
- Interim managers are now contracted to undertake a wider variety of assignments than two or three years ago, despite 89% of respondents agreeing that organisations are reactive rather than tactical in their approach to hiring interim support. The top five reasons for engaging interim support are:
 1. 26% Change & transition management
 2. 22% Specialist project & programme management
 3. 17% Business improvement
 4. 16% Gap management
 5. 4% Crisis management and 4% Mergers & acquisitions
- There is a disparity within the private sector in the way in which interim managers are used. Within Finance & Banking organisations 85% of assignments are strategically project focused. Within Petrochem/ Pharma organisations however, interim managers are still used more heavily for operational gap-cover roles. The public sector uses interim managers increasingly for special projects and programmes and less so for gap cover.
- Fifty-nine per cent of respondents agree that organisations are getting better at maximising their return on 'buying-in' interim capability. Seventy-three per cent however, say that businesses could still do more to harness the interim's knowledge and learning for permanent members of staff. Knowledge transfer is more prevalent in the private sector, possibly as the use of interim managers is more established. Twenty-nine per cent of respondents who have worked in the Finance & Banking sector for example, believe that organisations do have processes in place to ensure knowledge and learning is not lost when the interim support leaves, this compares to only 10% of respondents who have worked within Central Government.

Tops tips for ROI when using interim support

1. Make sure there is a clear business case to bring in an interim manager
2. Discuss and agree objectives for the assignment with the interim manager prior to commencing work
3. Monitor performance against objectives at regular intervals during the assignment
4. Ensure an end of assignment evaluation system is in place to document learnings
5. Allow time at the end of an assignment for an effective handover



Flexibility afforded

- Independence and a better work/ life balance are respectively the first and second reasons given for choosing an interim career. Female interims then recognise 'flexibility' as their third most popular motivator, while male interims prioritise the opportunity for a portfolio career.
- Increased demand for highly-skilled interim managers and market forces is driving up interim day rates. Forty-three per cent of interim managers claim their day rate has increased in the last year and only 7% experienced a decrease. Engaging an interim manager is often a more economical and flexible resourcing option than contracting management consultants where fees will almost certainly be higher and, the consultant is accountable to the consultancy and not the client.
- While independence and flexibility are strong career motivators, the lack of security and uncertainty over continuity of work are key challenges for interim managers. Frequently interims do not get to see the end result of their work, as projects they work on may not start to deliver benefits to the business until after they have left. For many this is one of the only frustrations of choosing a career as an interim.

After taking maternity leave to start a family, Kay began working with Chiumento clients on a flexible basis as an interim HR manager and is happy that a career as an interim manager has given her the flexibility she sought. She values the ability to be her own boss, broaden her experience and work for a variety of organisations whilst also being able to spend more time with her family. Previously, Kay had worked for a major high-street bank in a number of permanent HR roles.

Kay Palmer Corr, 40



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**Chiumento**

The individual approach to HR

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