

# the rise of interim management

■ **Professional interims play an important strategic role in helping clients to adapt to changes in the market place. UK plc is feeling the pain and inevitably is moving to a period where even the strongest companies will need to change to survive, the weaker ones will need the attentions of the turnaround specialists, and the weakest will probably go to the wall. Change of this nature brings opportunities for the interim – in many respects interim management is counter-cyclical, picking up the pieces on the way down, and providing resources as growth returns.**

In the past, when organisations needed to change, most of them turned to consultants to help analyse their needs and recommend solutions. This meant that they then needed to implement the change themselves. However, in recent years, interim management has provided an increasingly attractive option where the professional interim manager takes on executive responsibility for the duration of the assignment. He or she is usually sensibly over-qualified for the assignment, with relevant experience and is focussed on delivering the agreed change.

## why choose interim management?

Professional interim managers, represented by the Institute of Interim Managers (IIM), provide a business-to-business service to clients and operate as independent businesses. Unlike part-time or temporary workers, professional Interims carry total responsibility for tax, insurance and other statutory or regulatory requirements. The client relationship, whether direct or through an interim provider, is subject to commercial law and not employment law.

Interim management covers the use of

senior, professional directors and managers on a fee and fixed term basis to achieve a high impact on specific roles or objectives. Interims are skilled professionals operating at a high level and, therefore, they are able to bring a breadth of experience and skills to facilitate prompt results. They are typically used at short notice for short and medium term high impact roles, and can incorporate the roles of consultancy and project management, planning and implementing change, so ensuring seamless delivery and full accountability.

## how interims find work

On average, interim managers find two thirds of their work direct from clients, with only a third of assignments coming through 'interim providers' (specialist search and selection agencies which act on behalf of the client to locate interims with the appropriate skills and experience to carry out the assignment) and other intermediaries including lawyers, accounting and consulting firms and venture capitalists. The consensus estimates the total market for interim management services to be at least £500m per annum in the UK and €750m in the rest of Europe, with sustained long-term growth of 15% per annum.

It is difficult to measure how many interim managers are in the market, as individuals will change between temporary, contract, consultancy and interim roles to meet clients' needs, as well as transfer to permanent employment or retirement. However, it is

In a climate where business rarely stands still, organisations are increasingly turning to professional interim managers to meet their changing needs. Andrew Napier explores the role of the interim manager in leading and delivering change and discusses the issues facing those considering taking up such an option.

widely accepted that there are about 2,000 professional interim managers in the UK, with a further 7,000 to 8,000 'passing through' – in other words, doing interim work to fill a gap in permanent employment.

## characteristics of a professional interim manager

The IIM defines the characteristics of a professional interim manager as:

- seasoned / mature approach with self confidence (but not arrogance)
- credible, diligent and enthusiastic
- self-motivated, independent and objective
- comfortable with accountability
- action orientated – hits the ground running
- results focused
- informed risk-taker
- flexible – thinks laterally and strategically and operates hands-on
- flexible / adaptable – fits in, not status conscious, a team player
- resilient with a realistic outlook
- excellent communicator, influencer and leader
- able to handle ambiguity



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class interim industry, born of its flexible approach to work, and by working together the ACCA and the IIM can help bring more highly qualified professional managers on to the market. There are many financial and general management assignments for which accountants can be uniquely qualified, when they have the requisite interim management skills as well as their professional expertise.

To find out more on the Institute of Interim Management visit [www.iim.org.uk](http://www.iim.org.uk) ■

Andrew Napier –  
Director, Institute of Interim Management

- politically aware, sensitive to the situation – but does not get involved in corporate politics or compromise their core values

#### what to expect when starting a career in interim management

When you become an interim manager, you stop being an employee (except, perhaps, of your own company) and you become a business. In generating sales from clients, you are subject to commercial law. You are, therefore, without the security of a steady source of income, and reliant on your own entrepreneurship and skills to win and successfully execute assignments. This tax position needs to be kept clear with HMRC by the professional interim and their advisers (accountants and lawyers especially).

#### issues and nuances

Professional interims, because of the nature of the work they undertake for their clients, are subject to an increasing weight of law, including but far from restricted to: the Companies Act 2006; anti-terrorist legislation including the

Money Laundering Regulations 2007 that require personal and company registration with appropriate authorities, and increasingly complex personal and company tax law.

Interims operate on a freelance basis, and are either self-employed or work through their own limited companies. Interims are not temporary employees, but are professionals in business on their own account, with the risks and rewards that that implies. They are responsible for their own arrangements for holiday, pension, health insurance etc, and will normally carry professional indemnity insurance.

When on assignment, professional interims are effectively operating two businesses – their own, which is usually a personal service company, and their client's. It is extremely important that the individual interim keeps abreast of the rapidly changing regulatory environment. Given the nature of the profession, it is quite easy for the professional Interim to become the subject of 'regulatory collateral damage'.

Britain can rightly claim to have a world

#### ACCA and IIM to run joint events for interim managers

**In view of the growing number of interim management assignments coming up in these turbulent economic times, the ACCA is teaming up with the Institute of Interim Management (IIM) to run joint events for ACCA members who currently are, or would like to be interim managers.**

The first two events, held at ACCA's corporate headquarters at 29 Lincoln's Inn Fields (18.30pm – 20.30pm) will be:

**17 February 2009** for ACCA members who are already experienced interim Managers

**26 March 2009** for those who are new to interim management or are considering becoming interim managers.

Contact Liz Meade to reserve a place at one of these events via e-mail at [liz.meade@uk.accaglobal.com](mailto:liz.meade@uk.accaglobal.com) or 020 7059 5901.