

Interim Management Sector Now Worth An Estimated £1BN Annually

A recent series of surveys by IpsosMori for the Interim Managers' Association has estimated that the UK interim management market is now worth an estimated £1bn in terms of the value of fees spent on interim managers. Furthermore, there is a growing trend for interim managers to be used in more strategic leadership and change management roles rather than just for short-term gap-filling.

The surveys have also revealed a growing trend towards using interim managers in the public sector, which now accounts for more than one third of all interim management appointments. Local government remains the largest user of interim managers in the public sector, but their use is also widespread in areas such as health, education and central government departments. The public sector has also seen the largest recent rise in the use of interim managers, with a 20% increase over the last year.

Interim management has its origins in private sector, with considerable growth in the late 1990s that was tempered by the economic downturn that started in 2000. The last few years has seen a recovery in interim management, but this has been accompanied by a previously unseen increase in the use of public sector interim managers.

How do we explain the rise of interim management in the public sector? A number of reasons are involved, but the main ones will be familiar to any sector: time and money. The government's far-reaching public sector change agenda has introduced initiatives and targets that many departments have had trouble in coping with on their existing resources. This new pressure has led in many areas to a shortfall in capability.

Interim managers can address this shortfall. Many new interim managers in the public sector are not necessarily going in to replace existing teams or plug gaps in senior management. They are being used to support and mentor delivery teams through a process of change. Interim managers can bring in experience and clarity to high-pressure situations, providing guidance and direction for organisations grappling with change.

In the past, external consultancies have been used to plug this kind of skills short-fall. However, a number of perceived failures with regard to cost and disappointing delivery have contributed to a growing reluctance to use this kind of assistance.

Interim managers offer a different kind of intervention to using external consultancy. They are experienced executives who join the senior management team in order to help the organisation to deliver. Rather than the consultancy model based upon external advice, interim managers influence from within. An interim will become part of the organisation, providing clarity and guidance that can have an immediate impact.

Speed and cost of hire are significant factors, particularly in the cost-conscious public sector. Interim managers can be installed quickly without the expensive recruitment process normally associated with hiring at a senior level. They will be expected to hit the ground running, complete their assignment and then leave. With fees that typically ranging between £500 and £1500 a day, interim managers can be more cost-effective than external consultancies.

Nick Robeson, the IMA chairman suggests that the IMA's recent research demonstrates that this move to involve interim managers in leading organisational change is part of a wider trend. He said: "Traditionally interims were used for gap-management - to fill a key vacancy at short notice - and this is still an important function. But our new results demonstrate clearly how senior, experienced executives are being sought to lead and support organisations in business-critical operations."

The research bears this out in its analysis of why people use interim managers. More than half of all interim managers are engaged either for a specific project, or to help with a process of change management. By contrast, gap management now only accounts for just over a tenth of interim assignments. The average length of an assignment also reflects the project-based nature of interim management - more than four-fifths of interim projects last for less than six months.

The types of job functions that interim managers are being hired for reflects their growing versatility. HR remains the single most common job function with more than a quarter of interim managers, but interim managers are commonly used in finance, marketing, IT as well as in senior board-level positions.

Interim management has traditionally been seen as a reactive response to organisational failure. It appears that a new breed of interim managers are emerging who have transferable leadership skills that can be applied across all sectors. The implication is that the interim management industry is evolving to become a profession in its own right.

The Interim Channel has been created to provide a dedicated portal for this growing new sector. After all, there is no single website in the UK that caters wholly for interim managers. Powered by a series of partnership agreements with established online boards such as exec-appointments.com and the Times Online, The Interim Channel currently carries the largest selection of current interim assignments in the UK.

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About the Author

Head of online, Capita Resourcing Ben has more than ten years experience of working in online recruitment. Ben joined Capita Resourcing in 1994 and since then he has been working closely with the interim management businesses – Veredus and Capita Resourcing Interim - to maximise their use of the internet in attracting new candidates.