

Interim management and the future world of work

Insights from consultants and interim executives

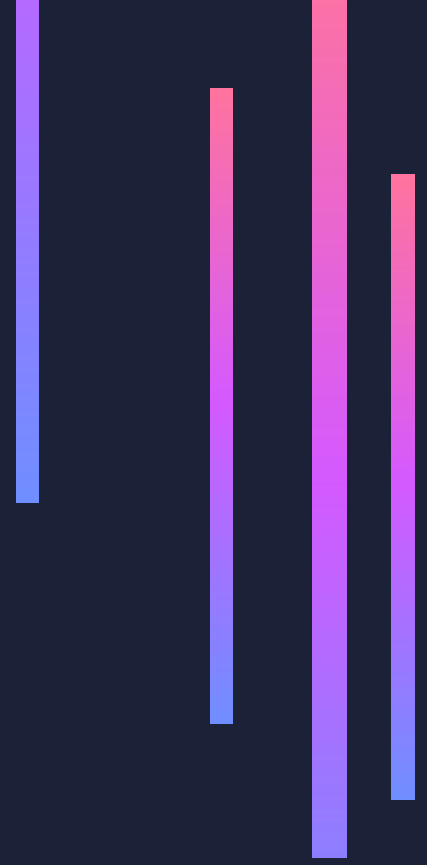
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Introduction

We are one of the UK's leading interim providers, and we are changing the face of interim management. For good.

This guide is designed to improve understanding of what interim management is - and what it isn't. It is a collection of contributions from across our interim community and our expert consultants.

We help organisations solve complex problems and manage transformations for some of the world's leading organisations.

We are seeing, first-hand, the new ways in which companies, big and small, are adapting to the future world of work. Key trends include the ever-expanding gig economy, the concept of "renting" expertise and responding quickly to market disruption.

We hope you find this guide useful. We welcome your feedback and suggestions for future guides or events.



Why interim management?

Interim management can be the answer to a number of business critical questions. More often than not, the demand for interim managers boils down to either people or financial issues.

- 1 Transformation**
The KPIs in the business are going the wrong way for any number of reasons. These programmes often require specialist expertise and don't sit in the BAU.
- 2 Special projects**
Building a new facility, opening a new market, recovering from a major setback and many more. These situations are usually very specific and time bound with objectives.
- 3 Senior gap fill**
This could be maternity, illness, notice period ramifications or other business reasons. This is a caretaker role and does not usually require the interim to make major changes.
- 4 Mergers and acquisitions**
Identifying and executing a growth by acquisition strategy is something that interims are often tasked with. It is not part of a day-to-day activity for senior managers, and so it can be better to bring in a subject matter expert.



What makes a great interim?

A good interim is on top of their game at all times and is happy to work under the spotlight.

They should be strong characters who are not afraid to take a stand on something they know to be right. They can identify who is part of the solution and who is part of the problem - dealing with the latter respectfully, but decisively.

A good interim will clearly highlight the issues and the solutions as they see them - and not simply what they think the client wants to hear.

A great interim manager quickly identifies the needs of the role and the organisation, seamlessly settles in and is quantifiably productive from day one. The right interim is invaluable and can move mountains in a fraction of the time of an excellent permanent employee.

“Forget about the corridor meetings and the cloak and dagger. You will not need it. Just focus 110% on the job at hand and you will do just fine.”

Steve Shoulder,
Interim Operations Director

How to gain support and engage senior stakeholders

Interims will often have to challenge the long-held business traditions - things done on a daily basis because “that is the way that is has always been”. The trick is to be able to do that without alienating those involved.

It is better to remain on good terms with key people - you are likely to need their support at a later date.

1

If you can create a vision and clearly articulate the desired future state, then most people can get behind that and support you. Try not to undermine or exclude any key stakeholders.

2

There may be a very good reason why something has been done in a particular way. Be sensitive when making changes - you never know whose idea it was in the first place.

3

There are many ways to get off on the wrong foot and making assumptions is one way to do that. Present evidence in a way that does not embarrass or point the finger of blame.

4

Take people on the journey with you. Engage the staff positively and get them involved in the design of the solution so that it becomes “their idea”.

How to avoid the common pitfalls



Skin in the game

Hiring an interim does not absolve you of risk or responsibility. You will need to put skin in the game. Take the very best of your staff away from their day job and embed them full time in the programme. If it is that important, it's not a big decision, particularly when considering the totality of the financial investment made.



No low-balling

If your brand were in court to protect a patent infringement, you would hire the best lawyers your money could stretch to. If you wish to deliver value in your organisation, don't shortchange yourself. Put simply, you get what you pay for.



A realistic business case

It should include the appropriate resources required to deliver your programme, at realistic market prices. If your business case is not right at the outset, your initiative will fail.

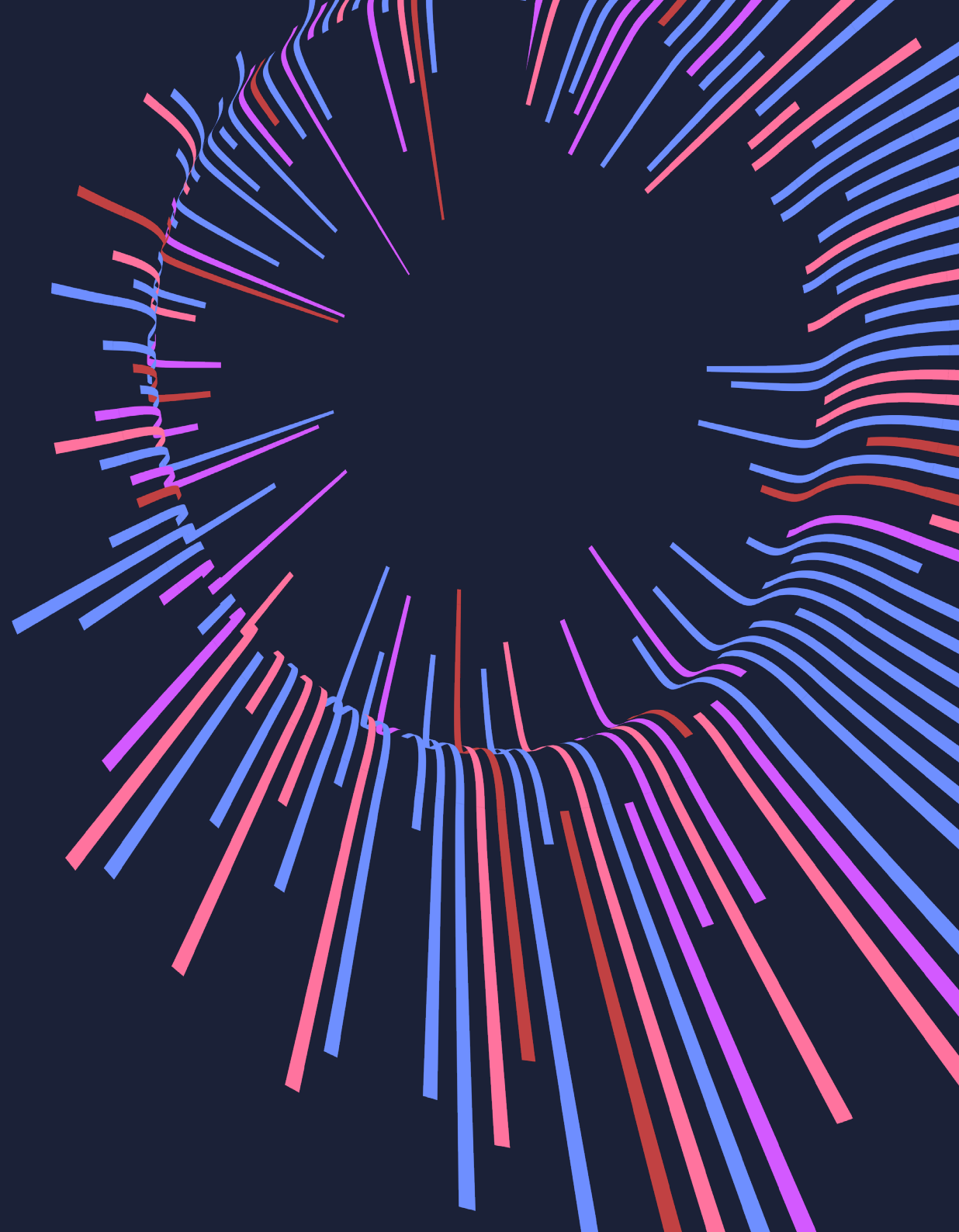


Throw away your value scale

Some clients tend to have a value scale (their staff at the top, consultants in the middle, interims at the bottom). Considering that most interims are either industry experts or former consultants, this scale is unhelpful to both sides. Value is more effectively delivered by maximising the skills of the team as a whole. Many top organisations, particularly in financial services, have been using this model for several decades and in these environments, it is almost impossible to differentiate between permanent and interim staff. For these clients employment status is simply not relevant.

“Being able to have within your business whatever management style, skill set and experience you desire for as long or as little time as you require should far outweigh the potentially higher costs.”

Phil Orwin, Operational & Financial
Turnaround Consultant





Benefits of interim management

Companies that embrace interim management can get results in a very short time.

Knowledge transfer

Companies use interim managers to coach and develop their existing staff, or to prepare the ground for a permanent employee, so that they are in a better position to handle difficult situations after the interim has moved on.

Value delivered in a short space of time

An interim manager can be embedded in as quickly as 48 hours. If the assignment is well defined, with milestones and objectives in place, the interim will hit the ground running from day one. Once the programme is delivered, the interim leaves the business, and you stop paying for them.

Unbiased, high level of expertise

An interim can bring in the skills that are not readily available in your organisation, particularly in a situation that requires someone to sit outside of the usual organisational arrangements and politics. Often the interim will have carried out a similar programme numerous times before and is therefore “overqualified” for the role. They will have the necessary gravitas to command change, that might be lacking in your internal teams.

Interim management & management consultancies

The two models should be complimentary and when used correctly, can work incredibly well.

There is a place for both interim management and management consultancies. The latter are increasingly using interim managers (aka associates) themselves, as they tend to be the most cost-effective way to ensure high quality delivery.

There is a perceived low risk with using one of the Big Four despite the high cost associated with this traditional approach. Organisations with deep pockets typically use consultancies to help with the initial diagnostic piece, who then hand over to the organisation's own internal delivery team and/or interim managers for the delivery phase.

These organisations - usually large, customer-facing businesses - constantly need to respond to disruptors in their markets, new products and changing legislation. They need to be agile just to stand still.





“It is important to change the opinion about interims. They are often seen as expensive, superfluous gap fillers who are vanilla and add no value. Ensuring deliverables are clearly defined and specific to your business is invaluable to a successful interim placement.”

Wendy Cookson, Healthcare NED

Interim managers or permanent in-house consultants?

In-house permanent consultants are employees who sit outside of BAU operations as change agents, used as an alternative to interims, contractors or bigger management consultancies.

When to use Interim Managers

- | You need **independent and objective advice**. Even if the in-house consulting team sits in a separate unit, they will likely retain an element of bias.
- | In-house consultants **lack the deep subject expertise** to solve your business problem. External advisors often have more opportunities to keep abreast of new developments in their field.
- | You need change to be delivered **authoritatively**. Research has shown that clients have more confidence in external consultants. The 'firm handed' approach is most widely associated with the use of interim executives or management consultants.

When to use Perm. In-House Consultants

- | You have a never-ending list of change projects that require deep business knowledge and project management expertise. According to a US study, the cost of internal strategy advisors is typically four to six times lower than that of a Big Four.
- | If the team or individual reports into a wellrespected employee. An internal consultancy won't work if it reports into someone not good enough to have a senior role, or who doesn't have the respect needed to deliver change.
- | If your workforce is suspicious of external consultants – "who are they to know..." – using in-house consultants can help reduce friction.



Interim management today (and tomorrow)

When asked “what is interim management nowadays?”, I refer people to what is known in legal circles as the ‘elephant test’: something that you may not be able to easily describe but will certainly know when you see it.

Interim managers are not simply highly paid contractors, nor are they solely independent consultants. They will demonstrate similar characteristics to both but stand in a class of their own.

Traditional interim management is far easier to define. Focused primarily on gap management, it is the provision of senior individuals on a short term basis while a search is conducted to find a permanent hire. This version of interim assumes that “owning” talent is ultimately the best model for an organisation and is suited to a world of steady state certainty.

While this traditional gap fill requirement does still exist, things are markedly different in the new normal.

The new normal is a shift in organisations towards the concept of “renting” talent and expertise. Traditional markets are being disrupted by digital technologies, AI and machine learning, rapidly shifting market conditions and customer expectations. Skills go out of date quickly and organisations are seemingly in a constant state of flux with fluid operating models required to navigate their sectors. Most visions of the future world of work foresee the continuing growth of interim assignments and portfolio careers.

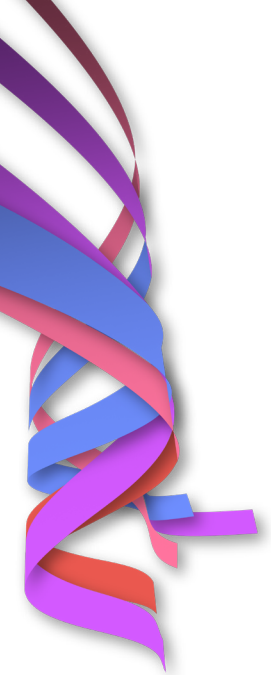
The linear concept of a traditional career with permanent roles in a few organisations, increasing in seniority towards retirement, will be eroded.

Against this background organisations are engaging with a variety of external sources of expertise to assist them in transformation and change. In the opaque world we exist in, the problem statement is rarely clearly defined. Whether it is a Big Four, boutique consultancy or an interim management provider, there are a wide range of players now helping businesses to solve their problems without ever joining the permanent payroll.

Today these problems come in a variety of shapes and sizes.

The requirement to develop a customer centric strategy and operating model; building a new bank and obtaining a banking licence; responding to regulatory challenges; salvaging a failing programme; parachuting into a private equity portfolio company to ensure it meets its commercial goals.

Where interim management tends to differ from consulting is in the delivery of solutions to these problems. Whereas a diagnostic phase will form the initial approach for both consultants and interim managers, the interim manager will then deliver the solution to the problem. It is at once a more pragmatic and practical approach.



About us

New Street Consulting Group is one of the UK's leading interim management providers. Our award-winning services leverage our own curated community of trusted interim managers with expertise to deliver measurable results across multiple business functions, sectors and locations.

Our track record includes interim management solutions for restructuring, turnaround, post-acquisition integration, digital transformation, programme and project management within listed companies, private equity backed businesses, local and central government.

Our clients benefit from a range of engagement options in which to deploy interim expertise - typically, through Statement of Work (SOW), Limited/Personal Service Companies (PSC) or PAYE.

nscg.com/interim

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