

Russam GMS Ltd - Snapshot Survey – December 2011

The UK Interim Management Market.

Sharp downturn in activity

Highlights

- 5.9% drop in activity at the year-end follows an all too brief note of optimism at the end of June.
- The decrease appears to be amongst the less senior Interims – which pushes the average daily rate up to £621 from £607.
- Women continue to be hugely unrepresented in the Interim Management Sector
- 50% of all Interim Managers were tasked with supplying skills that were absent in their client's business - needed NOW but not all the time - with the rest distributed over non-routine needs such as post-merger integration.
- 26% of all assignments included some Mentoring & Coaching
- Virtually no change in the way Interims feel about being interim. Amazing resilience or something else?
- Our analysis of professional disciplines now needs to be altered to accommodate "Change Manager" as a classification. (It's like a "coming of age" of the Interim Management industry – from a "filling the gap" perception to a progressive, positive and modern reaction to competitive forces.)
- Age is a paradox. Interim Managers in their 50s are doing best!

See main Report for details –

- Six monthly movements in activity charted over the past 12 years
- All respondents analysed over professional disciplines
- split between those on assignment and those not.
- Interims on assignment analysed over business sectors
- *"Tick these boxes to show what sort of work you did?"* The results!
- Analysis of daily rates over professional disciplines and business sectors. (Watch out for small samples!)
- What happens to Interims at different ages? Some analysis (Being 50 to 59 is the place to be!)

The picture from a distance

At the core of the Interim Management market are the 50% (51% at the end of June) of all Interim Managers who are in their fifties and whose average daily rate is £648, the highest of all age groups. Around 30% of them are MDs/CEOs/General Managers and about 20% are Finance Director level professionals. They work across all sectors with public sector now accounting for

only about 20% of the market, Financial Services just over 10%, as also is, interestingly, the Manufacturing and Engineering Sectors (probably mirroring its size in the overall UK economy.

Understanding the Interim Management Market

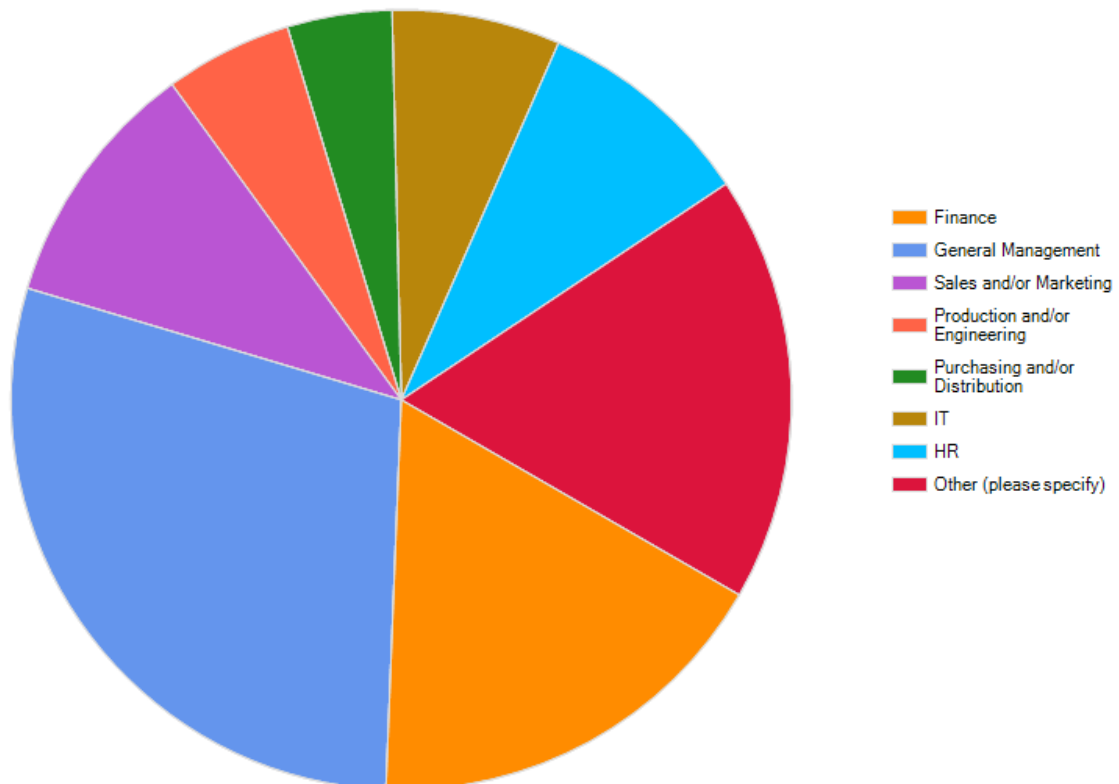
- This is the definition of Interim Management:- **“Interim Management is the engagement of a senior independent executive for a limited contracted period in a line management, staff or project role.”** Interim Management is a niche sector within the 1.4m temporary labour market. Blurring around the edges needs to be borne in mind.
- All the quantitative material supporting this survey is based on the Russam GMS database of interim managers, which we present as the most comprehensive working database in the sector – certainly the longest established - and, in any case, is consistent with all previous six-monthly surveys since 2001. Comparisons can also be made against every six month period going back to 1/1/01 – being when this series of the six-monthly Russam GMS Snapshot surveys started. These figures can be seen in detail on www.russam-gms.co.uk.
- The only other regular and substantive statistical survey of the Interim Management Market is that offered by The Interim Management Association (www.interimmanagement.uk.com). This is broadly similar to the Russam GMS Snapshot Survey but based on different statistical constituencies. The IMA ask their (approx.) 30 Members about the work they have actually done for their clients whilst Russam GMS interrogate their 12,000 registered Interim Managers and get a response that varies between 1500 and 2,000. (Virtually all of these Interim Managers will be registered with one of more other Interim Management Providers.) Two points to bear in mind here are that the IMA have some members who focus on Financial Services invariably at higher daily rates than other sectors and, secondly, Russam GMS interrogate ALL their Interim Managers including those who are NOT on assignment at the Snapshot dates – June and December in every year. At 31.12.11, 43.6% of all the Interim Managers who responded to the Russam GMS Snapshot Survey were on assignment. This compares with 46.35% as at 30.6.11 – a drop of 5.9%.
- Based on the standard definition of Interim Management (see above), the IMA has spoken about a market size of about £1bn – maybe a bit more. Our own crude way of measuring it is to add up the volume of business done (some needing to be estimated) by the mainstream Interim Management Providers - say 40 Providers turning over about £10m each = £400m (likely to be less now and certainly significantly lower than pre-2008.) and adopt the percentage of work reported by Interim Managers as being resourced through Providers which is – say – 40% to 50% and gross it up to 100%. This gives around £1bn. Market watchers can form their own judgements based on this. But it is still small compared with other sectors of the temporary/contract work market.
- We can analyse these figures down to underlying sectors and professional disciplines though need to be wary of samples becoming smaller.

January 2012

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The UK Interim Management Market – Summary

Now please answer a few questions about yourself. What is your major professional discipline?



All Respondents analysed over Professional Disciplines

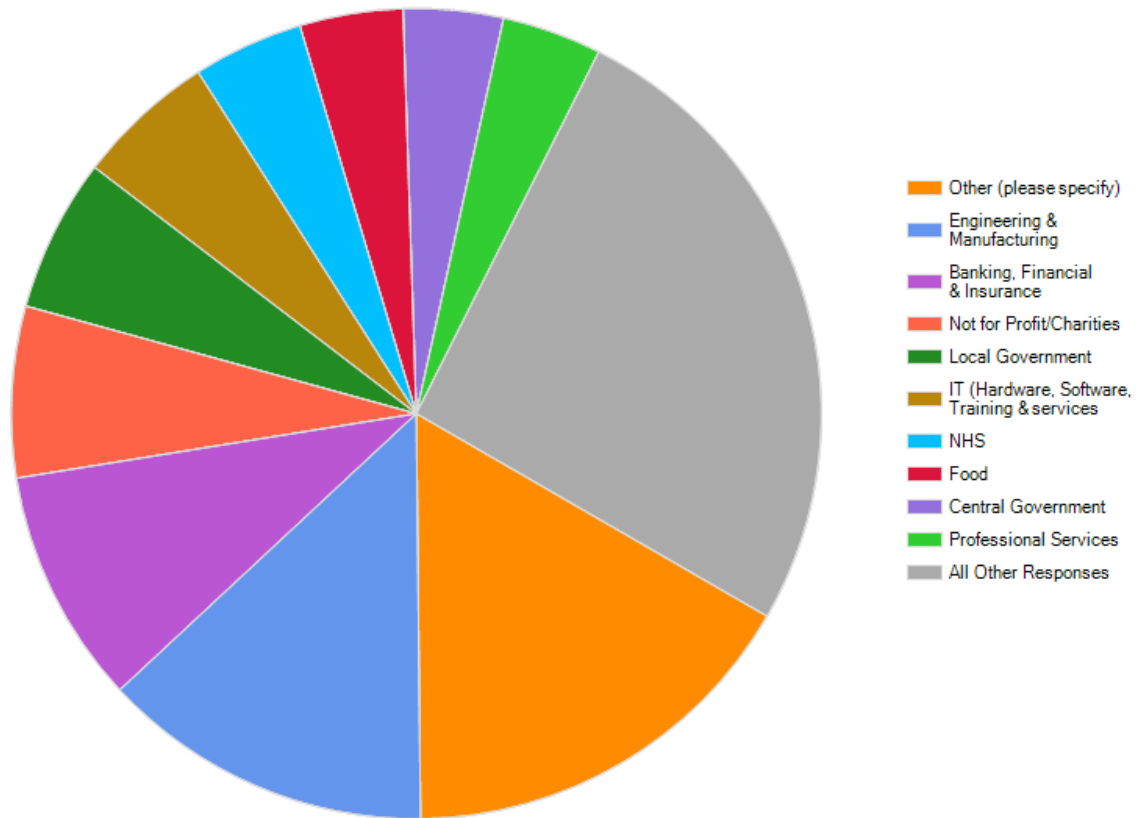
Disciplines	Dec-11	%	Jun-11	%
Finance	285	18%	256	18%
General management	466	29%	469	32%
HR	145	9%	124	9%
IT	114	7%	99	7%
Not specified	10	1%	26	2%
Other	225	14%	155	11%
Production/ and/or Engineering	85	5%	82	6%
Purchasing and/or Distribution	98	6%	79	5%
Sales and/or Marketing	172	11%	149	10%
	1600	100%	1439	100%

Please note the significant increase on “Other” – at 14%. Further analysis shows this to be “**Change Manager**” which we have never isolated as a separate category before. Wef from 30.6.12, we will do so.

Respondents on assignment analysed over Professional Disciplines				
Disciplines	F/T	%	P/T	%
Finance	89	18%	42	20%
General management	137	28%	70	33%
HR	50	10%	18	9%
IT	49	10%	3	2%
Other	73	15%	30	14%
Production/ and/or Engineering	29	6%	9	4%
Purchasing and/or Distribution	31	6%	11	5%
Sales and/or Marketing	32	7%	28	13%
	490	100%	211	100%

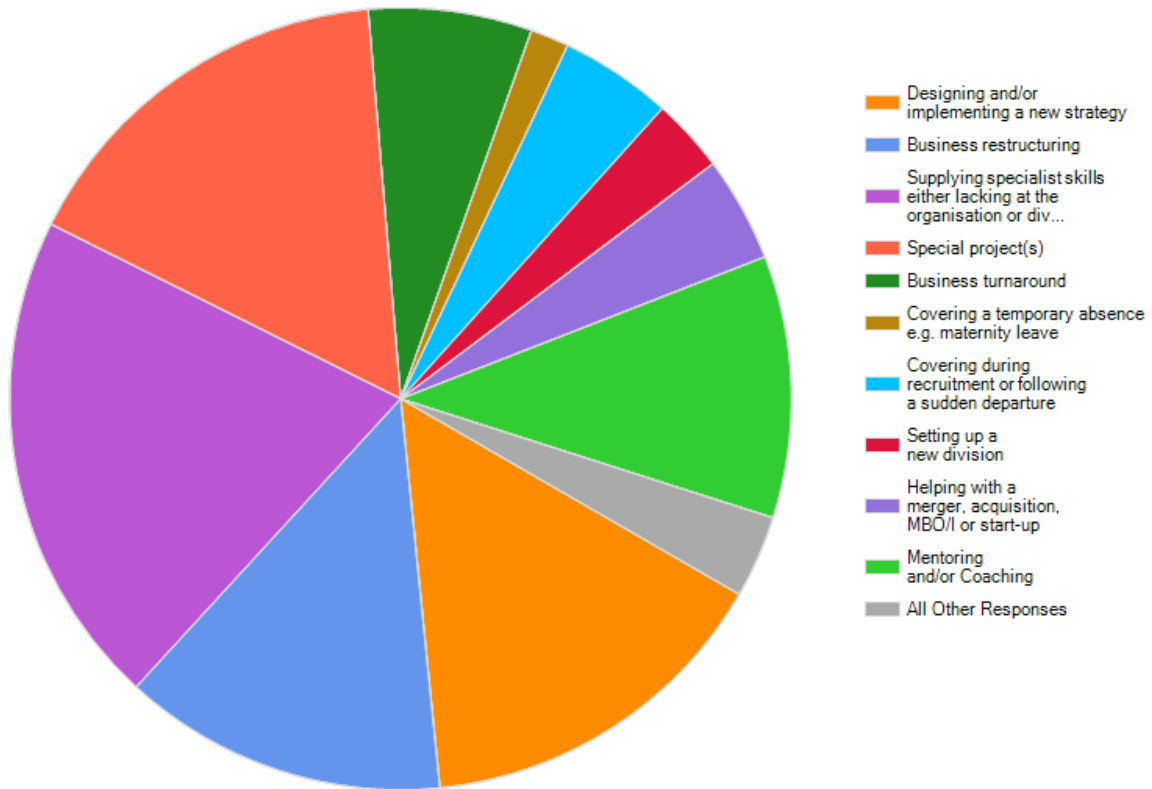
All Interims on Assignment by Discipline				
Disciplines	Dec-11	%	Jun-11	%
Finance	131	19%	117	18%
General management	207	30%	221	33%
HR	68	10%	55	8%
IT	52	7%	49	7%
Other	103	15%	83	12%
Production/ and/or Engineering	38	5%	43	6%
Purchasing and/or Distribution	42	6%	37	6%
Sales and/or Marketing	60	8%	62	10%
Total	701	100%	667	100%

In what industry/sector was the assignment?



On Assignment by Sector				
Sector	Dec-11	%	Jun-11	%
Banking Financial & Insurance	66	9	74	12
Construction & Property	23	3	22	3
Engineering & Manufacturing	117	17	84	13
FMCG	23	3	25	4
IT (Hardware / software / training & services)	40	6	32	5
Leisure Entertainment & Hospitality	24	3	16	2
Not for Profit/Charities	48	7	55	8
Food	29	4	24	4
Other	27	4	86	13
Professional services	33	5	29	5
Central Government	34	5	32	5
Local Government	49	7	31	5
Education	16	2	19	3
NHS	44	6	33	5
Pharmaceuticals	19	3	8	1
Retail	30	4	21	3
Supply chain	26	4	18	3
Telecoms	19	3	20	3
Utilities	34	5	21	3
Total	701	100%	650	100%

**What were your overall tasks or roles in the assignment?
Please tick as many as apply**



Overall tasks or roles in the assignment				
Task	Dec-11	%	Jun-11	%
Designing and/or implementing a new strategy	256	36%	277	42%
Business restructuring	228	32%	233	35%
Supplying specialist skills either lacking at the organisation or diverted onto other work	349	50%	367	55%
Special project(s)	277	39%	231	35%
Business turnaround	115	16%	109	16%
Covering a temporary absence e.g. maternity leave	27	4%	24	4%
Covering during recruitment or following a sudden departure	79	11%	62	9%
Setting up a new division	52	7%	52	8%
Helping with a merger, acquisition, MBO/I or start-up	74	11%	75	11%
Mentoring and/or Coaching	184	26%	180	27%
Other	58	8%	14	2%

Average Daily Rates					
F/T		P/T		Overall	
Dec-11	Jun-11	Dec-11	Jun-11	Dec-11	Jun-11
£627	£626	£599	£557	£621	£607

Daily Rates by Discipline						
Discipline	F/T		P/T		All	
	Dec-11	Jun-11	Dec-11	Jun-11	Dec-11	Jun-11
Finance	£653	£639	£595	£547	£652	£615
General management	£651	£648	£607	£615	£636	£646
HR	£592	£612	£598	£588	£594	£608
IT	£639	£686	£742	£632	£645	£675
Not specified		£656		£400	£650	£613
Other	£621	£642	£687	£532	£640	£606
Production/ and/or Engineering	£506	£459	£409	£453	£483	£460
Purchasing and/or Distribution	£677	£572	£569	£417	£651	£550
Sales and/or Marketing	£578	£566	£523	£522	£551	£535

Daily Rates by Sector						
Sector	F/T		P/T		All	
	Dec-11	Jun-11	Dec-11	Jun-11	Dec-11	Jun-11
Banking Financial & Insurance	£724	£700	£797	£632	£737	£694
Construction & Property	£679	£705	£500	£543	£643	£646
Engineering & Manufacturing	£600	£585	£602	£557	£600	£574
FMCG	£683	£659	£679	£1141	£681	£797
IT (Hardware / software / training & services)	£605	£737	£436	£552	£578	£656
Leisure Entertainment & Hospitality	£683	£630	£578	£570	£630	£608
Not for Profit/Charities	£450	£388	£503	£440	£477	£424
Food	£664	£690	£542	£453	£626	£672
Not specified	£650	£656	£1000	£467	£738	£618
Other	£680	£611	£584	£619	£664	£616
Professional services	£774	£554	£615	£454	£715	£525
Central Government	£603	£724	£618	£548	£606	£669
Local Government	£508	£547	£518	£525	£510	£550
Education	£535	£563	£486	£397	£499	£484
NHS	£492	£628	£667	£515	£527	£590
Pharmaceuticals	£677	£675	£607	£400	£658	£606
Retail	£562	£538	£731	£614	£618	£564
Supply chain	£639	£620	£717	£654	£654	£627
Telecoms	£651	£681	£771	£665	£679	£678
Utilities	£592	£624	£762	£500	£633	£619

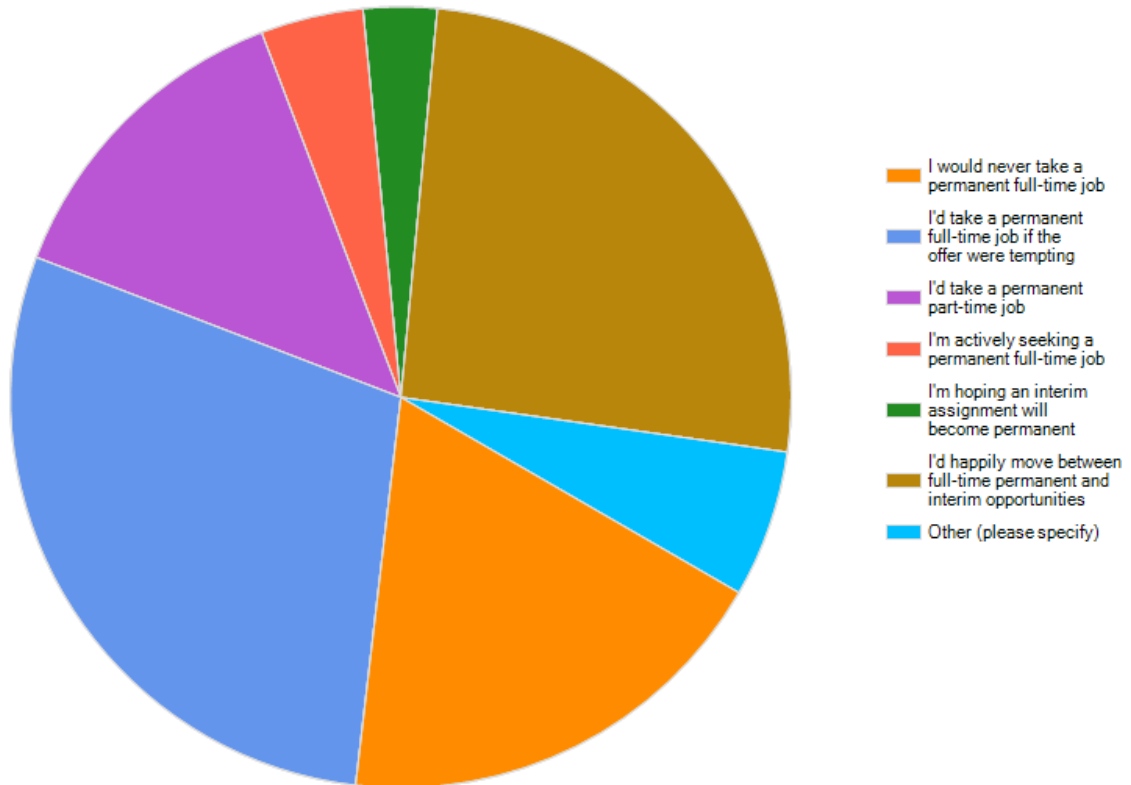
Age Ranges of Interims	
	%
Age Range	Dec-11
20's & 30's	2
40's	20
50's	50
60' +	28
	100%

% in Age Range actually on Assignment		
	%	
Age Range	Dec-11	Jun-11
Late 20's & 30's	50	42
40's	55	58
50's	46	47
60's	32	35

Daily Rates by Age		
Age Range	Dec-11	Jun-11
Late 20's & 30's	439	522
40's	628	627
50's	648	628
60's	557	536
All ages	621	607

Daily Rates by Region		
Region	Dec-11	Jun-11
South	£582	£629
Central	£620	£627
West	£623	£550
North	£582	£558
Overseas	£727	£695

Which of the following reflects your own career plans? (tick all that apply)



Interim Managers' Career Plans		
	(% of all responses)	
	Dec-11	Jun-11
Would never take a permanent FT job	30	29
Would take a FT job if the offer were tempting	46	48
Would take a permanent PT job	21	17
Actively Seeking	7	10
Hoping Interim becomes Permanent	5	4
Happily move between	41	38

About Russam GMS Ltd:

Russam GMS is the longest established mainstream provider of Interim Managers in the UK with a 30 year industry track record and has been voted 'Best Interim Recruitment Agency' for the last two years. The company is a search-driven consultancy and has a data base of 12,000 Interims which is the most comprehensive working database and range of contacts within the UK Interim Management industry. It provides Interims across a wide range of disciplines at Board or near Board level across virtually all business sectors including financial services, manufacturing, central and local government, financial services, aerospace and defence, healthcare, universities, charity and not for profit sectors and the private equity and venture capital sectors.

Russam GMS views the Interim Management Market more holistically and entrepreneurially than its competitors. It runs a unique Associates Programme for Interims which includes career advice, job news, events, training and its IND~EX Weekly newsletter to all its 12,000 registered Interim Managers. It has established www.Trustees-Unlimited.co.uk and also www.InterimWomen.com and has a growing number of JV arrangements with third parties building on its strong delivery capabilities across the broad Interim Management field.

Russam GMS Ltd - Interim Management – 30.1.12

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