

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.

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