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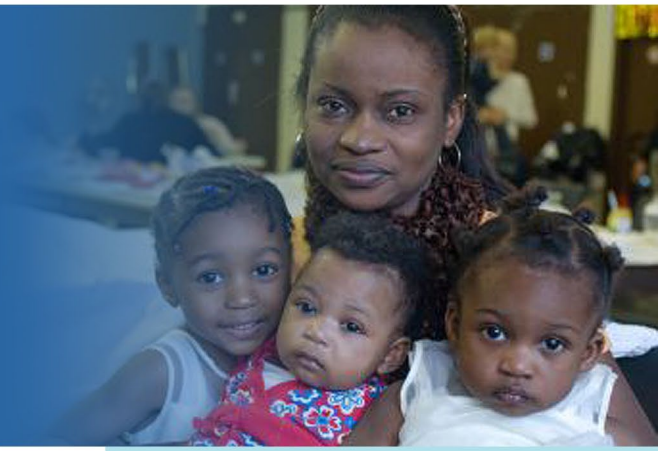
the interim specialists

case study

Interim Management In Action

Interim Finance Director helps Family Action look to a sustainable financial future



About Family Action

Family Action www.family-action.org.uk has been a leading provider of services to disadvantaged and socially isolated families since its foundation in 1869. The charity works with over 45,000 children and families every year providing practical, emotional and financial support through over 100 services based in communities across England. A further 150,000 people benefit from its educational grants and information service. It tackles some of the most complex and difficult issues facing families today – including domestic abuse, mental health problems, learning disabilities and severe financial hardship.

The Challenge

Following the departure of its finance director, Family Action urgently needed an interim replacement able to start in two to three weeks and had very specific requirements.
At the time, the charity faced great uncertainty about the upcoming government spending review, the potential cuts in income and how this might impact its ability to provide services.
Family Action needed a finance director with a strong commercial background, experienced in financial reduction programmes, able to help with the organisational restructure and develop new business and commercial models.

Norman Blissett, Director of Human Resources and Organisation Development at Family Action commented, "We were going through a very uncertain period and needed to recruit an interim able to quickly understand our financial situation and plan for the different financial scenarios that could emerge. We needed someone with an understanding of charity finance but who knew how to deal with the commercial and competitive world we now work in and ideally, with experience of NHS finance or local government funding, outsourcing and joint ventures as these were key targets for future growth."

Norman approached Russam GMS, the award-winning interim provider with a specialist charities and not-for-profit division. Five suitable candidates were shortlisted and interim finance director Phil King was selected because of his entrepreneurial track record in international business development, finance and project leadership.

Phil was formerly Head of Finance at Ecotricity Group Ltd, where he had played a key role in helping the business double its turnover from £19m to £38m and, as Finance Director of Cafedirect PLC, where he had helped the organisation triple its turnover from £8m to £22m. Phil has a keen understanding of taxation gained from his role as Treasurer of a charity/NGO involved in developmental projects in 11 different countries. Additionally, he was formerly Managing Director of an NHS contractor providing outsourcing prosthetic services on five to seven year contracts.

The Assignment

Phil was soon in place on a three to four day a week contract. His first task was to undertake an in-depth analysis of the charity's financial situation. As part of this, Phil modelled financial scenarios including the impact of any contracts that might be lost in the upcoming government spending review and how the cuts might impact the charity's finances and services. Based on his modelling and forecasts, Family Action was able to put a financial reduction plan in place that would ensure minimal organisational disruption and also focus on what it needed to do to win new business.

Phil comments, "By modelling different scenarios I was able to reassure the board about the charity's financial future and importantly, demonstrate that the potential cuts might not be as bad as people thought. As a result, the organisation was able to undertake the financial reduction programme with greater confidence."

When the spending review took place, Family Action was affected by the cuts. The organisation lost around 25% of its income and so Phil's next role was to help with an organisational restructure which involved a reduction in head count and new business development.

To assist with new business, Phil improved the charity's tendering process and got a greater number of people involved in tendering. As a result, a couple of new projects have been won including a Children's Centre in Islington, London and a Young Carers project in Durham. Family Action is also in the final stages of other tenders and is investing greater resource and time into tendering. The charity has come through its year end successfully and Phil has also improved the financial reporting process to make it easier for the trustees to understand the finances.
Norman Blissett comments, "This was a great interim appointment; it was very successful. By recruiting an interim part time, we were able to attract someone with far more experience than if we had recruited someone permanently."

"It tackles some of the most complex and difficult issues... including domestic abuse, mental health problems, learning disabilities and severe financial hardship."

"Phil won the trust of our board immediately and got a firm grip on our financial situation and designed financial planning scenarios to help us deal with the uncertainty from October 2010 to January 2011. Once the impact of the cuts became clearer in Jan/Feb 2011 he played an integral part in managing the loss of £6M of business which emerged as we moved into the new financial year in April 2011. He introduced new ways of working, improved our process including our approach to new business which has been key in helping us win some valuable new contracts. We are now financially stable and excited about future opportunities. We are still working with Phil on a part time basis and we are in a great position to recruit a permanent finance director as a result of his work."

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