

The Russam GMS Interim Management

Snapshot Survey – December 2005

This electronic Survey was carried out between 23 December 2005 and 15 January 2006 following established processes. 6166 executives were emailed and 1093 responded, 543 of whom were on assignment.

Contents

- 1 Interim Managers on Assignment – Full-time & Part-time
- 2 Daily rates
- 3 Source of Interim Assignments
- 4 Industry Sectors where Interim Assignments have taken place
- 5 Types of Assignment undertaken
- 6 Age
- 7 Career Plans & Aspirations of Interim Managers

Notes

- 1 Russam GMS sees this (quantitative) Market Research as the best in the sector. We have been doing it longer and more regularly than anyone else, but in recent times many observers will have seen an increase in the number and type of other research publications and, if they have studied all of it in some detail, will have emerged from that process thinking that there are variations in some of the figures reported. Observers must look closely at the nature of the constituency upon which the research material is based. All the quantitative material is based on the authors' own database of registered Interim Managers. Whilst all Interim Management Providers fish in the same pond and, in theory, their databases should be exactly the same, there are

significant variations between them. To this extent their statistical findings must vary. Russam GMS submits that the RGMS database, the most comprehensive working database in the sector, is representative of the mainstream market but observers need to form their own conclusions.

- 2 In assessing these figures please bear in mind that, quite some time ago, we identified the need to differentiate between F/T and P/T (anything less than 5 days on a continuous basis)
- 3 In the analysis there are occasional variations in the reported numbers of people in a category. This is due to a very small number of people not answering all the questions.
- 4 Sample sizes also need to be taken into account particularly where these are small.

1 Interim Managers on Assignment

Of the total of 1093 at 31st December 2005 responding to the questionnaire, 543 were on assignment. This figure of 50% stays virtually the same for the fourth consecutive time: -

- 50% at December 2005
- 51% at June 2005
- 51% at December 2004
- 51% at June 2004
- 48% at December 2003,
- 40% at June 2003,
- 48% at December 2002,
- 50% at June 2002 and
- 57% at June 2001 which was the highest we have recorded since we started the Snapshot Surveys in December 2000.

Interestingly, the full-time/ part-time split which has remained constant since we started the Snapshot Surveys at two thirds/one third have now moved to 73% full-time and 27% part-time.

As one would expect of an Interim Management business, the majority of Interims are General Managers (MDs, CEOs) and it is interesting to note that the percentage split of professional disciplines continues to remain constant.

Respondents analysed over Professional Disciplines						
Disciplines	Dec-05	%	F/T	%	P/T	%
Finance	188	17%	91	23%	19	12%
General management	344	31%	108	27%	62	40%
HR	90	8%	37	9%	11	7%
IT	90	8%	42	11%	9	6%
Not specified	13	1%	5	1%	0	0%
Other	84	8%	27	7%	10	6%
Production/ and/or Engineering	72	8%	17	4%	7	5%
Purchasing and/or Distribution	79	7%	34	9%	3	2%
Sales and/or Marketing	133	12%	37	9%	33	22%
	1093	100%	398	100%	154	100%

Virtually no change from June 2005.

Interims on Assignment by Discipline				
	Dec-05	%	Jun-05	%
Finance	109	20%	107	19%
General management	166	31%	158	28%
HR	48	9%	53	10%
IT	48	9%	48	9%
Other	42	8%	43	8%
Production/ and/or Engineering	24	4%	36	7%
Purchasing and/or Distribution	38	7%	44	8%
Sales and/or Marketing	68	12%	60	11%
Total	543	100%	549	100%

2 Daily Rates

The daily rate as at 31st December hits an all-time high at £537. Note that Daily Rates quoted here are arithmetic averages and relate to a wide range of actual rates. The increase would appear to be across the range of industry sectors and also in professional disciplines although IT records a slight decrease. Might this be the result of highly competitive margin pressures in the IT sector? These are:-

- £537 at December 2005
- £518 at June 2005
- £513 at December 2004
- £510 At June 2004
- £481 at December 2003
- £506 at June 2003
- £473 at December 2002
- £488 at June 2002.
- £511 at December 2001
- £480 at June 2001.

Average Daily Rates					
F/T		P/T		Overall	
Dec-05	Jun-05	Dec-05	Jun-05	Dec-05	Jun-05
538	521	536	511	537	518

Daily Rates by Discipline						
Discipline	F/T		P/T		All	
	Dec-05	Jun-05	Dec-05	Jun-05	Dec-05	Jun-05
Finance	535	518	567	513	540	517
General management	568	538	528	525	554	533
HR	522	519	595	500	539	510
IT	528	558	594	501	540	547
Not specified	470	417	-	400	470	413
Other	615	578	585	606	607	592
Production/ and/or Engineering	389	435	478	442	415	438
Purchasing and/or Distribution	514	493	650	467	525	489
Sales and/or Marketing	526	501	483	480	507	491

Daily Rates by Sector						
Sector	F/T		P/T		All	
	Dec-05	Jun-05	Dec-05	Jun-05	Dec-05	Jun-05
Banking Financial & Insurance	592	570	559	489	581	545
Construction & Property	486	464	543	450	502	457
Engineering & Manufacturing	539	524	504	486	529	510
FMCG	468	552	625	620	523	572
IT (Hardware / software / training & services)	499	517	504	625	499	561
Leisure Entertainment & Hospitality	640	470	571	456	617	462
Not for Profit/Charities	417	384	372	387	397	386
Food	468	454	471	505	469	473
Not specified	417	450	500	696	470	594
Other	581	542	503	520	566	534
Professional services	507	546	503	508	505	530
Central Government	580	535	526	579	571	542
Local Government	474	449	546	380	494	433
Education	454	583	350	407	436	524
NHS	516	406	317	588	470	466
Pharmaceuticals	540	433	785	380	642	427
Retail	675	538	694	533	681	537
Supply chain	611	565	620	463	613	548
Telecoms	546	602	583	530	555	583
Utilities	546	543	850	645	668	562

Daily Rates by Region		
Region	Dec-05	Jun-05
South	541	521
Central	530	530
West	494	487
North	526	499
Overseas	625	567

3 Source of Interim Assignments

Here we have an interesting development! For quite some time, the figures showing how many Interims get their work through Providers has remained fairly constant – but at 31/12/05 it has jumped as follows:-.

Source of Assignments		
Through a Provider	%	
	Dec-05	Jun-05
Full-time	57	49
Part-time	20	17
Total	47	38

The two main areas of increase have been in Finance and Manufacturing. We think that this reflects staff shortages and the greater reliance by clients on agencies.

Source of Assignments by Discipline		
Through a Provider	%	
	Dec-05	Jun-05
Finance	34	27
General management	19	14
HR	23	28
IT	29	30
Not specified	15	10
Other	20	16
Production/ and/or Engineering	17	8
Purchasing and/or Distribution	29	30
Sales and/or Marketing	20	13

This chart shows those sectors that use Interims and the extent to which they rely on providers.

Source of Assignments by Sector		
Through a Provider	%	
	Dec-05	Jun-05
Banking Financial & Insurance	37	56
Construction & Property	42	12
Engineering & Manufacturing	44	41
FMCG	48	47
IT (Hardware / software / training & services)	39	31
Leisure Entertainment & Hospitality	48	15
Not for Profit/Charities	52	38
Food	39	32
Other	46	27
Professional services	34	17
Central Government	84	64
Local Government	64	50
Education	46	22
NHS	38	38
Pharmaceuticals	42	33
Retail	23	45
Supply chain	33	42
Telecoms	42	37
Utilities	40	48

Some of these figures are based on small samples but it is interesting to note the increase in the use by Central and Local Government of agencies. Might this mean that pressure to reduce headcounts is being compensated for by extra temporary workers and/or the use of Interims instead of Consultants?

4 Industry Sectors where Interim Assignments have taken place

The two sectors of Engineering/Manufacturing and the Public Sector continue to dominate as they have done for quite some time. The softening in Public Sector work that we thought we detected in the last Snapshot does not seem to be happening and might even have shown a slight increase this time. The “Other” category (where we have not been able to identify any dominating sector users of Interims) shows that Interims are used by the broadest range of sectors but not in significant quantities. This points to one of the key advantages of using a Provider – their ability to find anyone, anytime, anywhere.

On Assignment by Sector				
	Dec-05		Jun-05	
		%		%
Banking Financial & Insurance	38	7%	43	8%
Construction & Property	24	5%	17	3%
Engineering & Manufacturing	83	15%	86	16%
FMCG	23	4%	17	3%
IT (Hardware / software / training & services)	33	6%	38	7%
Leisure Entertainment & Hospitality	21	4%	13	2%
Not for Profit/Charities	26	5%	28	5%
Food	23	4%	22	4%
Other	63	12%	64	12%
Professional services	29	5%	24	5%
Central Government	49	9%	47	9%
Local Government	25	5%	22	4%
Education	12	2%	9	2%
NHS	13	2%	12	2%
Pharmaceuticals	12	2%	9	2%
Retail	13	2%	20	4%
Supply chain	20	4%	24	4%
Telecoms	26	5%	19	4%
Utilities	10	2%	23	4%
	543	100%	537	100%

5 Types of Assignment undertaken

Amazing Isn't it? This table has never changed materially changed since we started reporting on it.

What this analysis clearly shows is that Interims are continuing to be used as a strategic resource. Twenty years ago, Interims were used for crises, filling gaps. Now, progressively, businesses see the advantages of Interim Management in vigorously promoting the business rather than as defensive and reactive measures. More business processes are being treated as projects or tasks which can be handled outside the core team and short-term over-resourcing is seen as a very effective and legitimate approach.

Quietly noticeable is "Mentoring/Coaching" – if anything, on the increase. Might this mean that times of high employment and recruitment hassle – and, maybe, cost – it's better to look after your own rather than someone else's?

Top Ten Reasons for using an Interim		
%	Dec-05	Jun-05
Specialist Skills	22	23
Special Projects	16	15
New Strategy	15	16
Restructuring	13	13
Mentoring/Coaching	12	11
Business Turnround	7	8
During Recruitment	5	5
Merger/Acquisition	4	4
New Division	3	3
Temporary Absence	2	1
Other	1	1
Total	100	100

6 Age

December 2005 shows a slight decline in Interims in their 40s and a slight increase in those aged 60 and over. Our view is that this reflects good demand and more Interims in their 40s being persuaded back into permanent employment.

% in Age Range actually on Assignment		
	%	
Age Range	Dec-05	Jun-05
Late 20's & 30's	49	49
40's	52	56
50's	49	48
60's	43	41

We think that this also reflects on the comments above. Those in their 60s might price themselves down or undertake lower level assignments.

Daily Rates by Age		
Age Range	Dec-05	Jun-05
Late 20's & 30's	469	509
40's	573	536
50's	528	512
60's	471	451
All ages	537	518

7 Career Plans & Aspirations of Interim Managers

These figures continue to be remarkably consistent. What we think it all means is that attitudes of Interim Managers to Interim Management as a career remain very flexible and pragmatic. Only about a quarter say they are committed interims who would never take a permanent full-time job whilst about a fifth are looking for a permanent job or hope that their interim assignment will convert into a permanent appointment. The rest adopt a commercial and opportunistic approach. What we see is no weakness in commitment. We see senior people with a skill-set who sell their professional product to whoever wants to buy it.

Interim Managers' Career Plans		
	(% of all resp)	
	Dec-05	Jun-05
Would never take a permanent FT job	29	27
Would take a FT job if the offer were tempting	50	49
Would take a permanent PT job	18	23
Actively Seeking	8	11
Hoping Interim becomes Permanent	4	5
Happily move between	42	43

Russam GMS Ltd
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Russam GMS Ltd
Interim Management + FiveDay Resourcing

48 High Street North, Dunstable, Beds. LU6 1LA, 01582 666970. hq@russam-gms.co.uk.

www.russam-gms.co.uk

Birmingham - Bristol - Leeds - Manchester