

The Russam GMS Interim Management

Snapshot Survey – December 2008

Russam GMS are pleased to present their December 2008 Snapshot Survey of the Interim Management Market.

Commentary

- **First market slowdown recorded since 2000**
- **Survey reveals 11% fall in Interim management volumes**
- **Younger Interims and Interims in their 60s losing out to Interims in their 40s and 50s**
- **Daily rates, paradoxically, at record high of £612**
- **Serious grounds for optimism about new opportunities**

Interim Manager's daily rates were still rising at 31st December 2008, according to this, the latest Snapshot market survey of 9000 Interim Managers from Interim Provider, Russam GMS. The survey also revealed an 11% drop in the volume of Interim Management work - the first slowdown recorded since the Russam GMS Snapshot Surveys started in 2000.

In spite of this market slowdown, the average daily rate rose by 1.5% from £603 to £612 a day – an all time high. However, Russam GMS cautions that this could be because daily rates are agreed at the start of Interim assignments and that the market slowdown has not yet impacted daily rates.

Interims specialising in IT commanded the highest daily rates – an average of £697 a day, closely followed by general managers on £669, with Interims working in HR and purchasing and distribution being paid on average £597 per day.

Unsurprisingly, Interims working in the financial sector have seen their daily rate drop by 4% from £607 in June 2008 to £583 in December. However, for the first time ever, Interim Managers working overseas are earning considerably more than their UK counterparts – an average of £707 a day, though this is a fairly small sample.

Commenting on the findings, Charles Russam founder and Chairman of Russam GMS, says: "This is the third recession that Russam GMS has lived through. The slowdown in the number of assignments is probably an accurate reflection of the market right now and, unfortunately, no surprise. It is however, encouraging that there remains a strong

demand for Interims in many sectors including central and local government, the NHS, education and in the not for profit sectors in particular.”

Interims in their 20s and 30s appear to be losing assignments to Interims in their 40s and 50s. 65% of them were on assignment in June 2008 but this had fallen to 48% by December. Interims in their 60s also saw a drop in the number of assignments they handled with 46% working in June and just 37% on assignment in December. However, over half – 52% - of all Interims in their forties were on assignment at 31st December.

Russam believes this has nothing to do with ageism. He says, “When times are good and demand increases the engagement net spreads wider and when the market contracts, it’s all to do with competition and perceived merit. Our advice to all Interims is to keep skills up to date, stay sharp, restless and look the part at all times - there is no reason why older Interims should not play the same game.”

Interestingly, there was also a shift in the way Interims saw their careers. There was a 4% rise in the number of Interims willing to consider a return to permanent work in search of greater job security. There was also a 2% rise in the number of Interims willing to move between Interim and permanent work. But, there was still only about 15% who were actively looking for a permanent job or hoping their interim assignment would turn permanent.

Russam says, “With fewer assignments, there will be tougher competition for jobs in 2009 and it is inevitable that daily rates will be squeezed but “a fair rate for a good job” has always been our creed and our advice to all Interims has been NOT to work for less than a fair rate. Given the uncertain outlook, it is unsurprising that a greater number of Interims stated they would consider moving to permanent jobs for greater job security – presumably taking the view that there is greater security in permanent employment and that they will be able to find the jobs.”

Another trend was the drop in the number of assignments being sourced through Providers. Russam comments, “Providers like us need to develop excellent client relationships, because with more Interims on the market, there will be less reliance on Providers to find Interim talent. We also believe there will be new opportunities emerging out of the recession. While we cannot predict how the market will turn out in 2009, we know that projects still need to continue. Our experience has shown that businesses will see Interim Managers as a highly flexible, cost effective resource and a great solution particularly if they do not have the budget for permanent hires in these uncertain times.”

Charles Russam also believes that this recession, as none before, will highlight the fundamental differences between stereotypical employees and the best Interim Managers. He concludes, “Employees talk about rights, legal obligations, stress, work-life balance and are rarely quick to relate their pay to the actual value to their organisation. The best Interims don’t talk much about these issues; their thoughts are about competing, winning, delivering results, providing value for money and proving their worth. This is why, in the serious challenges that now lie ahead of us all, the best Interim Managers are going to be glad that they are Interims. And so are their clients.”

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This electronic Survey was carried out between December 22 2008 and January 11 2009 following established processes. Almost 9000 executives were emailed and 1205 responded, 565 of whom were on assignment. This represents 47%, six percentage points down on June 2008.

1 Respondents analysed over Professional Disciplines

Respondents analysed over Professional Disciplines						
Disciplines	Dec-08	%	F/T	%	P/T	%
Finance	214	18%	68	17%	27	16%
General management	372	31%	112	28%	65	38%
HR	97	8%	33	8%	13	8%
IT	92	8%	30	8%	4	2%
Not specified	21	2%	9	2%	0	0%
Other	104	9%	40	10%	18	11%
Production/ and/or Engineering	66	5%	18	5%	10	6%
Purchasing and/or Distribution	87	7%	43	11%	7	4%
Sales and/or Marketing	152	12%	43	11%	25	15%
	1205	100%	396	100%	169	100%

2 Interims on Assignment by Discipline

Interims on Assignment by Discipline				
	Dec-08	%	Jun-08	%
Finance	98	17%	83	17%
General management	174	31%	168	34%
HR	49	9%	42	8%
IT	34	6%	35	7%
Other/Not Specified	66	12%	42	8%
Production/ and/or Engineering	26	5%	34	7%
Purchasing and/or Distribution	50	8%	34	7%
Sales and/or Marketing	68	12%	61	12%
Total	565	100%	499	100%

3 Average Daily Rates

Average Daily Rates					
F/T		P/T		Overall	
Dec-08	Jun-08	Dec-08	Jun-08	Dec-08	Jun-08
£615	£588	£600	£637	£612	£603

4 Daily Rates by Discipline

Daily Rates by Discipline						
Discipline	F/T		P/T		All	
	Dec-08	Jun-08	Dec-08	Jun-08	Dec-08	Jun-08
Finance	£600	£616	£545	£589	£583	£607
General management	£658	£625	£687	£687	£669	£649
HR	£592	£548	£594	£583	£597	£558
IT	£680	£588	£821	£744	£697	£621
Not specified	£781	£875	0	0	£781	£875
Other	£580	£589	£572	£639	£577	£613
Production/ and/or Engineering	£539	£478	£478	£439	£518	£471
Purchasing and/or Distribution	£584	£568	£604	£688	£597	£596
Sales and/or Marketing	£564	£556	£465	£581	£527	£561

5 Daily Rates by Sector

Daily Rates by Sector						
Sector	F/T		P/T		All	
	Dec-08	Jun-08	Dec-08	Jun-08	Dec-08	Jun-08
Banking Financial & Insurance	725	654	719	906	718	738
Construction & Property	600	734	586	579	596	690
Engineering & Manufacturing	590	570	573	593	583	575
FMCG	503	613	475	694	496	646
IT (Hardware / software / training & services)	571	515	582	518	587	511
Leisure Entertainment & Hospitality	636	700	779	500	698	589
Not for Profit/Charities	485	452	444	391	464	417
Food	509	498	769	644	626	532
Not specified	806	640	0	335	806	589
Other	622	603	515	712	595	647
Professional services	685	585	559	584	634	585
Central Government	613	637	726	658	638	644
Local Government	580	503	547	481	574	498
Education	583	594	480	628	560	609
NHS	614	537	681	657	641	578
Pharmaceuticals	538	575	735	867	603	684
Retail	563	731	733	694	597	719
Supply chain	599	584	850	835	715	658
Telecoms	740	614	700	723	729	629
Utilities	767	547	600	797	755	609

6 Daily Rates by Region

Daily Rates by Region		
Region	Dec-08	Jun-08
South	620	644
Central	616	611
West	588	504
North	542	606
Overseas	707	642

7 Source of Assignments

Source of Assignments		
Through a Provider	%	
	Dec-08	Jun-08
Full-time	56	61
Part-time	20	20
Total	45	48

8 Source of Assignments by Discipline

Source of Assignments by Discipline		
Through a Provider	%	
	Dec-08	Jun-08
Finance	53	53
General management	33	36
HR	65	62
IT	56	67
Not specified	25	50
Other	42	48
Production/ and/or Engineering	37	54
Purchasing and/or Distribution	62	62
Sales and/or Marketing	41	42

9 Source of Assignments by Sector

Source of Assignments by Sector		
Through a Provider	%	
	Dec-08	Jun-08
Banking Financial & Insurance	54	43
Construction & Property	33	33
Engineering & Manufacturing	30	52
FMCG	50	42
IT (Hardware / software / training & services)	35	15
Leisure Entertainment & Hospitality	31	22
Not for Profit/Charities	61	55
Food	20	65
Other	42	38
Professional services	28	30
Central Government	59	68
Local Government	76	84
Education	75	50
NHS	45	52
Pharmaceuticals	83	50
Retail	47	38
Supply chain	15	29
Telecoms	33	53
Utilities	50	40

10 On Assignment by Sector

On Assignment by Sector				
	Dec-08		Jun-08	
		%		%
Banking Financial & Insurance	39	7	42	9
Construction & Property	30	6	21	4
Engineering & Manufacturing	66	12	64	13
FMCG	18	3	22	4
IT (Hardware / software / training & services)	28	5	20	4
Leisure Entertainment & Hospitality	16	3	9	2
Not for Profit/Charities	46	8	37	7
Food	19	3	17	3
Other	63	11	52	11
Professional services	32	6	27	5
Central Government	51	9	43	9
Local Government	36	7	31	6
Education	20	4	14	3
NHS	20	4	23	5
Pharmaceuticals	6	1	8	2
Retail	15	3	13	3
Supply chain	13	2	17	3
Telecoms	18	3	15	3
Utilities	14	3	20	4
	550	100%	495	100%

11 Age Range actually on Assignment

% in Age Range actually on Assignment		
	%	
Age Range	Dec-08	Jun-08
Late 20's & 30's	48	65
40's	52	54
50's	47	53
60's	37	46

12 Daily Rates by Age

Daily Rates by Age		
Age Range	Dec-08	Jun-08
Late 20's & 30's	639	590
40's	627	605
50's	605	616
60's	568	563
All ages	612	603

13 Interim Managers' Career Plans

Interim Managers' Career Plans		
	(% of all resp)	
	Dec-08	Jun-08
Would never take a permanent FT job	29	33
Would take a FT job if the offer were tempting	49	49
Would take a permanent PT job	17	18
Actively Seeking	10	8
Hoping Interim becomes Permanent	5	5
Happily move between	40	38

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