

The Russam GMS Interim Management

Snapshot Survey – June 2008

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

Highlights

- **Market activity stays at an all-time high.** 1.9% more than 6 months ago and 1.4% more than a year ago and higher than at any time since 1.1.01 except for June 01 which was the height of the dot.com boom. (See NOTE at end about measuring the number of Interim Managers active in the market and the size of the market.)
- In the early days – the 1980s and early 1990s - Interims were used primarily for gap filling and were aged around 60. Now the age profile has come down to 53 and there is – and has been for a few years - **increasing recognition of strategic change as the prime growth driver** rather than the more commonly hitherto perceived needs of gap-filling and riding-to-the-rescue assignments. Interim Management is an embedded part of the corporate resourcing process.
- **Daily rates have increased to record levels – for the first time the average is over £600 per diem (at £603).** Up 22% since Jan 01 (£501) and 3% over the same period 2007. Purchasing/Distribution, General Management and Finance roles seeing the highest levels of daily rate growth – 17%, 11% and 4% respectively. From an industry perspective we are seeing the highest increases in Central Government where, over the last 12 months, daily rates have increased over 16% to £644 per diem (from £555). Local Government rates are also up 10% which indicates a transfer of more experienced interim executives from private to public sector roles.
- **The Providers' market share increases significantly.** Providers now supply 48% of the total Interim Market - 61% of all full-time Interims (an all time record), but down to 20% for all part-time assignments. A staggering 84% of Local Government roles are filled by Providers (up from 71% in June-07); followed in second place by Central Government at 68%.
- **Sectors using the most interim managers** were once again Manufacturing & Engineering (13% of all assignments) and Central & Local Government (15%). The Not-for-Profit/Charities sector has experienced a virtual doubling of assignments over the past four years – holding steady at 7% over the past three periods against 4% in June'04. Central and Local Government bodies are using Interims instead of Consultants – indicating to us that they are perceived as better value-for-money.
- **Attitudes to Interim Management as a career remain amazingly constant.** We found again that Interim Managers as a group continue to take a very flexible and pragmatic view of their careers. Only about a third say they are committed

interims who would never take a permanent full-time job whilst about 50% would take a full-time job if the offer were tempting (this is up from 44% in Dec-07 and anecdotally we hear that some interims would like to “lock” themselves into a permanent roles to weather the current economic slowdown). Also, a fifth are looking for a permanent job or hope that their interim assignment will convert into a permanent appointment. 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. In fact another very constant figure is 38% which relates to Interim Managers who would happily move between perm and temp.

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This electronic Survey was carried out between June 27 2008 and July 25 2008 following established processes. Almost 7700 executives were emailed and 947 responded, 501 of whom were on assignment. This represents 53% a percentage point up on December 2007.

1 Respondents analysed over Professional Disciplines

| Respondents analysed over Professional Disciplines | | | | | | |
|--|--------|------|-----|------|-----|------|
| Disciplines | Jun-08 | % | F/T | % | P/T | % |
| Finance | 149 | 16% | 64 | 18% | 17 | 11% |
| General management | 334 | 35% | 107 | 31% | 64 | 39% |
| HR | 66 | 7% | 30 | 9% | 12 | 7% |
| IT | 75 | 8% | 28 | 8% | 7 | 4% |
| Not specified | 11 | 2% | 2 | 1% | 0 | 0% |
| Other | 70 | 7% | 21 | 6% | 21 | 13% |
| Production/ and/or Engineering | 70 | 7% | 29 | 9% | 6 | 4% |
| Purchasing and/or Distribution | 61 | 6% | 26 | 8% | 8 | 5% |
| Sales and/or Marketing | 111 | 12% | 33 | 10% | 28 | 17% |
| | 947 | 100% | 340 | 100% | 163 | 100% |

2 Interims on Assignment by Discipline

| Interims on Assignment by Discipline | | | | |
|--------------------------------------|--------|------|--------|------|
| | Jun-08 | % | Dec-07 | % |
| Finance | 83 | 17% | 93 | 16% |
| General management | 168 | 34% | 190 | 33% |
| HR | 42 | 8% | 5 | 10% |
| IT | 35 | 7% | 42 | 7% |
| Other | 42 | 8% | 49 | 9% |
| Production/ and/or Engineering | 34 | 7% | 43 | 7% |
| Purchasing and/or Distribution | 34 | 7% | 38 | 7% |
| Sales and/or Marketing | 61 | 12% | 61 | 11% |
| Total | 499 | 100% | 575 | 100% |

3 Average Daily Rates

| Average Daily Rates | | | | | |
|---------------------|--------|--------|--------|---------|--------|
| F/T | | P/T | | Overall | |
| Jun-08 | Dec-07 | Jun-08 | Dec-07 | Jun-08 | Dec-07 |
| £588 | 569 | £637 | 606 | £603 | 580 |

4 Daily Rates by Discipline

| Daily Rates by Discipline | | | | | | |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Discipline | F/T | | P/T | | All | |
| | Jun-08 | Dec-07 | Jun-08 | Dec-07 | Jun-08 | Dec-07 |
| Finance | £616 | £568 | £589 | 595 | £607 | £575 |
| General management | £625 | £610 | £687 | 638 | £649 | £620 |
| HR | £548 | £533 | £583 | 537 | £558 | £534 |
| IT | £588 | £622 | £744 | 900 | £621 | £643 |
| Not specified | £875 | £400 | 0 | 818 | £875 | £678 |
| Other | £589 | £509 | £639 | 593 | £613 | £535 |
| Production/ and/or Engineering | £478 | £567 | £439 | 591 | £471 | £493 |
| Purchasing and/or Distribution | £568 | £548 | £688 | 537 | £596 | £547 |
| Sales and/or Marketing | £556 | £595 | £581 | 563 | £561 | £578 |

5 Daily Rates by Sector

| Daily Rates by Sector | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| Sector | F/T | | P/T | | All | |
| | Jun-08 | Dec-07 | Jun-08 | Dec-07 | Jun-08 | Dec-07 |
| Banking Financial & Insurance | 654 | 625 | 906 | 688 | 738 | 642 |
| Construction & Property | 734 | 547 | 579 | 673 | 690 | 589 |
| Engineering & Manufacturing | 570 | 519 | 593 | 631 | 575 | 556 |
| FMCG | 613 | 675 | 694 | 2500 | 646 | 797 |
| IT (Hardware / software / training & services) | 515 | 550 | 518 | 553 | 511 | 551 |
| Leisure Entertainment & Hospitality | 700 | 670 | 500 | 900 | 589 | 685 |
| Not for Profit/Charities | 452 | 494 | 391 | 419 | 417 | 455 |
| Food | 498 | 444 | 644 | 600 | 532 | 473 |
| Not specified | 640 | 625 | 335 | 800 | 589 | 713 |
| Other | 603 | 561 | 712 | 616 | 647 | 582 |
| Professional services | 585 | 673 | 584 | 583 | 585 | 622 |
| Central Government | 637 | 623 | 658 | 653 | 644 | 625 |
| Local Government | 503 | 493 | 481 | 610 | 498 | 526 |
| Education | 594 | 449 | 628 | 589 | 609 | 503 |
| NHS | 537 | 684 | 657 | 675 | 578 | 680 |
| Pharmaceuticals | 575 | 572 | 867 | 681 | 684 | 627 |
| Retail | 731 | 552 | 694 | 490 | 719 | 531 |
| Supply chain | 584 | 518 | 835 | 520 | 658 | 518 |
| Telecoms | 614 | 612 | 723 | 425 | 629 | 591 |
| Utilities | 547 | 662 | 797 | 500 | 609 | 644 |

6 Daily Rates by Region

| Daily Rates by Region | | |
|-----------------------|--------|--------|
| Region | Jun-08 | Dec-07 |
| South | 644 | 585 |
| Central | 611 | 566 |
| West | 504 | 576 |
| North | 606 | 534 |
| Overseas | 642 | 676 |

7 Source of Assignments

| Source of Assignments | | |
|------------------------------|---------------|---------------|
| Through a Provider | % | |
| | Jun-08 | Dec-07 |
| Full-time | 61 | 57 |
| Part-time | 20 | 23 |
| Total | 48 | 46 |

8 Source of Assignments by Discipline

| Source of Assignments by Discipline | | |
|--|---------------|---------------|
| Through a Provider | % | |
| | Jun-08 | Dec-07 |
| Finance | 53 | 49 |
| General management | 36 | 39 |
| HR | 62 | 63 |
| IT | 67 | 60 |
| Not specified | 50 | 33 |
| Other | 48 | 44 |
| Production/ and/or Engineering | 54 | 44 |
| Purchasing and/or Distribution | 62 | 57 |
| Sales and/or Marketing | 42 | 36 |

9 Source of Assignments by Sector

| Source of Assignments by Sector | | |
|--|--------|--------|
| Through a Provider | % | |
| | Jun-08 | Dec-07 |
| Banking Financial & Insurance | 43 | 47 |
| Construction & Property | 33 | 31 |
| Engineering & Manufacturing | 52 | 46 |
| FMCG | 42 | 60 |
| IT (Hardware / software / training & services) | 15 | 31 |
| Leisure Entertainment & Hospitality | 22 | 25 |
| Not for Profit/Charities | 55 | 46 |
| Food | 65 | 38 |
| Other | 38 | 44 |
| Professional services | 30 | 24 |
| Central Government | 68 | 75 |
| Local Government | 84 | 72 |
| Education | 50 | 62 |
| NHS | 52 | 44 |
| Pharmaceuticals | 50 | 50 |
| Retail | 38 | 31 |
| Supply chain | 29 | 28 |
| Telecoms | 53 | 61 |
| Utilities | 40 | 44 |

10 On Assignment by Sector

| On Assignment by Sector | | | | |
|--|--------|------|--------|------|
| | Jun-08 | | Dec-07 | |
| | | % | | % |
| Banking Financial & Insurance | 42 | 9 | 44 | 8% |
| Construction & Property | 21 | 4 | 30 | 5% |
| Engineering & Manufacturing | 64 | 13 | 92 | 17% |
| FMCG | 22 | 4 | 15 | 3% |
| IT (Hardware / software / training & services) | 20 | 4 | 29 | 5% |
| Leisure Entertainment & Hospitality | 9 | 2 | 12 | 2% |
| Not for Profit/Charities | 37 | 7 | 37 | 7% |
| Food | 17 | 3 | 15 | 3% |
| Other | 52 | 11 | 71 | 13% |
| Professional services | 27 | 5 | 25 | 4% |
| Central Government | 43 | 9 | 44 | 8% |
| Local Government | 31 | 6 | 36 | 6% |
| Education | 14 | 3 | 13 | 2% |
| NHS | 23 | 5 | 18 | 3% |
| Pharmaceuticals | 8 | 2 | 8 | 1% |
| Retail | 13 | 3 | 16 | 3% |
| Supply chain | 17 | 3 | 25 | 4% |
| Telecoms | 15 | 3 | 18 | 3% |
| Utilities | 20 | 4 | 18 | 3% |
| | 495 | 100% | 566 | 100% |

11 Age Range actually on Assignment

| % in Age Range actually on Assignment | | |
|---------------------------------------|--------|--------|
| Age Range | % | |
| | Jun-08 | Dec-07 |
| Late 20's & 30's | 65 | 56 |
| 40's | 54 | 55 |
| 50's | 53 | 52 |
| 60's | 46 | 44 |

12 Daily Rates by Age

| Daily Rates by Age | | |
|--------------------|--------|--------|
| Age Range | Jun-08 | Dec-07 |
| Late 20's & 30's | 590 | 496 |
| 40's | 605 | 599 |
| 50's | 616 | 593 |
| 60's | 563 | 524 |
| All ages | 603 | 580 |

13 Interim Managers' Career Plans

| Interim Managers' Career Plans | | |
|--|-----------------|--------|
| | (% of all resp) | |
| | Jun-08 | Dec-07 |
| Would never take a permanent FT job | 33 | 34 |
| Would take a FT job if the offer were tempting | 49 | 44 |
| Would take a permanent PT job | 18 | 20 |
| Actively Seeking | 8 | 7 |
| Hoping Interim becomes Permanent | 5 | 4 |
| Happily move between | 38 | 39 |

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