

# The Russam GMS 'Snapshot' Interim Management Survey

Quarter ending March 2002

## What's happening in the Interim Management Market?

Russam GMS Ltd present their latest quarterly Snapshot Survey. These online Market Research Surveys were started at the beginning of 2001, being published every two months until 30/6/01, changing to every three months thereafter.

### Highlights

- The Interim Management market is showing unexpected resilience - The number of Interim Managers on assignment at 31/3/02 increases 6% to 50% - up from 47% at 31/12/01 but down from 51% at 30/9/01.
- The average daily rate, however, decreases to £484 from £511 at 31/12/01 ( £480 at 30/9/01) with all professional disciplines showing decreases except Sales & Marketing and IT.
- Part-time Interim Managers (anything less than five days a week on a continuing basis) consistently represent between 32% and 36% of the market and still operate at a small daily rate premium. We think that this enduring split between full-time and part-time is generally under-recognised by the Market, by Clients and by the Intermediary sector. We think it points to the growing attraction of the flexibility of using Interim Managers in organisations.
- The Interim Management Providers' share of the market declines to 20% from 22% as at 31/12/01 and from 19% as at 30/9/01 (of ALL Interim Managers in the market) and to 40% from 42% as at 31/12/01 and 41% as at 30/9/01 (of all those actually on assignment.)
- Significant regional variations are now showing – from average daily rate of £551 in London to £435 in the North. (See outline analysis in the report.)

### Commentary

This Research points to an unexpected level of general stability. There is an increase in new Interim Managers coming into the market, mostly from redundancies (in its various forms) but with clear lifestyle motives and with

some with work on hand. The response rate is up to 19% from 16%. Anecdotal evidence suggests that many long-term interims are currently finding it harder to source new assignments - many of them have experienced continuity of work for several years.

One would expect an increase in the number of Interims on assignment moving into the new year as clients tend to want to finish off assignments for the Christmas break. To some extent that must have happened but must also have been blunted by the current economic climate. At the end of June 01, 57% of all Interim Managers were on assignment and we thought that this must be roughly what we would have expected. The essence of the market is fluidity; short-term assignments must and can only operate with a liberal amount of "slack". Exactly where this falls is debatable but it must be somewhere between 50% and 75%. 11<sup>th</sup> September must have had an effect by the end of September and the 51% reported in the Russam GMS Survey must have been depressed but by how much, no one can judge. There must also still have been some effect of this as at 31/3/02. Again, it is difficult to judge.

Most Interim Management Providers are reporting business volumes as "flat" – this report points to a lower level of assignments being sourced through intermediaries.

To summarise, the market is stable but unexciting and in the process of getting work Interims seem currently to be doing better than Intermediaries.

Read on for more information

## How busy were Interim Managers at 31/03/02?

% of Interim Managers on assignment

	All	F/T (%)	P/T (%)
31/03/02	50	32.60%	16.80%
31/12/01	47	30.90%	15.70%
30/09/01	51	34.20%	16.80%
30/06/01	57	36.00%	21.00%

Analysis of F/T and P/T Interim Management Assignments

	F/T (%)	P/T (%)
31/03/02	64.2	35.8
31/12/01	66.7	33.3
30/09/01	67.8	32.2
30/06/01	63.1	36.9

## How does this break down over professional disciplines?

Interim Managers on assignment at 31/03/02 can be analysed over Professional Disciplines as follows: -

	31/03/02		31/12/01		30/09/01		30/06/01	
	F/T (%)	P/T (%)	F/T (%)	P/T (%)	F/T (%)	P/T (%)	F/T (%)	P/T (%)
General Mgt	20	30	20	27	20	27	18	22
Finance	23	12	21	19	23	16	19	14
Sales/Mktg	11	18	9	22	12	20	16	22
Prod/Engineering	8	5	10	6	8	4	6	6
Purch/Distrib	7	3	7	3	7	3	5	4
IT	12	10	12	4	10	7	14	8
HR	11	10	10	5	12	9	8	8
Other	8	12	11	14	8	14	14	16
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## What daily rates did Interim Managers achieve at 31/03/02?

The average daily rate of all Interim Managers on assignment at 31/03/02 and in each professional discipline is as follows: -

	31/03/02		31/12/01		30/09/01		30/06/01	
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
<b>ALL</b>	<b>484</b>	<b>523</b>	<b>511</b>	<b>534</b>	<b>480</b>	<b>487</b>	<b>494</b>	<b>494</b>
General Mgt	515	506	578	527	476	491	522	491
Finance	445	535	477	569	440	476	470	485
Sales/Mktg	499	527	471	498	494	499	480	508
Prod/Engineering	389	388	426	404	405	402	363	351
Purch/Distrib	409	447	440	413	419	313	395	419
IT	594	643	558	685	637	608	610	562
HR	499	523	578	558	477	551	450	456
Other	472	521	492	584	491	430	502	550

These rates are the rates achieved by Interim Managers irrespective of whether they are working through an Intermediary or directly to the client

## **This is how Interim Managers sourced their work..** (For full-time assignments at 31/03/02)

	Thru Self	Provider	Other	Not Spec
<b>TOTAL (875)</b>	<b>255</b>	<b>172 (20%)</b>	<b>29</b>	<b>419</b>
<b>General Mgt (224)</b>	<b>74</b>	<b>30 (13%)</b>	<b>5</b>	<b>115</b>
<b>Finance (162)</b>	<b>44</b>	<b>38 (23%)</b>	<b>4</b>	<b>76</b>
<b>Sales/Mktg (127)</b>	<b>46</b>	<b>14 (11%)</b>	<b>4</b>	<b>63</b>
<b>Prod/Engineering (59)</b>	<b>16</b>	<b>13 (22%)</b>	<b>3</b>	<b>27</b>
<b>Purch/Distrib (45)</b>	<b>8</b>	<b>18 (40%)</b>	<b>0</b>	<b>19</b>
<b>IT (105)</b>	<b>20</b>	<b>23 (22%)</b>	<b>7</b>	<b>55</b>
<b>HR (79)</b>	<b>20</b>	<b>25 (32%)</b>	<b>3</b>	<b>31</b>
<b>Other (74)</b>	<b>27</b>	<b>11 (15%)</b>	<b>3</b>	<b>33</b>

The Providers' share of the market can be expressed either as:

**a % of the total number of Interim Managers in the market – 20%**

OR

**as a % of those actually on assignment - 40%**

## **Regional Analysis**

The responses received, the percentage on assignment and the day rate analysed on a regional basis.

	Responses		On Assignment	Day Rate
	FT	PT	%	£
<b>South</b>	<b>77</b>	<b>44</b>	<b>51</b>	<b>551</b>
<b>Central</b>	<b>72</b>	<b>48</b>	<b>50</b>	<b>500</b>
<b>West</b>	<b>44</b>	<b>27</b>	<b>53</b>	<b>490</b>
<b>North</b>	<b>79</b>	<b>37</b>	<b>46</b>	<b>435</b>

## **Method of Approach**

Of the 5698 Interim Managers registered on the Russam GMS database at 31/03/02, 4502 have email addresses to whom we emailed our Questionnaire, receiving 875 responses – (19% -16% last time). These online responses went directly into an Access database, facilitating immediate analysis.

The questionnaire asked the following questions:-

- Q1: Were you on assignment at 31/03/2002?  
Q2: Regarding Q1, if so was it Part-time / Full-time ?  
Q3: Regarding Q1, if so at what daily rate?  
Q4: Regarding Q1, how did you find the assignment?  
Q5: What is your professional discipline?  
Q6: In which Post Code area do you live?

We present the Russam GMS Interim Manager Database as industry standard and the analysis of Professional Disciplines of those returning the forms as at 31/3/02 compares closely with our Executive Database (and has done every time this Research has been published).

**Russam GMS Ltd**  
**April 2002.**