

What's happening in the Interim Management Market?

Russam GMS Ltd is pleased to present their latest quarterly Snapshot Survey as at 31/03/03. These online Market Research Surveys were started at 31/12/00, being published every two months until 30/6/01, changing to every three months thereafter.

What you get out of this Report depends much on how you view its basis, its constituency and the detail of the results. We emailed our Questionnaire to over 5,000 Interim Managers on our database, receiving 472 responses. These online responses went directly into an Access database, facilitating immediate analysis. This approach means that we cannot identify the sender, thus ensuring confidentiality.

The responses, this time, were significantly lower than expected and we have felt obliged to present them as **provisional figures**. In particular, the percentage of Interims on assignment has risen from 48% to 58%. Assessing this figure could be done more confidently if the response had been up to the levels in previous surveys. We also need more time to evaluate the issues and the trends which are:-

- A continuing drift from full-time Interim Management to part-time (We count part-time as "being on assignment").
- These figures point to over 75% of Interims having five years or less service. Perhaps what we may be now looking at is a twin-track market in which a significant number of senior executives are short-stay, either deliberately or opportunistically, and the others are long-term Interims.
- Newcomers to Interim Management having a higher utilisation rate than the more established Interims with only 9% saying that they get their assignments through Providers. We are not quite sure what this might be. Certainly, the past six months, at least, have seen more newcomers coming into the market.
- The Providers' share of the market is tightening at the same time as the economy tightens with Interims getting a slightly higher proportion of the market through their own endeavours.
- We don't know whether there has been an increase in the number of Interims going back into permanent employment who would otherwise be classified as "NOT on assignment" but we sense there has been and we think this will continue
- Daily rates continue to tighten, being almost 5% down on last year.

The questionnaire asked the following questions:-

- Were you on assignment at 31/03/03?
- If so, was it full time or part time? (p/t is anything less than 5 days a week on a continuing basis)
- If on assignment, at what daily rate?
- How did you find the assignment (Independently, through a Provider, or Other)
- If on assignment, where?
- What is your professional discipline? (choose from a dropdown box)

- **If on assignment, in what industry? (choose from a dropdown box)**
- **How many years have you been an Interim Manager?**
- **What is your age?**

You can read all about the Interim Management market, our previous Research Reports, about Russam GMS and about the people who are growing our company on our sector-leading website – www.russam-gms.co.uk.

Russam GMS Ltd
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1 How busy were Interim Managers at 31/03/03?

% of Interim Managers on assignment

	All (%)	F/T (%)	P/T (%)
31/03/03	58	35.17	23.09
31/12/02	48	30.24	17.70
31/03/02	50	32.60	16.80

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

	F/T (%)	P/T (%)
31/03/03	60.4	39.6
31/12/02	63.1	36.9
31/03/02	64.2	35.8

2 How does this break down over professional disciplines?

	31/03/03		31/12/02		31/03/02	
	F/T (%)	P/T (%)	F/T (%)	P/T (%)	F/T (%)	P/T (%)
General Mgt	18	23	18	25	20	30
Finance	19	12	22	19	23	12
Sales/Mktg	9	17	9	17	11	18
Prod/Engineering	10	6	5	6	8	5
Purch/Distrib	10	6	9	2	7	3
IT	11	4	16	6	12	10
HR	13	8	12	8	11	10
Other	10	24	9	17	8	12
Total	100%	100%	100%	100%	100%	100%

Analysis of the RGMS database

	%
General Mgt	30.8%
Finance	12.9%
Sales/Mktg	16.9%
Prod/Engineering	8.0%
Purch/Distrib	5.4%
IT	9.6%
HR	7.1%
Other	9.3%
Total	100%

Comments

As always, this analysis matches very closely the composition of the RGMS database of Interim Managers, as set out above. We have always presented the RGMS Database as representative of the Interim Management sector as a whole, thereby adding to the statistical validity of the Report. All Interim Management Providers vary – some more than others – in the number and level of Interim Managers registered on their databases. We submit the RGMS database as industry standard.

3 And in which industry sectors did Interim Managers operate?

	FT	%	PT	%
Banking Financial & Insurance	14	8%	5	5%
Computer (Hardware software training & services)	8	5%	6	5%
Construction & Property	5	3%	5	5%
Engineering & Manufacturing	35	21%	23	21%
FMCG	10	6%	3	3%
Leisure Entertainment & Hospitality	3	2%	3	3%
Not for Profit/Charities	2	1%	9	8%
Not specified	3	2%	1	1%
Other	20	12%	14	13%
Professional services	8	5%	7	6%
Public Sector	20	12%	15	14%
Retail	11	7%	3	3%
Supply chain	11	7%	1	1%
Telecoms & Electronics	13	7%	12	11%
Utilities	3	2%	2	1%
	166	100%	109	100%

How are professional disciplines spread around Industry?

	Total	Finance	Gen. Man	HR	IT	Prod/Eng	Purch/Dist	Sales/Mktg	Other
Computers	17	3	4		4			4	2
Charities	11	1	1	3			2	2	2
Construction	10	2	2		1	1			4
Engineering	61	10	18	6	1	11	5	4	6
Finance	23	5	1	4	4		2	3	4
FMCG	14	2	4			4	1	1	2
Leisure	8	2	2	1				1	2
Prof Services	15	3	4		1	1		4	2
Public Sector	37	6	8	6	5	2	1	2	7
Retail	15	3	1	1	1		5	2	2
Supply Chain	14	1		1	2	1	7		2
Telecoms	28	6	4	6	3		1	6	2
Utilities	5		2	1		1			1

4 How long have Interim Managers on assignment actually been operating? (no of yrs)

Years	Total	% of Total	On Assignment	%
1 or less	117	24.9%	50	43%
2	72	15.3%	45	63%
3	78	16.5%	47	60%
4	46	9.7%	28	61%
5	46	9.7%	26	57%
6	20	4.2%	13	65%
7	19	4.0%	12	63%
8	13	2.7%	13	100%
9	7	1.5%	6	86%
10	18	3.8%	11	61%
10+	36	7.7%	24	67%
Total	472	100.0%	275	58%

How many years have you been an Interim Manager?

	Tot	Fin	GenMan	HR	IT	Prod/Eng	Sales/Mktg	Purch	Other
1-5	359	58	81	38	33	19	48	33	49
6-10	77	16	14	10	11	7	6	2	11
11-15	30	3	6	2	6	4	0	2	7
16-20	4	1	0	0	2	1	0	0	0
20+	2	0	0	0	1	1	0	0	0
Total	472	78	101	50	53	32	54	37	67

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

	31/03/03		31/12/02		31/03/02	
	F/T	P/T	F/T	P/T	F/T	P/T
ALL	461	489	473	494	484	523
General Mgt	496	554	446	511	515	506
Finance	496	455	499	481	445	535
Sales/Mktg	424	512	432	483	499	527
Prod/Engineering	371	543	377	453	389	388
Purch/Distrib	405	358	439	550	409	447
IT	512	490	550	530	594	643
HR	475	432	460	407	499	523
Other	418	469	472	531	472	521

6 How do average daily rates relate to industry sectors?

	31/03/03	
	F/T	P/T
ALL	461	489
Banking, Financial & Ins	504	475
Computer	412	577
Construction & Property	404	380
Engineering & Manufacturing	494	531
FMCG	343	465
Leisure, Entertainment & Hospitality	683	563
Not for Profit/ Charities	550	345
Professional Services	418	557
Public Sector	459	475
Retail	459	442
Supply Chain	420	300
Telecoms & Electronics	478	455
Utilities	450	625

7 How did Interim Managers source their work?

(For full-time assignments at 31/03/03)

	Thru Self	Provider	Other	Not Spec
TOTAL (472)	170	100 (21%)	15	187
General Mgt (101)	40	12 (12%)	5	44
Finance (78)	24	18 (23%)	4	32
Sales/Mktg (54)	28	7 (13%)	0	19
Prod/Engineering (32)	13	8 (25%)	2	9
Purch/Distrib (37)	12	12 (32%)	0	13
IT (53)	12	12 (23%)	0	29
HR (50)	16	16 (32%)	0	18
Other (67)	25	15 (22%)	4	23

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

a % of the total number of Interim Managers in the market – 21%

OR

as a % of those actually on assignment - 38%

8 Interim Management assignments through Providers analysed by Industry

	Thru Self	Provider	Other	Not specified
TOTAL (472)	170	100 (21%)	15	187
Banking Financial & Insurance (23)	9	9 (39%)	1	4
Computer (Hardware software training & services) (17)	11	5 (29%)		1
Construction & Property (10)	6	3 (30%)	1	
Engineering & Manufacturing (61)	33	22 (36%)	4	2
FMCG (14)	5	9 (64%)		
Leisure Entertainment & Hospitality (8)	5	0 (0%)	2	1
Not for Profit/Charities (11)	6	4 (36%)	1	
Not specified (175)	4	0 (0%)		171
Other (39)	27	7 (18%)	1	4
Professional services (15)	10	3 (20%)	2	
Public Sector (37)	22	12 (32%)	3	
Retail (15)	5	9 (60%)		1
Supply chain (14)	7	6 (43%)		1
Telecoms & Electronics (28)	16	10 (36%)		2
Utilities (5)	4	1 (20%)		

9 Interim Management assignments through Providers analysed by time, in years, spent operating as an independent Interim Manager

	Thru Self	Provider	Other	Not Specified
Total (472)	170	100 (21%)	15	187
1 (117)	39	11 (9%)	2	65
2 (72)	32	10 (14%)	5	25
3 (78)	22	23 (29%)	3	30
4 (46)	15	14 (30%)	1	16
5 (46)	17	10 (22%)	0	19
6 (20)	7	5 (25%)	1	7
7 (19)	8	4 (21%)	0	7
8 (13)	7	6 (46%)	0	0
9 (7)	3	3 (43%)	0	1
10 (18)	9	4 (22%)	0	5
11 (6)	3	1 (50%)	0	2
12 (7)	1	1 (14%)	2	3
13 (5)	3	2 (40%)	0	0
14 (5)	1	2 (40%)	0	2
15 (7)	1	4 (57%)	1	1
16 (2)	1	0 (0%)	0	1
18 (1)	0	0 (0%)	0	1
19 (1)	1	0 (0%)	0	0
22 (1)	0	0 (0%)	0	1
30 (1)	0	0 (0%)	0	1

10 Interim Management assignments through Providers analysed by their location

	Thru Self	Provider	Other	Not Spec
TOTAL (238)	133	91 (38%)	11	3
West (47)	27	19 (40%)	1	0
North (50)	29	19 (38%)	1	1
Central (81)	47	28 (35%)	5	1
South (60)	30	25 (42%)	4	1

11 Interim Management assignments through Providers analysed by the age of the Interim Manager

	Thru Self	Provider	Other	Not Spec
TOTAL (465)	169	97 (21%)	15	184
-35 (5)	2	1 (20%)	1	1
36-40 (27)	13	4 (15%)	0	10
41-45 (62)	18	13 (21%)	2	29
46-50 (107)	43	21 (20%)	3	40
51-55 (140)	45	34 (24%)	5	56
56-60 (104)	40	22 (21%)	3	39
61+ (20)	8	2 (10%)	1	9

12 What is the significance of Age?

Analysed over Professional Disciplines: -

	Tot	Fin	GenMan	HR	IT	Prod/Eng	Sales/Mktg	Purch	Other
-35	5	1	0	0	0	1	3	0	0
36-40	27	2	2	5	3	1	11	0	3
41-45	62	11	13	6	7	4	11	5	5
46-50	107	17	25	9	14	2	14	11	15
51-55	140	30	28	19	12	11	6	9	25
56-60	104	14	26	8	13	10	8	10	15
+61	20	2	6	2	2	2	1	2	3

Analysed over Industry:-

	-35	36-40	41-45	46-50	51-55	56-60	61+
Total (1111)	5	27	62	107	140	104	20
Banking Financial & Insurance (64)	2	0	3	4	7	6	1
Computer (28)	1	2	2	4	3	2	1
Construction & Property (25)	0	0	0	2	2	6	0
Engineering & Manufacturing (114)	0	2	9	11	18	15	5
FMCG (28)	0	2	0	2	6	4	0
Leisure Entertainment & Hosp (12)	0	1	3	2	1	1	0
Not for Profit/Charities (18)	0	1	2	1	4	1	2
Not specified (517)	1	10	27	37	52	37	8
Other (85)	0	2	4	12	13	7	1
Professional services (39)	1	2	1	3	3	4	1
Public Sector (60)	0	0	3	15	11	8	0
Retail (34)	0	1	2	4	5	3	0
Supply chain (27)	0	0	3	1	5	4	0
Telecoms & Electronics (46)	0	4	1	6	10	6	1
Utilities (14)	0	0	2	3	0	0	0

Analysis of age over average daily rate: -

	Number	£/Day
-35	5	425.00
36-40	27	524.06
41-45	62	470.73
46-50	107	487.65
51-55	140	458.84
56-60	104	463.59
61+	20	437.09

% on assignment: -

	Number	On Assignment	%
-35	5	4	80.0%
36-40	27	15	55.5%
41-45	62	33	53.2%
46-50	107	64	59.8%
51-55	140	82	58.6%
56-60	104	62	59.6%
61+	20	11	55.0%

Service by Age: -

	Number	Service (Yrs)
-35	5	2.0
36-40	27	2.8
41-45	62	3.2
46-50	107	3.9
51-55	140	5.0
56-60	104	5.6
61+	20	8.1

13 Regional Analyses

Where did Interim Management Assignments take place and at what daily rate?

	Responses		Daily Rate
	F/T	P/T	£
South	36	22	461
Central	43	37	485
West	30	17	473
North	31	18	474

How are professional disciplines spread around the UK?

	Tot	Fin	GenMan	HR	IT	Prod/Eng	Sales/Mktg	Purch	Other
South	60	5	7	9	11	3	10	5	10
North	50	15	8	2	4	6	3	4	8
West	47	6	13	5	1	8	5	4	5
Central	81	9	14	13	7	4	13	8	13

How are Industries who use IM spread around the UK?

	Tot	Bankg	Comp	Const	Eng	FMCG	Leis	Char	Prof	P/Sec	Ret	S/Chn	Tele	Util	Oth
South	60	5	6	2	8	2	2	2	1	14	1	3	5	0	9
North	50	3	0	3	16	3	0	0	3	4	1	6	3	1	7
West	47	5	2	1	16	3	0	0	2	5	2	1	5	2	3
Central	81	4	3	1	15	4	2	9	4	5	8	2	9	1	14