

Spotlight on interim managers

Neil Lupin, Andy Ball and **Toni Hall** digest the results from Green Park's survey of local government interim managers



The reducing use of interim managers over the past year has been well documented. With headcount and budget cuts in place, the generalisation (accurate or otherwise) is that councils cannot afford to or are simply not willing to be seen to hire interims.

We surveyed 200 of the sector's top interim managers and whilst 78% agreed there have been significantly fewer opportunities of late, 55% believe strongly that demand will increase over the next 3 to 6 months. That might seem odd in such times of austerity but the fact is that as councils change their staffing, financial, delivery and commissioning structures, capacity gaps emerge that cannot be filled by a dwindling employee population.

60% believe that upturn will come from transformation, downsizing, efficiency and programme management roles – it will probably be more than that. There is compelling evidence that hiring a specialist to deliver a defined task can realise greater savings quicker than diverting employees from business as usual activities. For example, an interim HR director we placed has enabled their authority to save £10m over the next three years through downsizing and organisational redesign. One of our other interims is saving their authority

tens of £millions through smarter procurement. In both cases, such savings would not have been achieved without the right interim in place, and their legacy far outstrips their cost.

Although FOI requests, press intrusion and political pressure mean hiring an interim is seen as controversial at times, the need has never been greater. Not only that, the opportunity to accelerate savings and efficiency programmes by hiring interims tactically is at its peak. Why?

Well, firstly the number of interim managers available is higher than ever before – both because there are fewer assignments for them and because more people are becoming interims. In fact, 82% of those questioned believe competition has increased for assignments. Talent pools are constantly evolving, so as long as aspiring interim managers can be rigorously and fairly assessed against career interims there is no reason not to hire them.

Secondly, we are seeing more flexibility from the interim community – 78% will travel further now and 58% would drop down a tier, but interestingly only 34% were more likely to consider a permanent role or fixed term contract which demonstrates their commitment to an interim career.

Thirdly, 63% believe that rates have dropped at least 10% since their peak, making interims increasingly affordable when compared to their permanent counterparts. The myth that interims are always more expensive than permanent hires is easy to dispel – especially when one factors in the kind of £multi-million savings many of our interims have delivered.

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The most startling fact from our survey was that only 9% had ever worked within a 'risk/reward' day rate model in local government, where a proportion of their daily fee was set at risk against pre-agreed deliverables and outcomes. Yet, 80% said they would be positive about working within a compensation structure that rewards them for hitting targets or risks a proportion of their daily rate against KPIs. We know from our own risk/reward model that such mechanisms, especially when coupled with open and

accountable monitoring through 360 feedback models such as Green Park's 'GP Perform', can drive 15-20% greater return on investment for the client.

In these austere times, whilst it may be unpalatable to some, maintaining a flexible workforce to respond effectively to change is a fact of life. So maximising return on investment when hiring interims is key. Many of those who responded to our survey pointed out that initial assignment briefs they receive from clients are often unclear and that in their experience they were best able to deliver beyond their clients' expectations once they had clearly defined terms of reference, milestones and outcomes.

With cost being the prevailing argument against hiring interims (no matter how much they are needed or how valid that argument is), it is worth thinking in terms of value and legacy, as the right interim – effectively deployed and managed – will always deliver savings that far outweigh their initial cost. ■

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