



## WING TIPS

### *What investors should know about Interim Managers*

One phenomenon which is having a marked effect on early stage businesses is the stealthy growth in the use of Interim Managers. An increasing number of these companies are using this easy-in, easy-out option for an exceptional breed of senior executive to deliver challenging projects. Many, however, either do not know that this form of talent deployment exists or remain quizzical about how to engage it or the ensuing benefits.

The UK interim market as a whole is growing rapidly. Arriving from modest beginnings some 15 years ago and forged by a small number of pioneering interim executives, the concept is simple - if you could find the right executive now, your business would be transformed and would accelerate up the growth curve.

#### **Areas where Interim Managers can help**

Raising money, marketing, finance, logistics, operational management, technology, R&D, IT and, for larger companies, HR, are just some of the areas where these individuals can make transformations and bring excellent results.

It is not surprising then that the business of Interim Management in delivering critical projects is growing rapidly. Estimates place this sector as delivering in excess of £1bn of value to the UK plc economy each year. This figure is a surprise to most, principally because there is little comprehension about the scale and what is on offer through this medium.

If an organisation is to gain the full benefit of using an Interim Manager, access to the right individual is paramount. While this sector has grown from a 'cottage industry' based on personal contacts and networking to source these remarkable people, today sophisticated search processes can draw on a top level selection of thousands of Interim executives, producing a tightly defined choice of a handful of short-listed executives at the all important critical point of decision and appointment. These registers of executives are being built and managed by Interim Providers of which Intramezzo is one.

Speed of selection is important - searches are normally completed within 14 days; the weather eye of the Interim Provider during the selection process is also important. Reputations in the Provider sector are being built on the process of finding the best selection of the highest performance and the 'best fit' executives available in a timely manner.

These options come with a price tag as the costs of building the register and running the support services are reflected in the fee charged. Normally costs are a third more than employing an interim direct. These costs must be weighed up in the light of a better delivery by the right interim, a factor which can deliver multiples for return.

The industry still has an element of 'cottage industry' as individuals networking are responsible for finding and delivering a sizeable 70% of the value of this sector each year. This means that the power of networking is still an important source of the individual candidates. The remaining 30% is delivered through Interim Providers.

However, in the investment sector involving the larger Venture Capitalists, there is a third source of supply: direct from the investors themselves. They are building up a list of 'trusted performers'. This is developing as a source of supply to the point that a number of Venture Capitalists have now appointed a head of talent management. This lends further support to the value of using Interims, however the cost is often reflected in the reduced choice and more prescriptive selection processes.

Many interims have backgrounds of serial entrepreneurship meaning that their presence within an executive team can make the difference between achieving funding and not. In part this is why the Venture Capitalists are actively turning to Interim Managers for their portfolio companies.

Interim managers can be deployed quickly without an equity-related discussion. They deliver in the role and then drop out of the organisation. Interims are a very versatile option depending on the task in hand - start-ups, spin-outs, spin-ins or re-launching a product are all areas in which the experienced interim provider has direct experience and a contribution to make. There are also different payment options with many interims now willing to work on 'equity only' payment or contingency i.e. when funding arrives they are paid up to date and some providers are prepared to commute their fees to equity also.

Specifically for the Angel Investor, knowing about this community and how it works can provide at times a vital bridge between commercial disaster and success. Interim management can be a cure-all for many of the challenges a business faces as it progresses up the growth curve.

### ***Further reading***

*Recent articles published by Intramezzo related to the subject of Interim Managers are: "Beyond the Iceberg" which looks at the cultural issues and "What should my managers be managing?" which looks at the important elements within a business which are often overlooked.*

***Intramezzo is positioned as a leader in executive talent solutions for early stage and maturing ventures. Its reputation is based on delivering impressive short lists of executives into ventures on a just-in-time basis and with a range of payment profiles.***

***For further information on Interim Managers, please call +44 (0) 7866 479 636 or email: [dhill@intramezzo.co.uk](mailto:dhill@intramezzo.co.uk) or visit [www.intramezzo.co.uk](http://www.intramezzo.co.uk)***