

Interim manager – ER doctor or plastic surgeon?

by  **Oliver Schmitt**,
Managing Partner,
Teamconsult SR s.r.o.



The need to fend off a sudden, life-threatening economic crisis at a company, detection of corruption, a death or illness in top management – these are typical situations that an interim manager encounters.

This appointment is required especially in cases when an unexpected and sudden need to hire a top management position arises and it is not possible to staff such a position with any of the remaining employees of the company. Less well-known, however, is the fact that interim managers are employed in growing numbers during a company's ordinary course of business, i.e. they are not 'only' crisis managers.

In Slovakia, interim management is a relatively young and, hence, small discipline. The situation is very similar in the Czech Republic. The Czech Association of Interim Management (CAIM) will celebrate its fifth anniversary this year. According to a CAIM estimate, about 220 interim managers currently work in the Czech Republic, of which 44 are members of the association. In comparison, the figure is about 10,000 in Germany and 40,000 in the Netherlands.

Based on this data, it is obvious that the number of interim managers, or their hiring, is not dependent solely on the number of crises. On the contrary, the figures in Germany show that the interim management field grows primarily at times of economic expansion. This is due to the fact that these managers are in growing numbers engaged by organizations within projects. In such cases, it is not about crisis management, but rather about reform, or optimization of existing processes.

Dachgesellschaft Deutsches Interim Management (German interim management association) states that process optimization is the most common reason for the utilization of interim managers. The demand for interim management is increased by the trend for companies to design

flexible project teams instead of rigid hierarchical structures. This trend toward project-oriented teams is also often visible during our executive search activities at Teamconsult while defining the requested profile of a candidate to be searched for, and this is also true for non-interim positions.

For interim managers, the companies buy special know-how based on their needs and are not dependent on notice periods ensuing from the standard employment contracts. If the project ends prematurely or the company is not satisfied with the performance of the interim manager, their cooperation may be terminated anytime with no additional costs. Serious intermediary agencies hired to search for suitable interim managers carry out quality control and are in regular contact with both the interim manager they staffed and the customer.

Apart from the professional know-how that an interim manager brings, another frequent advantage is independence from the company. Hence, during large-scale changes, the interim manager does not have to take into account the existing structure or personal relations. Since tenures typically only last for a few months, or one or two years maximum, the interim manager duties can be fulfilled without having to consider the internal economic and political aspects. In this regard, the rising number of interim managers represents growing competition to the established companies providing corporate consulting. The employment of interim managers is also attractive due to their practical experience and goal-oriented attitude (deployment of operative measures) in combination with their daily fee, which is usually lower than that of consultants.

In contrast to the Slovakia or the Czech Republic, in most western countries there are intermediary agencies which specialize in interim management. Their intermediary fee is usually about 20% of the interim manager's fee and is paid by the customer, i.e. the company that hires the interim manager. The daily rate for managers depends on their seniority and the market situation, but it is usually similar to the human resource costs that

the company would incur if it permanently hired a manager with comparable qualification.

In both the Slovak and Czech Republics, the interim management market is still in its infancy. The intermediation is carried out either through international agencies, own contacts, i.e. based on chance, or through local headhunters, although it is unusual for such companies to offer such a service. A further disadvantage for potential customers is the fact that many managers declare themselves interim managers in order to conceal a gap between two occupations in their CV. Therefore, prior to hiring the interim manager, the customer should thoroughly check qualifications and ask for references, even if he is under great time pressure.

It is also necessary to be aware that not every good manager is, or will become, a good interim manager. Interim managers must be able to comprehend the professional subject fields and get to know the company culture in the shortest possible time and are not able to rely on an existing structure of loyal subordinates during their work. Professional know-how, understanding people, self-esteem, sharp thinking, and stress resistance are only some of the needed characteristics of a successful interim manager. Experienced interim managers don't need a long time to get going, they introduce the needed measures immediately, and bring added value to the customer from the very first day.

The question remains whether the correct analogy for the interim manager's contribution to the customer is fitness trainer, ER doctor, or plastic surgeon. The importance of interim management will, however, continue to grow within projects in highly specialized economic environments, not only in the Slovak and Czech Republics, but globally.

”
Interim managers must be able to comprehend the professional subject fields and get to know the company culture in the shortest possible time and are not able to rely on an existing structure of loyal subordinates during their work. Professional know-how, understanding people, self-esteem, sharp thinking, and stress resistance are only some of the needed characteristics of a successful interim manager.