

Second Annual Interim Management Survey

WINTER 2012

projects recruitment
quality specialist skills
leadership interim
private public change
transformation stability
networks succession
integration planning
gap management
effective flexible
benefits mentor value
international trusted

One of our respondents expressed it perfectly ...

“Clever employers will look to utilise experienced **interim managers** for development of opportunities to enhance their business.”

Rarely have I been so excited about the growth of a new resourcing trend in executive search. In Australia, for the first time we have a pool of high calibre senior management people interested in working in portfolio careers and having interim assignments as part of that portfolio. So the growth is supply-side driven.



Nick Waterworth
Managing Partner | Watermark Search International



Watermark's Interim Management team (left to right): Danny Hodgson, Caroline McAuliffe, Nick Waterworth and Greg Hayes.

INTRODUCTION

Welcome to Watermark Search International's second Annual Interim Management Survey. Last year, our inaugural survey provided the first meaningful analysis of the Australian interim management market. In the past year we have significantly grown our practice, deepened our pool of interim managers and increased the breadth of clients we work with.

This survey considers the responses of over 250 professionals, comprised of mainly interim managers, with some independent consultants.

Thank you to everyone who participated in the survey. We hope you find it a useful overview, enabling you to evaluate your position within the market.

HEADLINES

- Interims are choosing to work this way; fewer interims are viewing assignments as a stop gap between permanent roles.
- Interim daily rates have held up very well despite some uncertainty in the economy.
- Increased volume of interim work within the not for profit sector.
- Shorter assignment lengths but also a shorter gap between assignments.
- Providing 'specialist skills' remains the major reason behind assignments, though there has been an increase in change management briefs.

MARKET COMMENT

From an 'interim provider' perspective, we remain positive and committed to supporting the growth of interim management in Australia and developing the interim community further.

Clients increasingly place an emphasis upon 'industry specific experience' when briefing us on assignments. There is a real desire to bring in talent who understand the issues and specifics of particular industries.

The process, from us receiving the brief to an interim starting on assignment, has lengthened over the past year. Change in the political landscape and economic uncertainty has led to more caution in hiring amongst our client base.

The overwhelming sentiment however, is that interim management will increasingly be utilised as a resourcing strategy by Australian business.

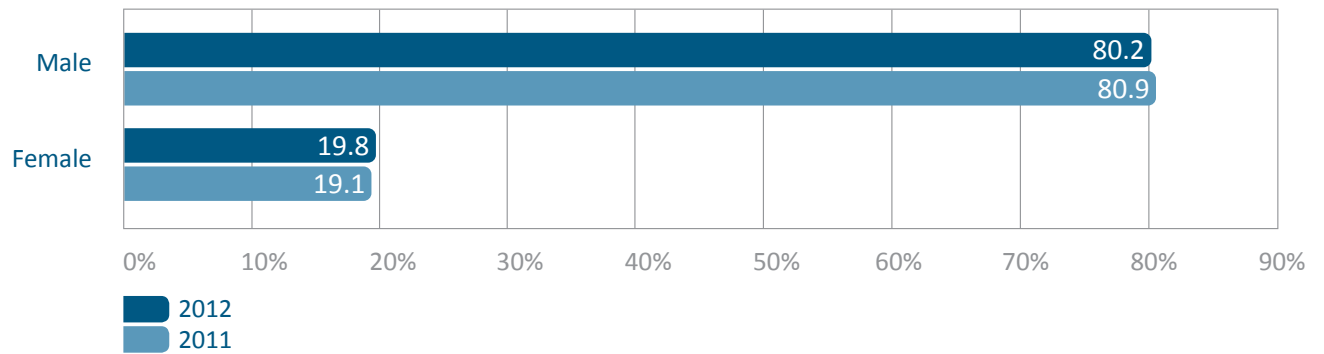
'Hot areas' for us have been senior roles within

- supply chain,
- human resources and
- project management.

We have also deepened our network with private equity firms, resulting in a good flow of assignments.

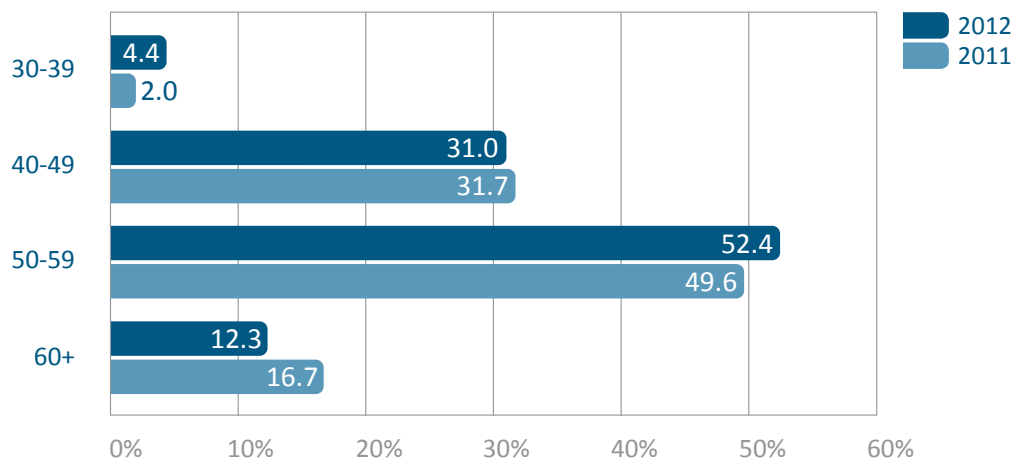
RESULTS

Q1 YOUR GENDER?



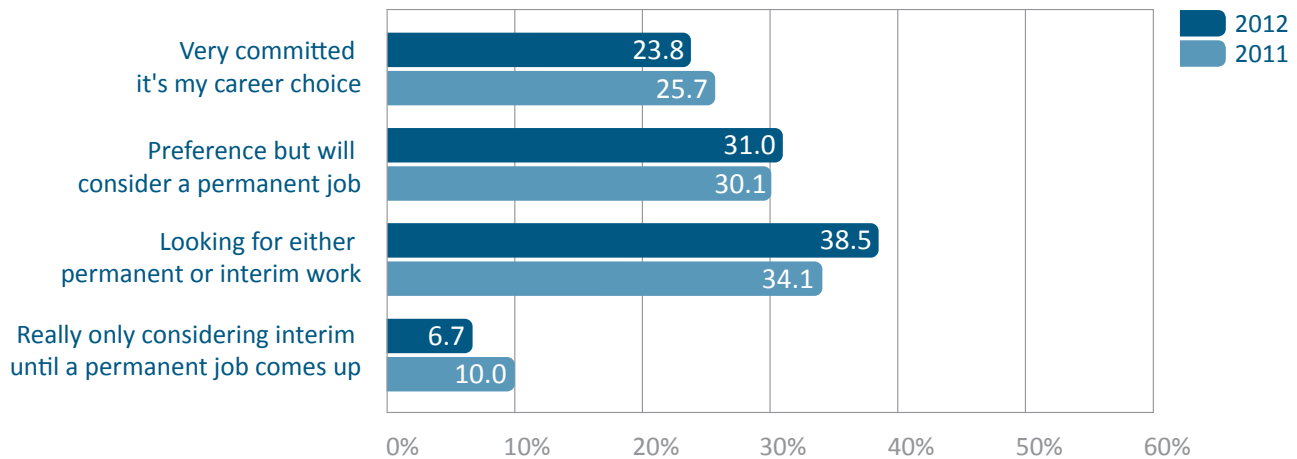
Q2 YOUR AGE?

The age of the majority of interims mirrors that of interim markets in the rest of the world. The 50-59 bracket combines the years of experience with the energy to deliver and a family life that can support working away from time to time.



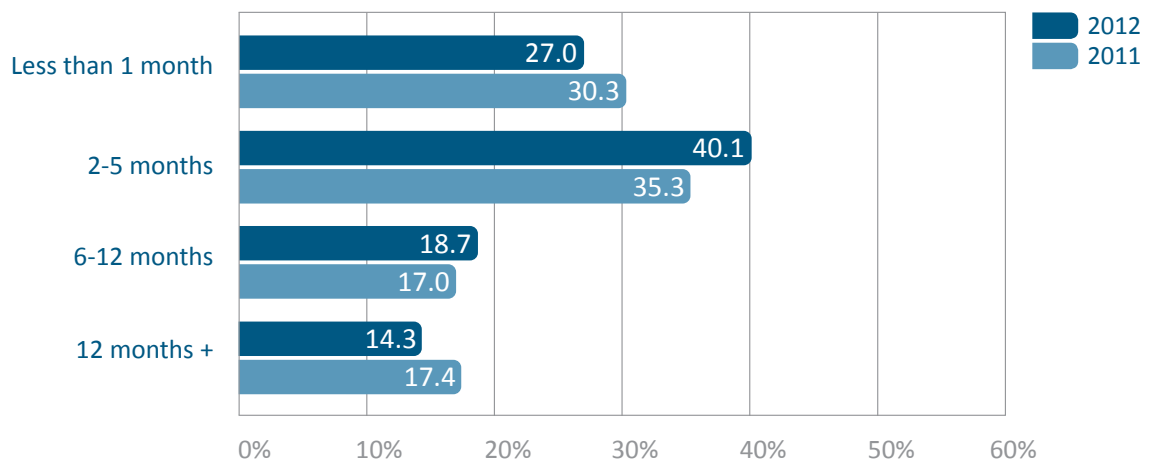
RESULTS

Q3 HOW COMMITTED TO INTERIM ARE YOU?



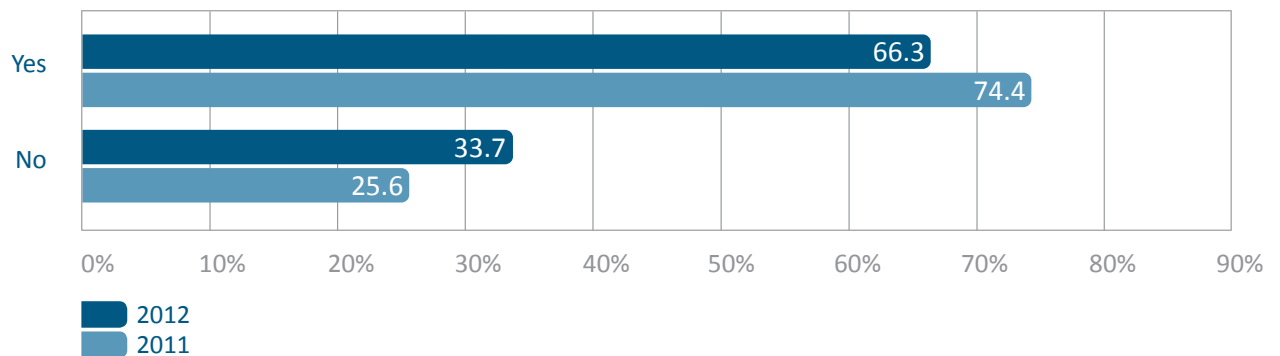
Fewer interims are seeing assignments as a 'stop gap' between permanent roles. We expect this trend to increase as the interim market becomes more established. The more available assignments there are, the less chance of an uncomfortable wait between each piece of work. The result will be an increased confidence and commitment to an interim career.

Q4 HOW LONG HAVE YOU BEEN LOOKING FOR AN INTERIM JOB?



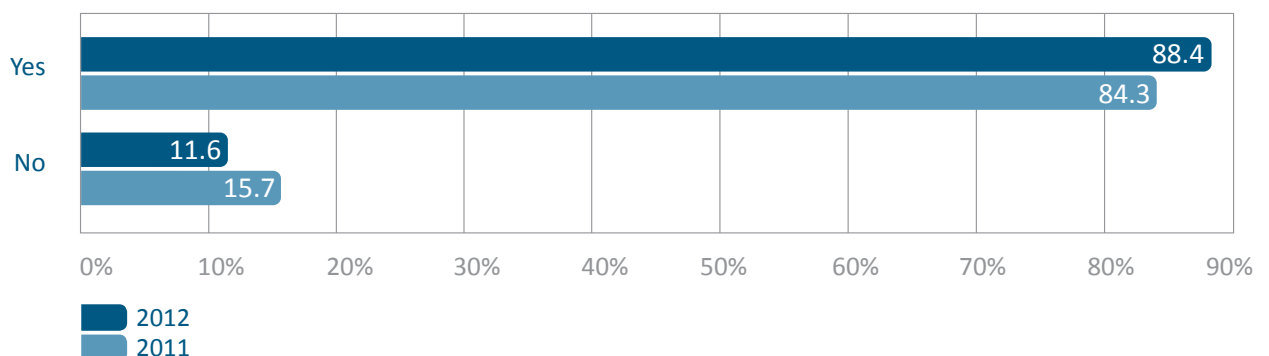
RESULTS

Q5 HAVE YOU WORKED AWAY FROM HOME ON AN ASSIGNMENT?



Australian interims remain a mobile and flexible workforce. We have placed interims interstate in both relocation and 'fly in fly out' scenarios. In a two tiered economy it is clear that people will go where the work is.

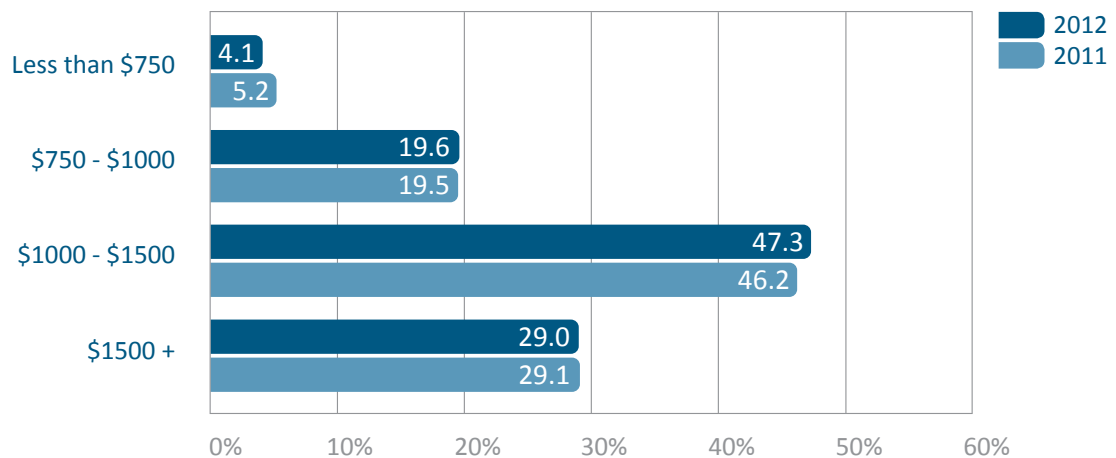
Q6 IF NOT WOULD YOU CONSIDER IT?



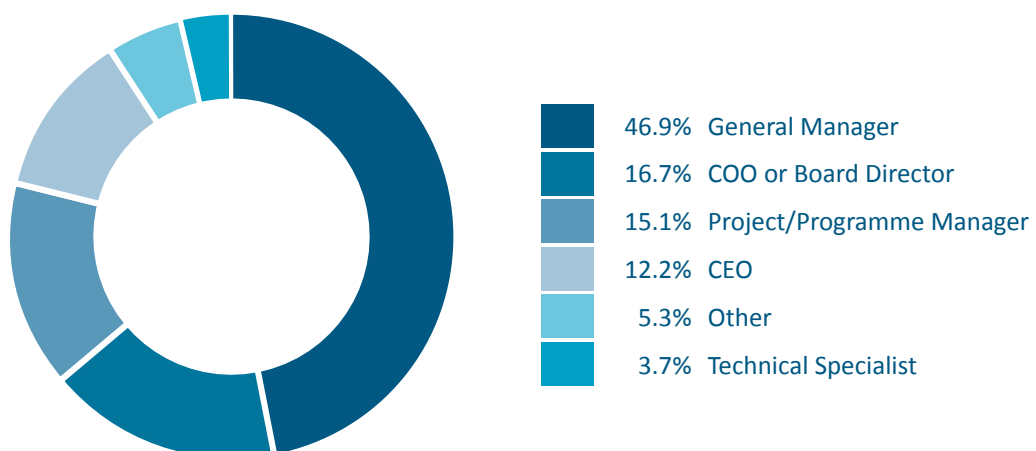
RESULTS

Q7 WHAT IS YOUR TARGET (OR CURRENT) BASE DAY RATE?

Rates have held up well in the past year, despite some economic uncertainty. The sweet spot daily rate remains the \$1000 - \$1500 bracket and that is comparable with international interim markets.

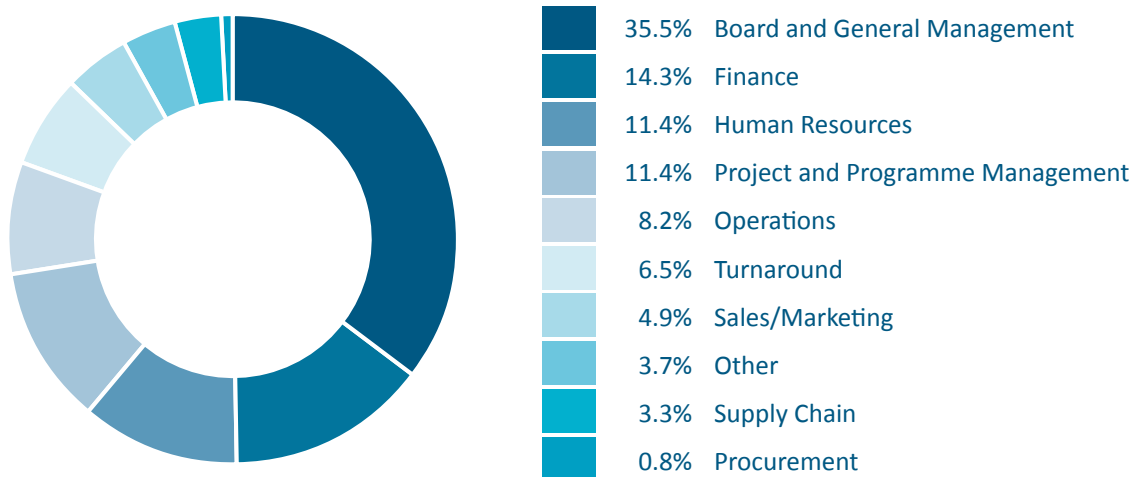


Q8 WHAT LEVEL HAVE YOU TYPICALLY WORKED AT?

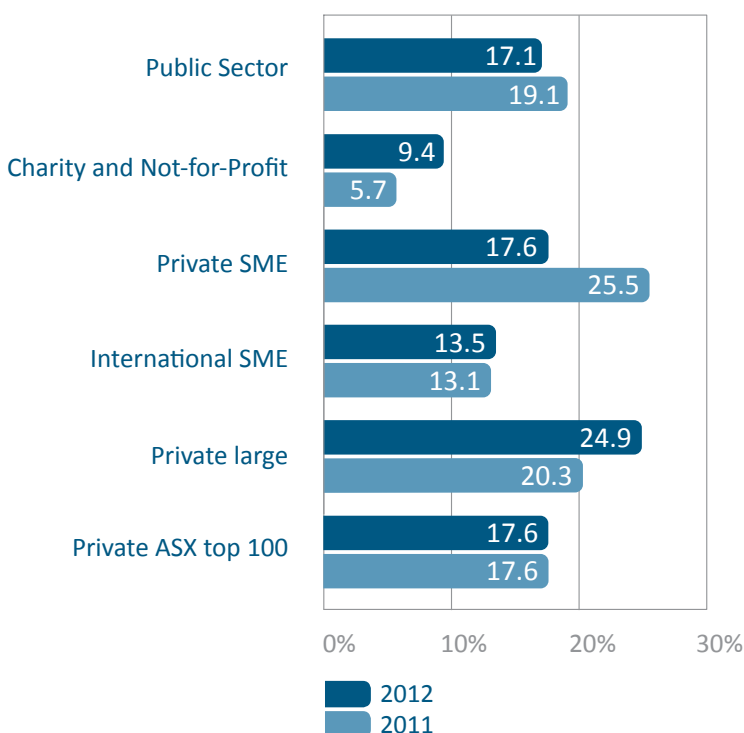


RESULTS

Q9 WHICH FUNCTIONAL LEVELS HAVE YOU WORKED AT?



Q10 WHICH SECTOR HAVE YOU MOST RECENTLY WORKED IN?

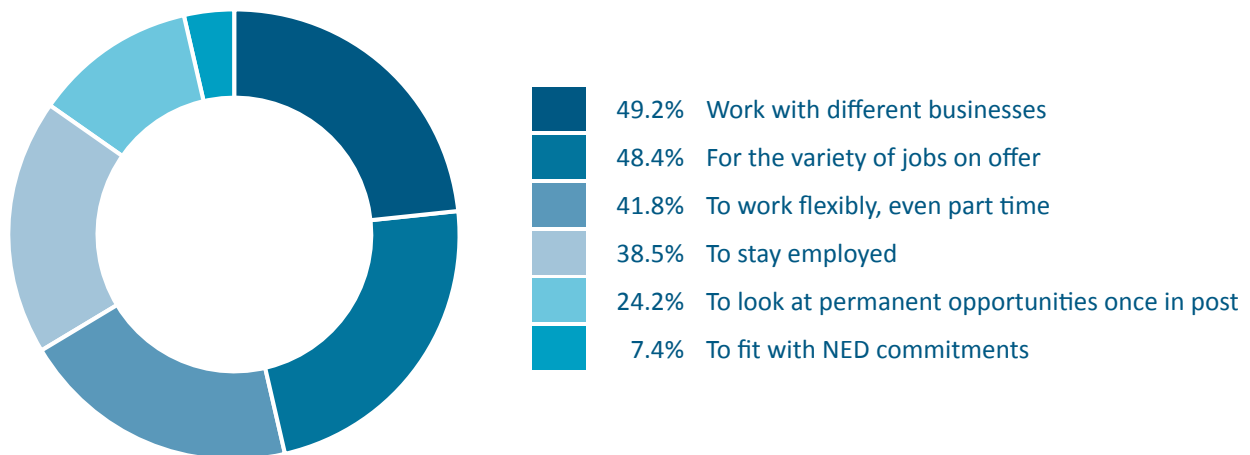


Surprisingly we have seen an increase in interims working within the charity and not for profit sectors and this has certainly been a growth sector for interim management. These organisations can really benefit from an interim providing flexible short- term expertise, without the costly experience of hiring somebody permanently or risking a high exit cost.

Perhaps not surprisingly, we see a slight decrease in interims working within the public sector. Restructuring within government has seen a number of redundancies and the sector generally has been slower to pick up on the value an interim can bring.

RESULTS

Q11 WHY ARE YOU CONSIDERING INTERIM? (TOP 3 SELECTED)



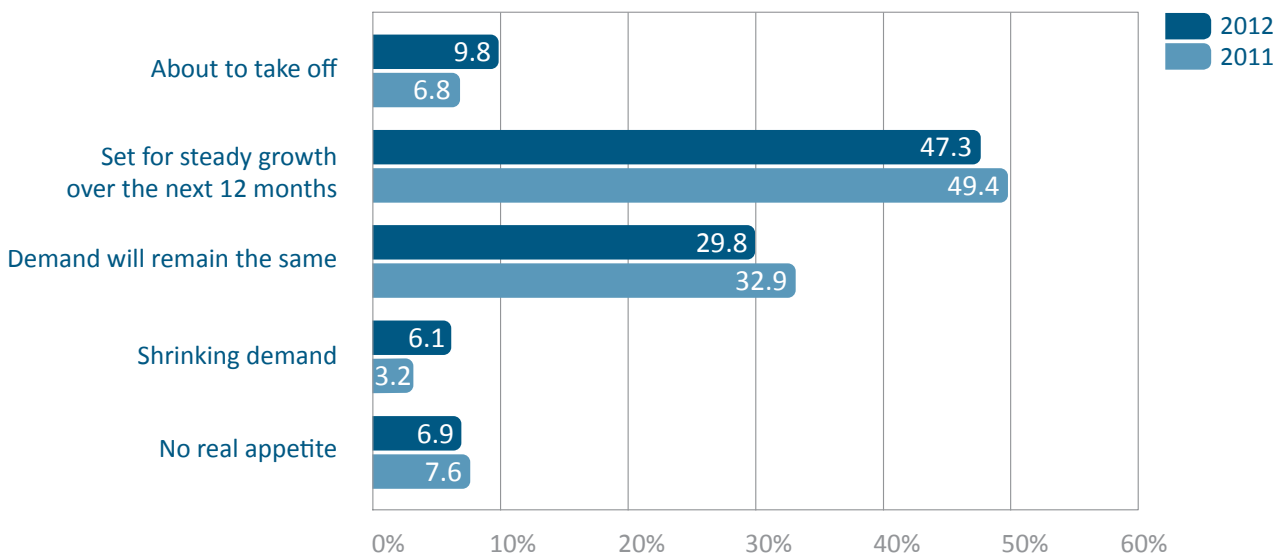
“For the talent, project-based work has simply become more attractive than the alternative. Today technology makes it easy to plug in, the corporate social contract guaranteeing job security and plush benefits is dead or dying, and 80 hour weeks are all too common in high powered full - time jobs. The surprise may be not that top talent is looking for ‘permanent work’ but that anyone who has a choice would want a traditional job.”

“Most [interim managers]...value the autonomy and flexibility of temporary or project-based work and find the compensation is comparable to what they earned in full-time jobs - sometimes even better.”

The Rise of the Supertemp. The best executive and professional jobs may no longer be full-time gigs. By Jody Greenstone Miller and Matt Miller - Harvard Business Review.

RESULTS

Q12 WHAT IS YOUR VIEW ON THE GROWTH OF INTERIM IN AUSTRALIA?



“Growth will be strong particularly as more organisations begin to appreciate the flexibility interim management offers.”

“Slowly! The concept needs serious promotion beyond the largest employers.”

“Some sectors/employers make effective use of interims and will continue to do so. Others will start to realise the benefits, especially with an ageing population, and will gradually start to make more use of interims.”

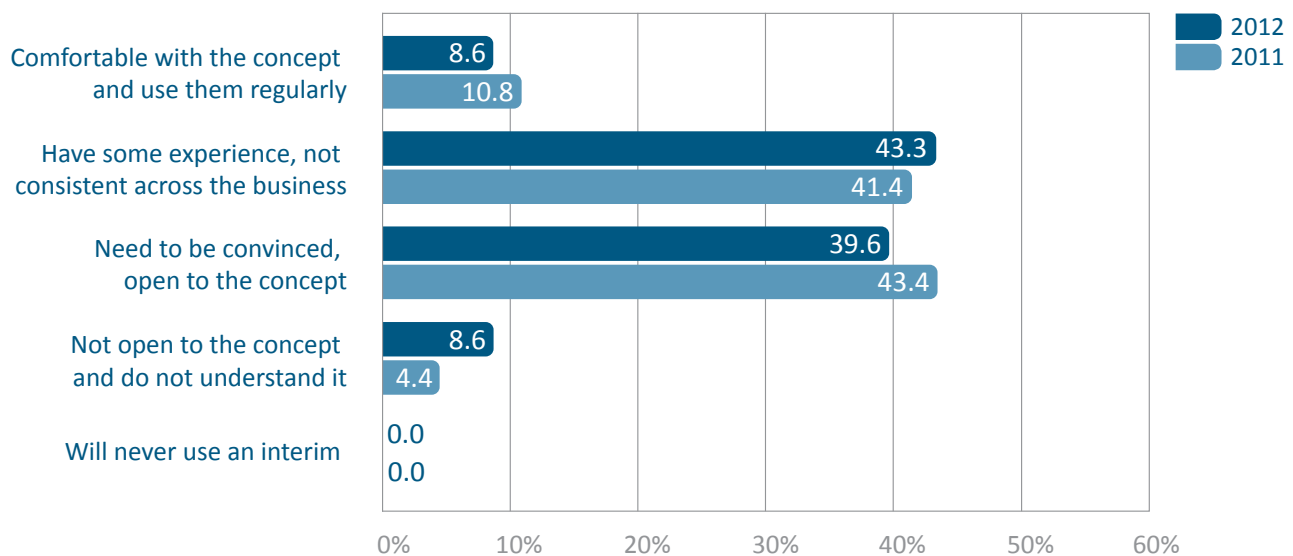
“As the concept spreads more widely the uptake will increase exponentially”

“No real change. It is tied to global economic prosperity.”

Quotes from survey participants.

RESULTS

Q13 HOW WELL DO CLIENTS GENERALLY UNDERSTAND THE CONCEPT OF INTERIM?



“It is critical to distinguish between senior contracting and interim management.”

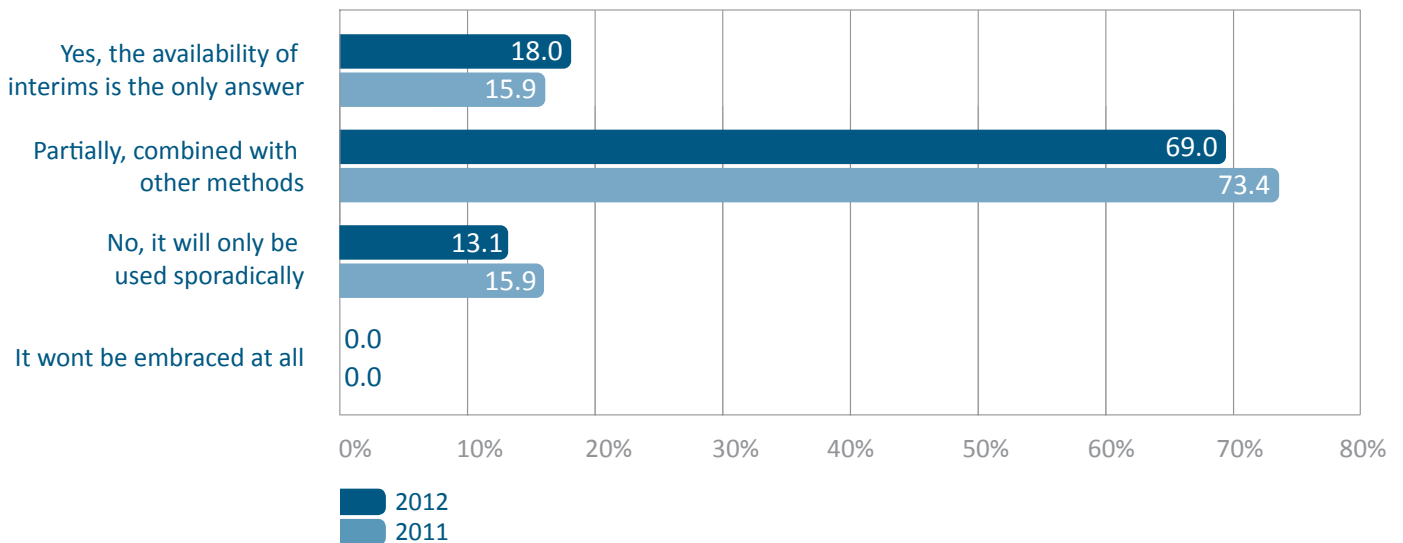
“Awareness is the key - not all employers truly understand the concept of interim and think you are simply a contractor / agency worker.”

“More and more companies are looking to experienced interims to help them meet a variety of challenges. It is becoming an alternate option to higher paid and often less experienced management consultants.”

Quotes from survey participants.

RESULTS

Q14 DO YOU THINK INTERIM MANAGEMENT POSES A SERIOUS SOLUTION TO THE LOOMING LEADERSHIP SKILLS GAP?



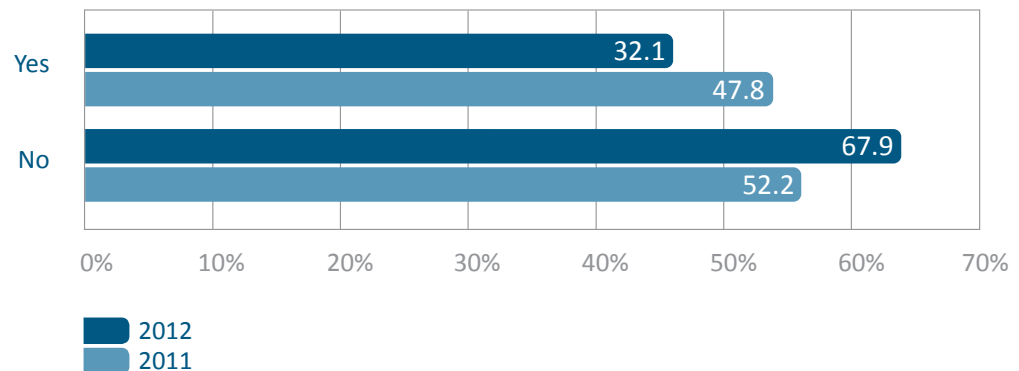
“They’re increasingly trusted by corporations to do mission-critical work that in the past would have been done by permanent employees or established outside firms.”

The Rise of the Supertemp. The best executive and professional jobs may no longer be full-time gigs. By Jody Greenstone Miller and Matt Miller - Harvard Business Review.

RESULTS

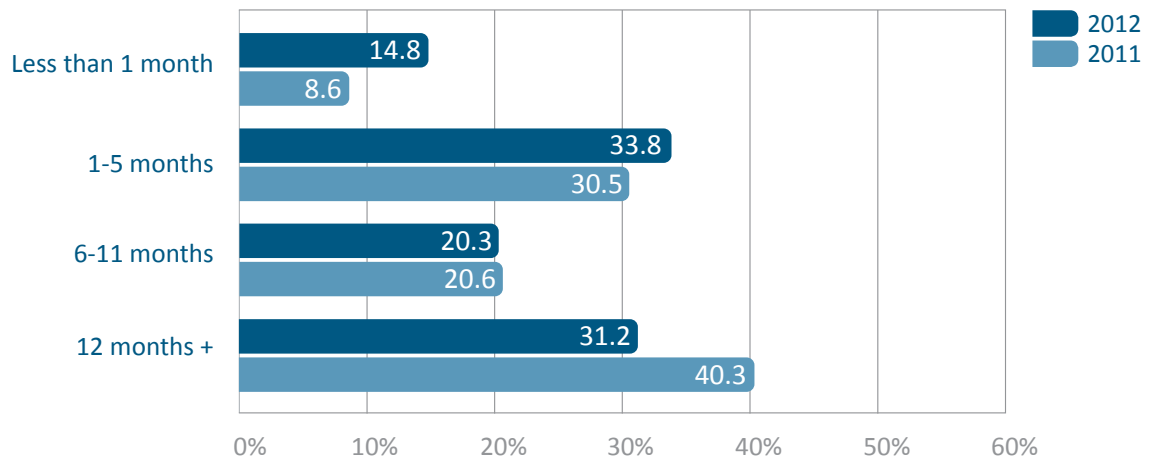
Q15 ARE YOU CURRENTLY ON ASSIGNMENT?

We have seen an increase in people 'off assignment'. This is in part explained by an increase in 'new entrants' to the interim market, with less developed track-records and networks. It is also perhaps a sign of the economic uncertainty and businesses reluctance to spend on significant change programmes that would warrant an interim. The evidence also suggests that there has been a move away from lengthy assignments to more discreet pieces of work. Where before there may have been an extension for the interim, contract lengths are now under more scrutiny. The good news is that the gap between assignments has shortened significantly and the number of assignments Watermark is managing at any one time has increased.

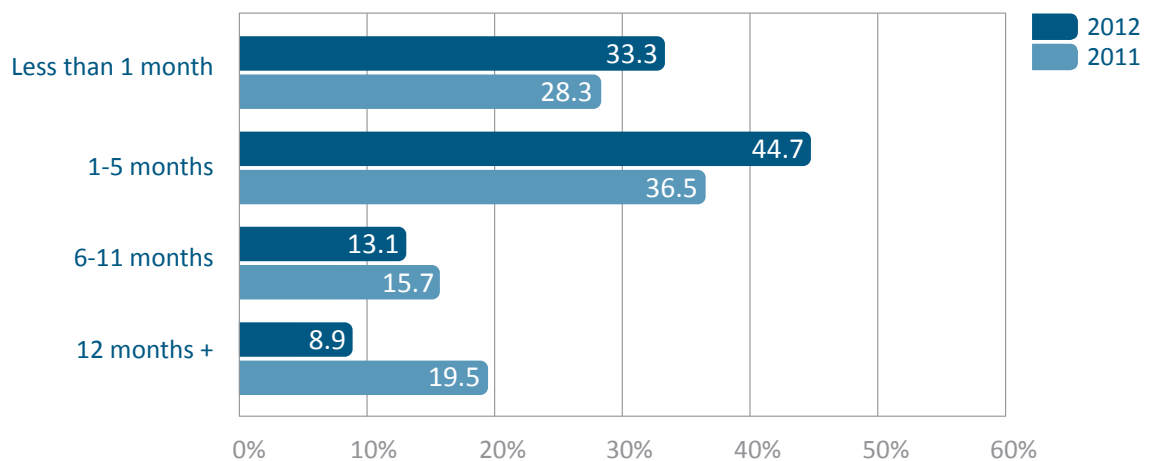


RESULTS

Q16 HOW LONG DID YOUR LAST ASSIGNMENT LAST?



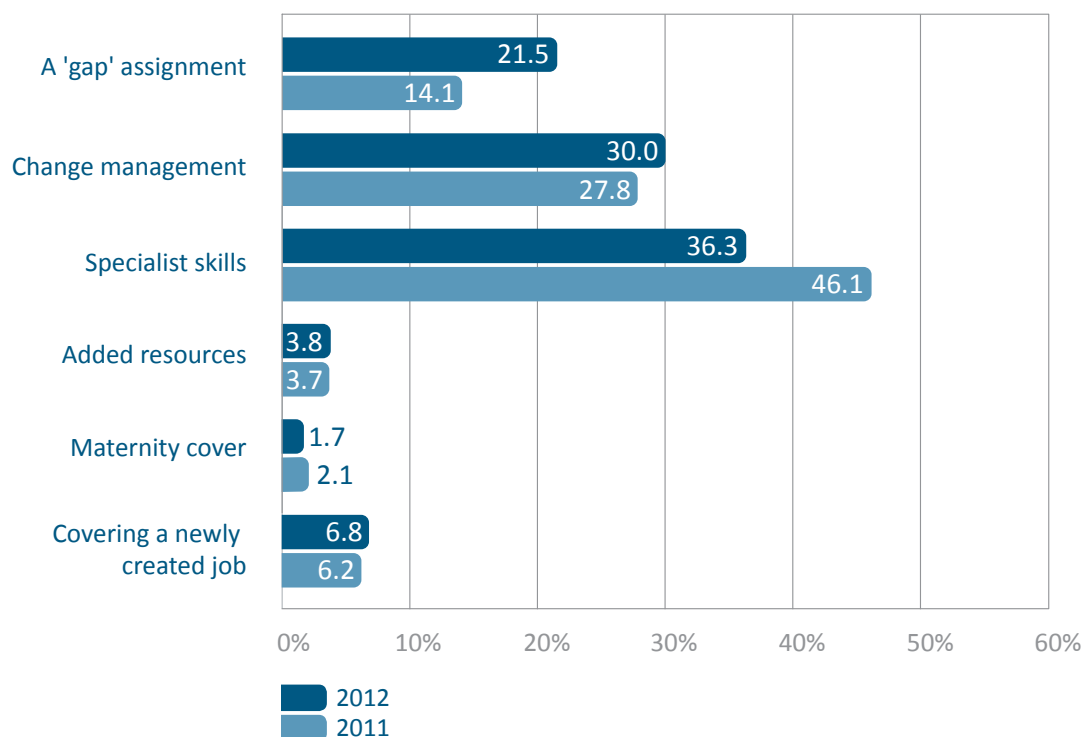
Q17 IF 'OFF ASSIGNMENT' HOW LONG HAS THIS LASTED?



RESULTS

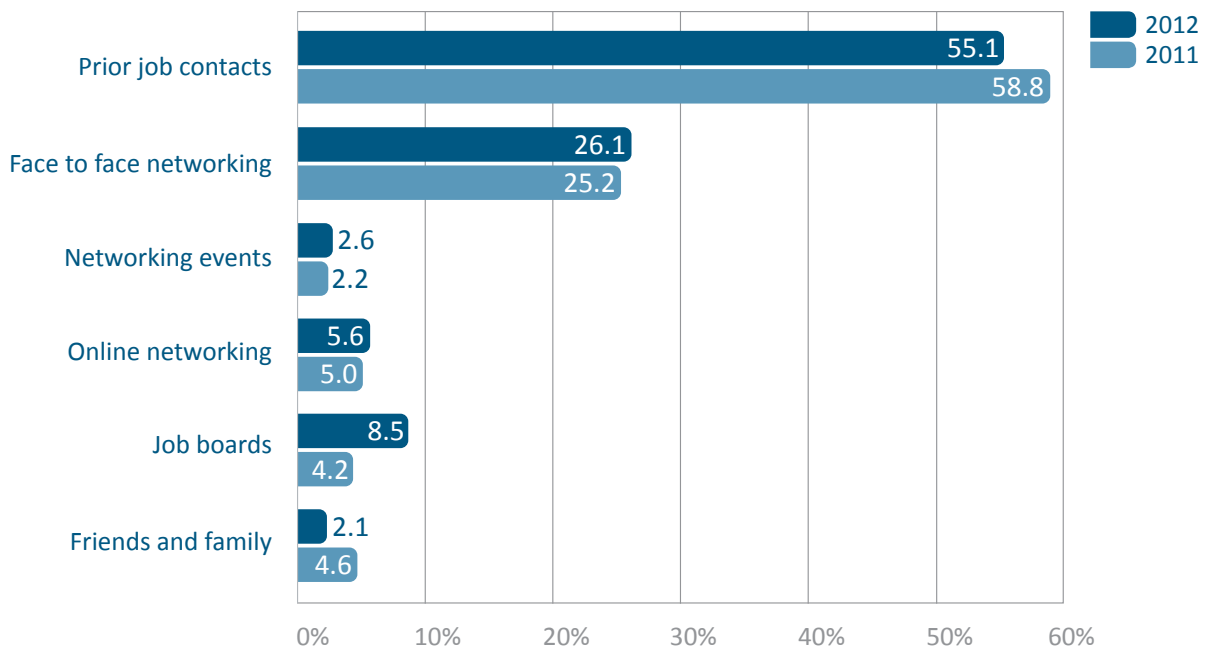
Q18 WHAT WERE THE REASONS FOR YOUR LAST ASSIGNMENT?

Providing specialist skills remains the primary reason for interim assignments in Australia. Interestingly, we have seen an increase in change management assignments as organisations increasingly look for outside help to deliver difficult transformation programmes.



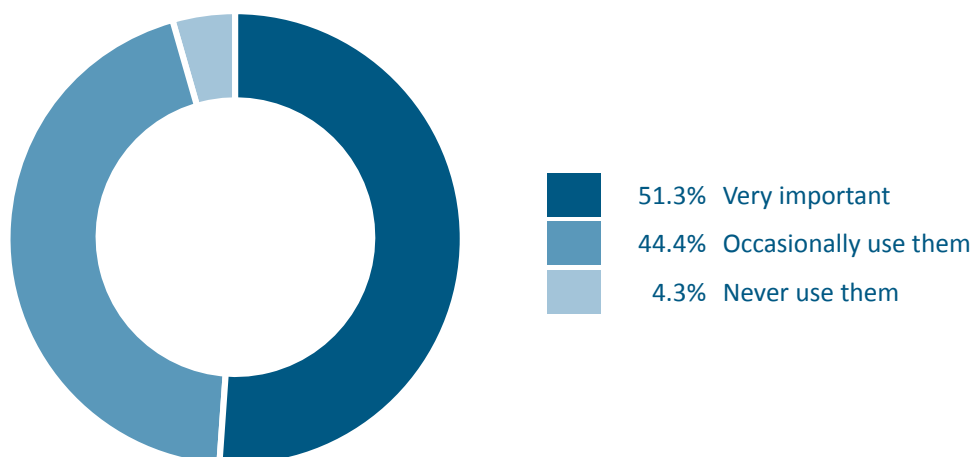
RESULTS

Q19 IF GAINING WORK THROUGH YOUR OWN NETWORKS, HOW IS IT SOURCED?



Q20 HOW IMPORTANT ARE RECRUITERS IN SOURCING WORK?

We always encourage our community of interims to revisit old networks and to become more active in their own networking. However, interim providers are increasingly being seen as an important tool, especially by professionals seeking assistance to break into new markets.



CASE STUDIES

INTERIM CHIEF TECHNOLOGY OFFICER (CTO)

THE CLIENT

We were approached by a multinational business to recruit an interim Chief Technology Officer for one of their major projects. We had an extremely limited timeframe to turn a short-list around as the need was urgent.

THE BRIEF

Our client had independently recruited a permanent Chief Technology Officer who had quickly exited the business leaving our client with an immediate leadership and project management vacuum. The CTO was to be responsible for developing IT and technology strategy and implementing the IT infrastructure for a new and high profile contract our client had won. It was a demanding brief requiring the interim to not only bring immediate leadership and strategic input but also to get the project back on track. The interim was also required to recruit a number of permanent new hires to the new team.

WATERMARK'S SOLUTION

We produced a short-list of three potential interim managers, a mixture of local and interstate options with the relevant combination of strategic vision and leadership but also the ability to get 'hands on' with the project. After two quick rounds of interviews the interim was appointed and started virtually the next day.

THE OUTCOME

The project is now back on track, the recruitment of the new team and a successor to the interim manager is complete.

INTERIM GENERAL MANAGER OPERATIONS AND MAINTENANCE

THE CLIENT

Our interim business was approached by a Queensland based, ASX Listed infrastructure organisation who are to deliver and manage major projects over the next few decades in Queensland. The design and construct phase is due for completion in 2012.

THE BRIEF

One of the organizations senior managers was unexpectedly unable to work due to ill health and therefore, in this critical final phase of construction and completion, a need for an Interim Manager was necessary. There was a need for a senior manager with the relevant industry experience as well as functional expertise with major infrastructure projects, build and construct experience and very specific experience in road and tolling.

WATERMARK'S SOLUTION

Within forty-eight hours Watermark Interim identified a highly experienced manager with all of the relevant expertise gained both here in Australia and internationally who had recently returned from Europe with the exact skills and experience required. Within 48 hours he had flown to Queensland for an interview and was placed in the organization within 1 week of taking the brief.

THE OUTCOME

The interim manager was placed on a 12 month contract to manage the various projects through to completion and draw on his years of experience to add value from day one. He has successfully integrated seamlessly as part of the senior management team.

CASE STUDIES

INTERIM CEO

THE CLIENT

Watermark Search International was approached by a state controlled agency to recruit both an interim Chief Executive Officer and a permanent successor.

THE BRIEF

The interim Chief Executive officer came into the organisation during a period of change; the former CEO was no longer in post, the organisation was undergoing a period of significant organisational and cultural change and the senior management team was unsettled. The interim CEO had to quickly earn the trust of the Board and win the respect of the senior management team and provide the organisation with short term leadership, at the same time supporting the ongoing change process.

WATERMARK'S SOLUTION

Having conducted a search of our existing pool of interim associates, Watermark selected and presented a candidate to the Board who was able to meet them at extremely short notice. Our associate brought a unique blend of both public and private sector experience to the client and had a demonstrable track record of success in managing larger and more complex organisations. As our associate was almost overqualified for the job, he brought immediate gravitas to the team and assurance for the Board.

THE OUTCOME

The interim associate successfully brought stability to the team, moved their change programme on successfully and was involved in the recruitment of a longer term replacement.

OTHERS

Interim Chief Information Officer
(Federal government agency)

Interim Director of HR
(Retail travel)

Interim GM Sales & Marketing
(Energy)

Interim Group Financial Controller
(Professional services)

Interim Managing Director
(Wholesale/distribution)

Interim Director of HR
(Mining/resources)

Interim General Manager
(Infrastructure)

Interim Change Manager
(Energy)

Interim Remuneration Specialist
(Construction)

Interim CIO
(Outsourcer)

Interim Financial Consultant
(Mining services)

Interim Director of HR
(Manufacturing)

Interim GM Customer Services
(Utility)

Interim CFO
(Food manufacturing)

Interim COO
(Outsourcer)

THE RANGE OF WATERMARK SEARCH INTERNATIONAL SERVICE OFFERINGS



EXECUTIVE SEARCH

Watermark Search is a long-established search firm specialising in C-level appointments. We have a strong in-house research enabling us to scour Australian and international markets for the best talent, rather than simply relying on advertising or our existing database.

MARKET MAPPING

We offer clients bespoke research on people and competitor dynamics. We gather first hand and up-to-date intelligence on a variety of sectors which can be used as a precursor to a search assignment or for internal benchmarking.

INTERIM MANAGEMENT

One of the most rapidly expanding areas of our firm, the emergence of interim management in Australia is being fuelled by growth on the supply side: there are more top quality senior executives than ever before working on interim assignments.

MARKET INSIGHTS

We have a unique 'window' in to the business, government and investment world and are available to provide informal market insights to our clients on topics such as salary packages.

BOARD APPOINTMENTS

Watermark advises many clients on the appointment of chairs and non-executive directors. We work with public listed companies as well as the government sector, government owned corporations, not-for-profits, etc.