



2016

Sixth Annual Australian
Interim Management Survey

Watermark
SEARCH INTERNATIONAL

Headlines

KEY FINDINGS:

- Interim managers are finding work within a shorter amount of time in 2015/2016.
- There are significantly more interims currently 'on assignment' this year compared to previous years.
- Notable growth in 'business transformation' as the reason why interim managers are hired for their most recent assignment and growth in opportunities within Government and associated enterprises.
- 50's is still the predominant age demographic for Australian interim managers.



Welcome from Watermark

Welcome back, or welcome if this is the first time you are reading our survey.

Now in our sixth year and with over 400 respondents, we see a rising demand for the skills that executive interims bring to companies. This is borne out, not only by the rising number of interim executives that are working on client assignments, but also by a reduction in the amount of time that these executives are experiencing between those assignments. We see continued growth in this service offering and an increasing willingness from clients to consider an interim executive as a 'strategic' rather than a 'last option'.

Another interesting shift over the past couple of years has been the internationalisation of the interim executive offering. There is both a willingness amongst executives to consider an overseas assignment as well as clients being open to an international option. Watermark Search International has recently taken the opportunity to build a strong international network of firms that can source executives globally. Equally, we can now also provide opportunities to Australian executives seeking international assignments. It is an exciting new area of growth.

In addition to our ability to source and provide talent globally, we are also looking forward to establishing a permanent presence in Melbourne to better service our Victorian clients.

In summary, the demand for interim executives continues to grow and executives are increasingly seeing the interim opportunity as an active choice, not a 'stop-gap'.

We hope you find the results of our survey informative.



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Interim Partner Profiles



Danny Hodgson, Martin Searle, Suzanne Mulvihill, Caroline McAuliffe, Andrew Pownall, Graham Willis



Caroline McAuliffe

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“For the past eleven years I have deployed senior level, high calibre executives, with broad functional and operational expertise, into mainly private sector organisations to complete growth, change, transformation, turnaround or cost efficiency mandates. I cut my teeth in the interim management industry in Australia in 2005 joining a start-up boutique interim management business as a Partner in what was a largely emerging industry. I joined Watermark in 2011. With a track record of hundreds of successful interim assignments completed, we are now experiencing a significant growth and awareness of this credible and effective resourcing solution. The rise of the ‘gig economy’ and the more contingent workforce is seeing a demand for seasoned operational executives to provide a competitive advantage.”

Sector focus: Infrastructure, Utilities/Energy, Human Services, Transport, Insurance, Global Facilities Management and Services, NFP.

Interim placement highlights in the last 12 months: Commercial Director (Defence Services), Chief Risk Officer (Transport), CIO (Human Services), Organisational Development Lead (Aged Care), Industrial Relations Advisor (Energy), Corporate Services Director (Community Housing).



Interim Partner Profiles



Danny Hodgson

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"I joined Watermark in late 2010 as a Partner with a dedicated focus on 'interim' executive assignments. I emigrated from the UK where I'd spent about twelve years building interim executive practices from within established executive search firms and I'd had a predominantly public sector client base. Initially, it was very much a 'concept sell' to the market and private sector clients were the 'early adopters' but in the last two or three years NSW Government brought in interim executives, particularly from the private sector, very successfully."

Sector focus: State and Federal Government, Regulators, NGOs, Membership Bodies and Associations.

Interim placement highlights in the last 12 months: CIO (NSW Government), COO (Regulator), COO (Federal Government), Chief Procurement Officer (NSW Government), Executive Director Communications (NSW Government), CFO (Member Body).



Martin Searle

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"I came to Watermark in mid-2014 as a Partner in the Interim Executive team, after a career across a number of industries including Transport, Telco, Professional Services, FMCG, Education and Mining. I think this experience has been invaluable in helping ensure I'm across the business requirements of each assignment."

Sector focus: Industrials, Education, FMCG, Professional and Financial Services.

Interim placement highlights in the last 12 months: Director, Marketing Services (Health Insurer), Senior Account Manager (Health), Interim HR Director (Sports), Real Estate and Facilities Director (University).



Andrew Pownall

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"I joined Watermark in September 2015 to focus exclusively on interim assignments in the project, program, transformation and change management space. I emigrated to Sydney from the UK in September 2013 after spending the previous 10 years in London as Director of a leading recruitment firm focusing on the growth and development of their technical disciplines such as Engineering & Manufacturing. Although it is early days in the development of this practice area at Watermark, it is clear that companies are leveraging contingent workers to access some of the most highly skilled people in the workforce."

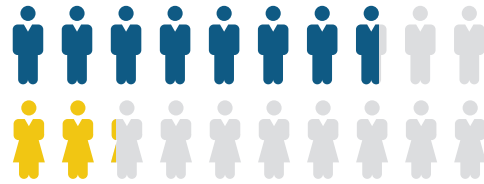
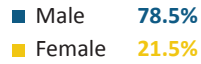
Sector focus: State and Federal Government, Education, Regulators, Financial Services.

Interim placement highlights in the last 12 months: ICT Program Director (NSW Government), ICT Program Manager (Education), Senior Program Manager (Education).

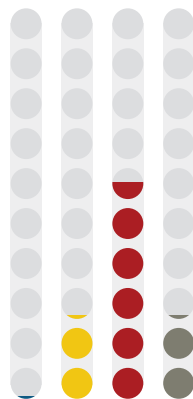


The Results

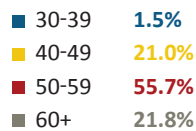
YOUR GENDER



Notwithstanding a 20% increase of the total number of surveys compared to last year's total, the gender ratio of interim managers has remained relatively stable.



YOUR AGE

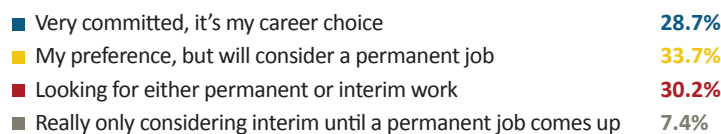


Even with the extra 20% of surveys, the 50-59 age group remains the largest cohort. However, compared to last year, the percentage within this cohort has dropped by 3%. The 60+ cohort has increased by almost 3%.

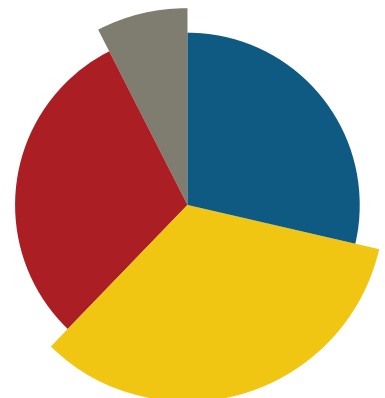
“There is a growing awareness that there is a large pool of highly experienced ‘grey hair’ who have a lot to offer and are immediately available.”

SURVEY PARTICIPANT

HOW COMMITTED TO INTERIM MANAGEMENT ARE YOU?



Interim management firmly remains the preferential career choice amongst 62% of our respondents.

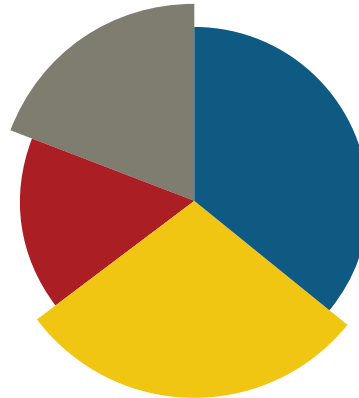




The Results

HOW LONG HAVE YOU BEEN LOOKING FOR AN INTERIM ROLE?

■ Less than 1 month	35.9%
■ 2-5 months	29.0%
■ 6-12 months	16.1%
■ 12 months+	19.1%



There has been a 7% increase this year for interim managers that are finding work within 1-5 months, showing that people are finding work more quickly.

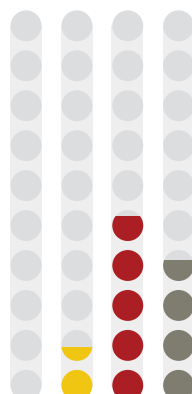
HAVE YOU WORKED AWAY FROM HOME ON AN INTERIM ASSIGNMENT?



IF NOT, WOULD YOU CONSIDER IT?



These results have remained relatively stable over the past year.



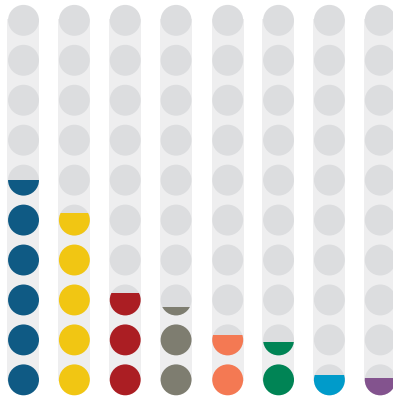
WHAT IS YOUR TARGET (OR CURRENT) BASE DAY RATE?

■ Less than \$750	1.5%
■ \$750-\$1000	14.6%
■ \$1000-\$1500	47.6%
■ \$1500+	36.3%

Those charging under \$1,000 per day is still very low, confirming the seniority of assignments.



The Results



WHAT LEVEL HAVE YOU TYPICALLY WORKED AT?

- Other C-suite role (e.g. COO, CFO, CIO) or Operational Board Director
- General Manager
- Project/Program Manager
- CEO
- Change Manager
- Program/Portfolio Director
- Technical Specialist
- Other



WHICH FUNCTIONAL LEVELS HAVE YOU WORKED IN? (TOP 3 CHOICES)

- Board and General Management
- Operations
- Turnaround
- Finance
- Project and Program Management
- Sales/Marketing
- Program/Portfolio Director
- IT
- Human Resources
- PMO/EPMO Manager
- Supply Chain
- Manufacturing/Engineering
- Procurement

Interestingly operations has become a more popular functional role.

“ *I do think it can be a lot of fun - meet different people, different businesses and you can throw yourself into a new problem.”*

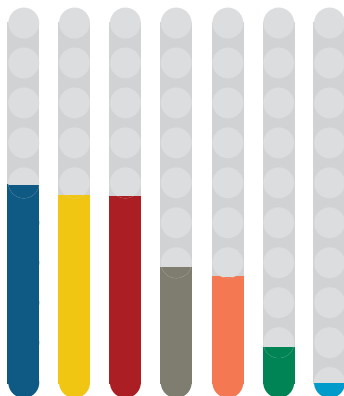
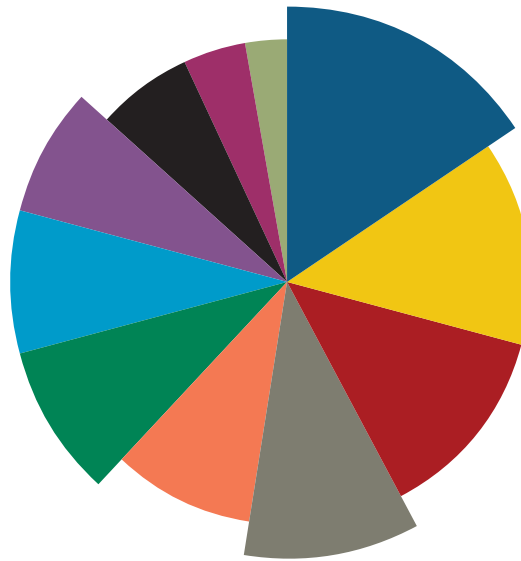
SURVEY PARTICIPANT



The Results

WHICH SECTOR HAVE YOU MOST RECENTLY WORKED IN?

Government	15.6%
Financial Services	13.8%
Professional Services	13.0%
Services	10.2%
Manufacturing	9.5%
Healthcare/Aged Care	9.0%
Infrastructure	8.2%
Industrials	7.7%
FMCG	6.4%
Education	4.1%
Mining	2.6%

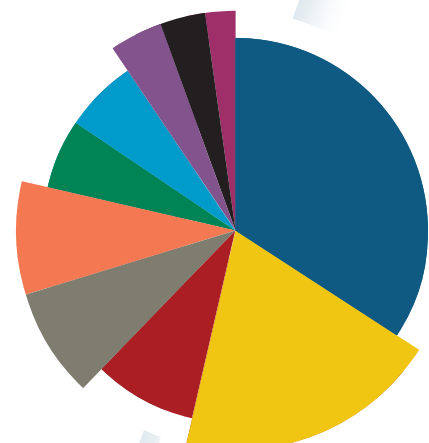


WHY ARE YOU CONSIDERING INTERIM? (TOP 3 CHOICES)

- To work flexibly, even part time
- For the variety of jobs on offer
- Work with different businesses/sector
- To stay employed
- To be considered for permanent roles leading from the interim role
- To fit with NED commitments
- Other

WHAT DO YOU CONSIDER TO BE THE SINGLE GREATEST ATTRIBUTE THAT YOU COULD OFFER AN ORGANISATION AS AN INTERIM?

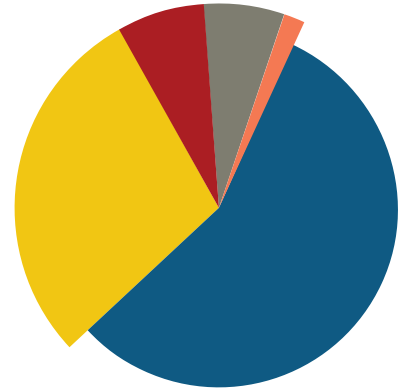
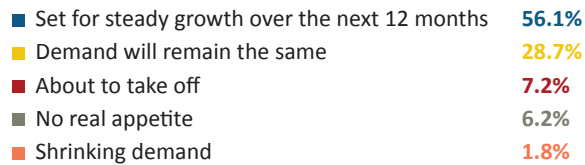
Experience – depth/breadth; multi-business and multi-sector	34.4%
Focus/drive/results-oriented	19.4%
Independent – apolitical, dispassionate advice	8.5%
Proven track record of success	8.3%
Speed – rapid grasp of issues and consequent impact	8.3%
Expertise/specialist skills	5.9%
Increased profit/performance	5.9%
Value – cost efficient; flexible and predictable cost	3.9%
Integrity/professionalism/gravitas	3.4%
Engineering/delivering change	2.1%



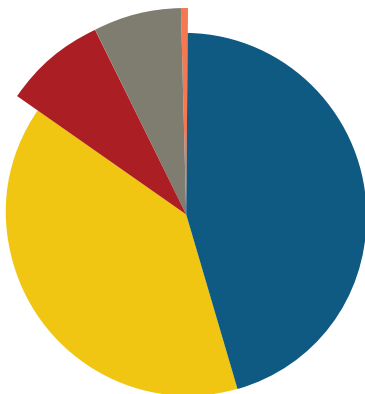


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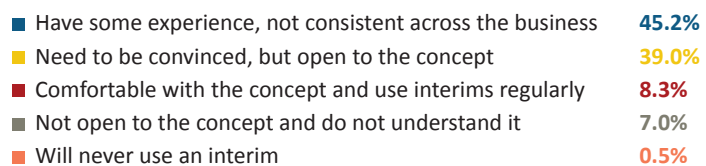
WHAT IS YOUR VIEW ON THE GROWTH OF INTERIM MANAGEMENT IN AUSTRALIA?



Most still believe interim management in Australia will either take off or is set for steady growth over the next 12 months.



HOW WELL DO CLIENTS GENERALLY UNDERSTAND THE CONCEPT OF INTERIM?



ARE YOU CURRENTLY ON ASSIGNMENT?



There has been a shift this year for our respondents currently on assignment – an increase of 10% matched with a 10% decrease for those not on assignment. This indicates a growing number of opportunities.

“Find intellectually challenging projects without being drawn into admin or politics.”

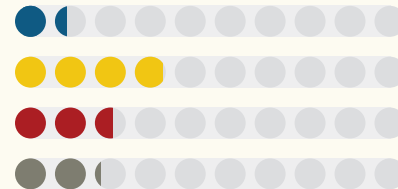
SURVEY PARTICIPANT



The Results

HOW LONG HAVE YOU BEEN ON YOUR CURRENT ASSIGNMENT?

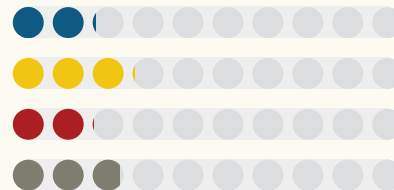
■ Less than 1 month	13.2%
■ 1-5 months	39.5%
■ 6-11 months	25.7%
■ 12 months +	21.6%



Assignment duration between 1-5 months was the only change with a 6% increase compared to 2015.

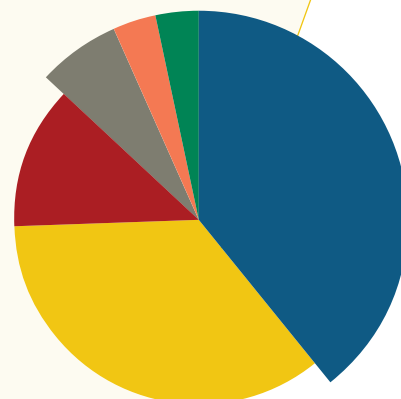
HOW LONG HAS IT BEEN SINCE YOUR LAST ASSIGNMENT?

■ Less than 1 month	20.7%
■ 1-5 months	30.4%
■ 6-11 months	20.3%
■ 12 months +	28.6%



WHAT WERE THE REASONS FOR YOUR MOST RECENT ASSIGNMENT?

■ Business Transformation/Change Management	39.1%
■ Specialist skills were required	35.3%
■ A 'gap fill' assignment	12.7%
■ Covering a newly created job	6.2%
■ Incumbent not available	3.5%
■ Added resources	3.2%



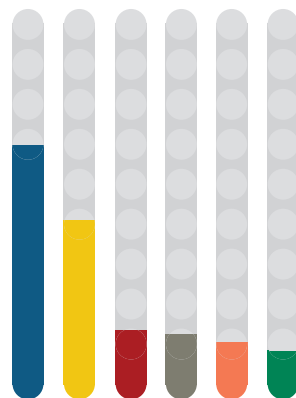
In comparison to last year, there has been a marginal shift with those respondents who worked most recently on business transformation/change management (11% increase) compared to those that worked on specialist functional assignments (9% decrease).

“Change management will increase in order for companies to survive.”

SURVEY PARTICIPANT



The Results

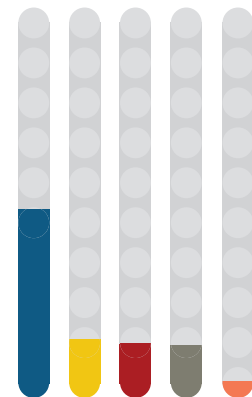


IF GAINING WORK THROUGH YOUR OWN NETWORKS HOW IS IT SOURCED?

- Prior job contacts
- Face to face networking
- Online networking
- Job boards
- Networking events
- Friends and family

HOW IMPORTANT ARE RECRUITERS IN SOURCING ROLES?

- Quite important but I also use other approaches **49.5%**
- Occasionally use them **15.9%**
- Very important **14.8%**
- Not that important but I do use them **14.0%**
- Never use them **5.8%**



“ *I believe that interim management is a responsive, cost-effective opportunity for boards redefining the company business and/or needing leadership to manage change projects.”*

SURVEY PARTICIPANT



HOW DO YOU SEE INTERIM EXECUTIVE MANAGEMENT DEVELOPING IN AUSTRALIA IN NEXT 12 MONTHS?

The majority of interim managers believe that interim executive management will develop slowly but steadily in Australia over the next 12 months.

“ *I can see it (interim management) growing to fill gaps while dealing with specific issues or keeping the wheels turning while recruiting a permanent employee which often takes 3 to 6 months.”*

SURVEY PARTICIPANT

“ *Interim management is likely to increase after the election as businesses (hopefully) get busier, but are reluctant to hire full time permanent people.”*

SURVEY PARTICIPANT

WHAT CAN BE DONE TO HELP SPREAD THE CONCEPT OF INTERIM MANAGEMENT IN AUSTRALIA?

Most interims believe that promoting 'success stories' and using recruitment firms to promote the benefits are the best ways to spread the concept of interim management.

“ *Promote the success stories - how it has helped companies and why it turned out better to use interim as opposed to full time heads.”*

SURVEY PARTICIPANT

“ *I think recruiters should work with clients to convince them of the benefits of interim sourcing.”*

SURVEY PARTICIPANT



Watermark Search International Service Offerings

Executive Search

Founded in 1979, we are one of the longest established Australian executive search firms. Despite the fact that we are, above all else, an Australian based firm, we have an established track record in attracting, and then securing, candidates from overseas.

We have considerable expertise in senior executive appointments across a broad range of public and private sector organisations. Our practice has been built on a substantial body of work undertaken for publicly listed companies, private companies, state owned corporations, and government agencies, departments and advisory boards.

Interim Executive Management

We provide immediate and high level specialist executives, including senior managers, with the experience to bring stability to and provide guardianship for a company during a period of change, executive absence or performance turnaround. We also assist with providing executives who deliver on projects, programmes or specialist reviews. When clients are ready to appoint an executive we normally complete the assignment in two to three weeks. Our latest survey shows that those executives remain in place for an average of 7½ months.

Board Search

We believe that strong boards make for better organisations and improved business performance. In conducting searches we do not simply look for 'a name' but rather search for candidates with the relevant skills to add real value to a board. We often start our board search by working with the client to produce a Board Skills Matrix which then informs the specific brief.

Our track record ensures familiarity with the specific, and often sensitive, challenges involved in appointing Non-Executive Directors and Chairs with the right skill, personal and cultural fit. Our process and experience allows us to generate diverse short lists and consistently find successful candidates who help boards perform at their peak. We often work with our clients to provide an induction process for their new Directors.



EXECUTIVE
SEARCH

INTERIM
EXECUTIVE
MANAGEMENT

BOARD
SEARCH

DIVERSITY

MARKET
INSIGHTS

Diversity

We pride ourselves on delivering the best candidates in the marketplace for consideration by our clients. We go further than most executive search organisations in ensuring that our clients have a gender diverse range of candidates as part of the process. In 2015 42% of all successful candidates introduced by Watermark were female. This is a significantly greater representation of women executives as successful candidates than any levels indicated by recent third party studies. In addition to our focus on gender diversity we have also had the opportunity to assist a number of Indigenous organisations secure high quality candidates through well targeted executive search.

Market Insights

We have a unique 'window' into both the commercial and government worlds and are available to provide informal market insights to our clients on topics such as salary packaging, hiring trends and executive onboarding.

Contact Us

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