



INTERIM MANAGERS

WILL GUIDE YOU THROUGH THE MAZE LAWRENCE WORDON

(S) South African companies face the challenge of improving their skills base and management capabilities if they want to grow into sustainable and globally competitive companies.

The challenge is made all the more difficult by the fact that South Africa, like most countries today, faces critical skills shortages in top management, senior executive and directorship positions. Unlike other countries, however, South Africa's skills shortage has been further exacerbated by the so called brain drain, which in the last decade has seen over one million highly skilled people leave the country in search of better employment opportunities elsewhere.

In order to overcome this challenge, South African companies should take a feather from the caps of their European and American counterparts and start using interim management to overcome critical skills shortages at the highest level of their organisations.

Interim management is not a new concept overseas. It started in the Netherlands in the seventies in response to restrictive Dutch labour laws.

In the United Kingdom alone, the interim management industry is estimated to be worth more than £2 billion today with further growth anticipated. It consists of various layers of expertise ranging from independent directors acting as modern day non-executives to operational managers adept at handling crises, turnaround programmes or projects.

It is now an exception to find a company in the United Kingdom with a £50 million plus turnover which has not at some point used an interim manager.

WHAT IS AN INTERIM MANAGER? An interim manager is a management professional, usually with a specific area of expertise, who contracts to provide a client with short-term cover, troubleshooting in an area of expertise or the completion of a

pre-defined project. Simply put, they can be described as an all-in-one project manager, consultant and senior executive working at or near board level.

Usually, an interim manager is someone who has enjoyed enormous success in his or her corporate career but now wishes to work on short term projects instead, having chosen to lead portfolio careers and not be embroiled with corporate life. Many have a business degree in addition to their technical qualifications and typically have held senior management positions, not uncommonly at the board or head of function level.

The concept of interim management as a career has really taken off overseas. A few years ago, it was retired directors who wanted to continue working for a while. Now interim managers are much younger, more ambitious and dynamic.

They are used to working on a project basis and understand how to manage an assignment within time frames and budgets. They are results-driven and, given that they rely on

their achievements to be considered for new projects, are probably as motivated to achieve your objectives as you are.

Interim management should not be confused with consulting. Consulting is an area interim management touches on but is distinct from. The main difference is that a consultant essentially works as an outsider whereas an interim manager is expected to act as an insider. In addition, the interim manager's position is often limited by time, while the consultant's contract is expected to conclude with the delivery of a specified outcome.

Interim managers can add greater value to companies than consultants because of their hands-on involvement in projects and the ability of their skills and knowledge to rub off onto permanent staff members. Consultants, on the other hand, are allowed to depart after having developed a strategy, plan or framework taking with them the knowledge for which the company paid. Interim managers are also

generally over-qualified for the project they have been assigned to and companies can leverage those additional skills by asking their opinions on other areas of the business.

HOW CAN INTERIM MANAGERS HELP SA COMPANIES?

The concept of interim management is still relatively new in South Africa but it is a potential resource that could significantly help companies meet their business objectives.

Since 1994, the South African employment landscape has undergone major change, characterised by rapid economic growth as well as the need to transform the workplace to ensure the necessary diversity and demographic representation. There are also increasingly complex corporate governance requirements and financial reporting standards, all of which – in the absence of an abundance of senior executives – implies the need for innovative and flexible employment solutions.

South African companies also have to deal with the fast pace of change in today's corporate environment, whether it is due to downsizing, to prepare for rapid growth or even to implement new technology or systems to secure a competitive advantage. There's a big need for senior level people to manage that change.

The use of interim managers allows companies to bring in the expert talent when they need it, for as long as they need it. Consider this potentially business-saving solution for a company facing immediate challenges: an interim manager is typically in place within two weeks and can start making an impact immediately whereas a permanent position could take up to six months to fill. They also bring ability, experience and a fresh perspective to your organisation.

Some typical examples where interim management can help South African companies include:

Leadership and management assignments. An interim manager can quickly fill the shoes of a senior

employee who has left at short notice, allowing companies the peace of mind while searching for a replacement;

Skills transfer assignment. An interim manager can be used to provide practical knowledge to less experienced candidates who may possess the academic qualifications but lack the necessary hands on experience required for the position;

Strategy implementation assignments. Studies show that consultants and strategists are formulating, brilliant high-level strategies but the execution is left to the company's line managers to implement without providing them with the necessary support. As a result, it is estimated that at least a third of the value-creation potential is lost during the implementation. An interim manager can be appointed to assist companies with the implementation of its strategies;

Non-executive director assignments. Given the growing complexity of corporate governance requirements, there is an increased need for unbiased and experienced non-executive directors, which can be provided by using an interim manager;

The use of interim managers could also solve a number of headaches for small businesses. Local start-up SMEs (small, medium enterprises) have a high mortality rate because of the shortage of the technical and management skills they need to build businesses that can compete with large South African and multinational competitors.

South African entrepreneurs face challenges including putting financial systems and controls in place, upgrading manufacturing systems, technologies and processes as well as introducing quality assurance.

In addition, they need to address issues such as business strategy, marketing, international trade and more if they are to thrive. These are all daunting challenges for companies that don't have access to seasoned management with the relevant experience. [\(HR\)](#)