

CHARTERED ACCOUNTANT INTERIM MANAGERS

INTERIM MANAGEMENT MARKET

A GROWING TREND
IN THE IRISH ECONOMY

SURVEY RESULTS

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" ... a hugely valuable resource and a cost-effective way of sourcing competencies and experience you may not have in your organisation"

FOREWORD

The seismic changes in the world of employment are evident in this original survey by Chartered Accountant Interim Managers.

We can clearly see the unbundling of the workplace and the quest of the skills markets for ever increasing expertise and experience.

Most interesting is the trend to hire expertise to solve problems; or to complete discrete projects. We see a market demand for excellence in workplace solutions and project delivery. These demands are being filled on a business-as-usual basis by interim managers with their specific skills and expertise.

All of this is enabled by websites such as cainterimmanagers.ie and network platforms such as LinkedIn.

Businesses in Ireland are facing into the yin-and-yang of a growing economy and Brexit uncertainty. The implication is that the accessibility of externally available expertise on a flexible basis, as the go-to solution, is an extremely valuable asset for the coming years.

Also visible from our survey is that the offering to the business community by accountants is also changing.

Pat Byrne

Chairman

Chartered Accountant Interim Managers

EXECUTIVE SUMMARY

Chartered Accountant Interim Manager's (CAIM's) own experience in recent years has been to observe the growth in demand for, and the supply of, 'Interim Manager' services in Ireland. CAIM initiated this survey to capture feedback, both quantitative and qualitative, from the wider business community on its perception of the Interim Management market in Ireland.

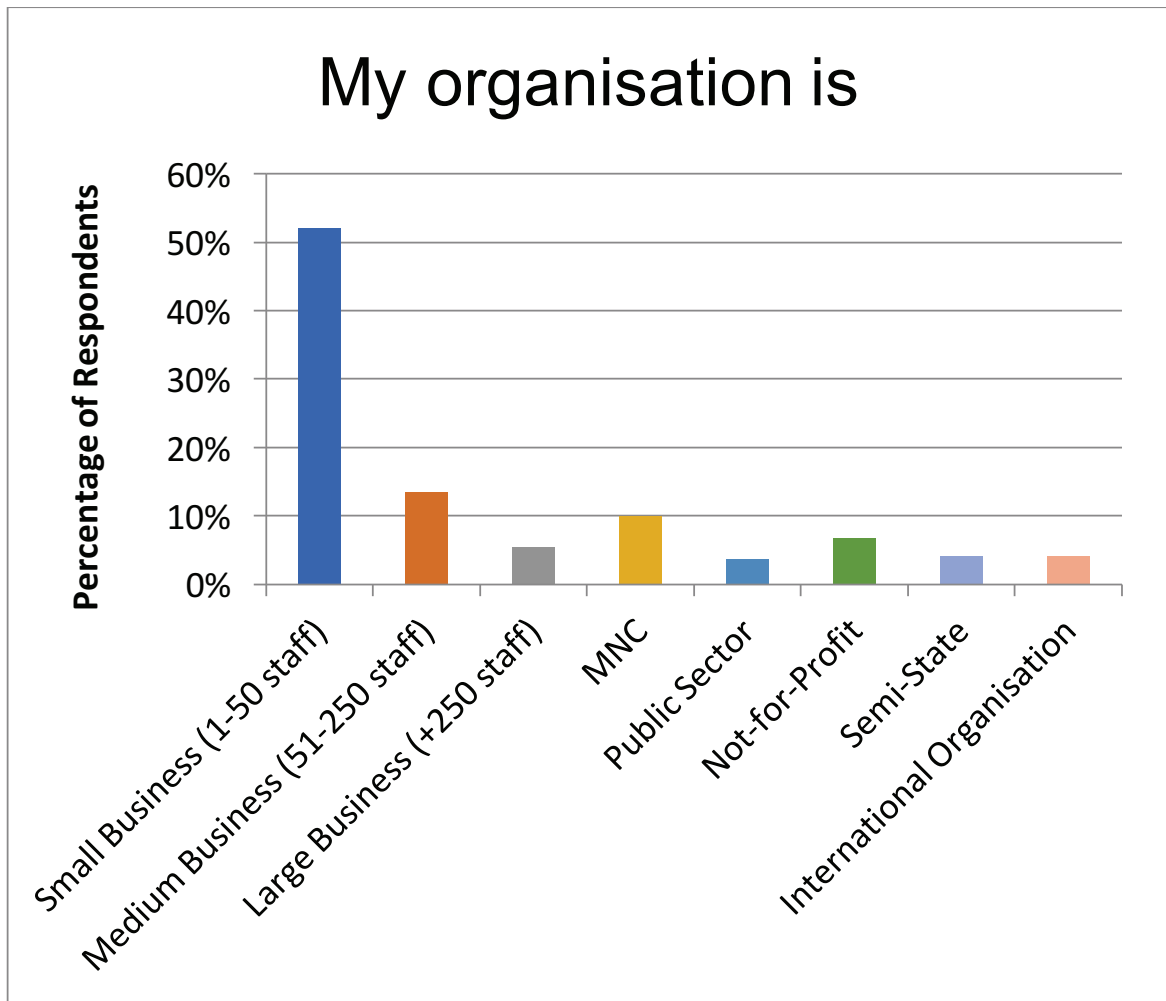
KEY FINDINGS

- **The availability and flexible nature of Interim Manager expertise is highly valued.** Respondents reported that they've had a positive experience of Interim Managers to date, and that they expect to use the services of Interim Managers more in the future, particularly for short-term needs. They assess that the market for Interim Management services will continue to grow in Ireland.
- **Small and Medium Sized Enterprises (SMEs) are more often turning to Interim Managers** to fill gaps in expertise in their organisations.
- **There is a growing demand for Interim Manager** services in Ireland – albeit the phrase "Interim Manager" is more likely to be referred to as "Consultant" or "Contractor".
- **Specific Assignments are the most common** – where the client organisation has a clearly defined requirement that it's happy to resource externally.
- **Gaining access to expertise is the main reason for hiring Interim managers.**
- **For externally resourced projects the expertise of Interim managers is essential.** This is followed by a requirement to fill a gap or to add additional executive support.
- **Personal and professional networking** is most often used for identifying and hiring an Interim Manager
- **Personal Recommendation and the expected level of impact** are the most important factors in hiring an Interim Manager.
- **Professional qualifications, experience and trust,** are the second important factors in hiring an IM.
- **Competence to get the job done** was most important in the buying decision
- **A "Ready-to-Go" immediate solution** was the second most important in the buying decision.
- **Chartered Accountant Interim Managers** were seen as strong candidates for Senior Financial Management, Corporate Finance, Governance and Compliance and Strategy & Business decision-making.

CAIM is pleased with the findings of this survey, which confirms our everyday experience on the ground, that the demand for Interim Management services is growing in Ireland. The key findings show that respondent organisations are engaging Interim Managers for Specific Assignments on a flexible hire basis, with a hiring focus on competence and experience.

There's no doubt that the nature of work is changing and the Interim Professional model is seen as a positive contributing factor to organisations' needs now and into the future.

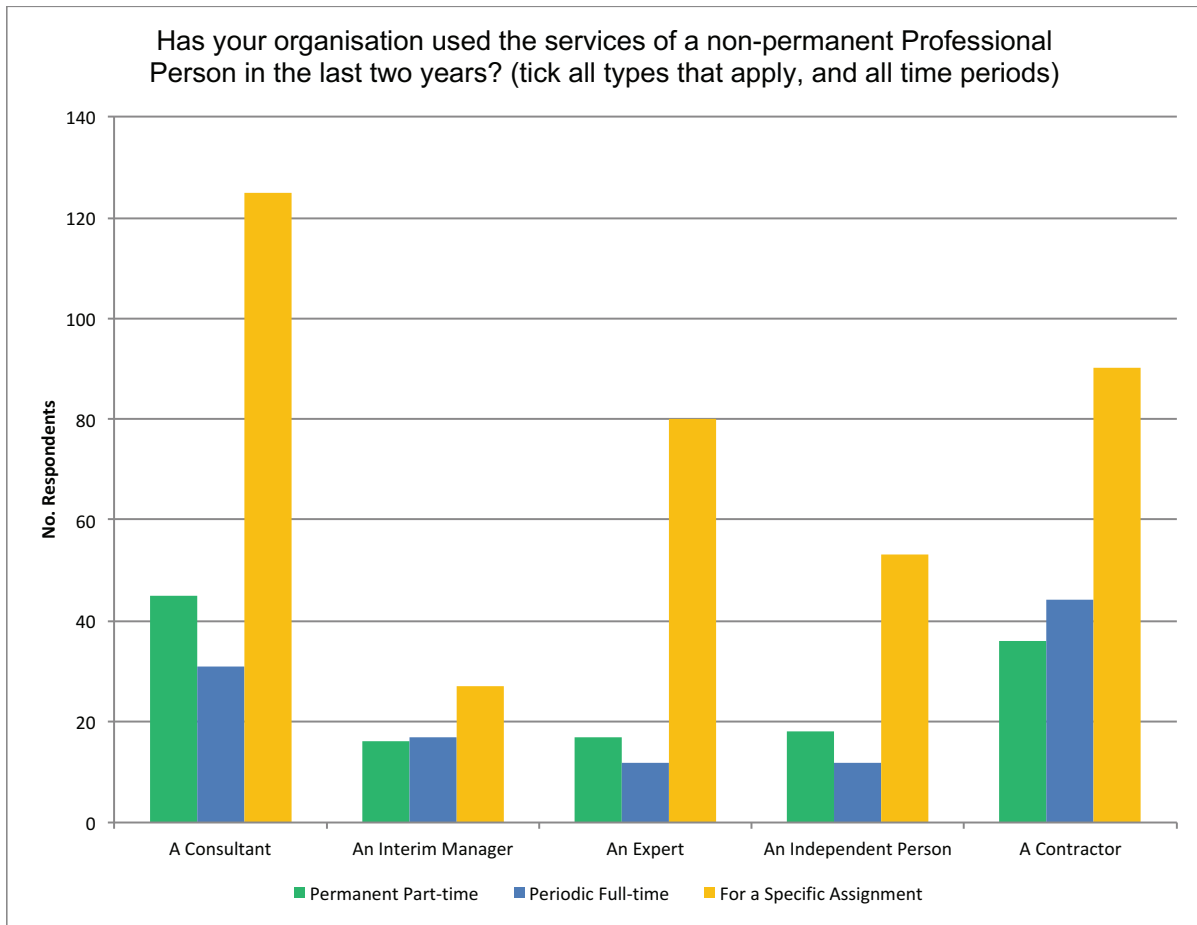
Q1. DESCRIBE YOUR ORGANISATION



Respondents predominantly belong to the Small Business sector (52%) with Medium-sized organisations and Multi-national companies making up the next largest categories at 13% and 10% respectively. These 3 sectors account for 75% of all respondents.

An internal survey of CAIM members in early 2017 revealed that the SME sector accounted for almost 50% of the assignments members were engaged on.

Q2. USE OF NON-PERMANENT PROFESSIONALS



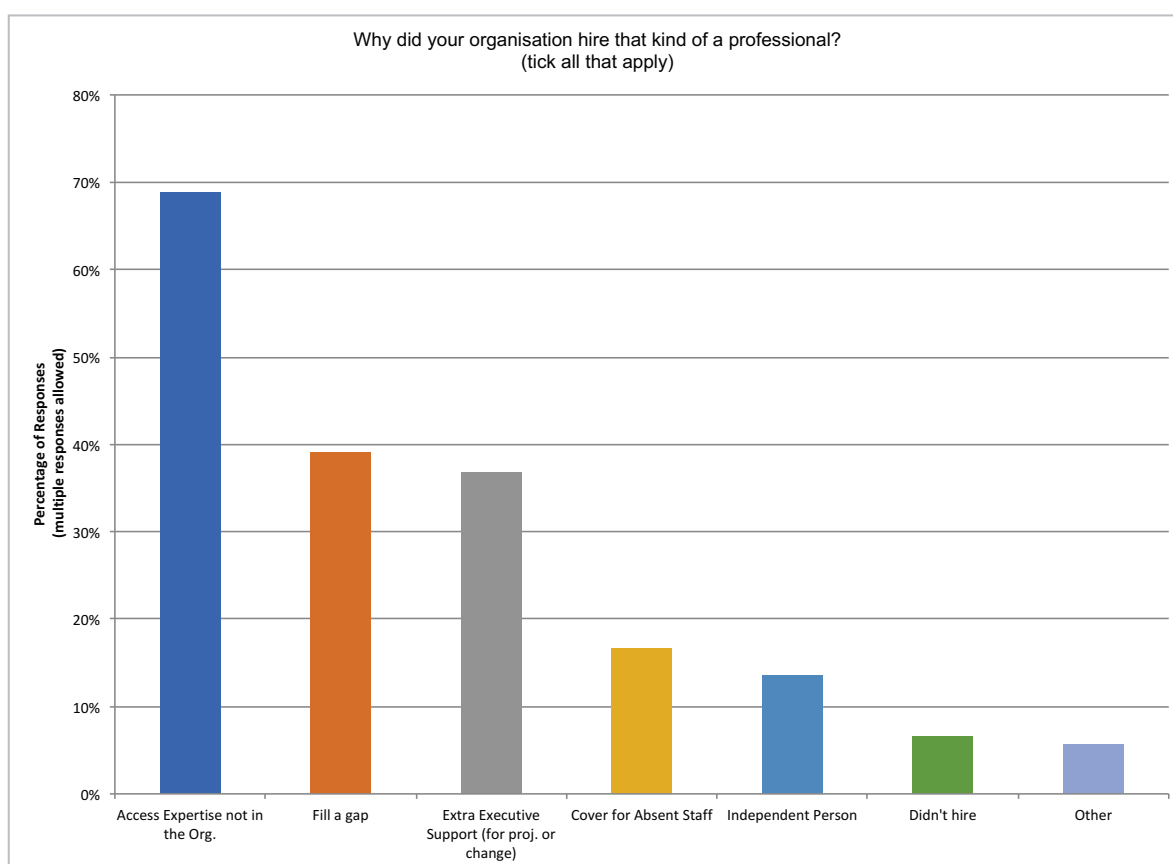
The survey aimed to include as broad a definition of "Interim Manager" as possible, and therefore included labels such as Consultant, Expert, Contractor as well as Interim Manager and Independent Person.

The label "Freelancer" is widely applied in the UK, but in the design of this survey, CAIM members did not report this label as being frequently applied in the professional services market in Ireland, and it was omitted.

There is a significant trend in the reported results that show a clear preference for engaging Interim resources on an assignment basis. This is most pronounced when referring to Consultant or Contractor labels. On average, 60% of engagements are for a specific assignment.

When specifically referring to an Interim Manager, the proportion of Permanent Part-time or Periodic Full-time accounts for 55% of engagements. This matches the general view that specifically-titled "Interim" roles tend to be more time-based than assignment-based. A finding consistent with the experience of CAIM members.

Q3. WHY USE AN INTERIM PROFESSIONAL?



Respondents clearly indicate that external resources are primarily retained (69%) in order that the client organisation can access expertise not otherwise present in the organisation.

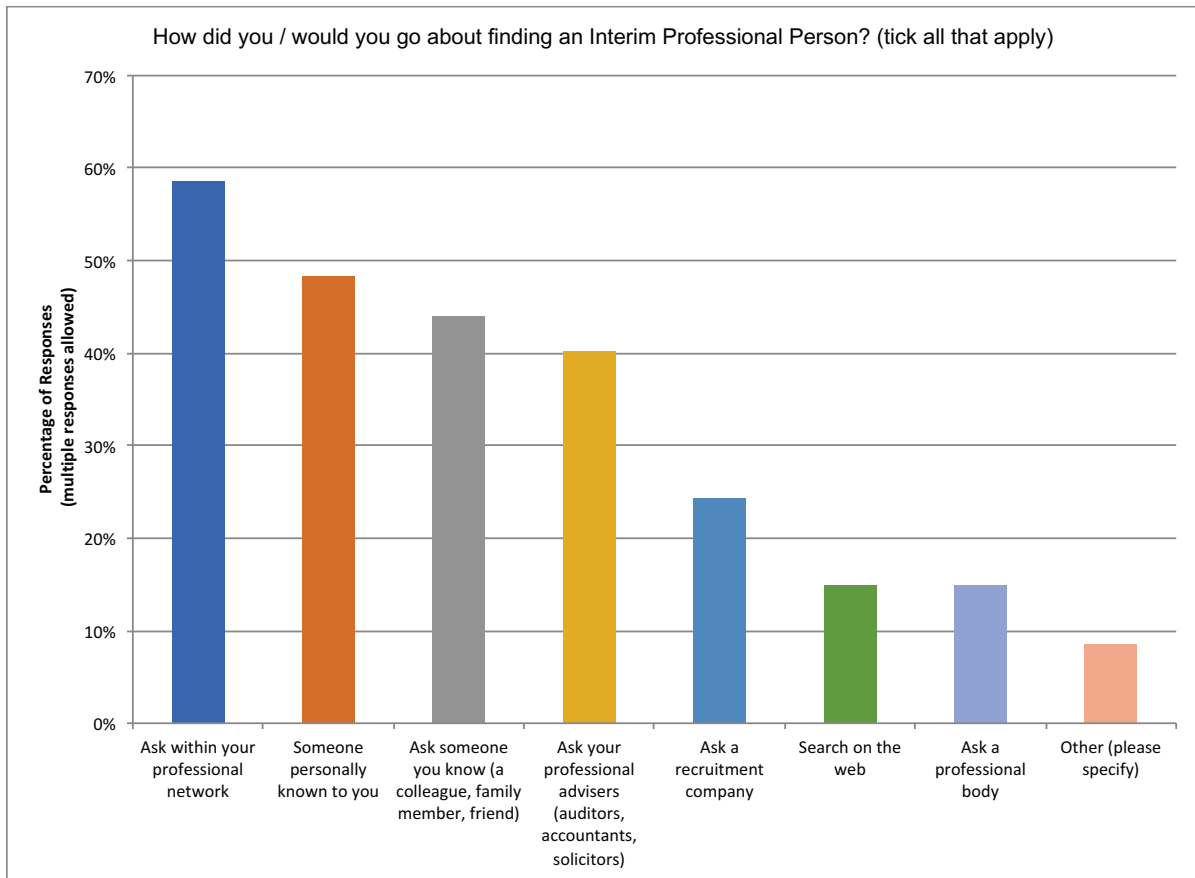
The normally expected reasons for retaining external resources (to fill a gap and add extra executive support for a project) also score highly, at 39% and 37% respectively.

The concept that Interim Managers are used to cover for absent staff is not significantly proven in the results, with only 17% of responses indicating this as a reason.

"If well-chosen and well-managed with clear objectives and timelines agreed, they can be a hugely valuable resource and a cost-effective way of sourcing competencies and experience you may not have in your organisation."

"I use contractors in my business very successfully - I often collaborate with contractors in delivering projects to my clients too; that has also been successful. I think that the use of interim contractors on a semi-permanent or project specific basis will increase as businesses realise that they do not need to hire someone full-time, spend time and money on training, etc. when they can get the expertise immediately."

Q4. WHERE DO YOU FIND INTERIM PROFESSIONAL PEOPLE?

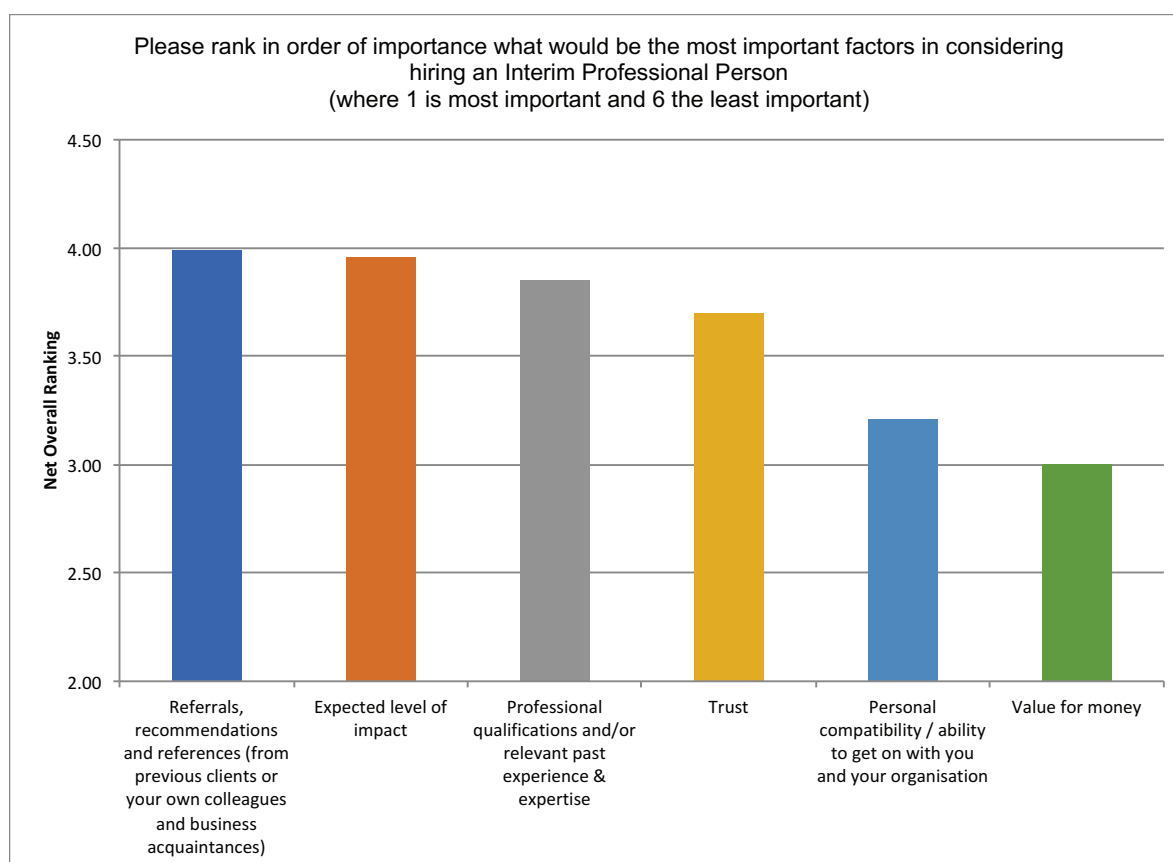


Finding an interim professional is most often done through an organisation's personal and professional networks. There is a very strong bias in the results to these personal connections. Asking those immediately within a circle of contacts (whether professional, personal or through advisors) makes up 75% of all options selected.

The results indicate that the identification and selection of an Interim Professional is a highly personalised process, with strong emphasis placed on networking with trusted connections and word of mouth recommendations to find the right candidate.

"Mostly we take project specific professionals that would come highly recommended."

Q5. WHAT IS IMPORTANT IN HIRING AN INTERIM PROFESSIONAL?



When considering the important factors in deciding on hiring an Interim Professional a number of responses are closely clustered.

The most important factor is obtaining a Referral or Recommendation about the candidate (3.99/5.00). This is closely followed by the Expected Level of Impact (3.96/5.00), the Professional Qualifications (3.85/5.00) and Trust (3.70/5.00) in the candidate.

What is noticeable here is that there are many important factors that go into the successful hiring of an interim professional. The results build on the clear responses in the previous survey questions – personal connections are used to identify the candidate – this leads to the high score attributed to Referrals and Recommendations. Engagement is mostly for specific assignments – the Expected Level of Impact is therefore important.

Personal Compatibility, while marked somewhat weaker by respondents quantitatively, was referenced qualitatively in the comments as being of keen importance emotionally.

The responses indicate that Interim Professionals are hired on hard objective criteria, and soft intangible criteria...similar to any important senior appointment.

"Success.....depends on the credibility of candidates and a proven track record of success in such roles."

"Qualifications (for example Chartered Accountant) is only a starting point. Experience (the use of the qualification) is a bigger and at least as important a part."

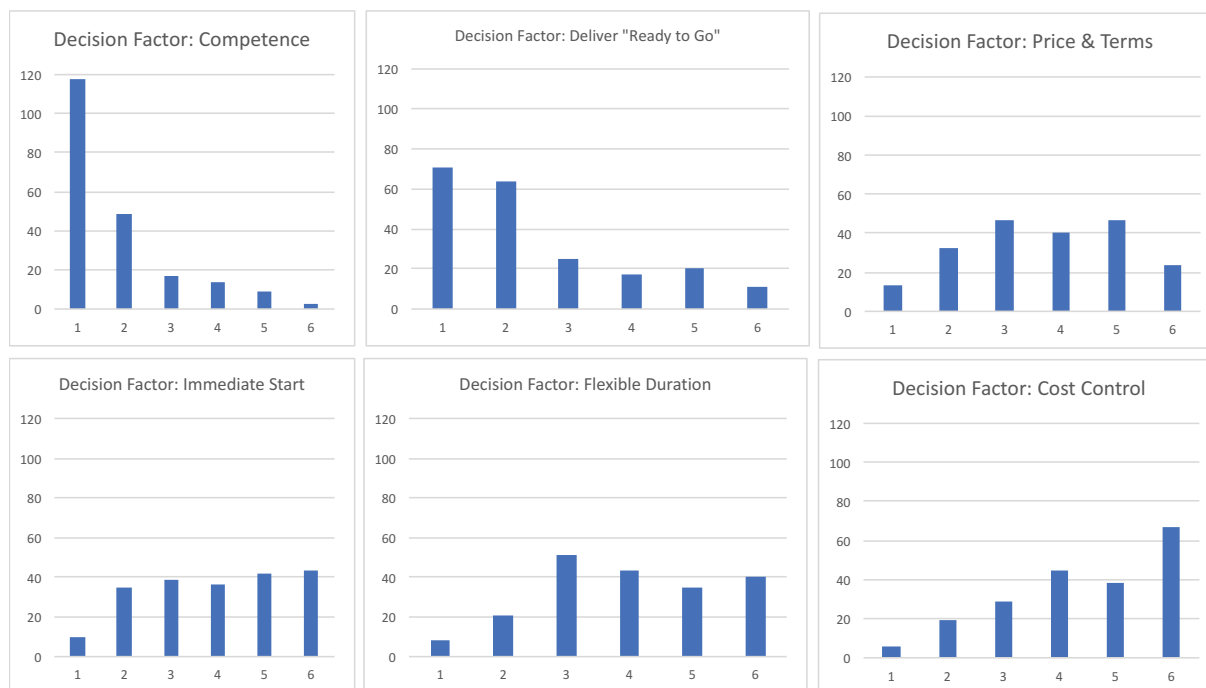
"It was very hard to decide the order of priority of attributes of professionals above. To me, many of them are essential and not negotiable, among those who meet these essentials you choose based on chemistry; track record, references, price etc.."

"As a person who provides Independent Services on an Interim/Irregular basis, Interim Roles are fulfilled on a tried and tested Trust and Relationship basis."

"Having a trusted resource that you can call on gives great flexibility to a management team. It brings increased focus as the resource is there for a specific purpose and allows you to control the associated cost."

Q6. RANK WHAT IS IMPORTANT IN THE BUYING DECISION

Included below are the preference scores of the individual factors in the buying decision, all scored against the same Y-axis range. This representation of the responses makes the "competency" score stand out all the more:

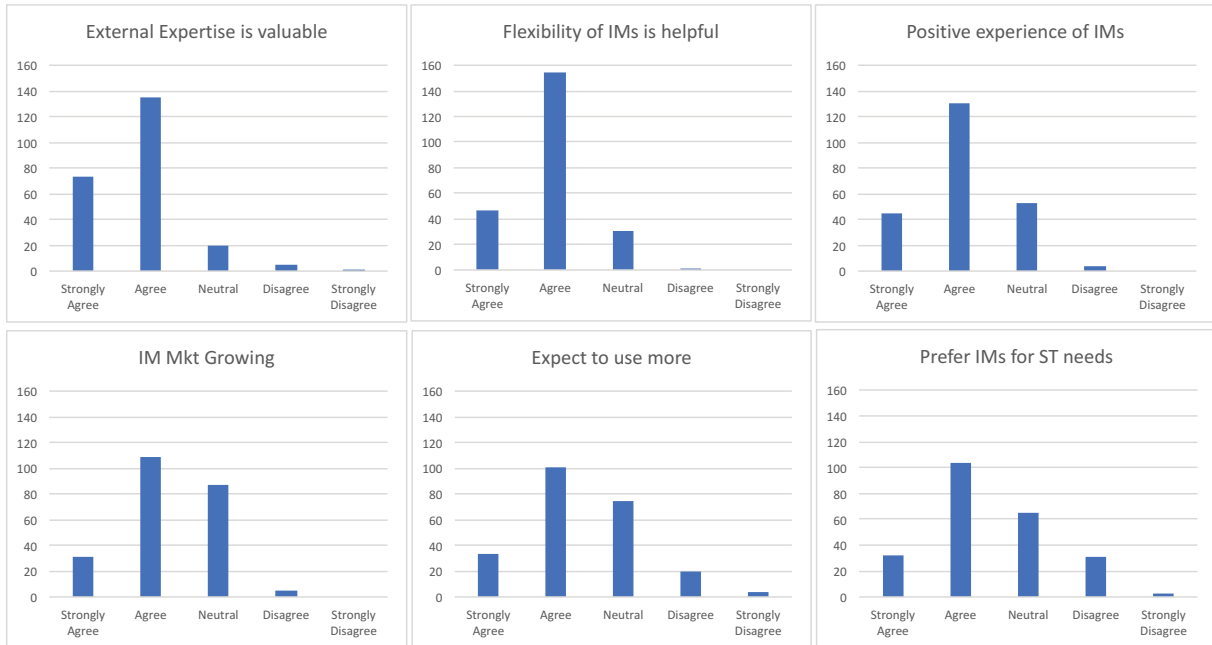


Following on from the responses in previous questions, it's understandable that there is a strong focus in the buying decision on competency and capability to deliver a ready-to-go solution. These results are consistent with the earlier finding that engagements are for specific assignments, and candidates are assessed on expected level of impact and professional qualifications.

The all-in cost of an interim professional is important, closely followed by the core attributes of "interim" work – an ability to start immediately and to provide service on a flexible duration that matches an organisation's need.

Q7. APPRAISAL OF THE INTERIM PROFESSIONAL MARKET IN IRELAND

The individual responses to these statements – with the overall aim of asking respondents to give their appraisal of the state of the Interim Professional market in Ireland – is presented here, in order of 'strength of agreement' with the phrase presented.



Y-Axis on each graph is the number of responses

The scores recorded by respondents all point to net positive opinions.

There is broad confirmation here that respondents believe in the value of the Expertise being offered by Interim Professionals, and in their Flexible business model. This builds on the strongly positive experience respondents have had to date working with Interim Professionals.

There is positive support for the view that the Interim Manager market in Ireland is growing. While expressing slightly less strong sentiments, respondents do expect to use more Interim Professional resources in the future.

The weakest score was attributed to whether the respondents' organisation preferred to fill short-term needs with Interim Professionals.

There were also strong words of agreement in the comments collected from respondents.

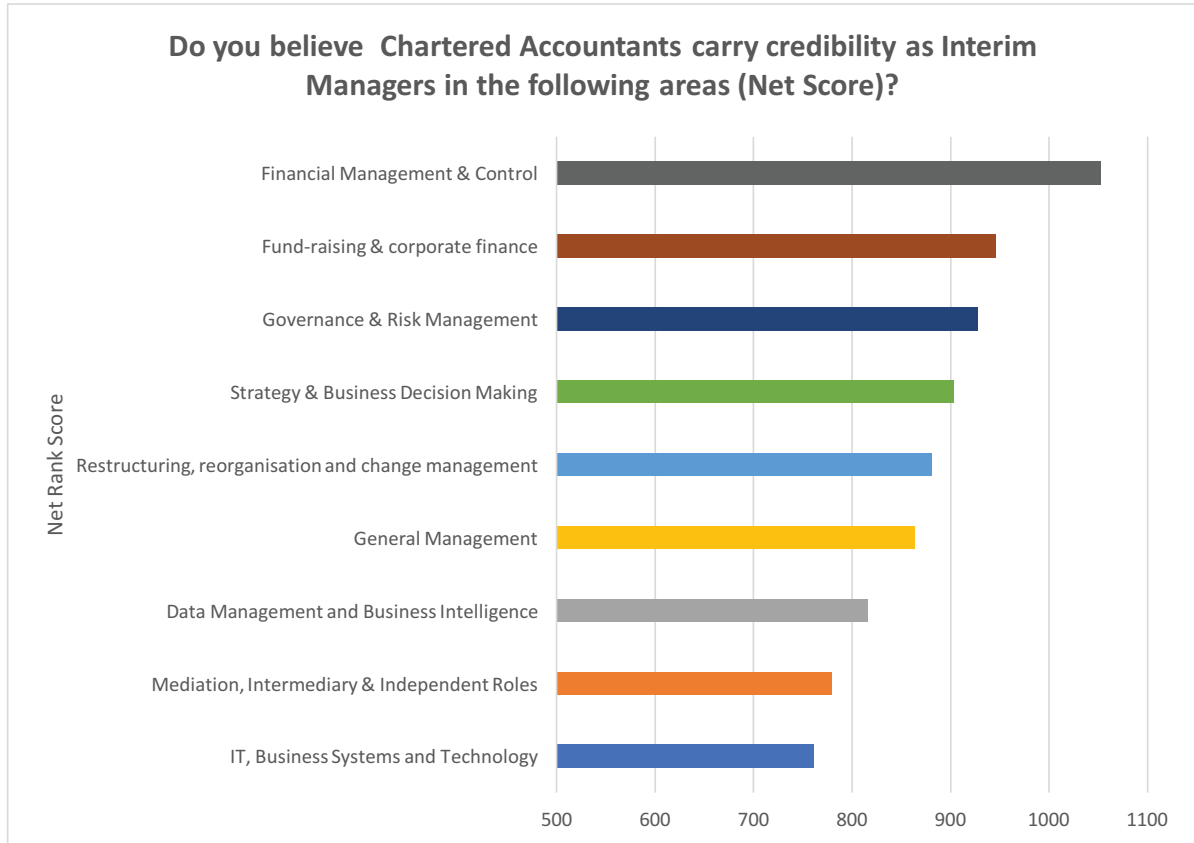
"I would use independent professionals as it is clear that there is great knowledge available that can support my business and pay its way by getting the right advice."

"Independent professionals are typically high-quality resources that can satisfy the need for a specific skillset without a long-term commitment; this is likely to grow in appeal as employment becomes more transient."

"Flexibility and adaptability in the workplace is a growing trend so I would see this continuing."

"Growing Market. Offers flexibility and value for money with proven expertise assured."

Q8. THE CREDIBILITY OF CHARTERED ACCOUNTANT INTERIM MANAGERS IN KEY SERVICE AREAS



This question, specific to Chartered Accountant Interim Managers (CAIM), is included to understand the market perception of the range of services that CAIM offers.

As can be seen in the Net Score diagram, CAIM scores highly on credibility for the "traditional" accounting services of Financial Management & Control, Fund-Raising & Corporate Finance and Governance and Risk Management. These are the services that Chartered Accountants would be most well known for. In fact, 96% of the responses received for Financial Management & Control were rated as 'Agree or Strongly Agree'.

Strategy & Business Decision-Making, Restructuring, Reorganisation & Change Management and General Management form the next grouping of credible offerings. An average of 66% of respondents classified these as 'Agree or Strongly Agree'.

Somewhat less known is CAIM Members' capabilities in Data Management & Business Intelligence, Mediation, Intermediary & Independent Roles and IT, Business Systems and Technology.

An early-2017 survey of CAIM's own members' engagements in the last 12 months, found that members worked on the following types of engagements:



The Senior Financial Management category is the main activity area for members, but General Management and Strategy & Decision-Making Support are also core assignment areas for CAIM.

"We at [Co. Name] have had a great experience with hiring a CFO, value for money is excellent and focus helps drive other staff."

"All a positive experience, working with [CAIM Member] who has helped our company and me on career level."

SURVEY METHODOLOGY

This survey was designed by Chartered Accountants Interim Managers and sent via email to professional business contacts of members of the CAIM group, linking back to a Survey Monkey® questionnaire. Responses were collected from July to October 2017, with 238 being collected in total.

The questions composed of basic data collection, respondent profiling and multi-choice questions. In several questions, "tick all that apply" responses were requested. In others "rank in order of importance" responses were requested. In Question 9, text-based opinion and commentary responses were requested of respondents. Questions asking for rankings or multiple selections were presented to respondents with the options being listed in a changing random order, to improve results quality.

The results were collated and this report was produced in December 2017.

ABOUT CHARTERED ACCOUNTANT INTERIM MANAGERS (CAIM)

Chartered Accountant Interim Managers is a professional network of independent, self-employed chartered accountants working in business. Our members on average have 20 years post qualification experience outside practice at executive level across various sectors (public service, financial services, commercial and not-for-profits).

All members have deep subject matter expertise in a range of specialisms, along with broad general management and leadership skills.

Our aim is to provide proactive resourcing as and when needed, on flexible engagement terms, such as:

- change initiatives so that businesses quickly and efficiently overcome challenges or seize opportunities which are proving beyond the capacity or capability internally;
- expedite restructuring or refinancing with incumbent lenders;
- prepare companies to source alternative funding and investment needed to recover profitability or rapid expansion; and
- provide expert assistance in setting up and managing a new project, acquisition or disposal.

As well as providing mutual support and information sharing to members of our network, we also have an objective to facilitate our members in gaining fee-paying assignments.

To discuss how we can help your business overcome challenges, or alternatively if you are an FCA interested in membership please contact us at info@cainterims.ie.

www.cainterimmanagers.ie



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