

Interim Management and its role in Tactical and Strategic Resourcing

Andy Kaye – CEO BiS Henderson

The BiS Henderson Company



BiS
Henderson

History of BiS Henderson

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Henderson

Recruitment of Supply Chain professionals by Supply Chain professionals



- Formed in August 2000 as a Consulting Company offering:
 - Supply Chain Consultancy, project management and Warehouse
 - Launched BiS Interim in 2001
 - Access to 1500 interims
 - 30-40 out on contract at anyone time
 - Launched BiS Exec in 2003
 - Moved to new offices in Northampton Oct 2005
 - BiS SpaceXchange launched July 2007 to match warehouse space requirements
 - Supply Chain I.T. division launched 2nd quarter 2008 in response to customer demand
 - Organised to focus on 3 inter-related streams of activity: Executive and Interim Recruitment and Consultancy
- Formed in April 1985 by George Henderson
 - Supply Chain Senior Executive Search appointments
 - One of the first specialists in the supply chain and logistics sector in Europe
 - 1985 – 2005 steady growth and development of core business area.
 - Expanded to incorporate IT, HR, Facilities Management and other support service functions in logistics based businesses
 - Developed expertise in recruitment for logistics software companies
 - Developed supply chain practice specialism in planning and forecasting activities.
 - Launched Henderson International in 2006
 - Launched Henderson Public Sector in 2008

In December 2008 – BiS and George Henderson merged to create BiS Henderson as a specialist in Supply Chain Recruitment. Joint T/O is £4.3m 18 staff and 2 offices

BiS Henderson Recruitment Divisions

The logo for BiS Henderson, featuring the text "BiS Henderson" in a serif font, with "BiS" on the top line and "Henderson" on the bottom line. The text is surrounded by several light gray, semi-transparent circles of varying sizes, creating a cluster effect.

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BiS Henderson Exec

BiS Henderson Exec provides specialist executive search services to fill permanent supply chain and logistics management positions to director level inclusive of: finance, HR, and IT roles within a Supply Chain environment.

BiS Henderson Interim

BiS Henderson Interim sources and places interim managers to provide short to medium-term business solutions within supply chain, logistics, purchasing, finance, and HR.

Interim Management Tactical and Strategic Resourcing

Interim Consultancy V's Interim Management

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At BiS Henderson we see a clear difference between a Consultant and an Interim Manager best summarised as:

Interim Consultants Advise' ***whilst*** ***Interim Managers Do***

Interim Consultants

- Assess options and recommend
- Develop new strategies
- Are technical experts
- Generally work with the board
- Matrix manage within the organisation
- Add horsepower to the organisation
- Sort the wood from the trees
- Likely to have worked for one of the major consulting companies

Interim Managers

- Provide short term operational and intellectual horsepower
- Step into Line roles to cover absence
- Release line managers to conduct projects
- Fulfil specific tasks
- Enable organisations to trial and shape new roles
- Fix specific operational issues

Describing an Interim Manager

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Typically good Interim Managers will :

- Be sensibly over qualified to undertake the role so they can hit the ground running
- Have had a background of consistent achievement in multiple roles and sectors
- Have deep technical knowledge of a particular subject matter
- Be in the second half of their working life
- Have enough financial security to manage down time
- Be a self starter
- Be personable and assertive, but not pushy

Tactical and Strategic Interim Jobs

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Whether a job is perceived as tactical or strategic we are now experiencing a greater variation in job types and reasons for using Interim managers than we did 8 years ago.

Examples of Tactical Jobs may be:

- Warehouse overloaded pre Christmas – Need extra operational management
- Supply Chain Manager ill or left at short notice
- New 3PL contract won unexpectedly and needs urgent staffing
- IT project over running and needs high level support

Examples of Strategic Jobs may be:

- Supply Chain improvement projects / reviews
- Design and Implement S&OP functionality
- Redesign distribution networks
- Move system and infrastructure up “n” gears
- Act as a company doctor – rescue failing businesses

Interim Management - An Expensive Solution?

Tactical V's Strategic Interim Roles

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- When we launched BiS Interim in 2001 most Interim roles were tactical and many were created by the urgent need to cover a job quickly.
- Additionally we were often placing people who wanted the security of a fixed contract.
- Now in 2008/9 many more interim roles are created as part of a strategic plan and at BiS Henderson Interim we have pioneered the concept of:

'Indicative Contract Lengths'

- We ask our clients to indicate the likely length of contract but ask the Interim Manager to work on short notice – typically a week.
- It is our view that the concept of Interim is about flexibility and being measured by results. When the work is done the assignment should end and the end cannot always be predicted 6 months in advance.

The Cost of Interim Managers

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BiS Henderson generally place Interim Managers on day rates so the cost to the company is:

- The Agreed Day Rate + expenses as incurred. The Day Rate will include BiS Interim fees.
- We are aware of what a typical day rate should be for a role and will consult with the client, agree a budget and work within those budget guidelines.
- However the manager will not be on the payroll.

Therefore the customer will not pay:

- a) Employers NHI
- b) Holidays and sick days
- c) Pension costs
- d) Any car, health insurance, etc costs
- e) Any accrued employment costs – notice etc

Cost Comparisons – Interim V's Permanent Employee

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Comparisons between a permanent employee on £50,000p.a. and an Interim on £400 per day show the following:

A permanent employee will work circa 220 days per year after holidays, bank holidays and sick days and may cost: £50,000 + 12.8%NHI + 5%Pension + £6000 Car + £5000 bonus

Gives a total cost of £69,500p.a. or £34,750 for 6 months which excludes any accrued notice period and redundancy liabilities.

An Interim Manager working for 6 months would work for instance 110 days and cost £44,000 + circa 5% expenses = £46,200.

So the additional cost of an experienced manager on short notice with complete flexibility over 6 months is £11,450. (Note; based on £350 per day difference is £5,675)

However, there is no cost to contract termination for what is a sensibly overqualified resource

Interim Managers: Common Views and Questions

Commitment to the Company

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View:

Our Company does not use Interim Managers as they are not committed to the long term success of the Company:

BiS Henderson Comment:

Interim managers build relationships with companies based on success. They need repeat business and hence have to be committed to the company and the success of the projects on which they work .

Interim managers are only as good as their effectiveness on assignments. This is measured by us, the interim supplier via feedback from our clients.

Restricting Staff progression

View:

Interim Managers can stop or inhibit the progression of the existing staff in the organisation.

BiS Henderson Comment:

The company is in control and would not appoint an interim that adversely affected the progression of permanent staff.

Interims can leave on very short notice and so can be removed immediately if any “blocking” issues arise.

Alternatively:

A company may have a manager who has potential but is not yet ready for a promotion. An interim manager may be appointed expressly to help and assist the manager to grow in to the role – “Interims as mentors”.

No Interims in Current Economic Situation

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View:

A company should not / can not take interim managers on in the current economic climate when permanent staff are being made redundant or have jobs at risk.

BiS Henderson Comment:

If strategic or tactical business issues threaten the viability of the company, then the appointment of an interim with the skills to resolve them will reduce redundancies and be respected by the workforce.

Critical skills can be lost in redundancy programs particularly when managers are under pressure to reduce costs at all costs. This can result in unexpected skills shortages post redundancy which can be resolved by appointing interim managers.

Need a Permanent Manager and Fast

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View:

I don't want an Interim Manager. I need to fill the job permanently and I need to do it quickly.

BiS Henderson Comment:

We can fill jobs quickly and often with success but there are more risks (and potential downside costs) in moving too quickly to a decision.

Increasingly we are being asked to source '*interim to permanent*' managers due to uncertainty in structures, the required brief and on-going need.

Interim management is a good way of assessing a candidate in situ but has risks if the candidate continues to look for a permanent job.

Need an Interim Manager part time



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View:

I would use an Interim but cannot as I don't want them for five days a week and I cannot get them part time.

BiS Henderson Comment:

Untrue, some interims run contracts with two or three companies at once and some even prefer four or three day weeks.

Why don't Companies use Interim managers



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Question

One of the reasons we have come here today is to ask you...

...Why not ?

Break Out Groups

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Group 1: *HR Managers who have used Interim Managers in their Company*

Discuss and list all the benefits the Interim Managers gave you and similarly list what you thought were the issues in using them. How could those issues be overcome?

Group 2:

In the presentation we have listed a number of situations when Interim Managers may be of use. Discuss this list, commenting if you agree with us and add as many more examples as you can as to why an Interim Manager could help your company.

Group 3:

Interim Managers may not be useful or add value to the same extent in all functions or all types of company. Consider as many job functions and types of organisation you can and comment on whether you think Interim managers could help them or not and to what extent that help may suit that function or company.