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Seven Reasons Interim Executives are Great for Business

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Executive Summary

1. Interim Executives hit the ground running with a focus on delivering.

In the midst of change, it's often the Interim Executive who is leader to spot the "jewel in the rubble"—the undiscovered asset that will be just the catalyst in getting a company to where it wants to go.

2. Interim Executives afford you the time to make the right executive hire.

The Interim Executive delivers the calm in the storm allowing you to make sure you hire the right person for the job, mitigating the risk of making a hasty hire.

3. Interim Executives are less costly than a permanent hire.

The Interim Executive will be more than the hourly wage of a permanent hire, but you have the avoidance of the "fully loaded" cost of a permanent executive, which is as much as seven times his or her salary.

4. Interim Executives bring to bear a vault of invaluable experience.

Interim Executives achieve goals 20 times faster than permanent senior managers, according to research from US Consultancy Corporate Insights.

5. Interim Executives handle special projects effectively and efficiently.

Interim Executives fill a vital, active role: bringing extensive talent and management experience to execute projects to their successful conclusions.

6. Interim Executives delivers the ability to control costs.

Interim Executives allows companies to minimize fixed costs, maximize profitability, and maintain the nimbleness required by today's global marketplace.

7. Interim Executives overcome family business conflicts...and much more.

Interim Executives provide a cost-effective, short-term solution to fill business-critical gaps or drive major initiatives such as mitigating or overcoming crisis situations including financial shortfalls, takeovers, turnarounds, or family conflicts.



The World of Business will Never be the Same.

The well-worn paths of executive formulas for success that have been traveled for years are no longer working. The CEO ranks have seen dozens ousted in the recent economic climate change as they have seen the business of business consistently ricochet like a pinball from bull market to bear market, day in and day out. In fact, today's only constant in business is change. The change is so fast that we cannot keep up with the learning curve. Things we should know to compete today we don't know. What you don't know brings multiple levels of risk. Or what you know that always worked before, doesn't work anymore.

**"It ain't what you don't know that gets you into trouble.
It's what you know for sure that just ain't so."**

– Mark Twain

Making the wrong decision based on yesterday's incorrect data is the greatest area of risk in the tenuous business environment today. Mitigating decision risk is essential today. When you really think about it, running your business is the biggest absorption of your decision making time; or you don't have the time you need to make good decisions because you need the time to run your business. This is where Interim Executives make sense. Here are seven reasons to use Interim Executives.

One: Interim Executives hit the ground running with a focus on delivering.

Given their frequent role as change agents and the likelihood of surprises in every assignment, interim execs need a "high fortitude for chaos," as Anna Prata, a Houston-based attorney and interim CEO puts it. In the midst of change, it's often the Interim Executive who is leader to spot the "jewel in the rubble"—the undiscovered asset that will be just the catalyst in getting a company to where it wants to go. Interim work is not for everyone: "This kind of work demands that you be enterprising, think outside the box and abandon the old W-2 mentality," points out R.T. Burda, an interim CFO.

Two: Interim Executives afford you the time to make the right executive hire.

Putting an interim CEO in place can remove some of the sense of urgency around the search for a permanent hire.¹ First of all; you have an executive who can effectively accomplish more than just managing the business. They (Interim Executives) are solely focused on their specific jobs that as a result, add value to their performance and keep them engaged.² The Interim Executive delivers the calm in the storm allowing you to make sure you hire the right person for the job mitigating the risk of making a hasty hire. *Hiring the wrong person will cost a company three times the person's annual salary.*³

Three: Interim Executives are less costly than a permanent hire.

When you retain an Interim Executive, you typically pay generally an hourly fee – that's it. Now it will be more than the hourly wage of a permanent hire but you have the avoidance cost of the "fully loaded" expense of a permanent executive, *which is as much as seven times his or her salary.*⁴ Consider the costs of health insurance, Medicare, social security, 401(k) matches and all the other benefits. Then add the hiring bonus, the mid-year bonus and the rest of the perks. Pay scales for interim executives vary, but the standard fee is 150 percent of salary, with the management firm getting a 30 percent commission. The interim executive's pay, taxes and benefits are handled by the search firm – not the employer.^{4a}



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Four: Interim Executives bring to bear a vault of invaluable experience.

The key reason they are Interim Executives is they can perform. Interim Executives bring to each organization the learning from many other enterprises, allowing for rapid improvement.⁵ These executives who work as Interim Executives simply have the experience to hit the ground running, because they have successfully dealt with the issues at hand before.⁶ *Interim executives achieve goals 20 times faster than permanent senior managers*, according to research from US consultancy Corporate Insights.⁷

Five: Interim Executives handle special projects effectively and efficiently.

Your management team is running well. Then the opportunity to add significant client, purchase of company, sell a division or any significant project comes before you. No one has the time to give this the focus it needs to be done well. This is the time for an Interim Executive “hired gun”. *Interim Executives are not consultants who focus on analysis and recommendations. Interim Executives fill a vital, active role: bringing extensive talent and management experience to execute projects to their successful conclusions.*⁸ They can bring a team together to get the special project completed as desired without disrupting the everyday flow of business.

Six: Interim Executives delivers the ability to control costs.

Interim Executives allows companies to minimize fixed costs, maximize profitability, and maintain the nimbleness required by today's global marketplace.⁹ As mentioned earlier, Interim Executives represent a fixed cost that is less than a permanent executive, achieve goals significantly faster, bring the experience to recognize opportunity quickly and are intensely focused on results. All this adds to a healthier bottom line.

Seven: Interim Executives overcome family business conflicts and a myriad of other business challenges.

Interim executives provide a cost-effective, short-term solution to fill business-critical gaps or drive major initiatives such as mitigating or overcoming crisis situations including financial shortfalls, takeovers, turnarounds, or family conflicts.¹⁰ Instead of trying to find someone inside your company that might have some skills that can be partially resourced for a particular challenge, usually with mediocre results, the Interim Executive talent can be directed to fully address and manage the project, usually with stellar results.



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Bottom Line: Interim Executives mitigate the risk of company exposure while enhancing the performance of the business.

In business today, you need an arsenal of cutting edge leaders who are proven to be able to deliver when under pressure and in the line of fire. When you don't have the right talent you face the risk of missing customer expectations, underestimating competition, transition failure, hiring the wrong person, even project failure. It is necessary today's leadership be able to manage risk. It is the lack of experience that allows the "what you don't know" to disrupt the effectiveness of your company execution. Only proven experience can deliver the insight to implement the risk avoidance necessary for success. Interim Executives are the key to effective management and success.

For more information about Interim Executives contact External Resources Inc.
We can do a review of your company circumstances and make recommendations illustrating the Interim Executive solution for your business.

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