

# BENEFITS OF INTERIM MANAGEMENT



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## Executive Summary

Interim management offers a number of advantages to a company both in good times and in not so good times. Selecting the right consultant is critical to reaping the true benefits of Interim Management resources.

## 5 Key Takeaways

1. Interim management offers short term organizational and project leadership and hands on expertise without the burdens and costs associated with managing fulltime employees.
2. Interim management offers companies a single resource that is capable of moving across organizations, departments, and disciplines to address multiple projects without the need of hiring multiple consultants, contractors or employees.
3. Interim management can provide the stop-gap for companies who must keep projects and goals on track and moving forward while they conduct the proper search and recruitment of the right candidate to take over permanently.
4. Interim management can be brought in only when companies need them, allowing companies to manage the ebb and flow of business with less burden and costs associated with carrying full time employees during down cycles.
5. Interim management contracts can be ended at any time allowing companies to avoid the associated impacts and costs, both financial as well as morale and productivity, as a result of having to lay off fulltime employees.

## Interim Management Misnomers

The term “interim management” can be a little bit misleading, particularly depending on who is offering it.

For one, many view the term interim management as someone who is coming in temporarily to manage people as in department managers, group managers, etc. Although this may be a typical scenario, interim management is more about the managing of projects and strategies to fruition, whether with resources and people to manage or not. Most often, the interim manager themselves provide intimate hands-on expertise in the delivery of the project.

Secondly, interim management is viewed by many companies as a means to an end for consultants. There are many so-called “independent consultants” who are actually just individuals between jobs that offer to come in to a company on a temporary basis in hopes that a fulltime opportunity will come out of it. In this scenario it is difficult to get the advantages of an unbiased and focused interim manager because the consultant is more interested in working their way into the company, thus is careful of who they engage with and how they make decisions so as not to alienate potential co-workers or people who may have a say in ultimately hiring them. Consultants can not remain neutral and effective in this instance and knowingly are in it for the long haul rather than the short temporary assistance a company truly needs.

Another misnomer is that interim management can save you money. It is true that hiring employees comes with additional burden to a company because of overhead costs such as computer, telephone, office space, IT support, payroll and benefits overhead, training, etc. However, consultants typically charge more on a per day basis than the cost per day for an employee of equal measure. This is because consultants need to cover their costs associated with payroll, benefits, insurance, etc, so hiring a consultant to save money is a bit of a misnomer. In fact, over the short term, you will likely pay more for an interim consultant than a full time employee.

**“Interim managers are often very seasoned individuals with a wealth of experience and expertise across several areas and disciplines of business.”**

## Key Benefits and Cost Savings

The cost savings for companies becomes real when the services required are on a multiple project basis. Typically, companies have a need for more than one project. However the projects are either in different areas and disciplines of the company or they cross departmental and organizational lines involving several disciplines at the same time. To provide the necessary resources for each project, companies would find themselves hiring individuals for each discipline with each area “justifying” their need for such resources.

Interim managers are often very seasoned individuals with a wealth of experience and expertise across several areas and disciplines of business. Interim management resources can continue to offer broad expertise, high value, and productivity to a company as they move from one discipline and project to the next, whereas multiple employees become costly overhead over the long term.

For example, when a company hires employees, the tendency is to hire deep expertise for the position in question. Consequently, when the project in a particular space is completed, the employee now offers value and productivity to the company limited only to that space, which can be problematic depending on the workload and demands of the space they are in. For multiple projects, this may mean a company has hired employees for each area, which increases exponentially the concerns of long term value and productivity they bring to a company.

On the flip side, an interim management resource can come into a particular space, provide the needed hands-on and management expertise to complete the project and then can quickly move to a different area of the company to help on an interim basis in another needed area. This adds tremendous value to a company saving them money over the long term from a single resource who can provide multiple areas of expertise and delivery. Additionally, the interim manager offers strong value to a company through intimate knowledge of the company’s business, processes, and people, making them an effective delivery agent without the overhead commitment of fulltime employees.

Another benefit of interim management for companies is time. Often, projects must stay on track and move ahead in order for a company to meet financial, competitive, and strategic goals. However, finding the right employee with the right

qualifications and fit can take considerable time, often handcuffing the company in terms of moving projects ahead until the right person is recruited. As a result, companies will many times opt to hire quickly (and often not the best candidate) in order to insure projects stay on track. As many statistics will attest, a bad hire for a company is much more costly to them than a good one. Recruitment costs, ramp up time, training, signing bonuses, legal expenses, etc all must be repeated to remove the bad hire and yet again try to bring in the right person for the position.

With interim management, a company can benefit by having a seasoned individual who can “hit the ground running” to provide the necessary stop-gap to keep projects moving forward while a company takes the time to interview and recruit the right person to take over for the long term. The cost benefit over the long term to a company in terms of hiring the right candidate to lead the company ongoing goes without saying.

Finally, one of the greatest values offered by interim management services is one that companies least like to talk about. Throughout the course of a company’s growth, there will be good times and not so good. Economic, competitive, and other factors can limit a company’s ability to hire and maintain employees. Letting go of employees is never an option a company wishes to face. However the realities of business sometime dictate the need.

### **Protection in Tough Times**

Whether changing product or service direction or handling down times in the business, companies often find themselves having to maintain employees that no longer offer the value or skill-set to offset their cost. Layoffs can be very costly to companies, from the obvious legal and cost perspectives. But layoffs also take a heavy toll on morale and productivity for those still with the company.

Interim management can bridge the gap for companies, protecting them from having to make cuts in full time staff. With interim management, there are no costs or morale issues associated with ending a contract. When it’s done, it’s done – period. This cost savings is clear both from the financial aspect but more importantly from the productivity and morale perspective for full time employees. The intangible benefit in this respect is immeasurable.

Interim management offers a number of advantages to a company both in good times and in not so good times. Selecting the right consultant is critical.

## Selecting the Right Consultant

The following offers some tips on selecting the right consultant for your interim management needs.

1. Insure that the intentions of the consultant are real. Avoid consultants who are “between jobs”. This type of consultant tends to be a wolf in sheep’s clothing, offering interim services with the intention of getting hired permanently which can be counter to your purpose for utilizing interim management.
2. Look for consultants who have been in business for several years. This is a good indicator for how broad their experience is but also that they are offering a true service and not a career objective.
3. Look for consultants with a broad background of expertise and experience versus specific deep domain knowledge. The highest value to a company comes when a single resource can offer multi-discipline expertise and experience to take on more than one area of need within the business.
4. Understand the difference between a consultant and a contractor and select the right service for your need.

Contractors can offer deep domain expertise in a specific function or discipline (e.g. engineer, sales person, assembly line person). Contractors generally do not burden themselves with the goings on in other areas of the business and prefer to focus solely on what they do and know best. They offer tremendous value within a very specific role or function.

Consultants on the other hand, bring a combination of strategic and tactical knowledge along with cross-organizational expertise, process, best practices, and innovative ideas as a result of multiple engagements in different industries, companies, and disciplines. They bring substantial value through a unique ability to switch gears from one discipline to another – something functional employees or contractors generally can not offer.

## About Centricity Systems

Centricity Systems specializes in providing high-value advisory and implementation services for emerging and high growth companies in the areas most critical to driving business success:

- **Information Management**
- **Technology Consulting**
- **Business Performance**

For more than 20 years, Centricity Systems and its staff have helped companies with strategy, implementation, and management in mission-critical, high-value areas including:

- Infrastructure development and organizational build-out for Professional Services and Customer Support,
- Interim management for Professional Services and Sales Operations,
- CRM/ERP strategy, evaluation, implementation, and administration,
- Content Management strategies and implementation,
- Business Process Engineering and re-alignment,
- IT/System Consolidation and re-alignment,
- Change Management strategies and execution management,
- Customer Experience and Customer Satisfaction evaluations,
- Web/Portal/e-Commerce enablement, design, and development,
- Sales Support and infrastructure development for Sales Operations (proposal management, tools, sales presentations, collateral).

### Contact Us

To discuss how we can help your organization, call us today at **1 (603) 589-8473** or send us an e-mail at:

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### About the Author



Steve Larsen is the founding partner of Centricity Systems, with more than 25 years of experience growing start-up and global technology and software companies.

He is considered an expert at customer information management and organizational process, and an accomplished and respected change agent. His vision and leadership have accounted for numerous innovations and improvements in start-ups and global enterprises alike, and have resulted in notable growth, profitability, and value.

Prior to founding Centricity Systems in 2002, Steve spent the last 19 years in various management roles in services, sales, and support, most recently serving as Vice President of Professional Services for TeleGea and Ensim, and as Senior Director of e-Business Commercial Operations and Customer Management at Nortel Networks. He has also held management positions at Bay Networks, Wellfleet Communications, and Wang Laboratories.

Steve is an active member of the Association for Services Management International (AFSMI), and Customer Relationship Management Association (CRMA).