

In the Interim

Interim in the USA

As the interim market continues to grow in the UK and Europe, the launch of a new company, Interim America, signifies that the States are finally ready to emulate this success.

The interim management marketplace is still a young industry in the US, with interims historically operating mainly in the finance and IT areas. However, in a wider discipline it is still a new phenomenon. With new pressures on organisations leading to an increase in consolidations and M&As, and the trimming of cost and talent, interim management is fast becoming the solution.

Although the US interim market is buoyant, Chris LaCorata, President of Interim America, has conducted his own research and found a gap in the market for his company: "We have seen trends in terms of talent and needed resources in business cycles. We surveyed top executives and investment leaders who found the concept very appealing. Interim management is now becoming something that can be brought to the front as a vital service in today's business environment.

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Philip Sheridan, UK Managing Director of Robert Half International, commented on reasons for the current growth in the interim marketplace: "Chief Financial Officers and senior finance staff have never been as busy as they are today. The demands on them are extreme, and there is a growing population of senior finance personnel that have chosen to work in the interim marketplace that can add value and support to highly stretched CFO's and finance directors."

Kevin Carlton from EIM, believes that the growth in the interim management market comes is due to "companies becoming

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more flexible in their thinking towards the application of human capital. As companies around the world recognise the need to be more nimble and flexible, adopting alternative human capital tools is gaining acceptance."

So why has the interim management market in the US been slow in following the UK and European markets, in terms of growth and development? Interim management itself is not a new concept in the States, however, a lot of companies that have a global reach, tend to use partner companies and associations.

Sheridan suggested reasons for this: "Trying to develop a database of your own within a completely new market is a time consuming and very expensive thing. When you have to meet instantaneous needs, the easiest thing to reach that market is to identify partners around the rest of the world. For many, the process of developing your own business in each and every market is too slow and too costly."

However, geography and other factors also contribute to the underdeveloped interim management market in the US. Carlton commented on this: "If you are going to be a truly national player in the US, you need representation in 20 or 30 offices. Trying to run a national business in the US from one or two location is expensive and difficult. Another reason is that historically, there would have been less of a need for interim management because of the flexibility in labour law and the movement of human capital in the permanent marketplace."

Companies today are constantly going through changes and having to adapt to those adjustments. In the US, organisations in the middle management market are continually developing and launching their growth curve, but have a lack of in-house talent and capabilities. This is where the interim management market holds strength. LaCorata said: "Combined with the ongoing war for high-level talent, these factors provide for growth in the international field."

Sheridan agreed: "The easiest way of efficiently and effectively going through the change process is to identify someone who has steered a competitor or similar company through that same change process."