



Published at www.CFO.com

The Pros and Cons of Interim Finance Gigs

Finance executives who fill temporary roles like the diversity of experiences and the resulting expansion of their skills.

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September 1, 2009

Richard Block had been CFO of Avicon Group, a start-up supply-chain management consultancy and software maker, for eight years when it ran out of steam in 2006. His last duty was helping to dissolve the company. Then things really started to get tough.

Despite his long finance career, which included a divisional controller's post at Digital Equipment Corp. in the 1990s, Block found himself less than ideally suited for finding new employment. "I didn't think I had the best network, and didn't know if I was a good networker anyway," he says. Plus, it was a stretch to maintain the extreme discipline needed to mount a full-time job search from home, where the ability to spontaneously take on home repairs and renovations proved distracting.

Such issues are familiar to many who have been out of work. For Block, the eventual solution came in the form of an opportunity to become a partner at Tatum LLC, which provides interim finance executives for companies in transition. But while individual assignments are temporary, interim management can be a viable career in itself, Block and others say, and not just a stepping stone to a new permanent job.

Not that working for Tatum, which has 1,100 partners and consultants, means that he doesn't have to do any networking. On the contrary, the firm expects the executives in its stable to help develop new business for the firm when they are between assignments. That involves calling contacts, cold calling, writing papers, and attending meetings with other partners. "Joining a company like Tatum and hoping that assignments will magically

pop over the cubicle would be somewhat naive," says Block. "Often you have to go find them." But he adds that he's a better networker now, thanks to training Tatum provides.

Block enjoys the structure of going to an office every day, but there is no compensation for the work done between assignments. The other thing that requires some adjustment, he notes, is the idea of having two bosses at once — one at the client company and one at Tatum.

Otherwise, Block finds a lot to like about interim management. "You get a variety of challenges that make use of the skill set you've honed," he says. "You see different industries and slants, which only allows you to expand your skill set further and makes you a stronger, more employable executive." The work pays well, he adds, often one-third to half more than a permanent employee would command for that time period.

Diversity is also what Michelle Faustin likes about interim work. It's a way to defeat boredom, says Faustin, an M&A expert and former Ernst & Young auditor who markets herself for temporary gigs and also works with interim-management firm Interim America. With full-time positions, "after a certain point you're kind of repeating the same things," she says.

Faustin has done more consulting than interim management during the five years she's been out on her own, but is looking to reverse that mix — and there is definitely a difference between the two, she notes. Consulting essentially involves recommending strategies and solutions, while an interim manager will also direct the execution of the tasks. "It's always tugged at me that with consulting you don't always get the opportunity to drive [a project] all the way through," she says.

Faustin's most substantial interim assignment was a four-month stint in the finance department of a *Fortune* 150 energy company a couple of years ago. She was brought on board to lead a team working on a merger that ultimately fizzled. But she stayed on, switching over to temporarily running the department's process and projects group. The heart of the job was delivering business-planning presentations, including financial analyses, to about 70 top managers across all divisions, as well as to the board of directors and management committee.

"It wasn't just a matter of going in, assessing, and leaving, like a consultant typically would do," she says. "It was about getting things done, executing, developing staff — all the things a permanent person would be doing."

Faustin hopes to get some marketing benefits as one of 200 members of the fledgling Interim Association. The organization was formed in late 2008 by Interim America, a three-year-old company that provides interim executives, turnaround management, and business consulting. "We felt the American business landscape needed more promotion and education on the interim-management model," says Chris LaCorata, president of the company and executive director of the association.

Many executives looking to go the interim route are veterans tired of the grind of permanent positions who are looking for more flexibility in their personal lives, according to LaCorata. The association has created workshops on self-marketing and on understanding the politics involving a company's executives, banks, customers, and suppliers during times of transition. There's also an online directory of members and an advanced-listing option providing more space to define one's capabilities.

The demand for interim finance executives is strong now and for the immediate future, LaCorata says, because of rampant reevaluations of product lines and divisions that companies thrown off-kilter by the recession are engaged in. In every turnaround Interim America has worked on, it has brought in an outside finance person for a period of time, he notes.

How do you convince a company to hire an interim executive — and more to the point, to hire *you*? The most important thing, LaCorata says, is spelling out very clearly in résumés and cover letters your experience and core capabilities. Block takes that idea a step further. "The bad thing that people typically do is tell [potential clients] all the wonderful things about themselves, sort of verbally reciting their résumés," he says. "Most often, that style will not be successful."

Instead, they should be able to clearly articulate to clients what their problems are. Prospective interim finance executives should ask a lot of questions and be a good listener. "Sometimes the problem you think you have is a superficial one, and [that] I'll be

successful if I get you to realize there are other things you should be thinking about," says Block.

He did just that last year with a start-up software company for which Tatum was providing financial expertise. Block was assigned to help the company put together its initial budget and monthly financial-reporting mechanism, but he expanded the discussion to the company's sales projections and pricing plans. "The founder had been busy developing the software, and no one had been asking him any questions," says Block. The company ended up changing its pricing model, after which it was able to line up significant additional venture funding.

Currently Block is on an extended assignment — 14 months so far — with a \$500 million company that had been a division of a large pharmaceutical firm before being acquired by private-equity investors. As a division, it had relied on the parent company for its financial management, and after the deal it was slow in bringing in all the people it needed to handle financial reporting, tax management, and other finance activities. At the same time, the new owners were being very intrusive, asking lots of questions about the company's performance. "They needed a lot of help, and immediately," says Block. "With a typical interim assignment, you provide immediate help, sometimes within 24 hours."

That's the kind of assignment, along with work related to initial public offerings, that in good economic times is a staple for interim executives but has fallen off dramatically during the recession. However, other needs then arise, having to do with restructurings, bankruptcies, and increased chances for violating debt covenants. "The nature of business problems changes with the economy," says Block, "but there are always problems that require immediate and strong interim help."

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