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Key Findings

- Companies are using interim managers to manage existing staff, as project leads for finance and accounting projects, and evaluating performance on projects to determine if they would be a good fit for future employment
- Globally, finance and human resources managers see the use of interim managers growing in the near future
- The majority would consider using interim managers during periods of economic uncertainty

Survey overview

The Robert Half *Interim Managers in Finance and Accounting* report examines trends in the use of project financial staffing across several European countries. Survey results reveal the extent to which companies use interim managers, the nature of projects they work on, benefits of utilizing temporary managers and examines why the use of interim managers is expected to increase.

The report highlights the results of a double-blind survey (respondents didn't know identity of the survey underwriter, and the survey underwriter didn't know identity of respondents) developed by Robert Half and conducted in 2008 by an independent research firm that questioned more than 4,000 finance and human resource managers in 11 European countries.

Where appropriate, data from six countries outside of Europe was analysed, to provide contrast.

European respondents represented Belgium (BEL), the Czech Republic (CZE), France (FRA), Germany (GER), Great Britain (GBR), Ireland (IRL), Italy (ITA), Luxembourg (LUX), the Netherlands (NED), Spain (ESP) and Switzerland (SUI). Countries outside Europe examined for global averages were: Australia, Brazil, Hong Kong, Japan, New Zealand and Singapore.

The number of respondents varies by country and provides a representative sample of businesses in each country. The results are within 95 percent certainty, and the overall margin of error is approximately +/-1.4 percent.

What is an Interim Manager in finance and accounting?

The answer to this question varies greatly depending on where you are in Europe. In fact, even the term **Interim Manager** means different things in different countries.

Interim Manager (Belgium, Ireland, Netherlands, Spain)

Interimsmanager (Germany)

Temporary Manager (Italy)

Manager de Transition (France)

But whatever they are called, companies worldwide are relying on highly skilled interim finance and accounting managers to:

- Manage existing, in-house staff or projects on a temporary basis – for anywhere from a few weeks to a year or more
- Provide expertise on strategic initiatives at a high level of competency as individual contributors
- Execute and manage discrete projects or manage staff while simultaneously being evaluated as permanent replacements

Interim Managers
(or project consultants or temporary directors) deliver:

- Specialized expertise in a variety of areas where companies lack particular expertise in house
- Knowledge-transfer from an external expert to full-time employees
- Cost savings to companies that need quick help on important projects but don't need a full-time replacement
- Flexibility in staffing – the ability to quickly increase headcount

What do they do?

- Process improvement/reengineering
- Implementation/upgrade of Enterprise Resource Planning (ERP) or finance reporting software
- Development of internal audit/control function
- Mergers & Acquisitions (M&A)
- Provide regulatory or legislation expertise
- Upgrade the credit control function
- Performance of recovery audits
- Provide temporary management replacement

In reality, interim managers can do anything that your full-time finance and accounting staff doesn't have the time or expertise to do on their own.

Reasons companies hire Interim Managers

When asked why they use interim managers, survey respondents gave a wide range of opinions. But the broad responses fit generally into three categories of why companies use interim managers.

Strategic project leaders

Broadly, respondents were most likely to use interim managers as strategic contributors to important projects. This approach, known as strategic staffing, relies on the highly specialized skills of an interim manager for a specific period until the project is completed. Many companies find this approach cost effective because, in many cases, the interim manager not only develops the project strategy but also executes it or leads a team that does so. As a result, companies can avoid hiring full-time staff for projects that are only temporary in nature. Respondents from Great Britain, Ireland, the Czech Republic, Switzerland and Germany reported the highest use of interim managers in this category.

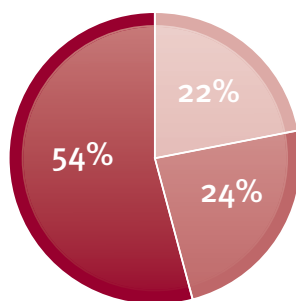
Staff managers

The next area where companies were most likely to use interim managers was to oversee permanent, full-time employees who lacked experience running discrete programs or projects. Examples would include managing the finance/accounting department's compliance with new regulatory legislation or the implementation of a new financial reporting tool. Respondents from the Netherlands, Belgium and Germany most often cited this as their reason for using project-based finance and accounting professionals.

Temporary transitioning to permanent

Finally, respondents from many companies cited the use of interim managers as a way to evaluate potential future hires. According to respondents, this 'try-before-you-buy' approach is particularly useful in countries like Belgium, Netherlands and France where the cost employee can be both costly and lengthy. This approach allows companies to benefit from the expertise of an interim manager, while simultaneously evaluating his/her performance and fit with the company. It also allows project professionals to determine if the company is the right fit for them.

For what kind of projects do you, or would you, hire interim managers?



- Expertise as individual contributor for strategically important projects
- Temporary replacement for a manager of staff or project lead
- Temporary replacement and evaluation period for full-time replacement

Source: Robert Half survey of 2,508 human resources and finance managers from: Australia, Belgium, Brazil, Czech Republic, France, Germany, Great Britain, Hong Kong, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Singapore, Spain, Switzerland; original responses grouped into above thematic areas

Trend: Use of Interim Managers to increase

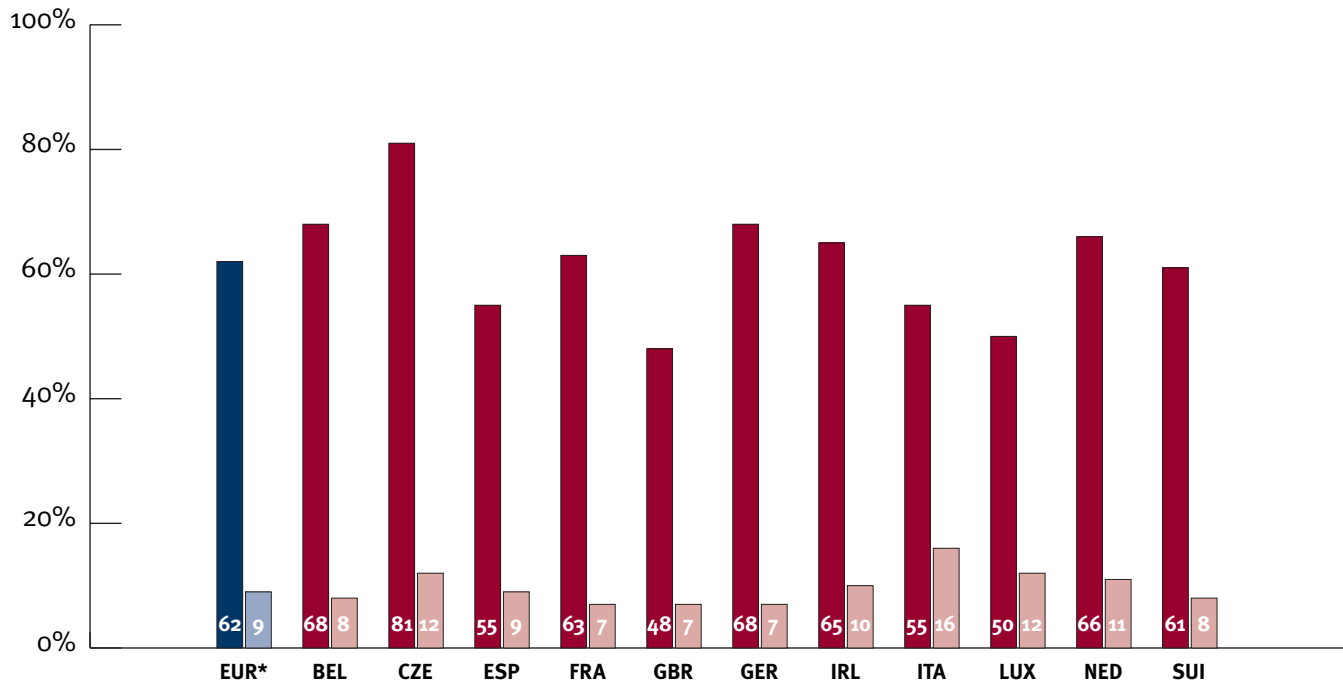
Companies find common benefits for using interim managers, and the majority of survey respondents feel that the use of such project-based staff will grow in the future.

Of all Europe-based survey respondents, more than six out of ten (62%) think the use of interim managers will grow over the next few years. Only nine percent feel that the use of interim managers will decrease and 29% feel that the use of interim managers will stay the same.

Respondents from countries predicting the highest increase in the use of interim managers were Czech Republic (81%), Belgium and Germany (68%) and The Netherlands (66%).

How do you see the use of Interim Managers changing in the near future?

Increasing ■ Decreasing ■



Source: Robert Half survey of 1,910 human resources and finance managers in 11 European countries
* Average of eleven European countries in this survey

Many factors point to greater use

The use of interim managers is expected to grow in the coming years, but what trends are responsible for that growth, and how do such trends vary by country?

Across Europe, respondents who feel that the use of interim managers will grow cited many similar reasons for that expected growth. They primarily mentioned that using a project-based management team would provide access to specialized skills (led by Luxembourg at 74%), generate cost savings (Great Britain, 39%) and result in a more flexible workforce (cited most by respondents from France, at 41%).

In many countries, the competition for skilled accounting and finance professionals is stiff – and expected to worsen. Companies facing such challenges could benefit even more from the flexibility and unique skills that interim managers provide. By turning to a project-based workforce, such companies can increase or decrease their staff sizes quickly, while keeping projects on schedule and avoiding costly staff reductions at the conclusion of new initiatives.

What do you consider the greatest reason for the expected increases in the use of interim managers?*

	BEL	CZE	ESP	FRA	GBR	GER	IRL	ITA	LUX	NED	SUI
To gain access to specialized skills	31%	47%	42%	21%	31%	22%	30%	42%	74%	31%	25%
For cost efficiencies	18%	27%	14%	19%	39%	33%	33%	30%	5%	19%	14%
To make their labour force more flexible	34%	11%	30%	41%	17%	31%	33%	17%	8%	31%	34%
More people willing/obliged to work as interim managers	12%	16%	8%	12%	6%	8%	2%	5%	3%	7%	7%
Better acceptance by stakeholders	4%	0%	5%	6%	4%	6%	2%	6%	3%	9%	18%

Source: Robert Half survey of 1,719 human resources and finance managers in 11 European countries

*top 5 responses shown

Benefits of Interim Managers

There are as many benefits of using Interim Managers as there are types of projects to use them on. The benefit most frequently cited by respondents was that project consultants bring a fresh perspective to their workplace (27%).

Interim managers sometimes come from external industries, meaning that they are able to lead projects in entirely different ways, resulting in lasting process improvements. This benefit was cited by 18% of respondents.

Additionally, companies benefit from specialist knowledge that is transferred from consultants to full-time employees during the course of projects (cited by 15% of respondents).

What are the advantages of working with Interim Managers?

Respondents stated that Interim Managers...

...have 'fresh eyes' which allows them to identify problems permanent staff may have overlooked	27%
...bring experience from other companies/industries, which they can share with permanent staff	18%
...have specialist knowledge, that permanent employees lack	15%
...are not as involved in office politics	14%
...can combine the skills of a consultant with the capabilities of a hands-on manager	12%
...are extremely focused as they have a well-defined objective	9%
...have excellent communication skills	6%

Source: Robert Half survey of 2,133 finance and accounting managers from Belgium, Czech Republic, France, Germany, Great Britain, Ireland, Italy, Luxembourg, The Netherlands, Spain and Switzerland

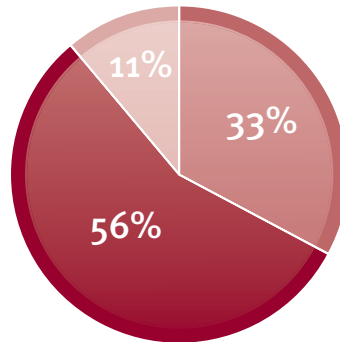
Use of Interim Managers in an uncertain economy

With economic uncertainty hovering over many of the major world economies, tighter access to credit and other economic question marks, interim managers can provide a flexible, cost-effective solution to completing projects on time without hiring costly full-time staff.

Nearly nine out of every ten respondents reported that they would at least consider using project professionals should the economy take a downturn. Only 11% said they would not consider this approach.

Companies that would have ordinarily been forced to lay off staff or pay expensive buyout clauses to staff they could no longer afford rely on interim managers during times when business is less reliable or slowing.

Would you use interim managers during an economic downturn?



- Would consider using interim managers
- Definitely if the market takes a downturn
- No

Source: Robert Half survey of 1,980 human resources and finance managers in Belgium, Czech Republic, France, Germany, Great Britain, Ireland, Italy, Luxembourg, The Netherlands, Spain, Switzerland

Myths about Interim Managers

Though the use of interim managers in Europe has grown in the last decade, there are still some common myths surrounding their use.

MYTH: Interim managers are expensive

Reality: Interim managers can actually result in considerable cost savings for companies, because they are paid per project or by the day. This means that companies only need to pay for expertise when seasonal projects (such as tax season) spike, not year-round, as with full-time staff.

MYTH: Interim managers are not knowledgeable

Reality: Project consultants are highly skilled professionals, with years of experience in finance and accounting across myriad industries. In many cases, such professionals prefer the flexibility and variety of project work. Some staffing firms like Robert Half even offer free training programs, to keep project professionals abreast of developments in the field.

MYTH: Interim managers are not as invested in the company as full-time workers

Reality: Interim managers want to do the best they can on discrete projects or staff management in the course of the project. That's because companies often look closely at their performance to decide if they would make a fit for future positions, either at their firm or others.

MYTH: Interim managers are not suitable for small-to-medium sized companies

Reality: Companies of all sizes can benefit from interim managers. Smaller companies, in particular, may not have access to highly specialized expertise, thus could greatly benefit from the shared knowledge of an external resource.



About Robert Half Management Resources

Robert Half Management Resources is a division of Robert Half International. Robert Half pioneered specialised recruitment services and is the world's leader in the field today. Founded in 1948, the company is traded on the New York Stock Exchange and operates around the world placing highly skilled and experienced professionals on a temporary, interim, project and permanent basis.

With more than 140 offices worldwide, Robert Half Management Resources is the world's first and largest specialised interim and project financial recruitment firm, the cost-effective alternative to your audit firm or management consultancy.

Businesses turn to Robert Half Management Resources for access to an extensive network of financial professionals with competencies in a range of finance and accounting disciplines, and they remain with us because of our dedication to quality service. Typically our interim managers have many years of comprehensive experience, thrive on applying their knowledge in a variety of settings, and value hands-on problem solving. In addition, many of them have Big Four experience and are able to draw upon their public accounting tenure or backgrounds as financial executives in private industry.

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