

History of the IIM – The Full Story

The **Institute of Interim Management** has been promoting and supporting interim managers for over 15 years. Its history is fascinating and occasionally dramatic.

2001: A collaborative beginning

The IIM was formally launched on the 2nd April 2001 after many months of hard work by the founding members; it started out as a Special Interest Group within the Institute of Management, later the Chartered Management Institute (CMI). The Institute was encouraged and supported by the Interim Management Association (IMA). The IIM places its thanks on public record to IMA members Bill Penney (Ashton Penney), Nigel Corby (Global Executives) and Torrie Smith (previously of Veredus Executive Resourcing) and to Institute of Management executives Peter Thomson, Glyn Macken and Heather McSherry, all of whom greatly helped the Steering Committee and Management Board during the formation of the IIM.

First Chairman, John Wood, explained the rationale for establishing the new professional body – the Institute of Interim Management: “to gain more recognition for professional interim managers, establish standards based both on qualification and experience, to provide a focus for professional interims and ensure that members undertook CPD to maintain and raise standards. This is a really exciting time for the interim management sector of the economy in the UK. The signs are that the sector really is booming, and more and more professional interim managers are looking for greater recognition of this career in its own right.”

Mary Chapman, Director General of the Institute of Management said: “We are especially pleased to welcome the Institute of Interim Management as an organisation within the IM. Interim managers are playing an increasingly vital role in the UK economy. The skills and experience they demonstrate at work will bring to the IM an additional dimension of talent that illustrates the changing face of managerial working life in the United Kingdom.”





2002: An independent path

Being a Special Interest Group within another organisation did have a few disadvantages. It is not easy to tell a Manager member of a 'parent' organisation that they cannot join that organisation's Special Interest Group because they do not have a sufficient 'interim management track record'. Challenges such as these, whilst no fault of anyone's, meant that a long term subsidiary role was not to be, and plans to leave the Institute of Management's infrastructure were formed.

Second Chairman, Paul Vousden helmed the 'spin-off' process. Given the IIM's growing need for greater emphasis on its own specialist area of management, and to facilitate a higher profile for interim management within industry and commerce, in August 2002, by mutual agreement with what had just become the Chartered Management Institute (CMI), the IIM pursued an independent status

Paul Vousden said: "Our members, who operate at a fairly senior level in many organisations, come from a very wide range of backgrounds and they are looking to us to raise the profile of Interim management as a strategic resource in both the private and public sectors. Because of our very specialised interest, we felt it was right for us to pursue a more independent status at this time. We are extremely grateful to the CMI, who have been instrumental in helping us to become established, and look forward to working with them in the future."

The CMI, commented: "We wish the Institute of Interim Management every success in their new independent guise. We have been happy to support them in their formative years, but the time is now right for them to pursue a more individual route, which matches the needs of their very special discipline. We will continue to maintain links with them through training and events."

2002 closed actively with the IIM organising several events, mostly in London, on topics such as 'Self-Marketing and Networking Skills', 'Interim Management Teams' and 'Contractual Relationships & the Data Protection Act'.



2003: Growth and optimism

The first two Chairmen, John Wood and Paul Vousden had overseen the IIM for a year each. The Spring of 2003 saw the start of the IIM's third Chairman, Taravat Taher-Zadeh's two-year term. This was a time of growth, with a regional structure, several events taking place in collaboration with organisations such as the IoD, PwC, KPMG and service providers such as Odgers Interim.

Chris Behan, MD of Odgers Interim spoke to the IIM about market conditions at the time: "During the past two years the recruitment market has been hit badly by the downturn in the World's economy. Contrary to the general impression, the Interim Management market has not suffered as much as the recruitment market and there has continued to be growth. However, it is still difficult to forecast what is going to happen by 2004 but the market will still continue to grow. 30% of this year's clients are first time users. The public sector is the one main growth area currently in the UK. However, this sector is at the mercy of Government policy and could decline as fast as it has risen.

The year closed with more regional activities, and the IIM establishing a footprint in Wales, Scotland and Anglia!



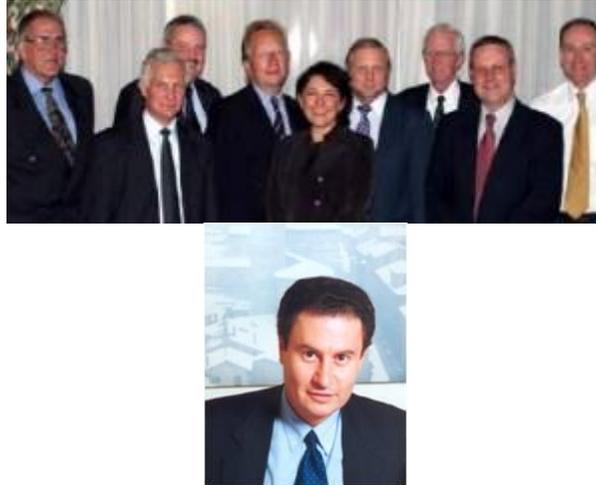
2004: National and international

Some new initiatives burst out in 2004, the first of these was the 1st IIM membership survey, an activity which would form the basis on IIM Interim Management surveys, which would take place more or less annually from that point onward.

2004 was also the inaugural year for the IIM's Italian Chapter. Maurizio Quarta initiated this first IIM international group in the summer of 2004, with a formal kick-off in early 2005.

Maurizio commented at the time on the use of professional institutions: "The lesson to be learnt from the UK and Holland, the European countries with the most advanced Interim Management industries, is therefore clear – professional Interim, or Temporary, Management can only succeed and grow by establishing and following recognised professional standards, through professional Institutions."

2004 was also a busy year for regulatory activities, with changes to Agency Conduct legislation, HR Revenue practices and early discussions on pending Money Laundering legislation.



2005: European expansion

In the Spring of 2005, the IIM's fourth Chairman, Tony Evans, took the helm for the start of his three-year term. Institute of Directors (IoD) Director General, Miles Templemann speaking to the IIM at the time highlighted themes that would remain familiar:

"At its best, the practice of Interim Management is a relatively small, but a highly professional industry, bringing immense added value to users. It is a self-regulating industry, underwritten in practice both by quality standards and accreditation upheld by the IIM, and by the best quality providers, giving expert and highly professional service to their clients.

At its worst, it is a victim of its own growing success, with large recruitment agencies and others wanting to mop up some of the action, thereby clouding the definition and understanding of what true Interim Management is about. Add to this a punitive and complex tax burden which negates the very entrepreneurial spirit that leads most experienced Interims set up their practices in the first place."



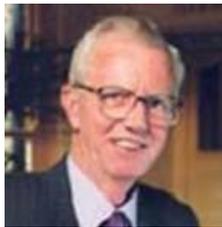


2006: Boom times and rain clouds

The interim market was doing well, but the relationship between the IIM and the provider community had soured somewhat. At the turn of the year, Bill Penney, of Ashton Penney, summed it up this way:

“The market has been very fluid in recent years with many changes. The number of Interim management providers has grown from around twenty to thirty to over two hundred and as a result there has been downward pressure on the status of individual providers. There is confusion between Interim Management and contract accountants and IT professionals who are really seen as a commodity by large companies.

It is my dearest wish that the IMA and the IIM move back into a symbiotic relationship. Interim Management is a career profession, perceived as a distinct resource and at least as valuable as consulting. It therefore needs to be organised as a profession, with properly qualified members and properly regulated suppliers. The IMA regulates the Interim Provider companies and the IIM exists to regulate, support and develop Interim Management professionals.”



2007: Regulation and uncertainty

The Affiliate grade was launched this year and increasing regulation defined the discussions in the interim community. The IIM was in the press talking about the embryonic “Temporary Workers Directive” which Portugal, in its role as EU President was seeking to introduce. Tony Evans was quoted at the time pushing back against the concept:

“The proposed EU version for temporary agency workers is a major issue for professional interims and others who provide a business-to-business service and are not looking for “employment protection” in any way.”

Four years later of course, this Directive has resulted in the ‘Agency Workers Regulations’ implemented in the UK in 2011.

2008: Recession

As the global economic situation fell into crisis, at the IIM, fifth Chairman, Tom Brass, took the helm for a three-year term. In fact, Tom's first editorial for InterIM Insight was written as it were, on the edge of the cliff as Tom explained:

"As I finished my editorial for the last issue of InterIM Insight, closed my laptop and headed for Gatwick and the Greek islands (fortunately not on XL Airways!), little did I imagine that, within short, Lehman Brothers would collapse, heralding the rapid move into world economic meltdown."

The initial hope that Interim Managers would benefit from the upheaval and change precipitated by the economic downturn would turn out to be over-optimistic. The downturn was not however a uniform experience for the interim community, as the Public sector appeared to be continuing to steam ahead in its utilisation of interim management resources, pending a budgetary reckoning still set in the future.

Many Private sector interim managers would try to secure assignments in the Public sector only to find difficult barriers to entry. The year closed with significant uncertainty in the economy, matched by uncertainty among the interim management population.



2009: Competition

The start of 2009 saw the Interim Management Association start a competing body for interim managers. With a deep recession in the economy and a now a tussle for the 'hearts and minds' of interim managers, difficult times tend to bring out the best in interim managers and for the IIM this presented a double-challenge: An economic and competitive challenge to membership. Tom Brass reflected on this mid-year:

"Of particular concern in relation to membership has been the launch at the end of last year of the IMA's membership organisation, the IMA-I. Members will recall that we circulated detailed information about this shortly before Christmas, setting out a number of options that the Institute might follow. I am pleased to say that, of those who gave feedback to us, the vast

majority said that they preferred the IIM to continue as currently constituted, and valued it as a body independent from the Provider community.”

Aside of organisational matters, 2009 did see the first IIM ‘black tie’ Case Study Competition, which saw a range of seasoned interim managers present their wares as professional interim managers at this prestigious event. Promoting the very best of what interim managers do remains at the heart of what the IIM does.



2010: Downturn and re-building

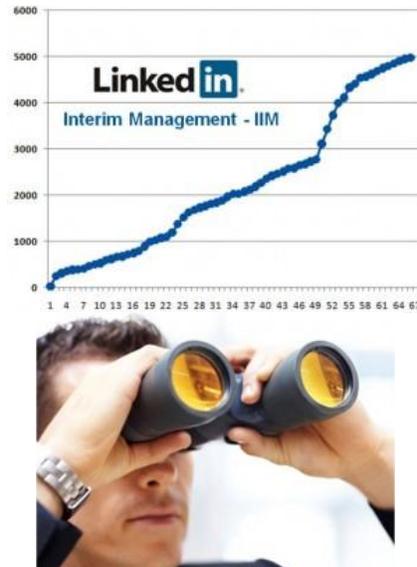
The ‘green shoots’ of recovery were sorely anticipated but for most they failed to appear during 2010. At the IIM, a range of initiatives were launched to promote, support and represent professional Interim Managers:

The IIM’s LinkedIn group “Interim Management – IIM” quietly opened for business at the end of 2009, quickly gaining thousands of interim management community group members. With over 300 comments per month posted, it quickly became ‘the voice of the professional interim management community’.

Pursuing its Public Affairs brief, the IIM also participated in the Agency Workers Regulations consultation process, bringing the views of interim managers to BIS.

Using LinkedIn as a launchpad, the IIM launched the ‘Local Nodes’ initiative in 2010, gathering interim managers together locally across the UK, with around 40 events held.

Finally, the IIM’s Interim Management Survey was brought, again via LinkedIn to a wider cross-community audience, with the publication of the IIM’s biggest survey yet in the Autumn.



2011: 10th Anniversary and the end of fragmentation

The IIM celebrated its 10th Anniversary on the 4th April 2011. By this time the IMA had ceased its support of a separate Institute of its own and many Interim Service Providers, endorsing the work of the IIM, had become Affiliates of the Institute. With an anniversary event attended by over 100 members of the interim management community including Leading Providers, seasoned Interim Managers and partner organisations, the IIM called an end to interim community fragmentation.

In the summer, the 6th IIM Interim Management survey was launched. 1,530 members of the Interim Management community completed the survey and over 16,000 individual votes were cast in the 'Leading Interim Service Provider' section.

In the summer the Chairmanship passed to its sixth iteration, to two co-Chairmen, Hilary Husbands and Ad van der Rest, a 'two-headed' solution to there simply being so much to attend to. It wasn't long before Hilary and Ad were deeply into politics and lobbying as 2012 dawned.



2012: The year of politics

In early 2012, a review into the tax and working arrangements of those operating off-payroll in the public sector was announced in the 2012 Budget Red Book. The review was triggered by controversy in early 2012 over how the Student Loans Company Chief Executive was paid 'off-payroll' but through a Personal Service Company (PSC).• HMRC initiated a consultation about 'The Taxing of Controlling Persons', which proposed that all 'controlling persons' (including interims) be placed on payroll. In the midst of this and in response to requests for data from the IIM, the 7th IIM Survey was the biggest yet with over 2,500 contributors.

The IIM worked hard to lobby the case with officials and with the help of the interim community. By the autumn, this appeared to have worked with the 'Controlling Persons' proposals abandoned in the 2012 Autumn Statement. The sting in the tail was that HMRC proposed to regulate against 'office-holders' under IR35 which would again catch senior interims.

The result of that proposal still hangs in the balance.



2013: The year of recovery?

As 2013 started, there were many questions. Would interim managers continue to be buffeted by regulation? Had the interim market recovered, or was that only for some? The IIM worked hard to promote and defend our community.

The Budget 2013 now incorporated the office-holders regulations into IR35, but uncertainty remained about exactly what that meant. Later in the year, the House of Lords opened a Select Committee to look into the use of Personal Service Companies, to which the IIM submitted a detailed contribution.

As a whole the year was promising with the proportion of interims on assignment continuing to improve. This was highlighted in the Institutes annual survey which was completed by nearly 3,000 people.

At the year end, co-Chairman Hilary Husbands stepped down, leaving Ad van der Rest in place as Chairman.



2014: New confidence

Into 2014 there is increased confidence which the IIM 2014 survey captured with many hundreds of respondents.

Interim management looks to be in good shape, though the risk of collateral damage from unhelpful regulation continues. With the economic downturn well behind us, the best way to sum up 2014 is 'steady as she goes...'. It is said that interim management is counter-cyclical, i.e. it thrives most in time of change and turmoil when other businesses are in trouble, so it will be interesting to see how business and industry will utilise interim managers and executives, some of whom may be flexing their proposition away from crisis management and toward performance efficiency, growth and M&A.

2015 and beyond:

2015 saw the IIM Service Providers survey and guide built on 37,000 individual votes, offering a great insight into the market. We compile this annual report because the use of Interim Service Provider (ISP), or 'agencies' as the uninitiated may refer to them, remain a key route to market for professional interim managers and executives.

We have also seen an increase in the IIM service portfolio, with an additional provider of Professional Indemnity Insurance (PII) and Tax Investigation cover with thanks to IPSE has now been green-lighted and is now available to all our members for no additional fee.

The story of the Institute of Interim Management will continue...