



Interim Management Survey 2020

July 2020 (11th edition)



Introduction

It becomes increasingly trite to refer to 2020 as an unprecedented time, but it has been quite a year for the interim industry as well.

We pressed ahead with the 2020 Interim Management survey because it was important to capture and benchmark what was happening within the interim community during Covid-19 lockdown. It may be some considerable time before we understand the long-term impact of the pandemic and associated economic shock, but here is the first stick in the sand measured in May 2020 in the depths of lockdown.

Given the lack of normality, some survey questions sought answers to the end of February. Others focused specifically on the impact of Covid-19 from March and April.

I'd also like to take a moment to recognise the key workers, particularly in the medical arena, interims included, who have worked to keep us safe and to spare heartfelt thoughts for those interims and families who have not made it through this time unscathed.

Ad van der Rest



Ad van der Rest CIIM
Survey co-author



Simon C Jones MIIM
Survey co-author



***“Losing your head in a crisis
is a good way to become the crisis.”***

C.J. Redwinelt

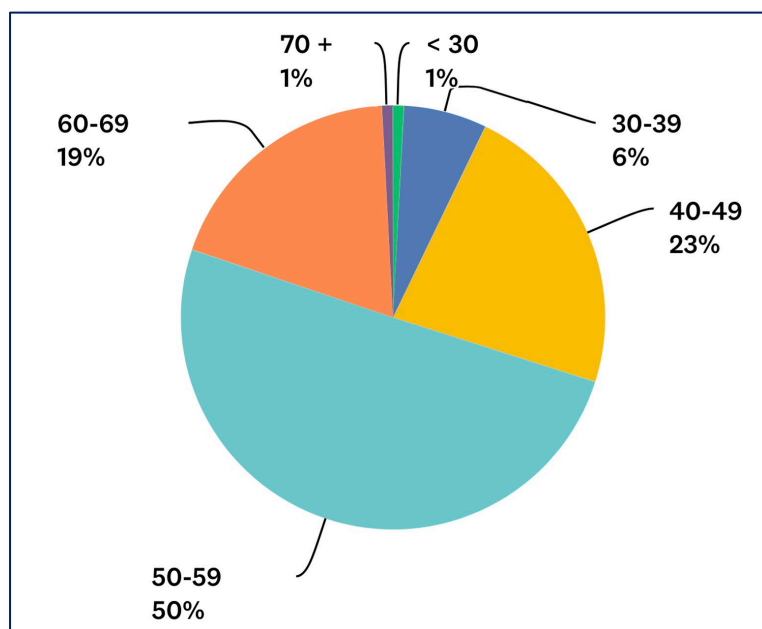
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Interim Management metrics

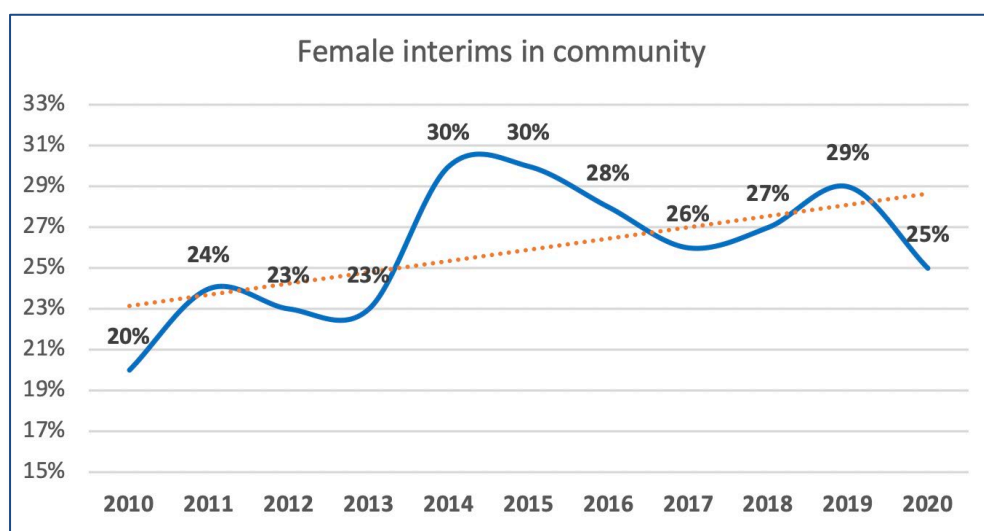
Age Profile

Straight in with some metrics. Interim managers are mostly in their 40's, 50's and 60's, it's a line of work for business veterans. With a 52.8 age average, little has changed over the decade (IIM Survey 2011: Also 52.8) except that a few more start in their 30's, and a few more go on into their 70's.



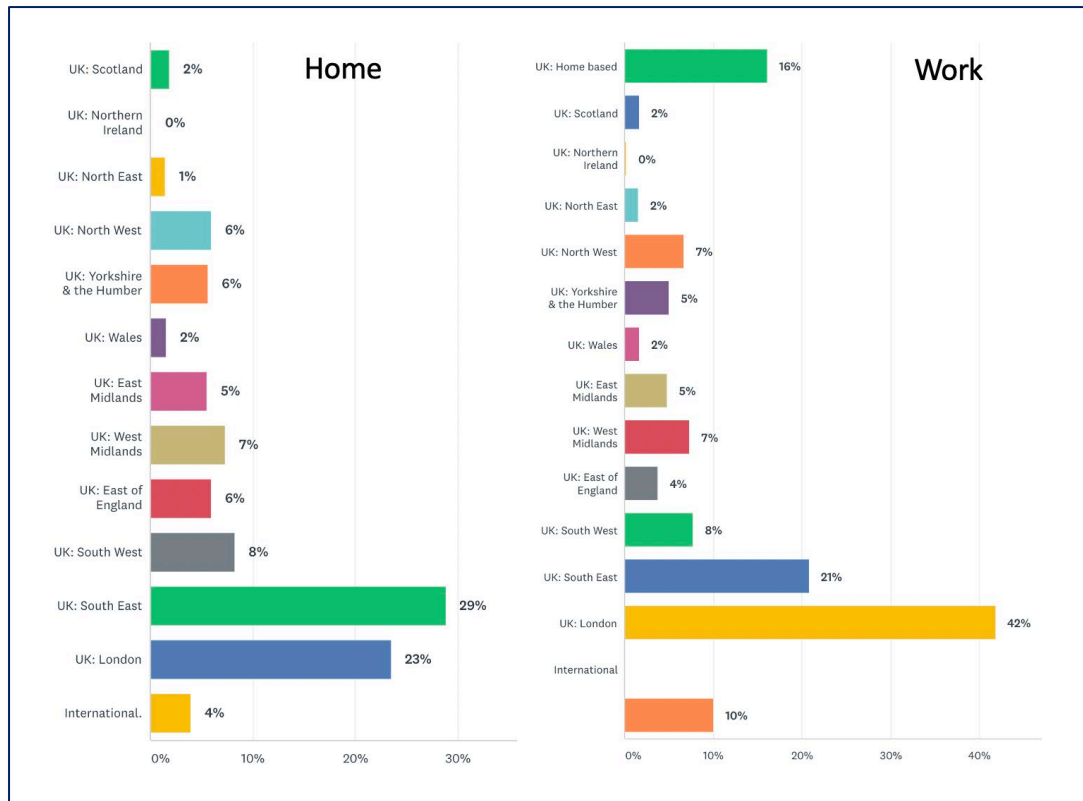
Gender profile

The proportion of female interims have been increasing over the decade. This year's recorded proportion was 25%. A curious reverse in the trend from last year's 29%.



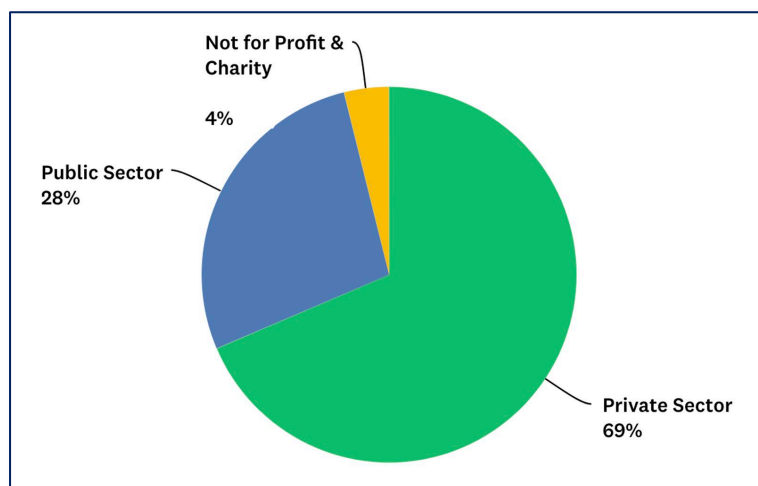
Home and work locations

The South-East bias to where interim managers live remains, with very little change. London and the South East is also the dominant interim manager commuting base.



Sector preferences

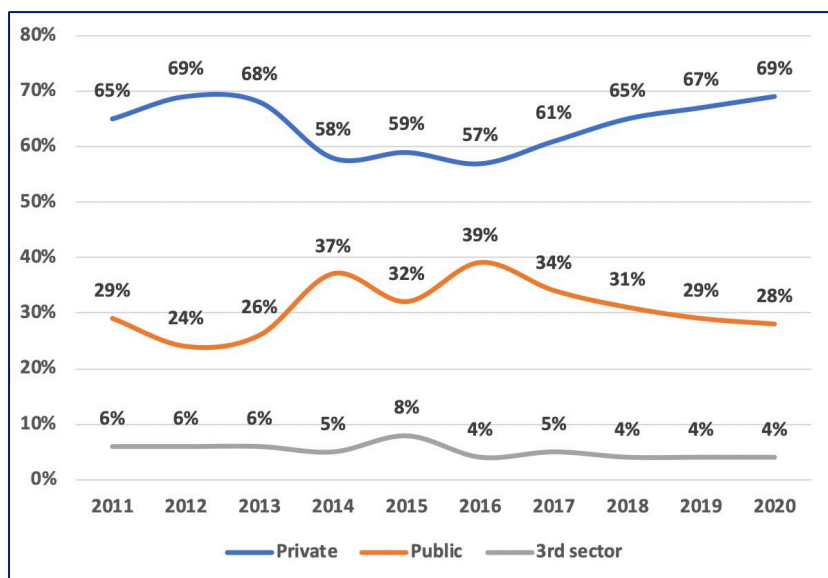
In terms of sector, a greater proportion of interim managers are working in the private sector, but there is still a significant tranche in the Public and Third sectors.



It's also worth mentioning that the proportion of female interim managers working in the Public Sector is a good deal higher at 41% vs. 19% in the Private Sector.

Given the recent IR35 changes impacting interim managers (and all freelancers) engaged in the public sector, overall interim use within the Public Sector is falling, so that the proportion of Public Sector interims is down to 28%, which we haven't seen since 2013.

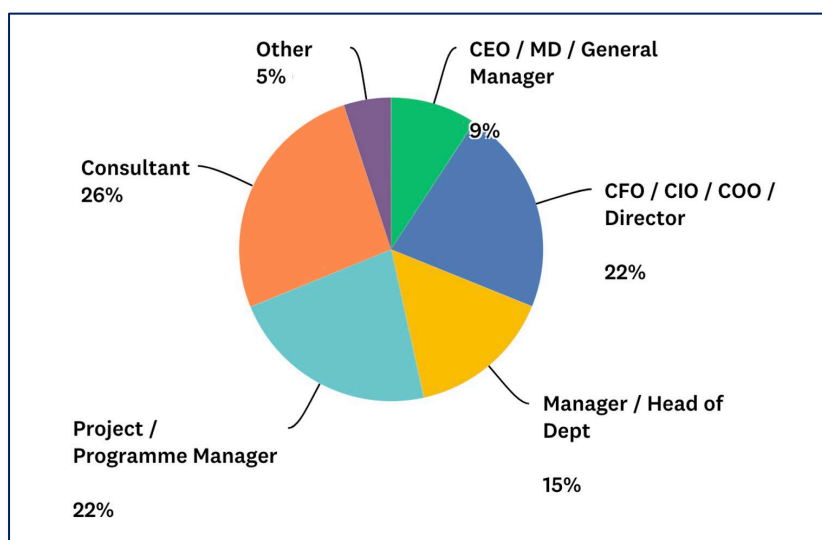
The recent changes to how IR35 is assessed in the Public Sector would appear to have led to more workers being reclassified as working within IR35 and a net reduction of the number of interim managers working in the sector.



Generic role profiles

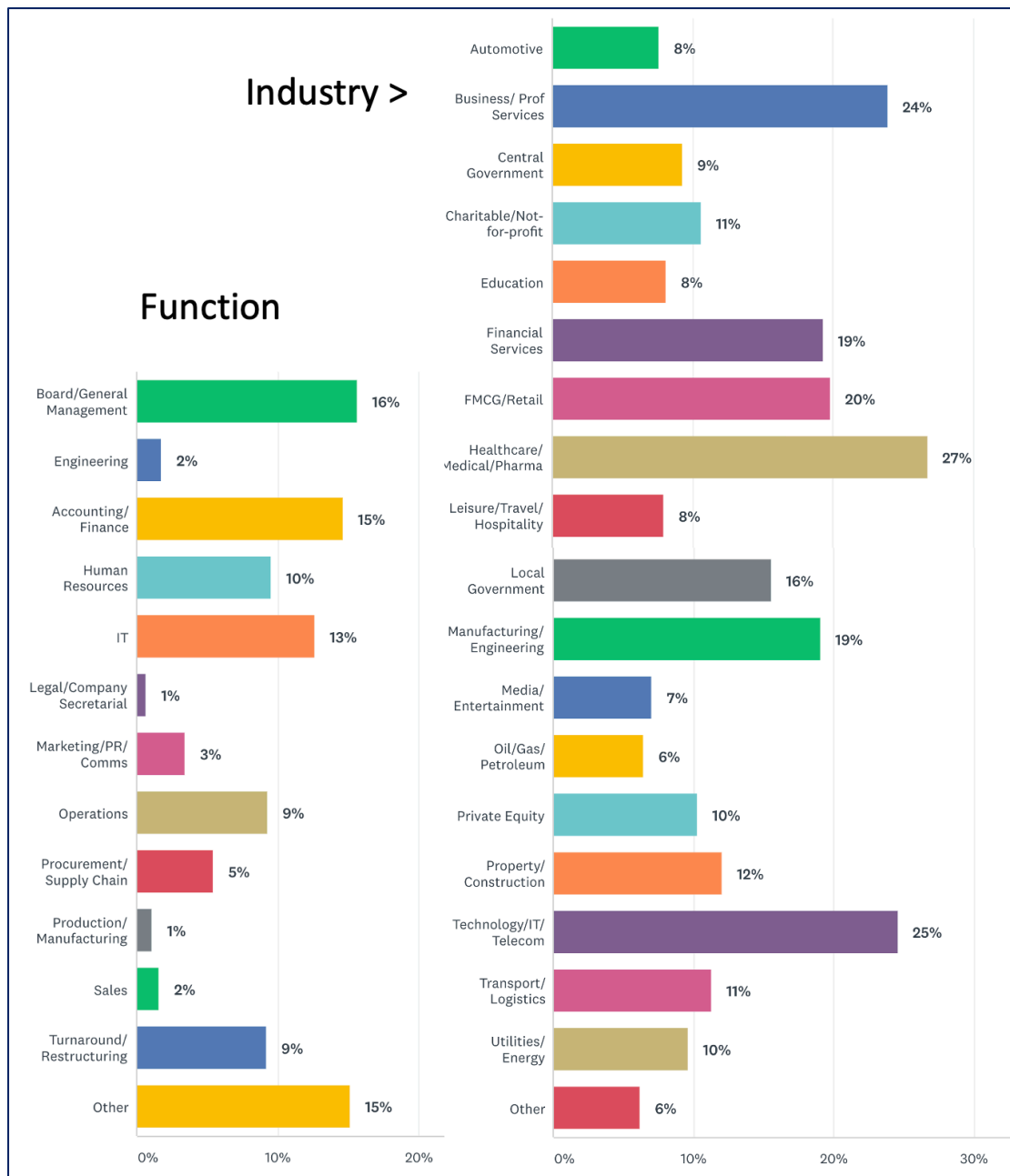
We've seen a mild rise in the provision of Consultancy by interim managers, up to 26% from 22% last year.

It's also possible that some may feel it is safer to be classified as a 'consultant' in the current regulatory climate.



Functional and sector profiles

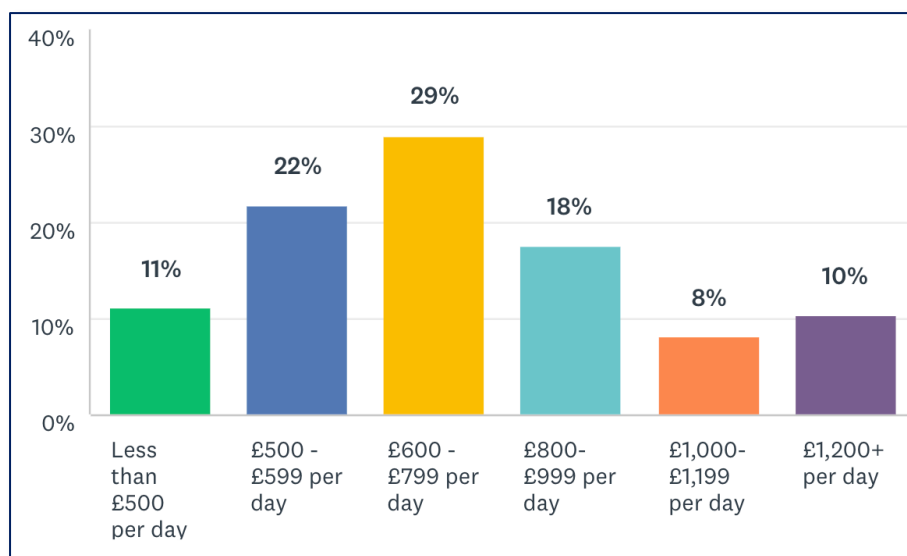
Here are the breakdowns on interim management interests by job function and by industry sector:



Rates ranges

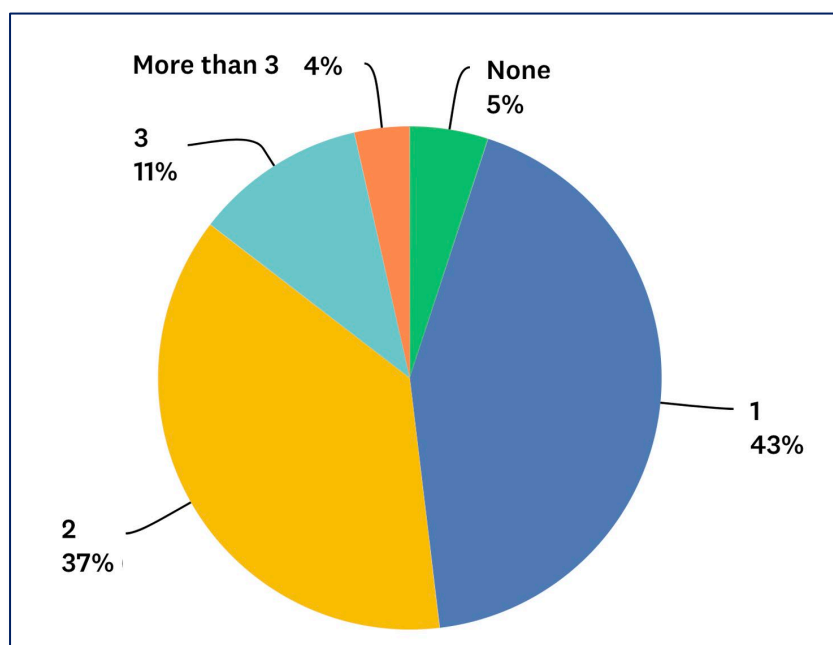
Interim managers are typically paid on a day-rate basis, mainly through their Limited Companies (>95% of interim managers).

Rates fluctuate due to seniority, demand, sector industry and function. Interim managers get paid from around £500 per day (though there has been a significant divergence in rates within the Public Sector in recent years) to £1,500 and more. Most typical pay is in the £600-£800 bracket.



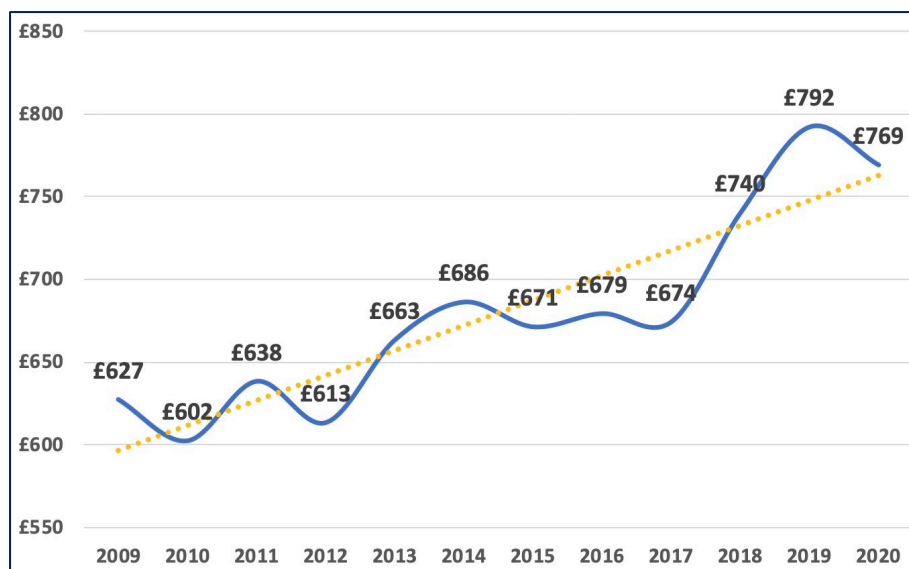
Assignment numbers

Most interims had more than one assignment in the year, though a slight fall in multiple assignments (53%, down from 58% last year).



Day rates

We've seen a slight fall in day rates this year, though this appears to be down to a slight rate softening in the Private Sector.



Private Sector rates have fallen slightly on average, whereas Public Sector rates have pretty much stayed the same (after Public Sector rates fell last year).

Private sector average day rate: **£819 (down from £858 last year)**

Public sector average day rate: **£662 (similar to £658 last year)**

We saw the same effect at the time of the last economic downturn a decade ago, when the Private Sector dropped more quickly, leaving the Public Sector unchanged for a time, but it was the Public Sector whose rates fell further over several years.

Private sector interims are now paid on average 24% more than public sector interims, compared to 9% more in 2010 (Private: £616, Public: £564).

95% of day rates were 'rate only' with a success fee or bonus paid in just 5% of cases.

We also note that at face value there is an 11% gender pay gap between male and female interim managers.

Male interim average day rate: **£794**

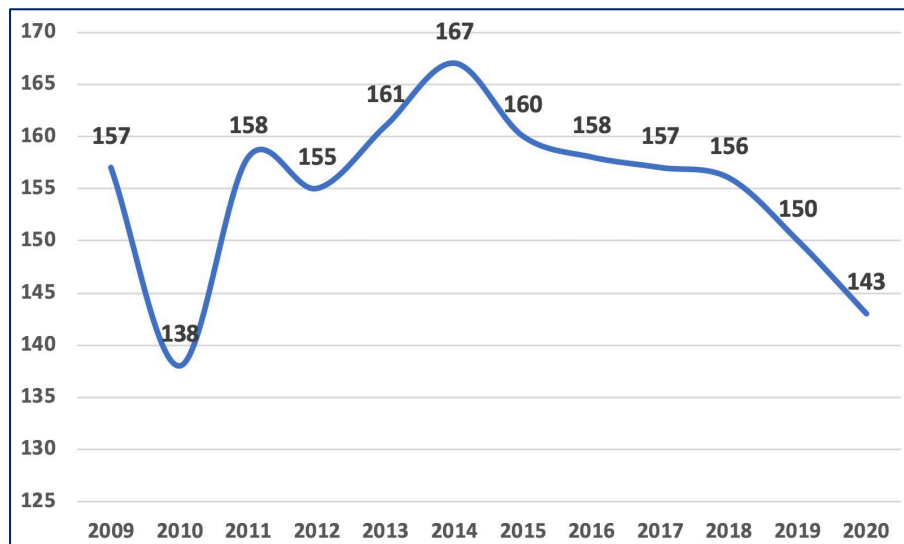
Female interim average day rate: **£704**

However, given that a greater proportion of female interim managers work in the Public Sector, where rates are around 24% lower, that accounts for most (8% of the 11%) of the difference, leaving a 3% interim gender pay gap unaccounted for (but a good deal better than the 17% difference in the general employed population, from ONS 2019 data)).

Billed days

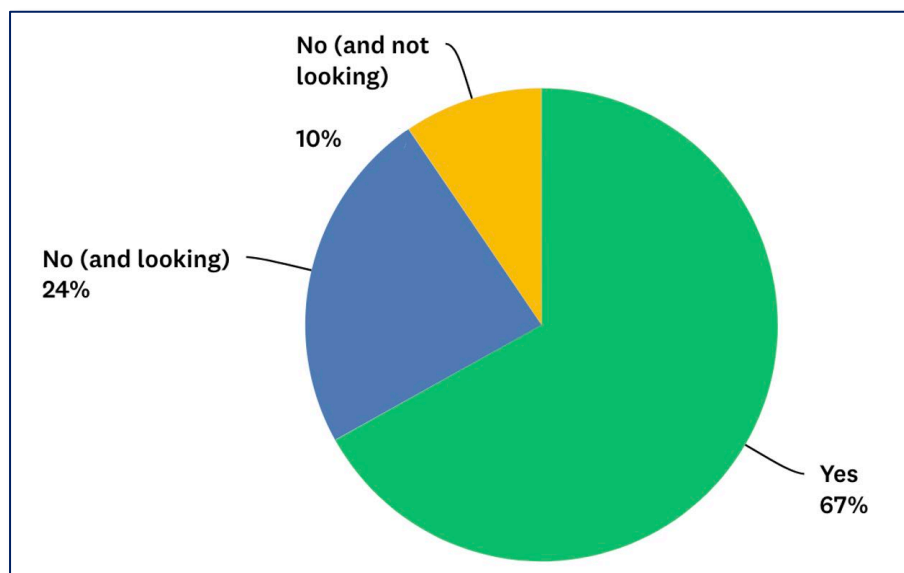
The next key item is how many days the interim 'billed' during the year. This number is a long way from the number of days that people 'off payroll' are thought to earn (i.e. it's not 230 days or even 260 working days per year).

Interims again noticed a slight billed days reduction (on average) over the past year. This is reflected in the average billed days reducing from 2014's 167 to 143 now.



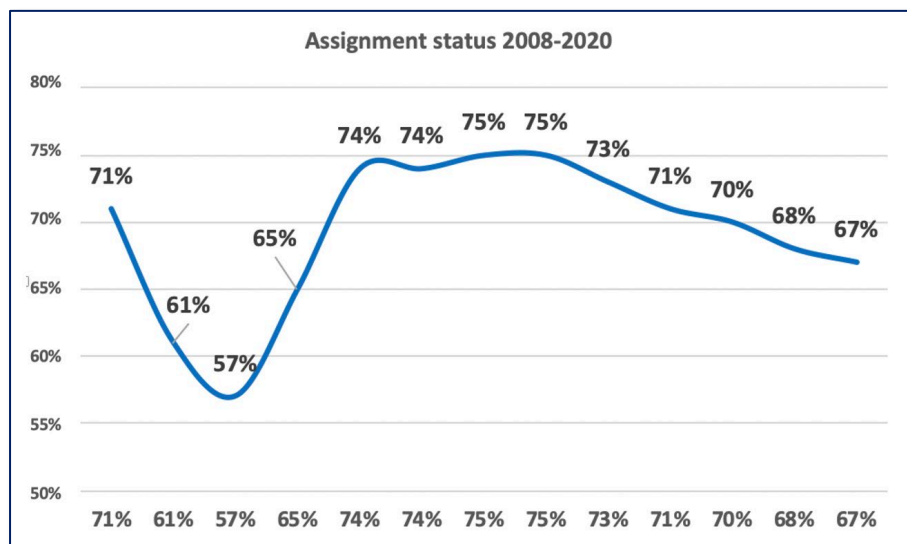
Assignment status

The percentage of interims who are 'on assignment' is 67%, again a little softer than in recent years, but still well up from the low point of 57% after the last downturn.



Please note, some interims choose to neither work nor seek work, which accounts for 10% of the total interim population.

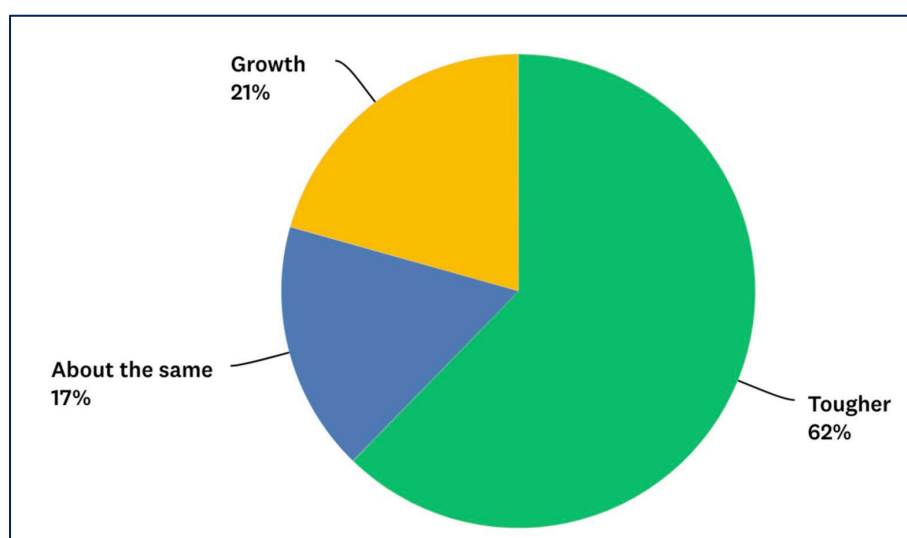
We've seen a gentle decline in interim managers off assignment in recent years. These figures do not include the Covid-19 lockdown (in-assignment data measured up to February 2020).



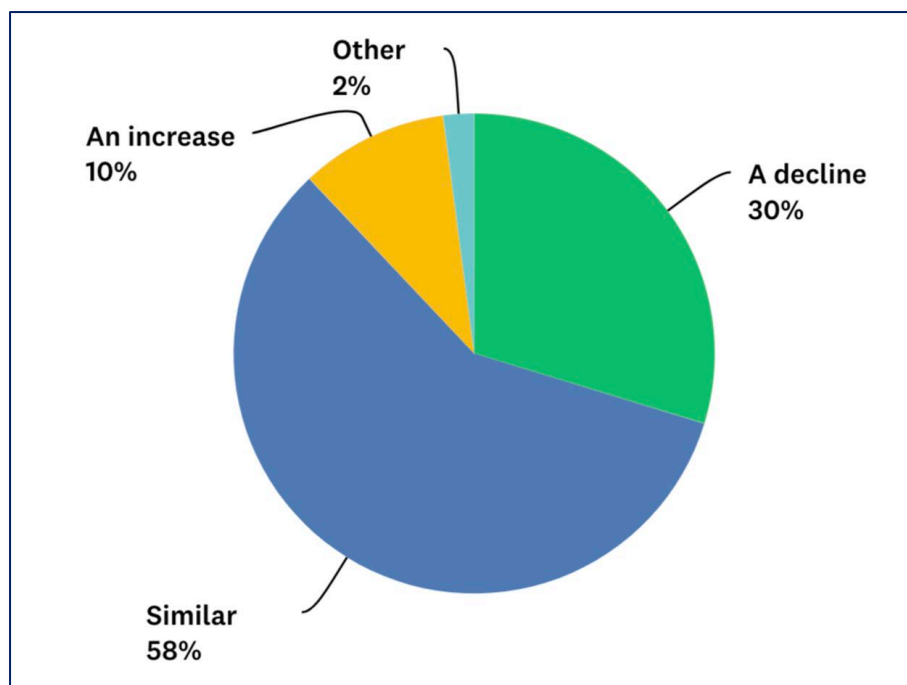
We also found an average of **10.3 months** for a typical assignment length, and an average of **3.1 months** for a typical gap between assignments.

Future interim market predictions

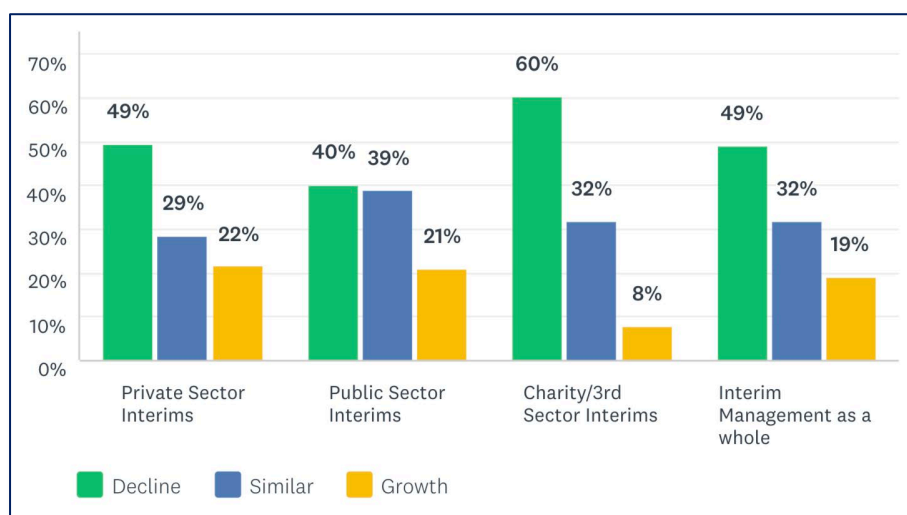
Looking forward, interims lean towards expecting the interim market to get tougher (With 62% predicting decline, vs. only 36% last year).



To match that perspective, interims lean towards believing that day rates will fall, though the sentiment behind rates falling is much milder than the view that the market will be tough.

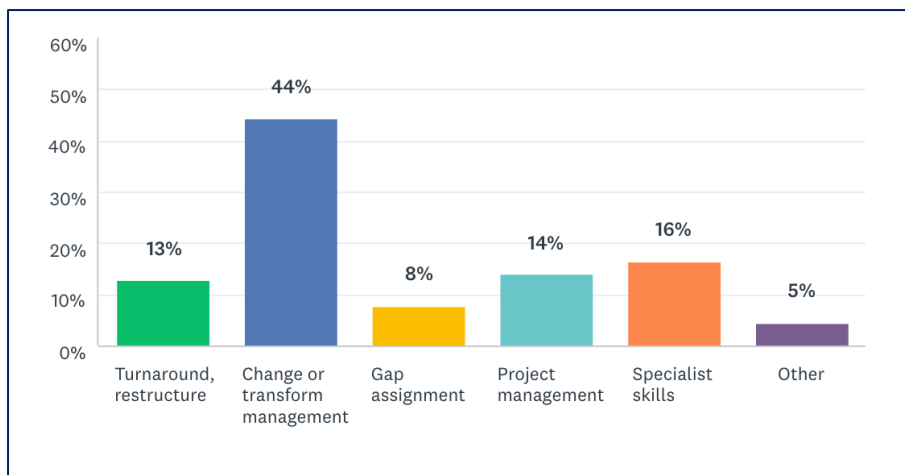


When asked to predict changes to the interim market by sector, most viewed the market as in decline, a significant turn from last year's perception of a static market (57% static for the whole market in 2019).

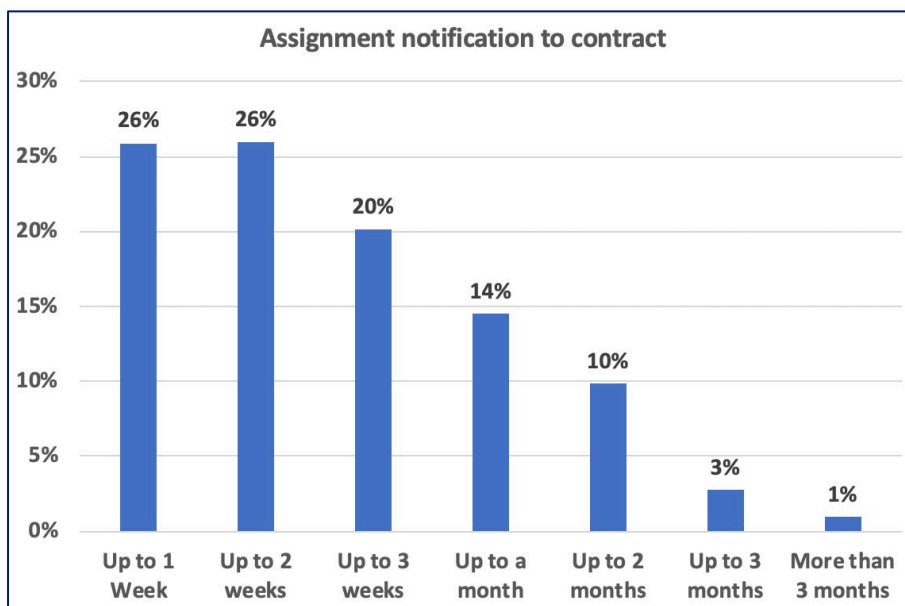


Assignment and marketing

Change and transformation managements remains the primary interim assignment, with 'gap assignments' continuing to decline in number (perhaps with IR35 in mind).



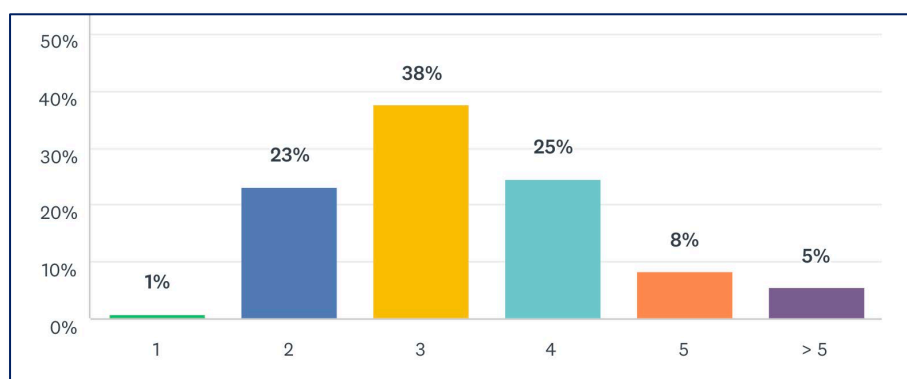
The time it took for an interim to complete the engagement process from notification to contract was 2 weeks on average with most done within the month.



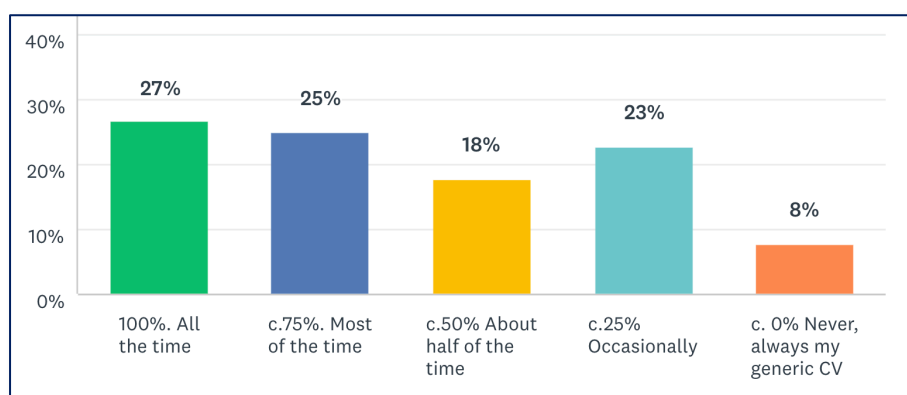
CVs and customisation

The permanent CV market often speaks of a maximum of 2 pages, but that's a tough ask for interim managers with deep expertise and a busy client history.

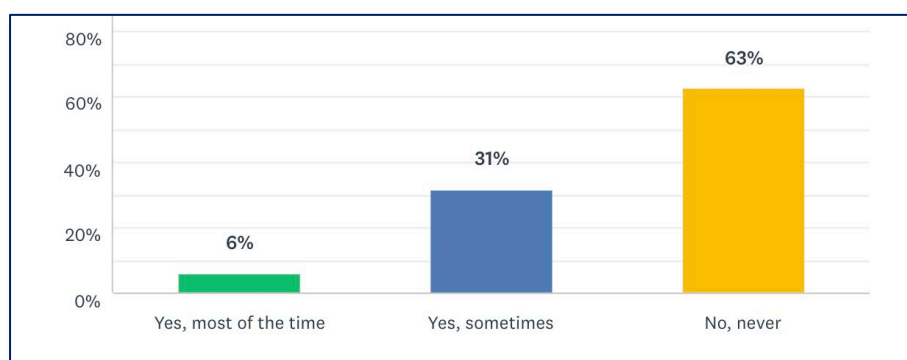
An interim manager needs a little more breathing room for their expertise, though naturally page one remains the sweet spot for articulating your business proposition. For that reason, 3 pages is the most popular choice for both interims and providers.



c.70% of interims customize their CV, at least half of the time. So ideally have a 'base CV' one page longer than you 'edit back' to the perfect CV for each pitch.



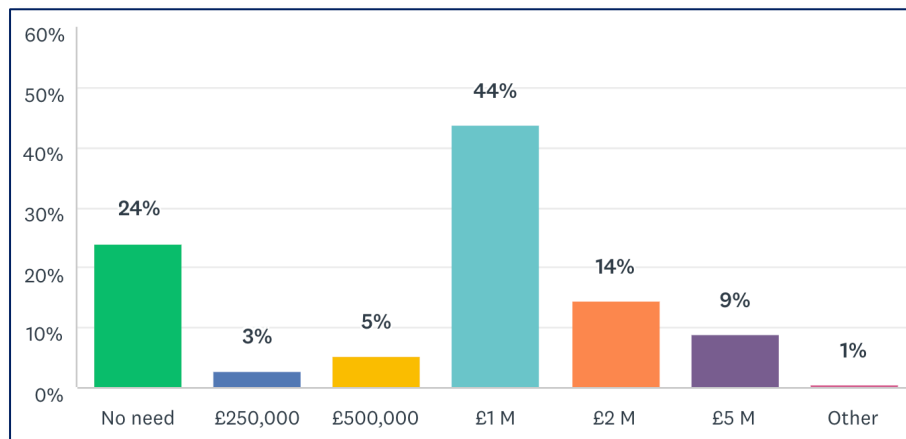
Around a third of interim managers will include additional case studies or other materials with their pitches, from time to time, but most won't.



PII and payment terms

Professional Interim Managers typically procure Professional Indemnity Insurance to both protect themselves in the unlikely event of a professional claim and to reassure clients that they operate a professional business.

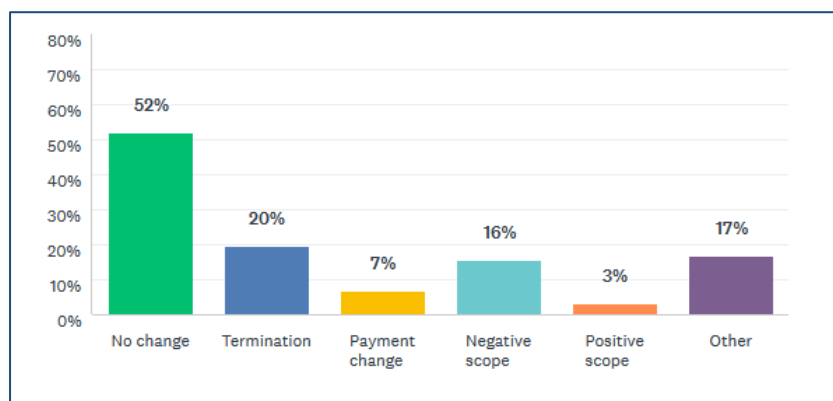
The most popular coverage to have is £1 million in professional indemnity insurance (44%).



The Market under Covid-19

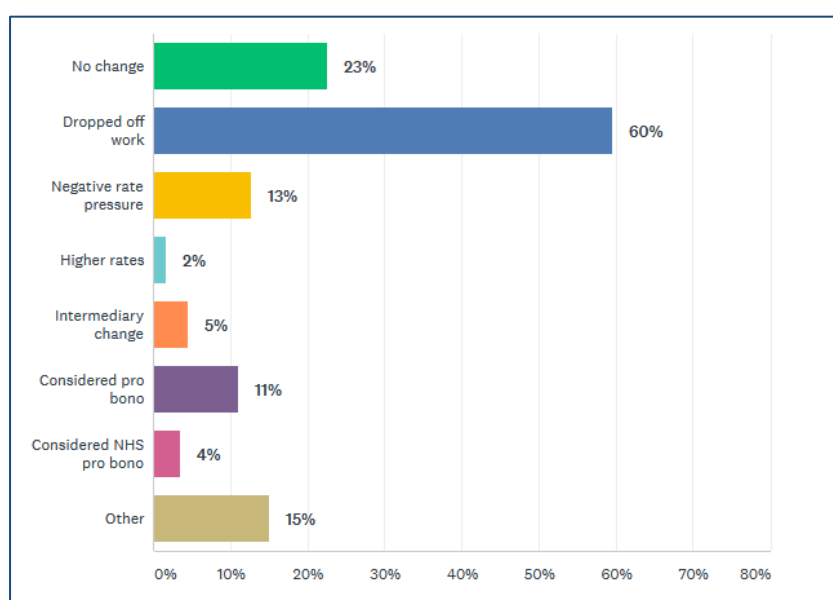
Given the severe impacts on business, it is heartening to observe over half of those on assignment at the end of February saw no tangible change to their contract, with it expected to continue to the original timeline, scope and commercial agreement.

A further 19% reported changes to the scope to reflect the changed environment (16% negatively, 3% positively). Unfortunately, 20% did see a premature contract termination and 7% pressure to reduce rates in exchange for continuation.



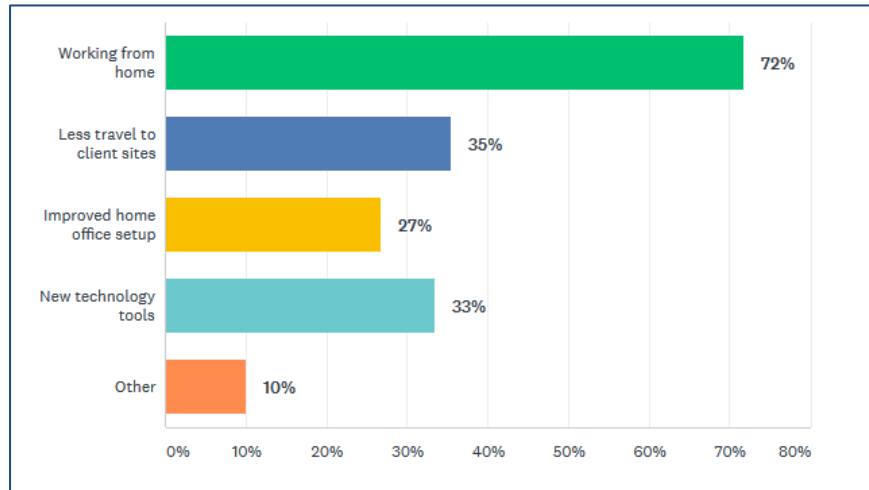
On the impact of Covid-19 on work search, perhaps unsurprisingly, 60% of respondents saw an immediate and sharp decline in opportunities as potential clients moved their priority to deal with the effects of Covid on their business.

Encouragingly over 20% saw prospects continue to be discussed, although 13% also experienced pressure to reduce lower rates or offer other reward mechanisms to keep the opportunity open. 15% also considered pro-bono work, either in NHS or otherwise as part of their response to the emerging situation.



No surprise then that a very high % of those on still working on contracts found themselves working from home (WFH), with all others reporting significantly reduced travel to client sites.

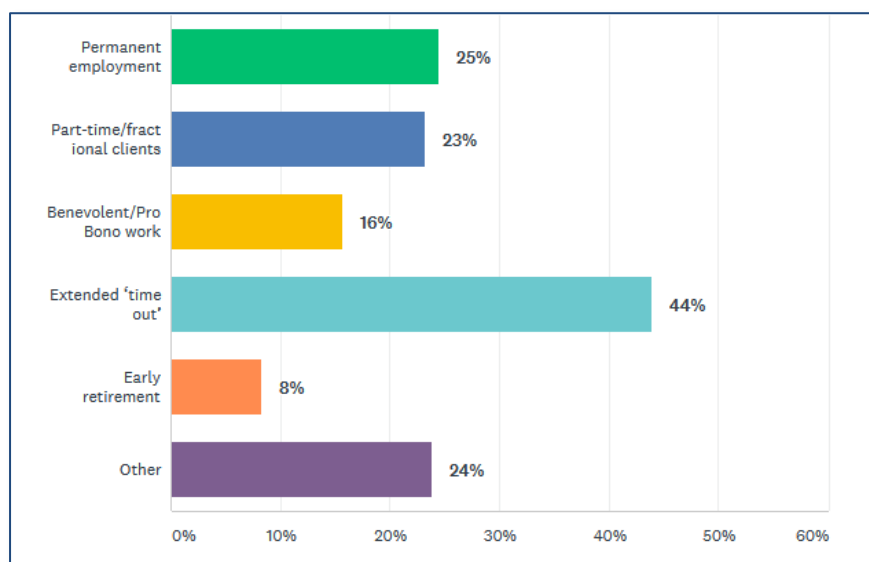
Adapting to the new WFH workstyle, 27% said they made improvements to their home office set up and 33% opened new “online” tools and accounts to facilitate the new working practices. We are all becoming Zoom experts!



Financial planning has always been a key part of life as an interim and we are probably better prepared than many for the situation we all find ourselves in, the way we work determines a level of good “gap management” in normal times.

Perhaps no surprise then that 44% would take an extended time out and “hunker down” for the expected duration of the pandemic, a further 23% would move to part time/fractional working and 16% take on pro-bono work.

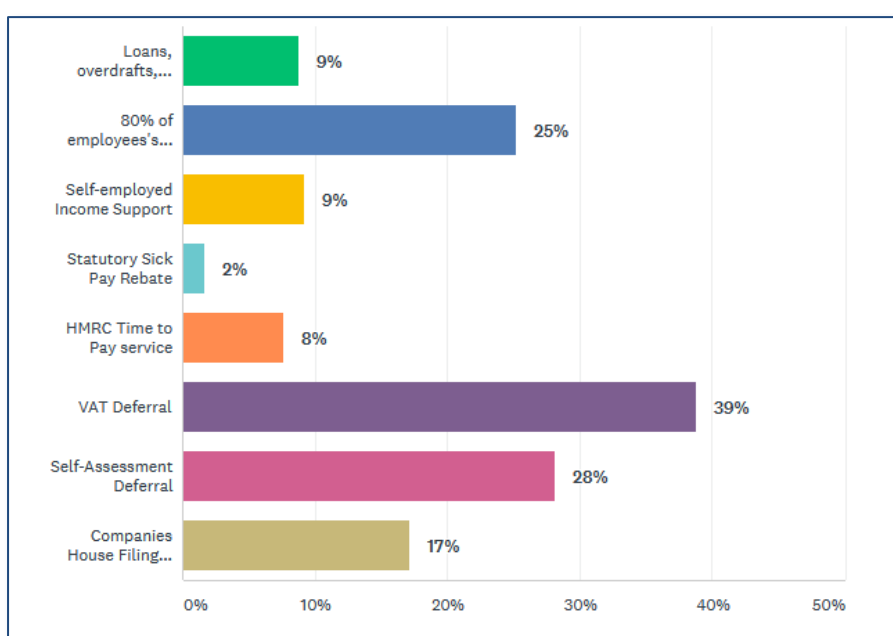
A significant minority said this was the time to leave the interim space, either to the “dark side” of permanent employment (25%) or advance their retirement plans (8%).



With a wide range of Government support schemes available, many respondents indicated that they were using one or more of the tools, with the largest group, 39%, deferring quarterly VAT payments and 28% planning to defer self-assessment income tax payment on account due at end of July.

Although widely criticised as not supporting Limited Company freelancers sufficiently, 25% of respondents intended to use the Job Retention Scheme, a further 9% not operating through a Limited Company, claiming through the Self-Employed Income Support Scheme.

Less than 10% indicated they would be taking up funding under the Business Interruption loan Scheme, perhaps reflecting the concern of storing up debt for later whilst future income is uncertain.



The survey also asked the question: What changes – positive or negative – do you think will come in a post-COVID-19 world, affecting either interim managers or the interim industry?

We had in excess of 1,200 detailed responses to the question which will be analysed and released, shortly, as a White Paper, sent by email to Members, Affiliates, other survey respondents who gave permission for the IIM to do so and on released on the IIM LinkedIn Groups.

IR35 and the Interim Market

Opinion from the IIM about the IR35 regulatory changes applying to interim managers from April 2021

The following section relating to IR35 goes into more detail than we would normally share in an annual survey report, but we think this is justified given how significant the IR35 changes may be to many professional interim managers.

The tone of the opinion I'm sharing in the following pages is not neutral – nor does the IIM think it should be.



Tony Evans CIIM
Joint Interim Chairman
IIM

The May survey came after the March House of Lords Economic Affairs Finance Bill Sub-Committee hearing into the IR35 regulations. Its Chair, The Rt. Hon. The Lord Forsyth of Drumlean wrote formally to the Financial Secretary to the Treasury, The Rt. Hon. Jesse Norman MP. The 'no-nonsense' letter, which can be downloaded from the government website [here](#) is an extremely well-crafted indictment of the legislation, its rationale and the impact it is having on an already very hard-pressed sector of the economy.



Financial Secretary to the Treasury, The Rt. Hon. Jesse Norman MP (left) and The Rt Hon. the Lord Forsyth of Drumlean (Parliamentary copyright images are reproduced with the permission of Parliament).

Key issues raised by Lord Forsyth in his letter included:

- the cost of the reforms,
- evidence on the (non-benefits of) the existing public sector measures,
- blanket assessments by end-user organisations,
- the role of umbrella companies,
- the Check Employment Status for Tax (CEST) tool,
- (lack of) 'joined up government', and,
- the fairness of the proposed changes.

Lord Forsyth was at pains to draw out the inequitable and false logic of the Treasury's historic position, that each worker should pay a fair and similar amount of tax based on an assessment of doing similar work alone.

For many years, the government has been told that this logic is false, not least by the IIM, and borne of a jaundiced and biased point of view. It does not stand up to scrutiny when looked at independently, and the letter demonstrated this admirably.

At one-point Lord Forsyth asked: "Do you agree that a contractor falling within the scope of IR35 will be treated in the same way in the eyes of HMRC as an employee, but will not enjoy or be protected by the same rights as that employee?"

The clear answer has to be "Yes". It is self-evident. However, whereas this is the core issue for the vast majority of the c.5 million freelancers in the UK, it does not correctly address the central issues for the professional interim practitioner.

Lord Forsyth concludes his questioning with a nod to the future, to demonstrate the sub-committee's clear findings that the regulations are damaging, by asking the Financial Secretary:

"What assessment has the government made of whether the strategy of treating contractors and freelancers as employees for tax purposes, but not for employment rights purposes, will diminish innovation and flexibility in the UK workforce? How will any such diminution enable the UK workforce to respond in the short term to the economic Impact of COVID-19, and in the longer term to the challenges of the Fourth Industrial Revolution?" [and whatever happened to Brexit?].

It makes a real point for interims. Here lie the elite front-line troops of the British economy when it comes to change – be it turnaround, transformation or crisis/re-structuring/re-modelling. The idea that inhibiting the effectiveness of this group is a good idea is clearly inappropriate. Everything possible should be being done to bring them into play where they can do the most good.

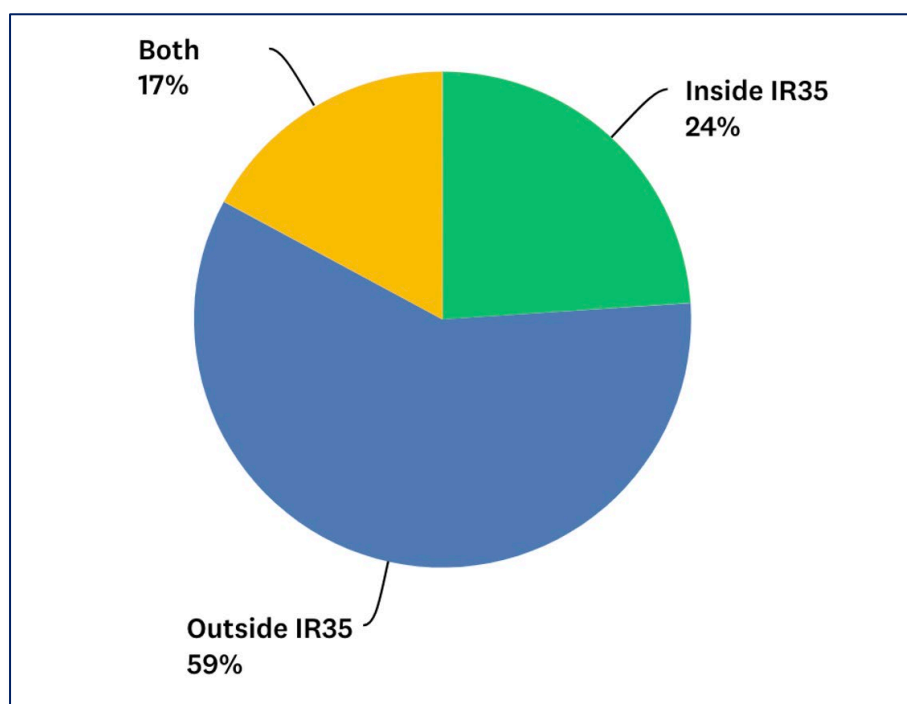
The survey results were also obtained, knowing that, in Rishi Sunak, we had a new Chancellor who could bring a fresh perspective. It has brought about a delay of 12 months to the original implementation line for the application of the current public sector regulatory application, with changes. The changes relate to who has the right to determine the interim's regulatory standing for tax in smaller companies. Due to HMRC believing that they cannot police the millions of small businesses anyway, this right has been retained by interims for their own business activity when working with this sector as clients. The absurdity of this position is that an interim can be regarded as competent to make the determination with one client but not with another!

In spite of much lobbying from pretty much every relevant quarter, HMRC has continued on its mission to impose a more punitive tax regime on interim practitioners operating with larger clients in the private and third sectors.

It is in this environment that the results of the survey need to be considered.

Public Sector IR35

Contracts within the public sector have been operating with the 'client' determining the tax position of the interim for over two years now. The results (over 1,200 respondents to the IR35 questions) obtained are surprising at one level, with 'only' 41% of respondents indicating that they had been defined as working inside IR35. Analysis has not been able to break this figure down further, but clearly, this research will be informative.

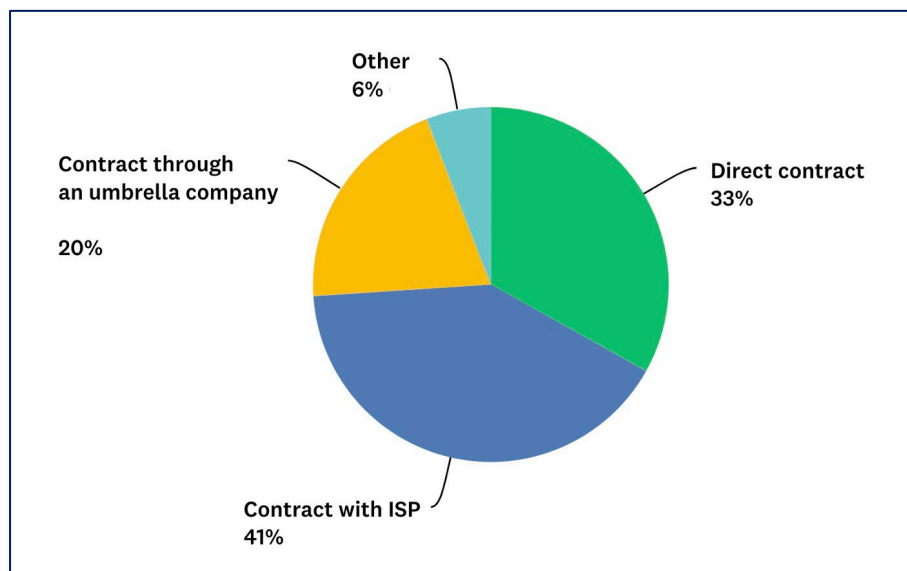


Rumour and leaked evidence abound regarding how these assessments are done and their outcomes. Departments 'in hock' to the Treasury are clearly not going to want to rock the boat. However, the current position includes the unverified view that all interims/contractors/freelancers working within HMRC (who are under the Official Secrets Act) are declared 'outside IR35' so that the resource can be guaranteed to the department.

If this is ever proven to be true, what price 'fairness'?

Moreover, why should this be under the Official Secrets Act when it is about the use of tax-payers' money, adherence to the government's code of conduct and just plain potential hypocrisy?

20% of respondents reported public sector contracts being facilitated through umbrella companies in the last year. Use of such entities appears to be promoted within the private/3rd sectors ahead of the legislation implementation (per further below, page 25, 8% of respondent contracts through 'umbrellas').



In the context of HMRC's "lost" tax-take through reduced NI, all the relevant employee's NI has been recovered already through the 'all-inside' IR35 principle.

The largely missing piece is the employers' NI. Given that HMRC has given away the right of interims to determine their own company's tax position to a third party – a client – what might we expect the client to think of doing here? Furthermore, by implication, what do we expect an umbrella company to do, given it is an intermediary between the interim and the end client?

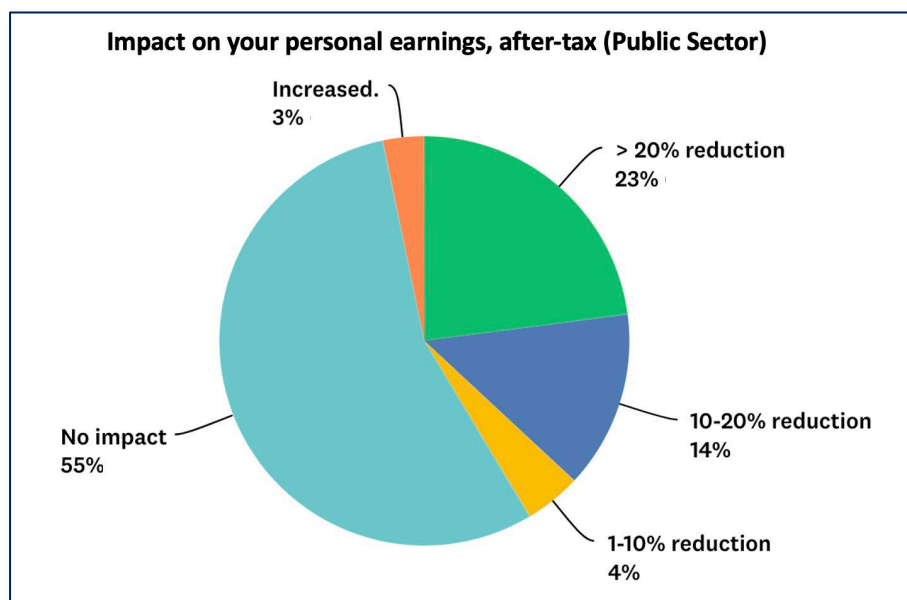
I suggest two things:

1. To reduce the risk of an HMRC investigation and large fines, to automatically set all assignments 'inside IR35', and,
2. Using their considerable leverage in a negotiation, insist that the day rate paid includes the cost of putting the interim on the payroll for a tax deduction. That is, for it to *include* the employer's NI as well. It can be done by either reducing the day rate charged by that amount or include it in the tax deductions before the payment to the interim's limited company.

There is also anecdotal evidence that freelancers, including interims, are not getting anything like a response by which they can challenge any taxation decision by the end client. It is your right under the regulations, but this appears to be being routinely ignored by many end clients and intermediaries. The taking of the employers' NI effectively from the interim/freelancer is also contrary to the regulations. However, we do not seem to be hearing any evidence of HMRC clamping down on this side of the equation.

Otherwise, 33% of all respondent contracts are stated as direct with the end client. It also needs further investigation as it is regularly held that the public sector cannot cater for direct dealing with micro-enterprises and is one of the reasons that the public sector procurement processes and regulatory applications are held to need to be done 'at scale'.

The response to a question on the impact on personal earnings in the Public Sector tends to support the loss of earnings to public sector interims by the subtraction of employers' NI from their fees as well as the tax hit of being placed inside IR35. Over 40% of respondents (up to a thousand for this question) have seen reductions in earnings, with very nearly a quarter seeing an over 20% reduction.



Can you imagine a PAYE permanently employed worker with a pay reduction like this? Even those furloughed due to the Covid19 virus have done better.

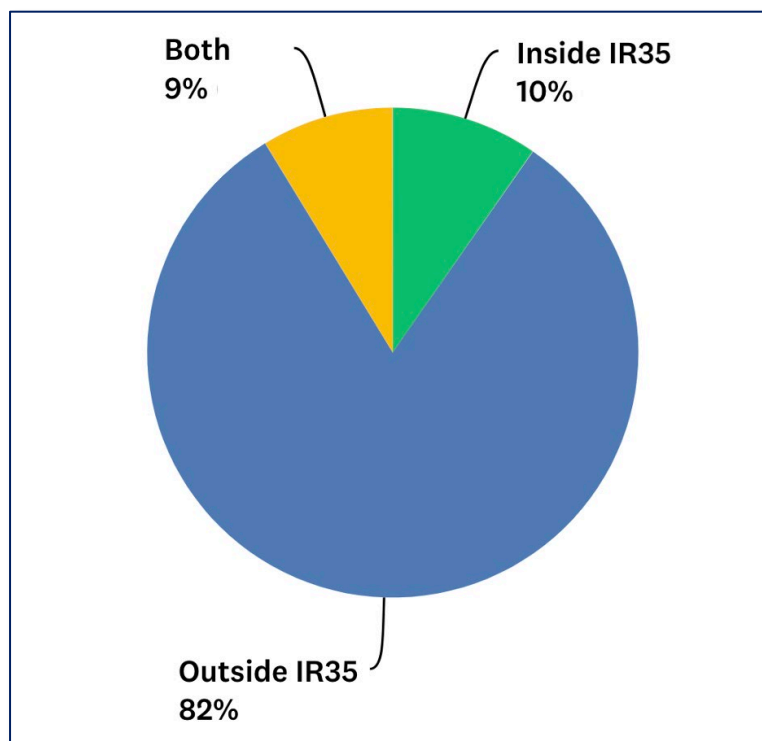
The distribution curve for this response shows an enormous skew to lost income: it is clearly nowhere near a 'normal' distribution.

On the other hand, over half of the respondents undertaking public sector assignments have seen 'no impact' in earnings. Coupled with the results from the question on the contractual relationship with the end client (Public), this indicates that even those working directly for end clients or through 'conventional' ISPs have suffered from earnings reductions.

Can more be done to redress the balance on lost earnings while on assignment? Will HMRC take seriously the consequences of their regulations for professional interims before the UK loses the economic cutting edge they provide?

Private Sector IR35

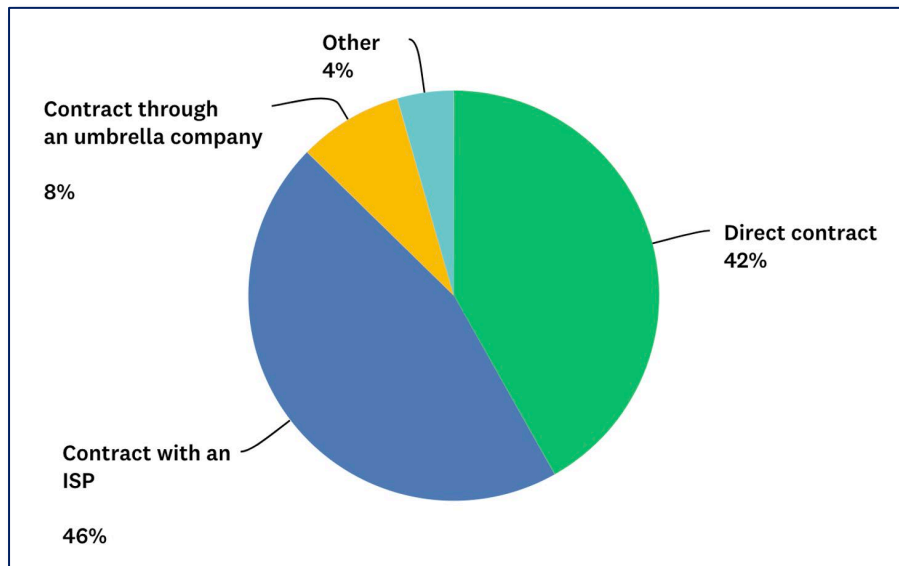
Moving to the private sector, the vast majority of the assignments undertaken in the last year have been outside IR35. Frankly, this is not a surprise. Earlier in the survey, we saw that over 90% of all interim assignments are to do with significant change, whether it be a turnaround, transformation or crisis/re-structuring work.



This type of work is undertaken because clients do not have any, or enough, of the expertise in-house to be able to deal with the situation(s) being experienced. These skills are quite rare. They are the backbone of the need for interims. When done professionally, the need for the client to retain the skillset going forward is removed as the interim effectively make themselves 'redundant'. The client may need additional skill to replace the interim, but it is a different skill set that can be found more commonly within the permanent employment 'gene pool'.

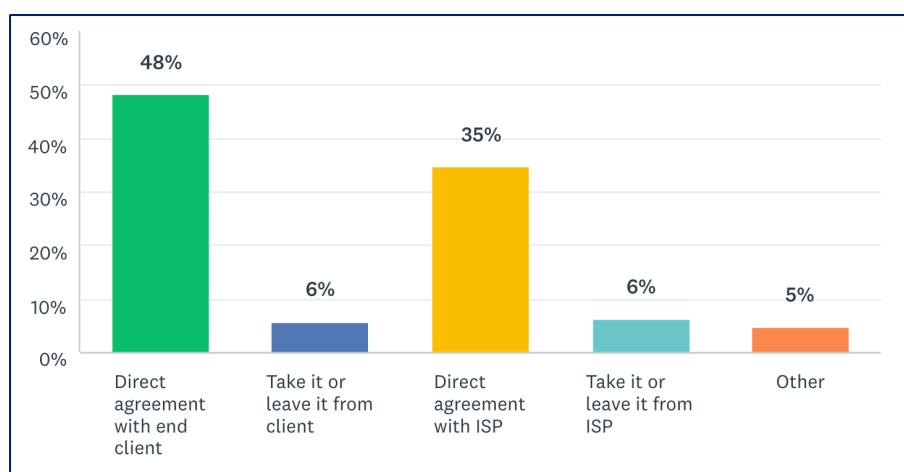
It has always been the case for true interims and is the basis for the 20+ years antagonism with IR35. It has always been understood that interims are professionals in business on their own account and prepared to take the risk of working independently. Trying to confuse this approach with the vast majority of freelance operations simply destroys regulatory credibility and brings central government thinking into disrepute across the profession.

Asking about who held the contractual relationship with the client led to a most interesting result. The respondents have indicated that the share of private sector work driven through ISPs as intermediaries have increased to almost half of all assignments in the year, representing an increase over earlier years.



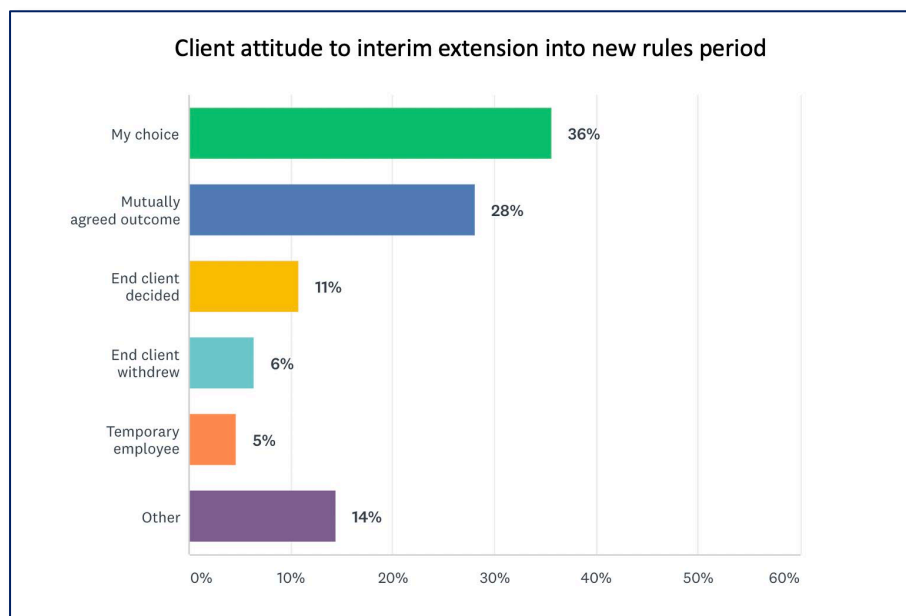
Reasons for this are currently unclear, but one hypothesis is that end clients would prefer to have a step in the chain between themselves and the interim to 'shelter' from the direct consequences of making tax determinations. There may be 'lessons' being learned from the public sector, but more research would be required to establish underlying thinking.

It would appear that sensible discussion regarding the form of contract has been maintained in the year, which is good to record.



Whether this is maintained, going forward remains to be seen. The IIM would be very happy to hear from members, and non-members alike, where contract negotiation has become fraught due to IR35.

We asked respondents to focus on the most recent times in the survey period, when it was still anticipated that the new regulatory changes would be implemented from April 2020. At that stage, comparing the results with the question about the nature of the contract discussion, we are starting to see a shift in attitudes from the end client. In a short space of time, the balance of contracting power showed significant change, with imposed options more than doubling compared with earlier in the survey year.



It needs to be recognised, along with other evidence more broadly available in the media, with organisations introducing 'blanket' assessments (specifically contrary to the regulations) of 'inside IR35'. Some organisations have ceased to use any form of freelancer, choosing to take people on as temporary employees on fixed-term or zero-hours contracts. Websites have been established, naming and shaming employers who choose to try and 'game' the system.

We are starting to see the extension of 'cowboy' resourcing activities across sectors and employers that ought to be setting procurement governance standards in the country for organisations to aspire.

The pool of talent with the effective interim skillset is limited as stated earlier. The upper levels of people available with a real track record for interim transformation work in the UK are probably no more than 10,000 out of a total freelance workforce of over 5 million currently.

The IIM has early indications this year that already the UK could be losing c.3% per month of this group either to permanent employment or retiring because they have had enough (regulatory) hassle.

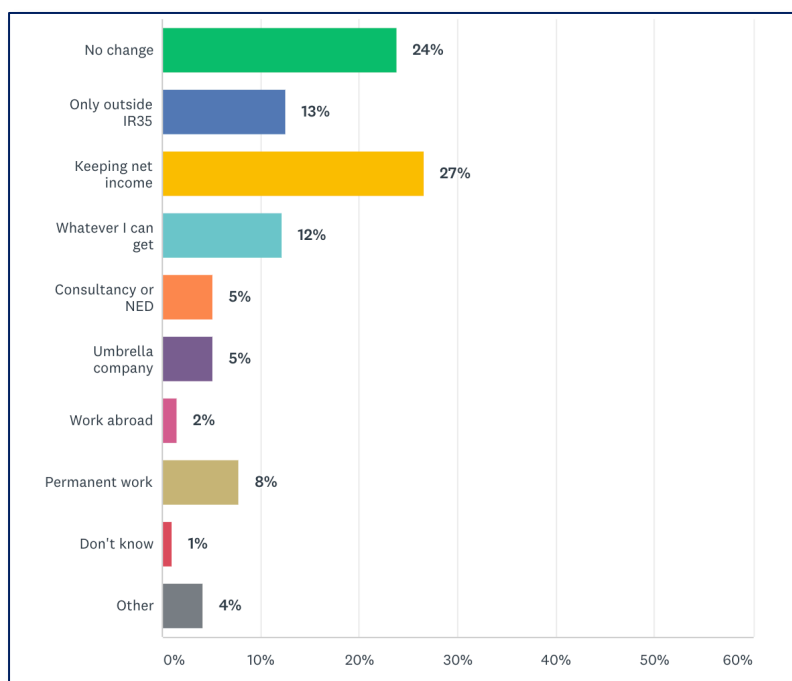
No doubt we will see an increase in the number of 'wannabees' as a result of redundancies that will inevitably occur in the coming months due to economic disruption from the lock-down and then Brexit. Corporately, these people may well be effective individuals, but that does not automatically translate into highly effective interim practitioners. So how does the end client distinguish? If they need a rapid transformation or turnaround, for example, they need proven track record in change. Not in whatever industry they happen to be. They need the expertise coupled to a fresh pair of eyes for independent insight and delivery.

One way of achieving this is to look for the IIM's independent accreditation, where the interim practitioner also operates to the profession's code of conduct.

Another is to use IIM members or other proven interims that the best ISPs in the country have on their books. Who is the best? This survey shows you the nation's best.

By the time the survey was issued, it was known that the implementation of the new changes to IR35 regulations had been delayed to April 2021. We were interested in establishing whether interims were thinking already of how they might seek to go to market after that time.

A quarter of respondents saw no change to their approach being required – leaving us 75% looking at their options seriously. 40% of respondents were set on keeping their net income at current levels by either taking only 'outside' IR35 contracts (13%) or doing whatever it takes to keep income the same (27%). This latter group appear to be comfortable taking whatever course is required to achieve the end goal of undiluted net income. Given they did not specify only outside IR35, they are looking elsewhere outside interim or expecting to negotiate a higher day rate to compensate for the PAYE + employers' NI client tax.



Up to 19% of respondents were offering options that suggest we would lose them from the UK's interim cohort. At a time when the demand for highly experienced interim practitioners should be at its highest, this looks to be a very bad result.

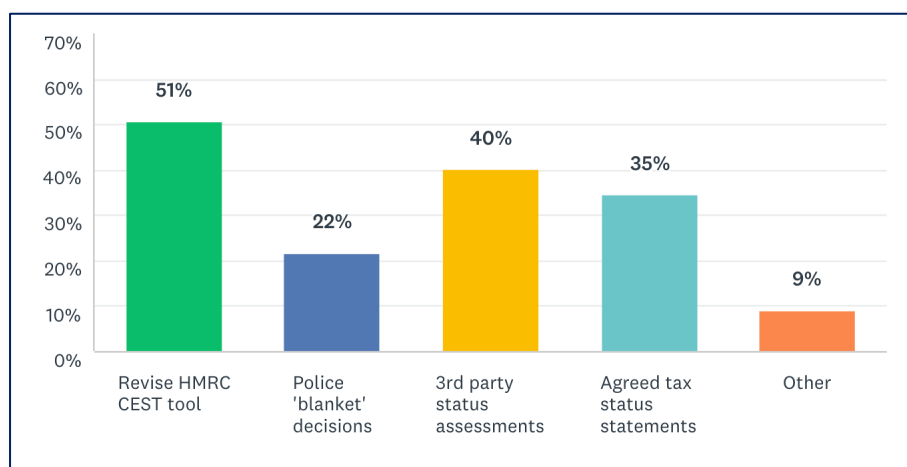
To help offset, it would be showing goodwill if government at least recognised the impact that interim professionals can have and become advocates of the work and the results obtained.

The IIM is very keen to understand the ways that practising interims see to provide an empathetic tax system that recognises the contribution they make to the UK economy as a whole while accepting the risks they take by being in business on their own account.

We sought to establish some early indications of this, assuming that the current regulations are brought into being.

'Fairness' was clearly at the top of people's minds. And not using the HMRC apparent definition of the term.

Half of the people wanted a revision of the HMRC 'CEST' tool. It is a major issue given the current version is clearly not fit for purpose. Much has been written about this, not least by Tax Tribunal chairs and appeals courts/bodies. The skewed view taken by the tool decision tree is well accepted by pretty much everybody; except HMRC.



For interims, the unfair process shows a clear misunderstanding of the nature of the work done.

Within HMRC, there appears to be an equally clear effort to (re)-define terms used by the courts historically so that the regulations can 'catch' as many people as possible as 'within' IR35. Indeed, for senior interims, there is even the case where the CEST tool is set up specifically to discriminate against them. The use of the 'are you an officer' question is really only aimed at interims. The 'logic' is that anyone who is an officer according to the HMRC definition (not the one used historically by the courts of England and Wales), should be automatic 'inside' IR35. To the profession, this appears profoundly unfair.

For the senior interim, adopting line authority effectively means the organisation, or a function therefrom joins them, rather than the individual joining the organisation. It is the nature of the psychological contract and the independent action required to deliver the assignment objectives. The regulations have never shown this level of understanding and perception of the nature of the work. This delegated authority is simply a tool to achieve a goal.

Confusion with employment status is a profound error.

One in five people believes that the concept of firms taking a 'blanket' approach to assessing all freelance workers as 'inside' IR35 should be actively 'policed' by HMRC. Again, it is self-evidently unfair if end-clients can be allowed to flout the regulations in this way when individual interims are penalised in so many ways by the application of these demonstrably biased rules.

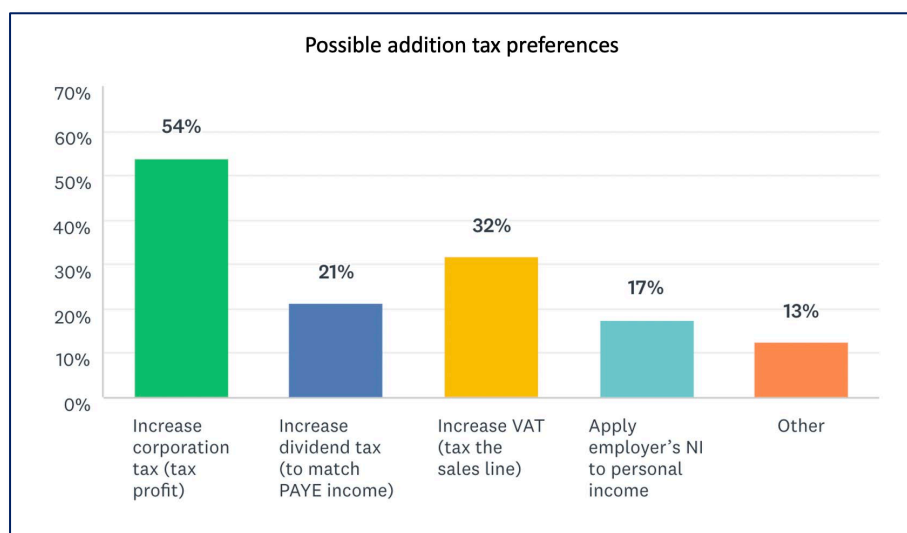
Linked to the obvious potential bias that the end-client can bring to the assessment process, 35% of respondents believe that giving the contract status assessment to a neutral but informed third party is the way to go. Such an approach would lift the whole process into a new space of unbiased arbitration. Bearing in mind the currently proposed arbiter is the very organisation that made the original assessment, the IIM holds this to be self-evidently unfair.

40% of interims pointed out that having a third party determine your tax status was inherently 'unfair'. Why is it reasonable for this delegated authority to be applied in the case of all freelancer legal entities but not for any other form of limited company or partnership? The work undertaken by interims remains business to business transaction and should in no way be confused with employment law and the employer/employee relationship. So, is not the logic of the HMRC position one of the companies, in general, having their tax status determined by their customer base? For example, this might work well for all international companies who manage their tax affairs such that they pay little or no tax in the UK. Just a thought!

The IIM recognises that its members, and all people working in the interim industry, should pay a sensible amount of tax on the business they transact. Historically, this has been based on the same approach as for any other business: largely corporation tax on profit after interest, VAT on sales, employment taxes on salaried staff and dividend tax on shareholders.

The final IR35-related question 'Which extra taxes are fair?', was asked to establish the interim professionals' views on what form that taxation should take, 80% of all survey respondents took the opportunity to express a view when asked, given the government needed to take account of the level of borrowing required to handle the National deficit and debt.

Over half of respondents (54%) favoured adjusting Corporation tax.



In the short term, the Institute for Fiscal Studies (<https://www.ifs.org.uk/uploads/publications/budgets/gb2018/GB5.pdf>) estimated a 1% national increase would lift government tax take by c.£5billion/year. The longer-term impact remains an element of dispute. However, given HMRC's declared aim of clawing back 'lost' National Insurance contributions due to the uptake of freelance work in recent years, of no more than £1.2billion, this would seem a more than sensible offset. It would also mean a much cleaner route to market, less bureaucracy and a much simpler end client relationship. Even a 0.5% CT increase would bring £2.5billion/year, still twice the 'lost' figure HMRC (wrongly) claim.

The IFS calculated a 1% increase in VAT would bring about £5.8billion/year across the economy. A third of respondents (32%) indicated that this option was a sensible route to consider. Applying it to the freelancer community would require adjustment of the system, which could involve reducing the VAT registration threshold and/or increasing the rate for businesses turning over say less than £1M/year. Given HMRC has made a big effort to 'Make Tax Digital', it will have all the relevant information to handle this kind of change in the small company end of the taxpaying spectrum.

One in five respondents still thinks increasing dividend tax to PAYE levels completely should be done. It was almost entirely achieved with Chancellor Osborne changing the dividend tax regime, so that all dividends were tax-free for the first £5,000, then taxed at relevant income tax rates after that. The 'largesse' of £5,000 was reduced to £2,000 by successor Chancellor, Phillip Hammond. What happens next seems almost inevitable, thus removing any final vestige of recognition of the risk incurred by working in the business on your own account, with zero employment protection.

The 17% of respondent comments suggesting all income should be subject to the employer's NI is interesting. There appears to be a clear minority opinion that interims (perhaps all freelancers) should pay this tax as we are all employers – of ourselves if no one else.

An analysis of the 'other' category explanations contained a relatively small number of themes that were regularly commented upon. These were:

- Current and proposed taxation of interims is not **fair** as it does not recognise the balance of risk and (financial) reward
- HMRC is concentrating its tax collection efforts in the wrong place: chase the big tax avoiding (international) corporates and high net worth individuals
- Re-structure the whole tax system – it is inefficient and does not reflect 21st-century society
- IR35 regulations are not necessary: they are a 'finger in the dam' attempt to maintain an outdated tax system.

In the end, the IR35 regulations are probably the biggest negative drag on the interim profession today. The point is rapidly being reached where the impact on the whole sector is becoming so negative that it is in danger of causing a truly world-class industry, terminal damage.

In its attempt to try to shore up the whole regulatory approach, HMRC has given away c.5 million people's right to determine their own tax affairs through their legally constituted companies. A 20 plus year mission to re-build a national insurance tax take is being followed at the expense of the traditional recognition in the national tax regime of taking on business risk.

To add insult to injury, if the interim wishes to challenge the end client determination of their tax position, they can appeal. That regulatory defined point of appeal? – *to the end client*. Always assuming that the end client is prepared to talk to you and share the determination rationale in the first place, which is not happening regularly. Is this surprising given that the main 'missing' element of the NI tax take is the *employer's* contribution? There is plenty of evidence available to show that the end client either directly, or through intermediary (umbrella) companies, relieve themselves of this tax burden as an effective charge on the interim's day rate, deducted at source through PAYE of course.

The impact on the client/interim relationship is potentially corrosive.

Where is the fairness and sense in all that? The assessment narrative has come full circle as this is what has been thoroughly challenged in the public domain by Lord Forsyth and his committee, with apparently zero effect on the Treasury and HMRC.

Having said this, the IIM will continue to find ways to point out the damage being done and fair ways to deal with interim practitioner taxation at a time when the UK economy needs our help in every sector.

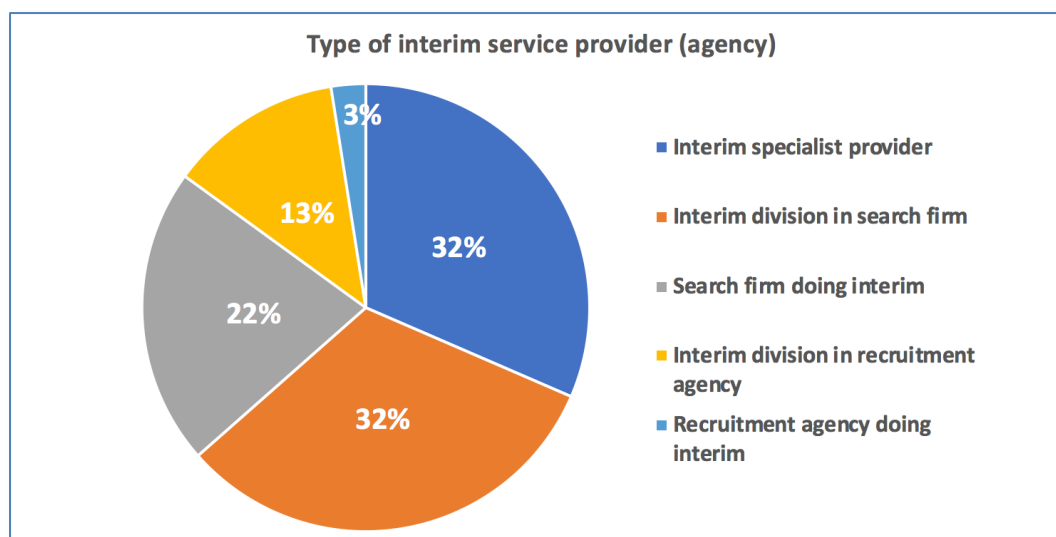
Understanding Interim Service Providers (ISPs)

An interim service provider (ISP) is an intermediary agency that will help to place interim managers on assignment with a client organisation, for a fee, usually charged as a percentage of the fee paid to interims.

Interim service providers may be specialists who only handle interim assignments. They may also be permanent recruitment agencies or executive search firms also handling interims placements.

Some consultancy firms act as intermediaries for interim managers, offering 'consultants', as part of their suite of offerings.

There are types of provider business, including interim specialists first, search firms that also place interims and recruitment agencies that place interim managers.



There are potentially hundreds of agencies that may try to fill an interim position given half a chance.

Our leading provider ranking is an attempt to highlight the very best based on interim manager feedback.

Some charts in this section utilise previous years' survey data from surveyed providers.

Fees and day rates via providers

The provider fee, known as the 'margin', is in most cases the percentage of the day rate that the service provider retains from the fee charged to the end client. However, a few providers run their calculations by adding a percentage on top of the interim manager's rate and a few others will charge the client a facilitation fee on top of a direct contract between the interim manager and client.

The average service provider margin is 20-25%, though the margin goes as low as 10% and up to the mid-30%'s and higher.

The key is to agree a rate for the interim that is satisfactory, there is one chance to debate this.

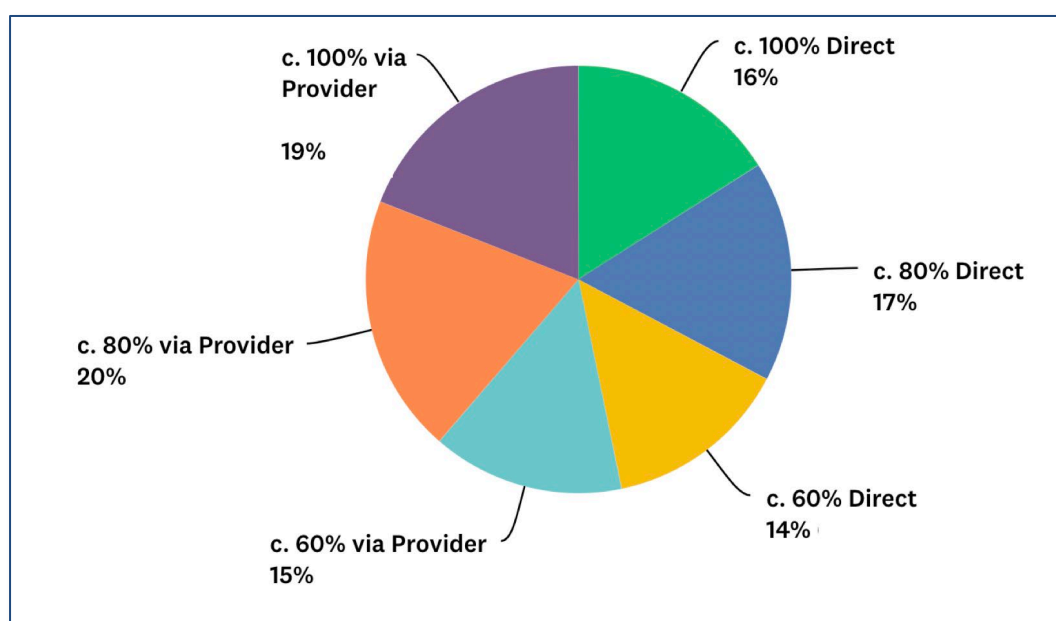
The IIM advocate a transparent attitude to margins between interim and provider. Interim managers are senior people who are perfectly capable of determining at client site what the client is paying, even if the provider sought opaque confidentiality.

Direct and ISP routes to market

Based on historical data, we believe that the proportion of interims sourcing assignments via providers (vs. direct) to be around 50%. Our survey attracts a strong pool of interim respondents who come via Provider advertisements at survey time, so because of that we don't feel that our survey pool is balanced enough to definitively call the proportion of interims using providers or going direct.

From other questions, we reason that 80% of interim managers will use interim service providers at least some of the time.

It is a beneficial relationship that works for most.

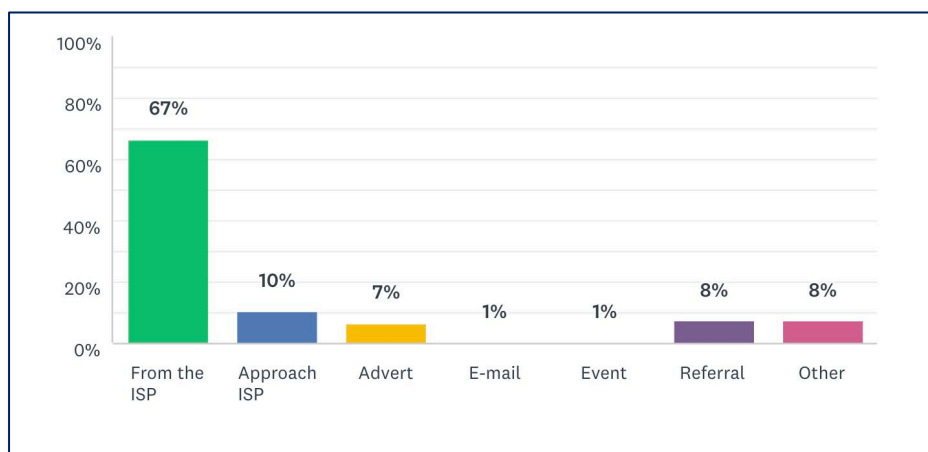


Finding work (or being found)

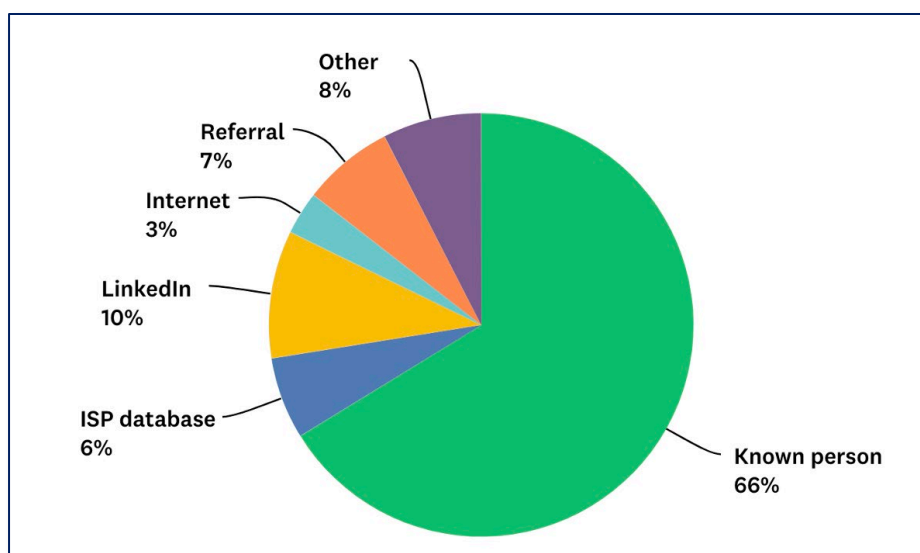
Most interim assignments are not advertised, a trend which has been well established with the growth of social media and sites such as LinkedIn, and personal network connections, especially prior clients.

Being 'easy to find' is *much more important* than being good at 'applying' to vacancies. If you are not on an appropriate provider's database, you cannot be selected from it. You can't see a vacancy that is not advertised.

Consequently, it is much more likely that you are contacted about an opportunity than an approach you make strikes lucky.



Similarly, most assignments come from provider consultants you already know.



It's all about relationships. Build those bridges and relationships with service provider consultants as you are 11x more likely to be approached by a consultant than be plucked from the CV database.

Interim managers that become known through an assignment discussion, even if unsuccessful, or if the fit is poor, are remembered.

If approached by a provider and the brief does not suit you, then referring fitting interim managers of your acquaintance will be highly appreciated by the provider consultant.

Each time you contact the provider, even if not successful for a specific opportunity, is a further opportunity to build that relationship.

Aside of such discussions, providers trust most referred interim managers, in preference to their own database, so get networking.

Being found on LinkedIn

There are a number of straightforward steps that will significantly increase your LinkedIn visibility and will significantly help you to be found by service providers.



- **Build a connected network.** If you are not within the extended network of the person searching for you, you will not be found. Recruiter subscriptions to LinkedIn may allow providers to drill more deeply but a great network helps your visibility to all. Steadily build a quality network, accepting and inviting quality connections that you develop in your business endeavours, including clients, client employees, service providers, consultants and other industry key players.
- **Be clearly available for assignment (if you are).** If you are currently employed by your Limited Company – make sure it is clear from your profile that you are *seeking assignment*. You could either create an Experience entry (LinkedIn terminology), called 'Seeking assignment' (you can always delete it again when working); or you make it clear at the top of your own company entry, summary section or in your profile headline that you are available.
- **Have flexible contact settings.** Be as easy to contact as you can be (or your sense of privacy allows). Ideally have your contact details, your e-mail address and mobile phone number, clear and visible at the top of your Summary section. If a service provider cannot easily contact you, they may instead contact the person who is easily contactable. In addition, service providers as recruiters may have access to InMails to contact you, clients or other parties probably will not.

The key message: Be contactable.

The number of interim service providers to contact

Be appropriately selective! It makes much more sense to build a great relationship with a smaller number of service providers that operate in your sector and functional discipline rather than sending your CV indiscriminately to a long list of providers, which may result in your CV languishing in the database (or be filed in another 'database' beginning with 'B'...).

Do your research. Depending on your sector and function, being in touch with more than a dozen providers diminishes your effectiveness; the average number of active interim relationships (from 2020 data) is 6 providers.

You can contact a few more in the first instance but try to settle down to a number that you can comfortably maintain a meaningful relationship.

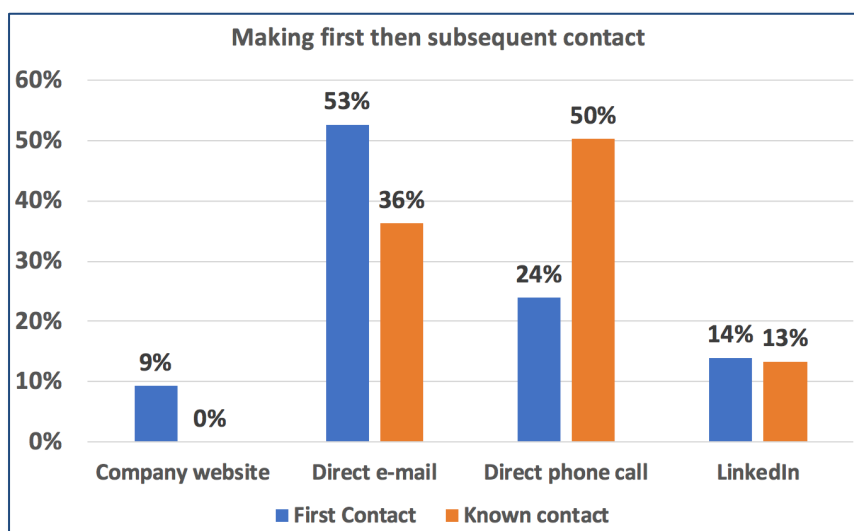
Try not to have too many more *active* registrations than you have fingers.

Provider contact

Making contact requires persistence, but well done with a good offering should be successful.

Most providers prefer to be contacted by e-mail at a first approach, then by phone/email thereafter.

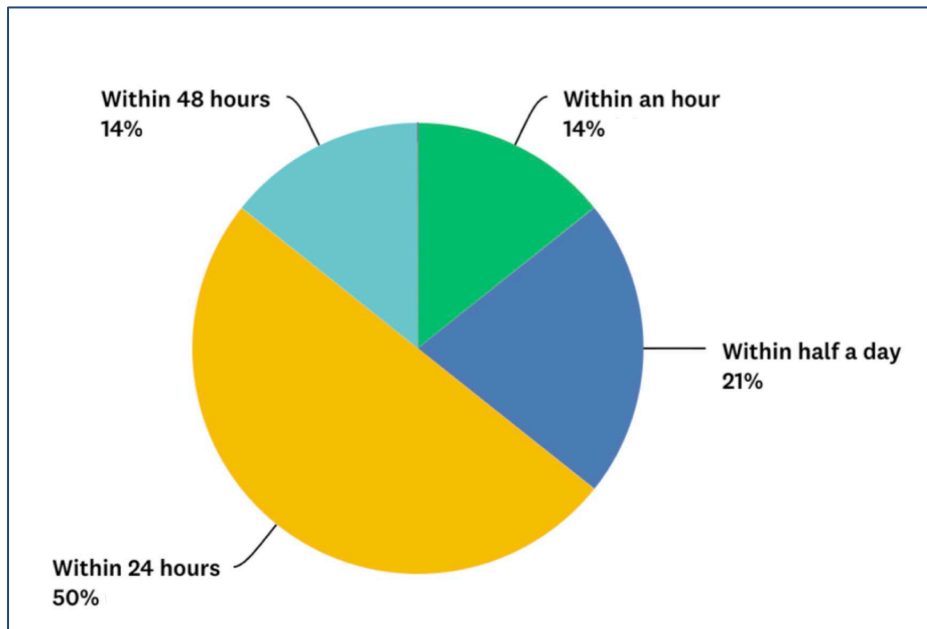
Applying via a website registration process can often fail to raise your credentials to the attention of the right person, so hang in there.



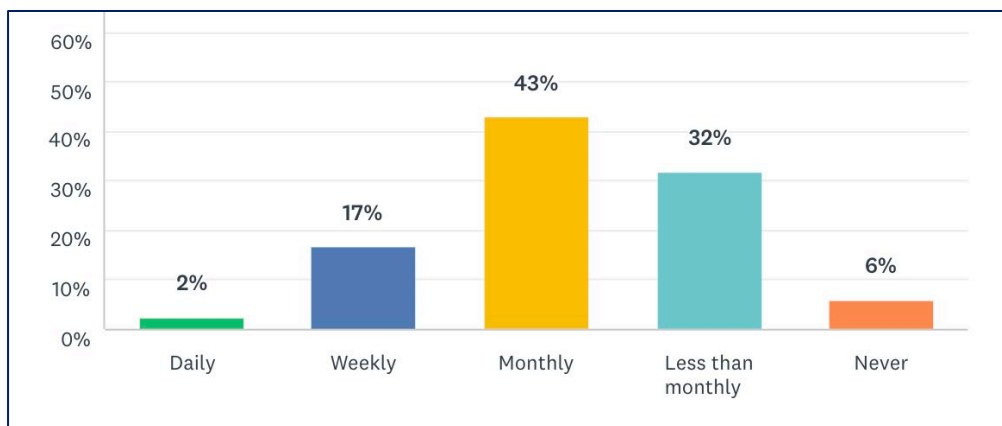
Most providers like to be updated every quarter or every couple of months. If you do so much more frequently that's going to get annoying pretty fast.

If the provider leaves a message for you, get back within the day, ideally half-day, as they won't want to be hanging about with a live assignment. Rule yourself decisively in or out of the opportunity and good luck with the client pitch.

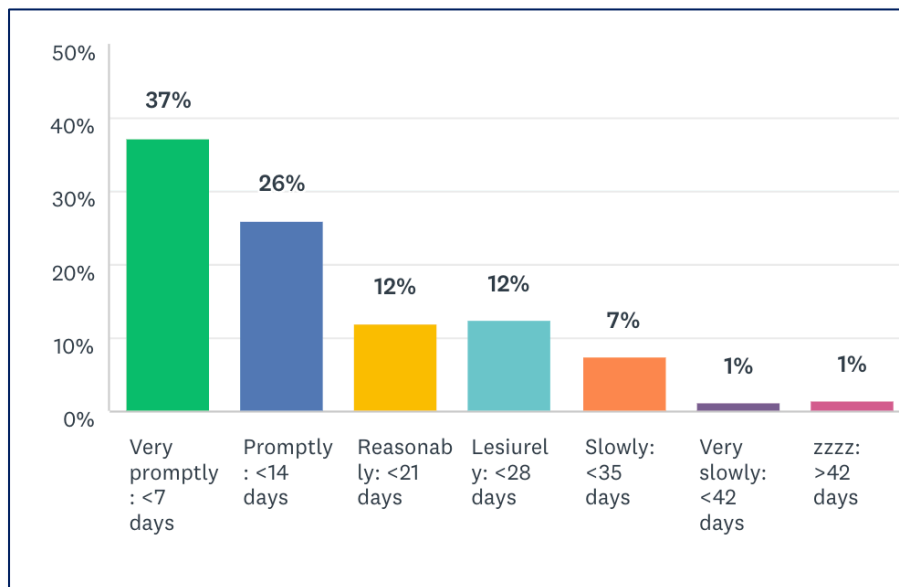
The preferred response speed, shared by provider consultants was as follows:



In return, interim managers prefer to contact service providers around monthly.



Some data on how quickly interim managers get paid after invoice.



Lastly, there were in excess of 1,400 detailed responses to the questions concerning positive provider behaviours interims would like to see more of, and negative behaviours interims would prefer to see less.

The IIM will release in the coming months a comprehensive White Paper to be sent by email to Members, Affiliates, survey respondents providing permission for the IIM to do so and for release on the IIM LinkedIn Groups.

The IIM Interim Service Provider Survey results 2020

This year interim managers placed over 18,000 unique votes ranking interim service providers from 'Great' to 'Good' to 'OK' to 'Poor' to 'Dismal'. The providers were ranked into four divisions: 'Platinum', 'Gold', 'Silver' and 'Bronze' (16 of each). Rankings are based (in decreasing significance – 50%, 25%, 15%, 10%) on up to 4 year's scores, so provider rankings are based on over 40,000 interim votes in total.

This list is not a commercial endorsement by the IIM of *any* service provider, but if so many thousands of interim manager and executive votes rate particular interim service providers highly, then we think that is a pretty sound market assessment.

This year, **Practicus** takes the top spot for the first time. Congratulations.

IIM leading interim service provider 2020 – Practicus

You lay your plans; you adjust to the situation. You keep the faith in what you know, and you remain open to what you might learn.

Flexibility and adaptability have long been the watch words of the professional interim and in recent months the world at large has been forced to adopt the mantra. Many businesses are learning the hard way just what it takes to be agile in the face of the unknown and to navigate through the ambiguity.

Amidst the disruption, it's massively re-affirming for everyone at Practicus to know that interims think we are getting a good portion of it right. We would all like to say an enormous thank you for voting us into first place. I'd like to recognise the contributions of Mark Payne, Natalie Allen and Carl Stevenson who achieved Top Consultants positions – with Natalie and Mark having done so consistently for the last four years.

I am also very proud of the Practicus team as a whole. To move up the table every year for the last seven is a herculean effort given the strength of our competitors' offerings and the rigor the IIM puts into the survey. In fact, of all the accolades we have won as a business, this is the most humbling and the one we will most keenly treasure because it's based on your ratings over many years.

The next part is of course the hardest, continuing to flex with the market and never forgetting to remain open to the feedback you give us. Given how everyone here adjusted during the lockdown, I feel re-assured that the people at Practicus are up to the challenge.











Darren Tolhurst
CEO
Practicus



**IIM Interim
Management
Survey 2020**

Platinum Service Providers

Ranking	L.Y.	1-8 Interim Service Providers	
1	(2)	Practicus www.practicus.com	
2	(1)	Eton Bridge Partners www.etonbridgepartners.com	
3	(3)	Interim Partners www.interimpartners.com/	
4	(4)	Wilton & Bain https://www.wilton-bain.com/	
5	(15)	Melber Flinn https://melberflinn.com/	
6	(6)	Solace In Business www.solace.org.uk	
7	(9)	Ameo www.ameogroup.com	
8	(5)	Odgers Interim www.odgersinterim.com	







IIM Interim Management Survey 2020

Platinum Service Providers

Ranking	L.Y.	9-16 Interim Service Providers	
9	(16)	Holdsway www.holdsway.co.uk/	HOLDSWAY INTERIM LEADERSHIP
10	(8)	B2E Consulting www.b2econsulting.com	b2e CONSULTING
11	(7)	Penna www.penna.com	Penna
12	(10)	Hunter http://www.hunter-healthcare.com/	HUNTER
13	(12)	Boyden http://www.boyden.com/	boyden
14	(30)	Tile Hill www.tile-hill.co.uk/	TILE HILL INTERIM MANAGEMENT
15	(22)	Greenwell Gleeson www.greenwellgleeson.co.uk	greenwellgleeson
16	(19)	FRP Transition www.frptransition.com	FRP Advisory Transition



**IIM Interim
Management
Survey 2020**
Gold Service Providers

Ranking	L.Y.	17-24 Interim Service Providers	
17	(17)	Kingsley Search & Interim www.kingsleysearch.com	
18	(18)	Osprey Clarke www.ospreyclarke.com	Osprey Clarke
19	(32)	Rawson Downey www.rawsondowney.com	RAWSON DOWNEY RECRUITMENT
20	(21)	La Fosse Associates www.lafosse.com	
21	(26)	Matrix Interim https://www.matrixinterim.com/	
22	(13)	Savannah https://www.savannah-group.com	
23	(11)	BIE https://www.bie-executive.com	
24	(20)	Stanton House www.stantonhouse.com	



**IIM Interim
Management
Survey 2020**
Gold Service Providers

Ranking	L.Y.	25-32 Interim Service Providers	
25	(23)	Investigo www.investigo.co.uk	
26	(24)	Allen Lane www.allenlane.co.uk	
27	(25)	Gatenby Sanderson www.gatenbysanderson.com	
28	(31)	Chilworth Partnership www.chilworthpartnership.co.uk	
29	(14)	Green Park http://www.green-park.co.uk/	
30	(45)	Anderson Quigley https://andersonquigley.com	
31	(37)	Alpine www.alpine.eu.com	
32	(48)	Macallam Interim www.macallaminterim.com	



**IIM Interim
Management
Survey 2020**









Silver Service Providers

Ranking	L.Y.	33-40 Interim Service Providers	
33	(46)	Blenkin Associates http://blenkinassociates.co.uk	
34	(35)	InterQuest Group www.interquestgroup.com	
35	(33)	Barracuda www.barracudasearch.com	
36	(27)	Morgan Law www.morgan-law.com	
37	(43)	Alium Partners www.aliumpartners.com	
38	(34)	Rethink www.rethink-recruitment.com	
39	(47)	Holmes Noble www.holmesnoble.com	
40	(39)	1st Executive www.1st-executive.com	



**IIM Interim
Management
Survey 2020**

Silver Service Providers

Ranking	L.Y.	41-48 Interim Service Providers	
41	(29)	Badenoch & Clark www.badenochandclark.com	
42	(28)	Veredus www.veredus.co.uk	
43	(36)	Hoggett Bowers www.hoggett-bowers.com	
44	(44)	Harvey Nash (Impact Executives) https://www.harveynashexecutive.com/	
45	(38)	Morgan Hunt www.morganhunt.com	
46	(42)	Russam https://russam.co.uk/	
47	(49)	Campbell Tickell www.campbelltickell.com/	
48	(64)	Drax http://www.draxexecutive.com/	











**IIM Interim
Management
Survey 2020**
Bronze Service Providers

Ranking	L.Y.	49-56 Interim Service Providers	
49	(63)	Interim Professionals http://www.interim-professionals.co.uk/	
50	(52)	Axon Resourcing www.axonresourcing.com	
51	(60)	Finatal www.finatal.com	
52	(56)	Methods www.methods.co.uk	
53	(61)	Page Executive www.pageexecutive.com	
54	(50)	RSA Interim Management www.thersagroup.com	
55	(53)	Robert Walters www.robertwalters.co.uk	
56	(54)	Bis Henderson www.bis-henderson.com	



**IIM Interim
Management
Survey 2020**
Bronze Service Providers

Ranking	L.Y.	57-64 Interim Service Providers	
57	(40)	Langley Search & Interim www.langleysearch.com	
58	(41)	Marble Hill Partners www.marblehillpartners.com	
59	(new)	Deltra https://www.deltragroup.com/	
60	(51)	Campion Willcox www.campionwillcocks.co.uk	
61	(59)	Robert Half www.roberthalf.co.uk	
62	(55)	EO Executives https://eoexecutives.com/en/	
63	(57)	Norman Broadbent www.normanbroadbent.com	
64	(new)	Xylem Resourcing https://www.xylemresourcing.co.uk/	

LY: (Last year colouring: **Green** >5 places up, **Red** >5 places down, **Blue** within 4 places either way).

The Interim Provider Consultant Survey Results 2020

Yet again, we surveyed the interim managers about who their star interim provider consultants were. Over 500 different interim provider consultants were voted for.

The first place goes to **Anthony Lewis** from Tile Hill, so congratulations to him. Second and third placings go to Laurence Frantzis from Interim Partners and Alison Rotundo from Eton Bridge Partners plus a further 12 leading consultant runners up.

Here are a few acceptance words from Anthony.

IIM service provider consultant of the year 2020

It is hugely rewarding, and renews our belief in the way we work, to be recognised as a business and as individuals in the IIM Survey. So firstly, thank you to all those who responded to the survey and especially those who voted for Tile Hill.

The relationship between interims and provider consultants has never been more important. The last 4 months alone have shown how quickly the world can change, and interim managers are often the ones who enable change to be managed and realised.

Tile Hill is incredibly proud of the work delivered by its interim managers during the Covid crisis and we want to shine a spotlight on this.

Over the next 12 months, as organisations continue to go through seismic change, it will be vital that interims are represented by consultants who can advocate for them and highlight the value they will add to an organisation. For us at Tile Hill, we want the standards of our industry to remain high, and for provider consultants to act with integrity, passion, and ambition.













Thank you again for the continued support, and we look forward to working with as many interim managers as possible through the next 12 months.



Anthony Lewis
IIM Provider
Consultant of the
year 2020
(Tile Hill)

Interim Provider Consultants 2020

The consultant rankings are a serious vote of confidence from the interim community. Many thanks to these leading individuals, and the many, many more consultants voted for. Some are almost becoming 'regulars', others are new to the rankings.

 <p>Anthony Lewis IIM Provider Consultant of the year 2020 (Tile Hill)</p>	 <p>Laurence Frantzis (2nd place) Provider Consultant of the year 2020 (Interim Partners)</p>	 <p>Alison Rotundo (3rd place) Provider Consultant of the year 2020 (Eton Bridge Partners)</p>	
 <p>Hugh Abbott Leading Provider Consultant 2020 (B2E Consulting)</p>	 <p>Natalie Allen Leading Provider Consultant 2020 (Practicus)</p>	 <p>Ben Cowan Leading Provider Consultant 2020 (Eton Bridge Partners)</p>	 <p>Toni Hall Leading Provider Consultant 2020 (Penna)</p>
 <p>Georgia Hartley-Brewer Leading Provider Consultant 2020 (Interim Partners)</p>	 <p>Claire Lauder Leading Provider Consultant 2020 (Boyden)</p>	 <p>Anna-Marie McGraw Leading Provider Consultant 2020 (Wilton & Bain)</p>	 <p>Mark Payne Leading Provider Consultant 2020 (Practicus)</p>
 <p>Denise Raw Leading Provider Consultant 2020 (Interim Partners)</p>	 <p>Jason Rommer Leading Provider Consultant 2019 (Wilton & Bain)</p>	 <p>Carl Stevenson Leading Provider Consultant 2020 (Practicus)</p>	 <p>Gavin Wingfield Leading Provider Consultant 2020 (Interim Partners)</p>

Conclusions 2020

We get to the conclusion and inevitably find that interim management is under pressure (as we have in most past years' conclusions). This is in part due to interims themselves dealing on a daily basis with significant turbulence, change and transformation. Covid-19 brings an obvious and significant new challenge, both to our collective health and of course to our livelihoods. And then IR35.

The frustration with yet another regulatory change is in dealing with something that takes interim control away, whereas at least in the case of economic pressure, each individual interim manager has a fighting chance to buck the trends and make a difference as they have often done before.

As ever, the Institute of Interim Management - a not-for-profit body - is doing what it can for this curious profession we enjoy. If you feel as resolute about 'interim' as a way of making a living, as we do, join us as a member, or even better, give us a hand (contact any of the [Directors](#) in the first instance).

'Bread and butter' benefits (such as tax investigation insurance and access to legal information) are handy, but as we've touched on before, it's the comradery that makes it.

In response to the issues above, in the last several months the IIM has been going through a strategic review to realign our purposes to serve all aspects of the interim industry: members, non-member interims, interim service providers, intermediaries and end clients. The fruits of our work will become visible to all in a new digital presence and a webinar series focused on matters of interest to interims.

Pitch well ~ Implement effectively ~ Be successful.



Ad van der Rest CIIM
Survey co-author



Simon C Jones MIIM
Survey co-author

Online rankings

The online version of these rankings can be found at:

<https://www.iim.org.uk/providers/>

Use of IIM survey logos for Affiliate Providers

Optional online access and guidance to the use of our logos is explained on our website: <https://www.iim.org.uk/survey-logos/>

Acknowledgements

This survey was first published in 2010, this being the eleventh edition.

It has been updated annually since then in various formats.

About the Institute of Interim Management

Founded in 2001, the **Institute of Interim Management (IIM)** is the pre-eminent professional membership body for practitioners of interim management in the UK.

The IIM passionately strives to act as the voice of the interim management community. Since April 2001, the Institute has supported, promoted and represented professional interim managers and executives in good times and bad.

Please visit the IIM's website: <https://www.iim.org.uk/>

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