

Title:

Smaller Businesses & The Executive Interim

Word Count:

629

Summary:

How an Interim Executive manager can benefit a smaller 'owner-managed' business.

Keywords:

Interim Management, Interim Manager, Interim Managers

Article Body:

It would be appropriate to assume that the management challenges faced by both the smaller and medium-sized companies (SME's ) would differ from those faced by larger organisations.

It is therefore necessary for 'Interims@ to understand the obvious subtle differences.

Managing what you own is a very different experience from managing something essentially owned by someone else. This is referring to businesses in which 'ownership' is controlled by Management.

In the SME's the 'Interim Business Executives' face very different pressures and conflicts from those in larger publicly owned organisations. Key decision-makers in SME's are likely to have to 'don many hats' finding themselves in the roles of employee, owner and director - probably incorporating family roles aswell! Each of these roles will obviously carry with them different agendas and indeed those agendas will conflict.

Furthermore the nature of equity participation in smaller businesses differs from that in the bigger business. The Equity itself will be more preciously guarded. Owner-Managers often don't mind sharing the management - but often draw the line at shared ownership. The larger the business the more options they can shed, as they are not weighed down with emotional baggage, like those in the smaller sector.

It is therefore essential that the 'Managing Executive Interim@ is sensitive to these conflicts. It might be necessary, before commencement and an 'Interim Executive@ is sensitive to these conflicts. It might be necessary, before commencement that an 'Interim Executive' seeks a proper mandate from the

shareholders and that the management understands that mandate - easy enough with one shareholder, but when several are involved it might mean raising and addressing the conflict before commencing the work.

Alternatively, because the 'Managing Interim Executive' will not have equity in the business, he is often uniquely well-placed to help that business. He/she would be less susceptible to conflicts of interest, thus an 'Interim Manager' can bring more objectivity not available to most permanent executives. They are able, too, to offer precious experience to a situation, transferring their skills from

running a bigger business to those of a smaller one. Indeed a decent 'Interim Manager' is likely to be more frank and challenging and not afraid of 'rocking the boat' if that what his or her's experience advocates.

Smaller businesses are often more volatile than larger ones as their futures can be far more uncertain and they are very much affected by the personalities involved. the larger the organisation, the less likely they are affected by an individual's personality. The success can rapidly turn to failure in a small concern and it would, therefore, be necessary on the 'Interim Manager to react quickly; something they would well able to do not having to carry any historical baggage!

Resources within a small organisation can be tight, even a highly successful one can have trouble with cash; fast growing businesses can lurch from one cash crisis to another, even though they may boast healthy profits. This, initially may pose a problem for the 'Interim Managers' as utilising an 'Interim Management' facility can initially appear to be expensive. However the Owner/Manager of the business should be aware that 'Interim Managers' are rarely interested in Equity. In this sense an 'Interim Manager can be inexpensive because Equity long term is very costly. Their skills, knowledge and expertise should be rewarded with cash - by definition the 'Interim' isn't interested in the sort of commitment, appropriately rewarded by Equity.

Thus the problems 'Executive Interim Managers' should be asked to address should be the most important for the future success of the business. Utilising an 'Interim Manager' on the face of it, may appear expensive, but if it's a resource that ensures the business survives, then it is money well spent and of course prove to be very 'cost effective' in the long run.