

Interim Executive

ANNUAL SURVEY 2018

Watermark
SEARCH INTERNATIONAL



WELCOME

FROM WATERMARK

THE “SOLUTIONS-SAVVY” INTERIM HAS ARRIVED

Understanding and leveraging technological change is one of the key demand drivers for interim skills utilisation.

Change is occurring at an unprecedented pace and the acceleration of the digital revolution has given rise to an entirely new kind of workplace. This rapid evolution is seen in new and emerging technology that’s changing the way we work and the design of our workforces. An essential component of that reshaped workforce is seen in the strong demand for interim managers and executives.

At Watermark, our clients are seeking to ‘future proof’ against disruption. They must achieve that in the here and now and so they are turning to “solutions-savvy” interims: executives who are an immediately available resource and who can help an organisation stay ahead of the curve.

These “solutions-savvy” interims are highly skilled professionals who bring the know-how an organisation needs to deal with rapid change. They are available immediately, helping to maintain productivity, look after customers, and deliver on organisational strategies in a marketplace characterised by disruption and innovation. Businesses know they must deal with change and embrace the change revolution in the here and now. Interims who can work in an environment of disruption and innovation are their instant solution.

THE INTERIM SOLUTION: SCOPE, SPEED AND SCALE

Interim executives are resilient, outcome focused and able to be quickly deployed. They bring the skills needed to find solutions in an environment that’s about rapid change. At the same time, interims can operate in a domestic environment, but understand the global influences at play in today’s complex business world.

In characterising the rapid expansion of the use of executive level interims in Australia, our clients now regard the interim resource as a vital and mainstream part of the jobs economy. They are accessing the interim talent pool to help them find an immediate resource.

This year, our survey provides us with the evidence that interims are indeed driving productivity and business results by augmenting a now very agile and “skinny” organisational core structure. More than ever, organisations faced with rapid change are seeking flexible and on-demand teams of people with specialist skills as their preferred solution.

Thus, the key theme emerging from the Watermark Interim Survey 2018 is the response to this new workplace as seen in the rise of the solutions-savvy interim. These executives bring not only an agile approach in response to digital, social and economic disruptors – but also outcomes-based skill sets.

At Watermark, we note that our executive interim associate pool supports these broader themes; it is a vital and in demand resource. We also know that the companies that are tapping into this talent pool are ahead of the curve – they are securing the benefits of higher growth and the ability to stay abreast of the transformation curve. At the same time, organisations that don’t embrace this change, that continue to maintain inflexible structures are struggling to compete in this fast-paced new world.

What the 2018 Survey makes clear is that the interim market is about much more than just filling gaps. There is also a new interest from clients about the benefits of an interim, of the value of utilising a team of interims, and how these resources can drive productivity and growth. As permanent headcount in organisations continues to reduce – and the breadth of skills needed to deliver transformation widens – the demand for executive interims is only increasing.

An interim as a solution is not just an emerging trend. It's now a mainstream approach: the new norm, the new way of working. We believe organisations that embrace this way of working will be more empowered as the competition for high quality and strategic executive talent heats up. Watermark is partnering with clients in this new world of work. Indeed, nearly 40% of our respondents believe that there will be a steady growth in the utilisation and deployment of interim executives – and teams of interims – into organisations in the next 12 months.

As a professional provider of interims, at Watermark we continue to educate the market and our clients on this highly effective and in demand resourcing option. This year's report indicates there is a rise in awareness by our clients about this way of resourcing; they, too, see the benefits of a more strategic deployment of interims. A significant part of our work is about helping organisations to future proof against disruptive technology, encouraging them to learn how to close the capability and speed-gap facing organisations today.

We believe an interim “teams” approach is the next evolution for our industry. We predict the “solutions-savvy interim” is definitely here to stay.



Paul Lyons
Managing Partner

Watermark
SEARCH INTERNATIONAL

“The jump in demand for interim executives has been significant this decade. Watermark recorded an 80% increase in its interim placements between 2011 and 2017”

What was the underlying business reason for your last interim assignment?

- **Restructuring, organisation re-design and/or merger**
- **Business scaling for growth**
- **Difficulties recruiting permanent staff**

SURVEY HIGHLIGHTS

Key Issues of 2018

So what do our interim managers and executives see as the key issues as they work in this new environment?

Certainly, interim is no longer the new kid on the block. Hiring an interim is now viewed by business as a legitimate and mainstream operational strategy.

Business is accessing interim to:

- 1 Gain competitive advantage through access and utilisation of sector and functional expertise
- 2 Future proof business by ensuring projects and strategies can be delivered on time
- 3 Drive organisational innovation
- 4 Flexibly respond to business cycle peaks and troughs
- 5 Expediently access executive skills to address business critical needs
- 6 Cost effectively deploy senior consulting talent to implement change
- 7 Effectively manage operational risk

Indeed, nearly

40%

of our respondents believe that there will be a steady growth of the utilisation and deployment of interims and teams of interims into organisation in the next 12 months.

60%

of respondents said that being an interim allowed them to expand on the variety of sectors/networks to which they are exposed.

“Watermark were able to very quickly assess our needs and get some great calibre candidates for us to have a look at. We were in a tricky situation and it was great to be able to rely on the professionalism of Caroline and her team to get us through.”

Group GM People & Culture,
ASX 200 Company

Key Findings of 2018

DIGITAL AND TECHNOLOGICAL CHANGE DRIVERS

As the Watermark Interim Executive Survey 2018 shows, “understanding and leveraging technological/digital change” was the biggest change that our interim associates see in the workplace. More than half – or 54% responded in this way.

They were closely followed by 47% of respondents who named the challenge of “managing in an environment of economic and social change and disruption” with 39% naming the “extension of the agile flexible workplace.”

FOUR HOT EMERGING SECTORS

Our survey results indicate that demand for interim management is set to soar in four key sectors as we see transformation happen across every industry. This is about helping organisations increase their resilience and their ability to manage future change now, utilising interim executive resources. These are:

- Government (27% of respondents in past 12 months have worked in this sector),
- Health and Human Services (17%)
- Education (14%)
- Infrastructure/Transport, Construction (13%)

IN DEMAND FUNCTIONS

The functional areas where we are seeing demand are:

- Chief Executive Officer/General Management
- Chief Financial Officer
- Program Directors
- Human Resources/Organisational Development
- IT/Digital

Responses from our survey predict that nearly 60% believe that there will be a future demand in Technological/IT functional areas, followed by 47% in the Chief Operating role and 36% in Human Resource/Organisational Development Management.

INTERIMS OFFER THE SOLUTION

Finding the right solution in an expeditious way is the number one driver behind the deployment of interim executives; they can be resourced rapidly and come with the assurance of knowledge and the ability to deliver on any change agenda.

In this year’s survey, nearly 40% of respondents cited “Business Transformation/Change Management” as the reason for their most recent assignment. Interim management is thus seen as a critical and valuable business tool.

LONGER TERM INTERIM ASSIGNMENTS

As the leading interim management provider in Australia, Watermark has seen a trend towards interim placements becoming longer term. More than half of respondents – 52% in this year’s survey said that they have been on assignment for between 6 and 12 months plus.

INCREASING IMPORTANCE OF INTERIM PROVIDERS

Over 70% of respondents in this year’s survey report that they believe that the utilisation of professional interim providers such as Watermark are “quite important” and “very important”. There has been a rise this year in the partnering with firms such as Watermark to source interim assignments by the general interim community. The report also indicates that the reason for the rise in the partnering with a professional provider is that the interims themselves realise they would not have sourced the work through their own networks.

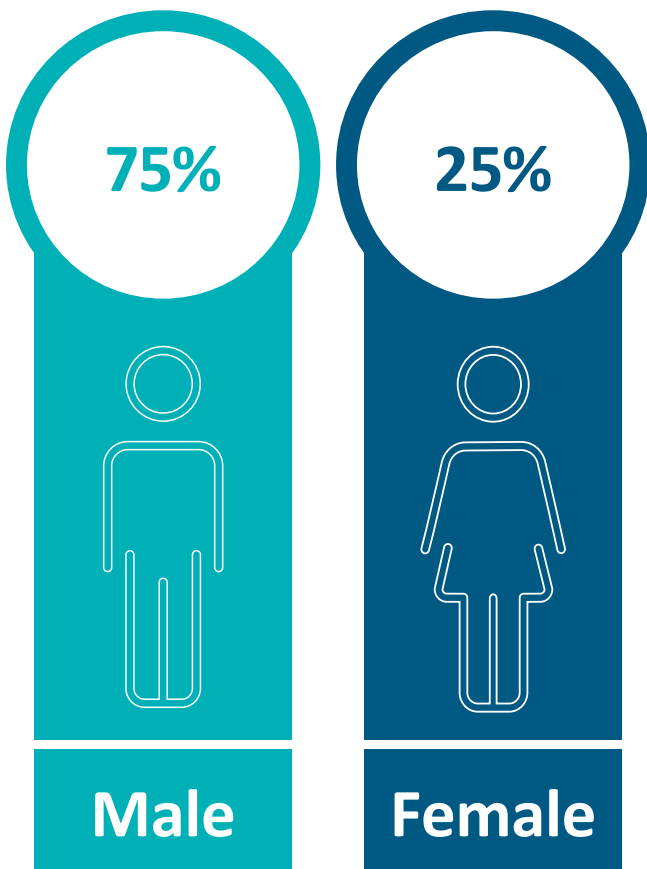
“Just before Christmas, I approached Caroline McAuliffe of Watermark with an urgent need for an Interim Executive for a critical role; The service was outstanding – I received a list of 4 strong candidates within 48 hours and had interviewed and secured an excellent person within a week. The calibre of the people in Watermark’s network/database is outstanding and the service is fantastic. I will be using Watermark again and for many years to come.”

Tracy Dare, Group Executive, Commercial Services, UnitingCare Queensland

THE RESULTS

YOUR GENDER

Results show a slight increase of 2% of female respondents.



HOW COMMITTED TO INTERIM MANAGEMENT ARE YOU?

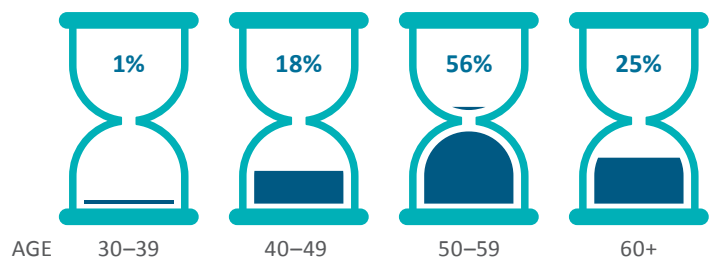
Respondents are becoming more committed to interim management as a career choice, the figure rising by 6%. A massive 68% of all respondents now prefer an interim role rather than a permanent role.



- Very committed, it's my career choice **36%**
- My preference, but will consider a permanent job **32%**
- Looking for either permanent or interim work **27%**
- Really only considering interim until a permanent job comes up **5%**

YOUR AGE

Results are comparable to those in the 2017 Survey. However, the 40-49 age group and 50-59 age group have both dropped slightly by 5% and 3% respectively. The 60+ age group has seen a slight increase of just over 2%.



HOW LONG HAVE YOU BEEN LOOKING FOR AN INTERIM ROLE

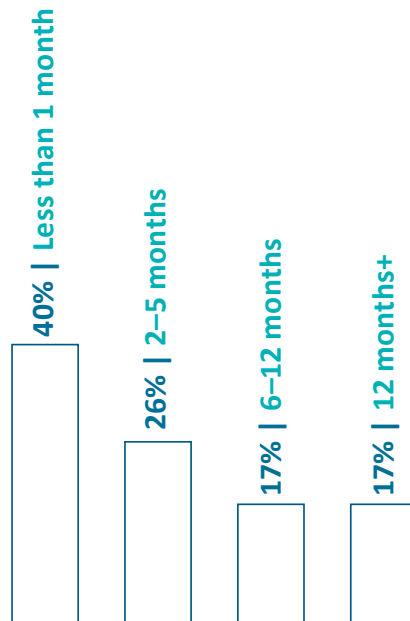
Interim executives are finding work quickly, with 40% of respondents looking for less than one month, an increase of 3% on 2017.

“When I need an Interim Executive, I go straight to Watermark. Responsive, quick to understand the brief, they send me quality candidates. No time wasted and always a great result.”

Senior Executive, NSW Public Service Department

40%

of respondents looking for less than one month, an increase of 3% on 2017.



HAVE YOU WORKED AWAY FROM HOME?

More interim executives are working away from home, regionally, on assignment. 27% of respondents confirm that they have worked regionally on assignment, which is 7% up on 2017.

IF NOT WOULD YOU CONSIDER IT?

Surprisingly the number of respondents who would be willing to work away from home has dropped and 20% confirm they would not be willing to travel, which is down by 5% on 2017.



27%
Regionally



9%
Internationally



23%
Both Regionally and Internationally



41%
No, I have not worked away on an interim assignment



14%
Regionally



4%
Internationally



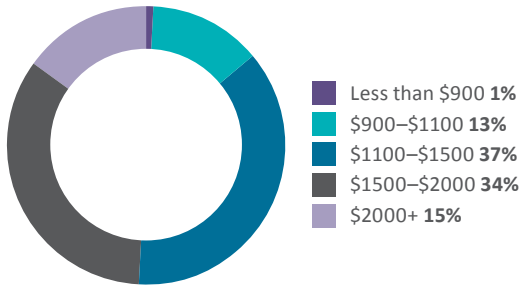
62%
Both Regionally and Internationally



20%
No, I would not consider working away on an interim assignment

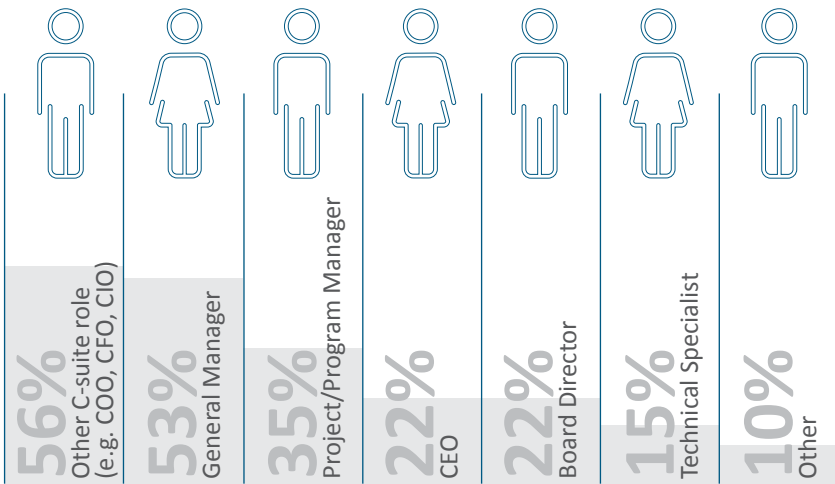
WHAT IS YOUR TARGET (OR CURRENT) BASE DAY RATE?

Daily Rate Expectations continue to grow, with 49% of all respondents expecting to be paid more than AUD\$1500 per day, which is a 3% increase on last year.



“We have valued Watermarks’ responsive approach to quickly understanding our business and identifying quality executives to fill critical roles.”

Julie Coleman, Executive Director, People & Culture, Monash College.

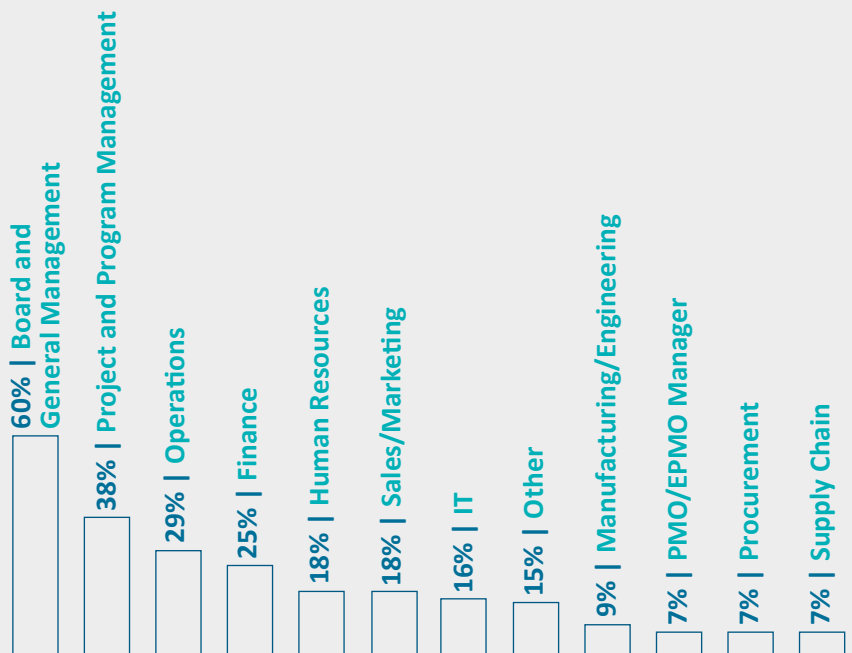


WHAT LEVEL HAVE YOU TYPICALLY WORKED AT?

All areas have increased slightly, however the biggest increases are in Technical Specialists, which is up by 6.5% and other C-Suite roles (eg COO, CFO, CIO) which is up by 5%.

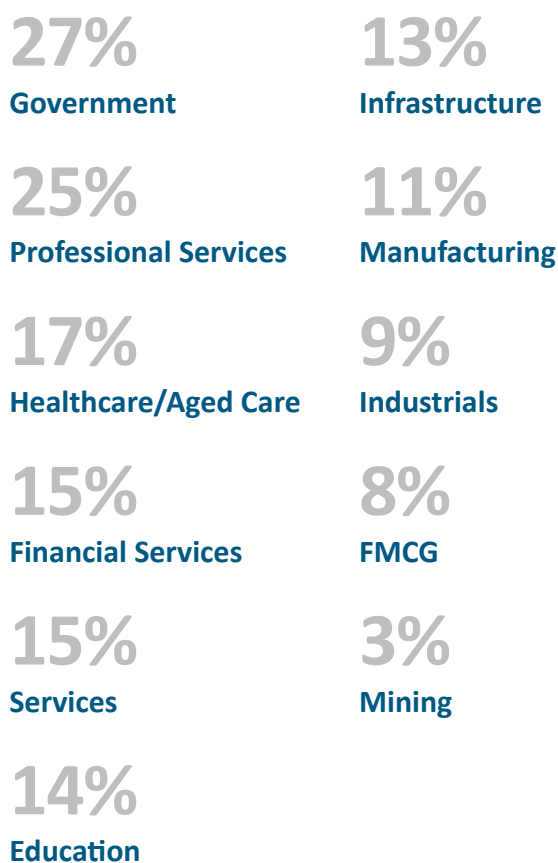
WHAT FUNCTIONAL LEVELS HAVE YOU WORKED IN?

Results remain consistent with the 2017 survey.



OVER THE LAST 12 MONTHS, WHICH SECTORS HAVE YOU WORKED IN?

Industry sectors are reflective of 2017 results; however, the biggest changes are in Financial Services, which is down by 3% and Infrastructure, which has increased by 3%.

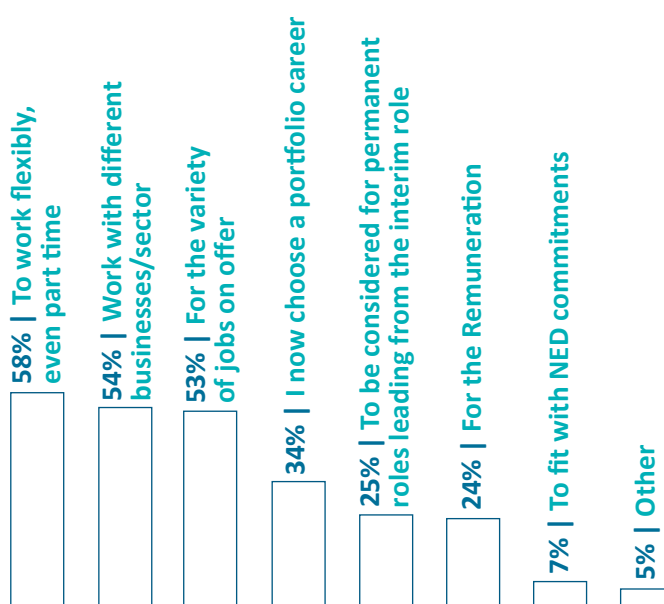


WHY ARE YOU CONSIDERING INTERIM?

54% of respondents consider interim to work with different businesses/sectors, which is an increase of 7% on 2017. Additionally, those respondents who now choose a portfolio career has increased by 5% to over 33%.

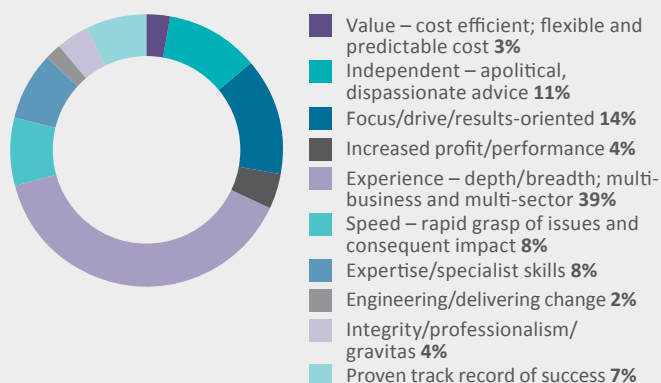
“Interim allows me to undertake specific problem solving (finite) assignments such as business change and transformation and program recovery.”

SURVEY PARTICIPANT



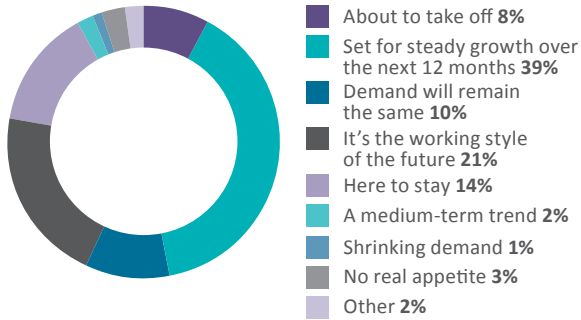
WHAT DO YOU CONSIDER TO BE THE SINGLE GREATEST ATTRIBUTE THAT YOU COULD OFFER AN ORGANISATION AS AN INTERIM?

Experience – depth/breadth, multi-business and multi-sector remains the stand out single greatest attribute according to 40% of respondents.



WHAT IS YOUR VIEW ON THE GROWTH OF INTERIM MANAGEMENT IN AUSTRALIA?

We have added two new options to this question – Here to stay and A medium-term trend. 14% of respondents believe that Interim Management is here to stay in Australia.



ARE YOU CURRENTLY ON ASSIGNMENT?

There is a small increase in the number of respondents currently on assignment, up from 38% in 2017 to 44% in 2018.



HOW WELL DO CLIENTS GENERALLY UNDERSTAND THE CONCEPT OF INTERIM?

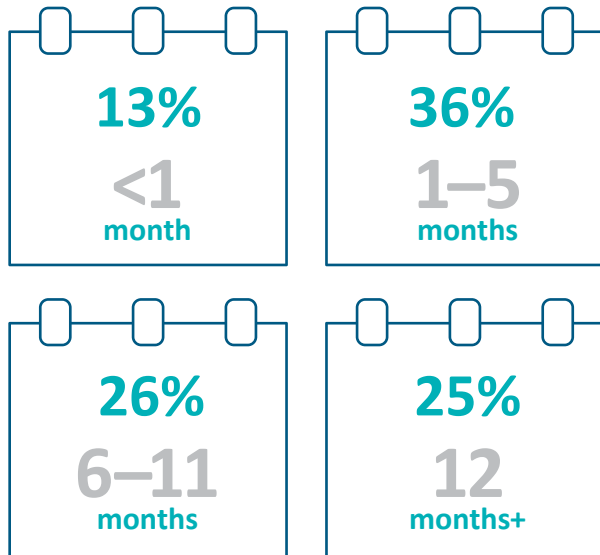
Results remain fairly consistent with the 2017 Survey, however, Clients are comfortable with the concept and use interims regularly has increased by over 5% and Less Clients need to be convinced say 35% of respondents.

46% Have some experience, not consistent across the business	13% Comfortable with the concept and use interim executives regularly
36% Need to be convinced, but open to the concept	5% Not open to the concept and do not understand it
0% Will never use an interim executive	



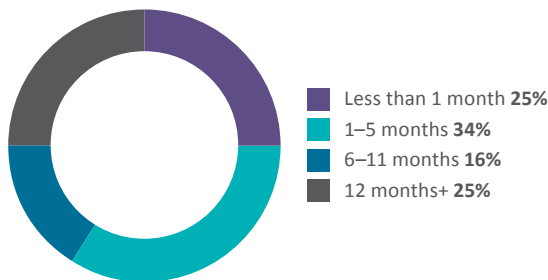
HOW LONG HAVE YOU BEEN ON YOUR CURRENT ASSIGNMENT?

Results remain consistent with the 2017 survey.



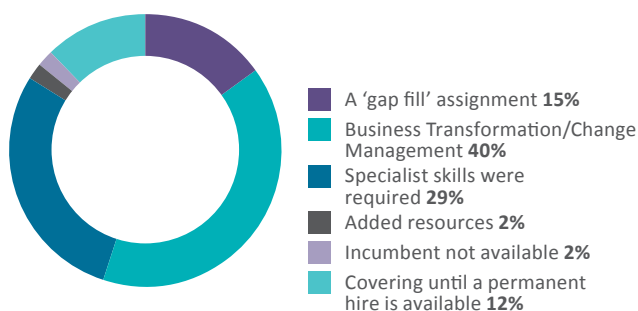
IF OFF ASSIGNMENT – HOW LONG HAS IT BEEN SINCE YOUR LAST ASSIGNMENT?

Results remain consistent with the 2017 survey.



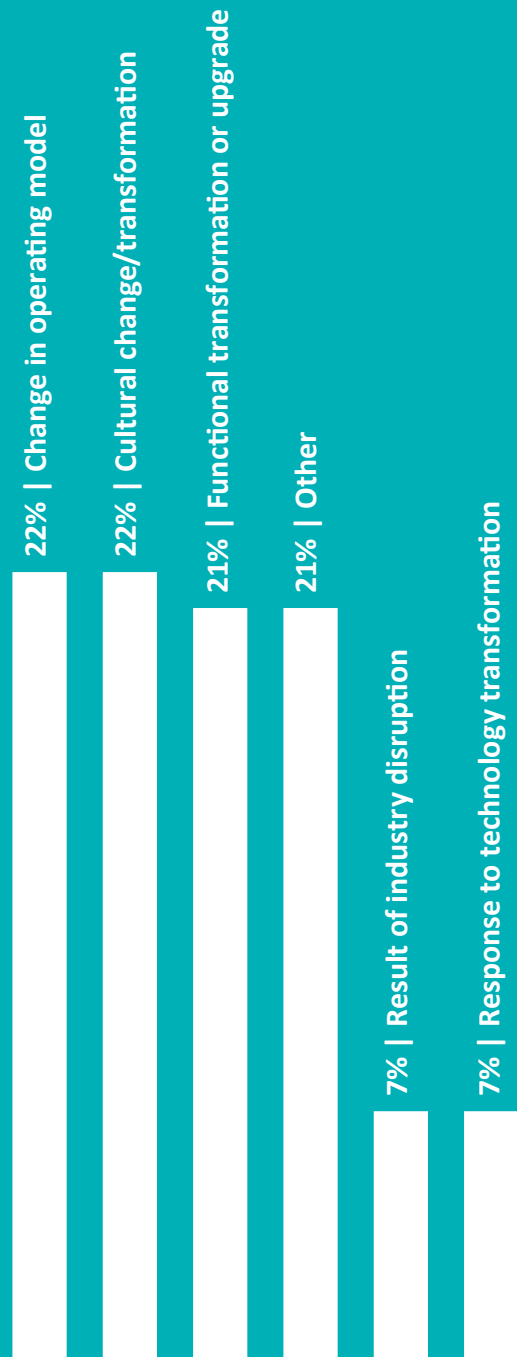
WHAT WAS THE REASON FOR YOUR MOST RECENT ASSIGNMENT?

Results remain consistent with the 2017 survey.



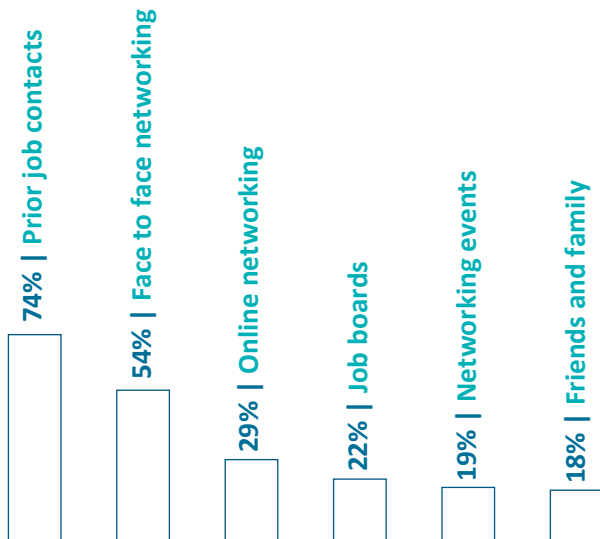
WHAT WAS THE UNDERLYING BUSINESS REASON FOR YOUR LAST INTERIM ASSIGNMENT?

This is a new question in the survey. Of the six options, the three largest, each with approximately 20% of respondents were – Change in Operating Model, Functional Transformation or Upgrade and; Cultural Change/Transformation. We are seeing unprecedented scope, scale and speed of change in organisations in Australia – and globally. These factors are also driving the core reasons behind the provisioning of our interims and their assignment purpose. Indeed, an increasing number of businesses have identified our interims as the solution to help manage this change – and at speed.



IF GAINING WORK THROUGH YOUR OWN NETWORKS HOW IS IT SOURCED?

All areas have increased since the 2017 survey however, Prior Job Contacts and Face to Face Networking have the largest increase of 9% and 8% respectively.



“Exceptional service to have an Interim CEO in role within 2 weeks of first contacting Watermark and then being able to choose from several excellent candidates.”

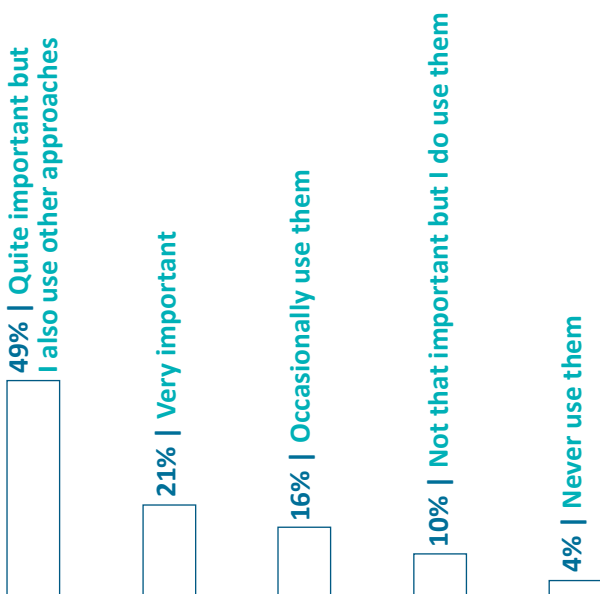
Group Chief People Officer,
Professional Association

WHAT ARE THE BIGGEST HURDLES TO YOUR SOURCING INTERIM EXECUTIVE ASSIGNMENTS WHEN NOT USING AN EXECUTIVE SEARCH FIRM SUCH AS WATERMARK?

This is a new question in the 2018 survey. Almost half of all respondents believe that getting to the decision maker in an organisation and access to new networks and sectors are the biggest hurdles in them sourcing their own interim executive assignments.

HOW IMPORTANT ARE RECRUITERS IN SOURCING ROLES?

Results remain consistent with the 2017 survey.



46% Getting to the decision maker in an organisation	25% Selling the concept of interim management to the organisation
46% Access to new networks and sectors	20% Lack of clarity as to scope of assignment
25% Time invested in business development/ negotiating assignment terms	19% Complexity of navigating procurement/ recruitment processes
	6% Other

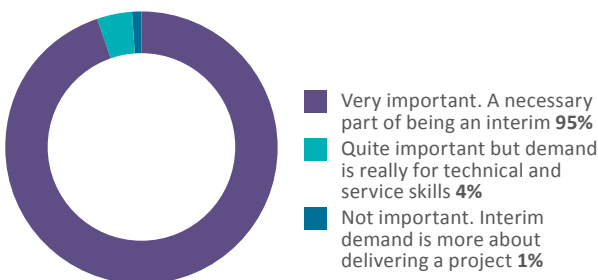
WHAT ARE THE GREATEST BENEFITS TO SECURING AN INTERIM ROLE THROUGH AN EXECUTIVE SEARCH FIRM?

This is a new question in the 2018 survey. 67% of all respondents believe that securing work through an executive search firm is work they would not have been able to source through their own network. 60% also believe that it allows them to expand the variety of sectors/networks they have exposure to.



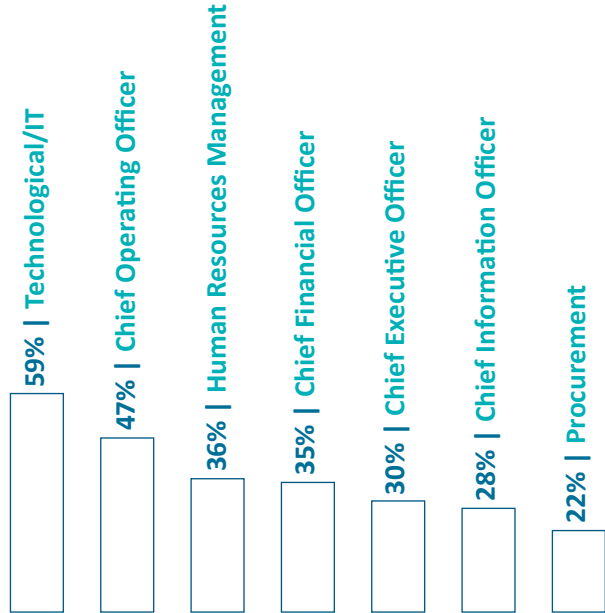
HOW IMPORTANT ARE SOFT SKILLS (COMMUNICATION, CREATIVITY, COLLABORATION) IN INTERIM MANAGEMENT

This is a new question in the 2018 survey. A massive 95% of respondents believe that soft skills are very important and a necessary part of being an interim.



WHAT FUNCTIONAL ROLES DO YOU SEE AS DEMAND AREAS FOR INTERIMS?

This is a new question in the 2018 survey. 59% of respondents believe that Technological/IT is a demand area for interims.



WHAT ARE THE BIGGEST CHANGES YOU SEE IN THE WORKPLACE FOR THE FUTURE?

This is a new question in the 2018 survey. 54% of all respondents see the biggest change to be understanding and leveraging technological/digital change.



“Rethinking organisational models, change and culture. Innovating whilst preserving the core.”

SURVEY PARTICIPANT

INTERIM PARTNER PROFILES



CAROLINE MCAULIFFE

PARTNER EXECUTIVE INTERIM MANAGEMENT, SYDNEY

“For the past thirteen years I have deployed senior level, high calibre executives, with broad functional and operational expertise, into mainly private sector organisations to complete growth, change, transformation, turnaround or cost efficiency mandates.

I cut my teeth in the Interim Management industry in Australia in 2005 joining a start-up boutique Interim Management business as a partner in what was a largely emerging industry. I joined Watermark in 2011. With a track record of hundreds of successful Interim assignments completed, we are now experiencing a significant growth and awareness of this credible and effective resourcing solution. The rise of the ‘gig economy’ and the more contingent workforce is seeing a demand for seasoned operational executives to provide a competitive advantage.”

Sector focus:

Government, Not-For-Profit, Healthcare & Human Services, Infrastructure, Utilities/Energy, Transport, Industrial & Manufacturing, Property & Construction.

Interim placement highlights:

Chief Executive Officer (Association), Finance Director (The Arts), Chief Financial Officer (Leisure & Entertainment), Chief Information Officer (Insurance), Head of Property (NSW Government Department), Group Organisation Effectiveness Manger (Business Services)

Contact:

Caroline.McAuliffe@watermarksearch.com.au
Phone: 02 9233 1200



MARTIN SEARLE

PARTNER EXECUTIVE INTERIM MANAGEMENT, SYDNEY

“I came to Watermark in mid-2014 as Interim Executive Partner after a career across a number of industries including Transport, Telco, Professional Services, FMCG, Education and Mining. I think this experience has been invaluable in helping ensure I’m across the business requirements of each assignment.”

Sector focus:

Industrials, Education, FMCG, Professional and Financial Services.

Interim placement highlights:

Chief Financial Officer (Education), Chief People and Culture Officer (Financial Services), Chief Information Officer (Hire), Chief Technology Officer (Financial Services), Chief Digital Officer (IT), Business Transformation Director (IT/Consumer)

Contact:

Martin.Searle@watermarksearch.com.au
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JACINTA WHELAN

PARTNER EXECUTIVE INTERIM MANAGEMENT, MELBOURNE

"I have been passionate about Interim Executive Management, Portfolio Careers and future ways of working for over 20 years having started and led Interim businesses in Hong Kong, New York and several in Australia.

I lead the Melbourne business of Watermark Interim Management and focus on Interim appointments in both public and private sectors. I work with Career Interim Professionals looking at a portfolio career and my particular emphasis is on CEOs and CFOs, senior executives in IT&T, human resources specialists, project and program management experts and business turnaround and change consultants.

The Interim Executive opportunities Watermark offer range from providing professional guardianship, managing a business or department through a turbulent period, bringing in specialist skills for a particular project or auditioning for a potential senior permanent vacancy."

Sector focus:

Health, Government, Education, Infrastructure.

Interim placement highlights:

Director, Procurement Innovation (Government), Chief Executive Officer (Business Services), Chief Financial Officer (Health), Chief Executive Officer (Engineering), General Manager (Pharmaceuticals), Workplace Relations Director (Education)

Contact:

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DONNA BURR

ASSOCIATE PARTNER EXECUTIVE INTERIM MANAGEMENT, MELBOURNE

"My background combines a career in chartered accounting, assurance & advisory and HR partnering with businesses. Early in my journey, I got local and global experience across financial services, manufacturing, utilities and not for profit sectors in trouble shooting business problems, customer needs and good and bad management. My curiosity, authenticity and passion for making things better has seen me involved in major transformational and performance work in many corporates. I advocate for purpose-led business management, well-being and economic empowerment for women. The later seeing me volunteer as a strategic committee member at SisterWorks Inc and becoming a member of the Melbourne Women's Fund. This alignment of experiences and passion for seeing businesses thrive brings me to my current role; brokering interim senior executives who chose a portfolio career into businesses who can benefit from their vast experience, professional guardianship and deep specialist skills."

Sector Focus:

Corporates, Financial Services, Utilities, NFP

Interim placement highlights:

CEO (Global Manufacturing), CIO (Local Government), Executive Director HR (NFP), Organisational Redesign (Membership Organisation), CPO (Government Agency)

Contact:

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SERVICE OFFERINGS

Executive Search

Founded in 1979, we are one of the longest established Australian executive search firms. Despite the fact that we are, above all else, an Australian based firm, we have an established track record in attracting, and then securing, candidates from overseas.

We have considerable expertise in senior executive appointments across a broad range of public and private sector organisations. Our practice has been built on a substantial body of work undertaken for publicly listed companies, private companies, state owned corporations, and government agencies, departments and advisory boards.

Interim Executive Management

We provide immediate and high level specialist executives, including senior managers, with the experience to bring stability to and provide guardianship for a company during a period of change, executive absence or performance turnaround. We also assist with providing executives who deliver on projects, programmes or specialist reviews. When clients are ready to appoint an executive, we complete the assignment in two to three weeks. Our latest survey shows that those executives remain in place for an average of 7½ months.

Board Search

We believe that strong boards make for better organisations and improved business performance. In conducting searches we do not simply look for 'a name' but rather search for candidates with the relevant skills to add real value to a board. We often start our board search by working with the client to produce a Board Skills Matrix, which then informs the specific brief.

Our track record ensures familiarity with the specific, and often sensitive, challenges involved in appointing Non-Executive Directors and Chairs with the right skill, personal and cultural fit. Our process and experience allows us to generate diverse short lists and consistently find successful candidates who help boards perform at their peak. We often work with our clients to provide an induction process for their new Directors.

Diversity

We pride ourselves on delivering the best candidates in the marketplace for consideration by our clients. We go further than most executive search organisations in ensuring that our clients have a gender diverse range of candidates as part of the process. In 2017, 43% of all successful candidates introduced by Watermark were female. This is a significantly greater representation of women executives as successful candidates than any levels indicated by recent third party studies. In addition to our focus on gender diversity we have also had the opportunity to assist a number of Indigenous organisations secure high quality candidates through well targeted executive search.

Market Insights

We have a unique 'window' into both the commercial and government worlds and are available to provide informal market insights to our clients on topics such as salary packaging, hiring trends and executive onboarding.

Watermark
SEARCH INTERNATIONAL

Watermark Search International

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