

EDITORIAL



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Chairman IIM

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Institute of Interim Management
'Dolphins', Elmstead Road
West Byfleet,
Surrey, KT14 6JB
United Kingdom

T: +44 (0) 800 030 4716
F: +44 (0) 1932 350 775
E: info@ioim.org.uk
W: www.ioim.org.uk

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SPEND, SPEND, SPEND?

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

The announcement of rescue packages including the government refinancing of major banks with share capital appears to have stemmed the problem in the banking sector for the time being, and there is evidence of green shoots in inter-bank lending.

But the domino effect is only just getting going. Hedge funds now look likely to be the next in line to suffer major difficulties – Emmanuel Roman, co-chief executive of GLG Partners, Europe's biggest hedge fund, was quoted in the Daily Telegraph as saying that 25 to 30 percent of the world's 8,000 hedge funds faced extinction. The sector is believed to be responsible for the recent rise of the Japanese yen, as hedge funds scramble to buy back into the yen to unwind their carry trades (in a carry trade, a currency with a relatively low interest rate such as the yen is sold and the proceeds used to buy a different currency with a higher interest rate, to profit from the difference in rates).

A recent forecast suggested that the fall in house prices in the UK might not bottom out until 2014 – although this was predicated on a return to the borrowing regimes of 30 years ago, when it was unheard of to be able to take out a mortgage of more than three times salary.

The stock markets are already factoring in a major recession in what the politicians call the 'real economy', with share prices tumbling. The US approach earlier this year was to give all its citizens \$600 to spend to help keep the economy ticking over.

Commenting on this, investment analyst and entrepreneur Dr Marc Faber concluded his monthly bulletin (June 2008) with the following:

"The federal government is sending each of us a \$600 rebate. If we spend that money at Wal-Mart, the money goes to China. If we spend it on gasoline, it goes to the Arabs. If we buy a computer, it will go to India. If we purchase fruit and vegetables, it will go to Mexico, Honduras and Guatemala.

If we purchase a good car, it will go to Germany. If we purchase useless crap, it will go to Taiwan and none of it will help the American economy. The only way to keep that money here at home is to spend it on prostitutes and beer, since these are the only products still produced in US. I've been doing my part."

In the UK, Alistair Darling is also spending money in Keynesian fashion to stimulate the economy, but on public expenditure projects rather than in the way envisaged by Dr Faber. Whether this spending will be effective in having an effect on the economy at large remains to be seen – if the money is not properly targeted, any short term gain will not be sustained in the long term.

However, the current economic conditions are bringing increased opportunities for professional Interim Managers, and IIM Members should use their professional accreditation as a quality assurance for clients as more people enter this growing market for Interim assignments.

Tom Brass

**IIM
NEWS**



Institute
of Interim
Management

ACCA AND IIM TO RUN JOINT EVENTS FOR INTERIM MANAGERS

In view of the growing number of Interim management assignments coming up in these turbulent economic times, the ACCA (www.accaglobal.com) is teaming up with the Institute of Interim Management to run joint events for ACCA members who are or would like to be Interim managers.

The first two events, to be held at the ACCA's offices at 29 Lincoln's Inn Fields, will be:

- 17 February 2009 for ACCA members who are already experienced Interim Managers
- 26 March 2009 for those who are new to Interim Management or are considering becoming Interim managers.

The ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants, with 122,000 members and a network of 80 offices and centres around the world.

Britain can rightly claim to have a world class Interim industry, born of its flexible approach to work, and by working together the ACCA and the IIM can help bring more highly qualified professional managers on to the market. There are many financial and general management assignments for which accountants can be uniquely qualified, when they have the requisite Interim management skills as well as their professional expertise.

The Institute of Interim Management (IIM) is the independent professional institute for Interim Managers - representing the interests of professional Interims, setting quality standards of accreditation, professional development and best practice, and promoting the development of Interim Management in the UK and internationally.

**INDUSTRY
NEWS**

SYMPOSIUM EVENTS – CONFERENCE

Maximising the Value of Interim Managers

Symposium Events Ltd, which specialises in the organisation of conferences on HR topics, is organising a full-day forum on Thursday 26th February 2009 entitled "Interim Managers: Maximising Their Value to You". The conference is aimed primarily at clients, and will look at what they need to do when recruiting and working with Interims to achieve maximum added value.

The conference is being chaired by Tom Brass, IIM Chairman, and keynote speaker is Annemarie Crouch, HR Director at Barclays Wealth. Other speakers already confirmed include HR and operations directors drawn from both the public sector (London Development Agency, HM Treasury, and Newham, Walsall and Surrey Councils) and the private sector (Analysis Mason, Dufry Management, AEGIS (London) and Opodo). Adrian Marlowe of Lawspeed will deal with the thorny issues surrounding Interims' employment status and how these should affect what clients should do.

Further details will be circulated to IIM members when the programme is finalised.

On 29 October, the Guardian Newspaper is running a special supplement on Interim management and the public sector. Commissioning editor Debbie Andalo writes:

Freelance senior executives are fast becoming key players in the delivery, turnaround and reform of public services. These Interim managers are starting to emerge as a profession in their own right but do they offer good value for money? Who is employing them and what is the current recruitment market like? Find out in our special supplement in Society Guardian on October 29.

REGULATORY COMPLIANCE

EU TEMPORARY (AGENCY) WORKERS DIRECTIVE

Approval by EU Parliament

On 22 October, the European Parliament voted to adopt the Temporary (Agency) Workers Directive. This was the last hurdle the Directive had to overcome, and it now only has to go through routine formalities before passing into EU law. EU member states, including the UK, have three years to transcribe the Directive into national law.

The Directive gives agency workers the same basic employment rights as equivalent permanent employees of the client. These rights include equal pay, and statutory holiday and sick pay. However, they do not cover occupational benefits such as pension. Mimicking Social Chapter arrangements more generally found elsewhere in the EU, the UK's Social Partners – deemed to be the CBI and the TUC – have agreed that agency workers will be given these rights after 12 weeks on an assignment.

It now remains to be seen how the UK government transcribes the provisions of the Directive into UK law. There is widespread concern that the legislation introduced should not impact the 'high end' of the temporary recruitment market, such as Interims. This is echoed in the Institute's members' survey this year – every respondent said that, if they were covered by the Directive, they would wish to be able to opt out from its provisions – perhaps something similar to the opt out available under The Conduct of Employment Agencies and Employment Business Regulations 2003.

There have been suggestions that, given the current state of the economy, the government should take the full three years available before burdening businesses with the extra costs that the Directive will entail. Nevertheless, even if the government does delay, it cannot put off implementation indefinitely.

The IIM will continue to monitor the progress, and to make representations as necessary.

HR UPDATE

Guidance Notes – Age Discrimination and TUPE

There have been suggestions in the media recently that, given the pressures of the economic downturn, businesses will become more prone to age discrimination. At the same time, the need to reorganise businesses to ensure their survival will give rise to transfers of undertakings requiring close attention to the TUPE Regulations.

Guidance notes on these two 'hot topics' have been prepared by IIM Deputy Chairman, Robert Purse, and are available to review/download from the Current News page on the IIM website - <http://www.ioim.org.uk/news/index.asp>.

PROCEEDS OF CRIME ACT 2002

Can You Afford Not to Report?

Interim managers who are outside the scope of the Money Laundering Regulations 2007 are probably now heaving a huge collective sigh of relief that they do not have to concern themselves with the regulatory regime imposed on their less fortunate colleagues. But is this the end of the story for them?

The answer is: probably not. The reason lies in the way The Proceeds of Crime Act 2002 (POCA) impacts an Interim as an ordinary citizen, as opposed to an Interim in the regulated sector.

Sections 327 to 329 of POCA set out the definition of what activities constitute money laundering. Summarised, these are:

- **Section 327: Concealing** – A person commits an offence if he conceals, disguises, converts, or transfers criminal property, or removes criminal property from England, Wales, Scotland or Northern Ireland.
- **Section 328: Arrangements** – A person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.
- **Section 329: Acquisition, use and possession** – A person commits an offence if he acquires, uses, or has possession of criminal property.

POCA imposes a positive obligation on Interims (and others) in the regulated sector to make a report to SOCA about anyone they come across in a business context whom they suspect of money laundering.

It also imposes a similar obligation on ordinary citizens, but in a more subtle manner. POCA provides a defence in law to each of the above offences – a person does not commit such an offence if, inter alia:

- he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act ...) he has the appropriate consent;
- he intended to make such a disclosure but had a reasonable excuse for not doing so;

In the normal course, an Interim would not be involved him/herself in committing an act under either ss327 or 329. Making a disclosure to establish a defence to an act defined in these sections is therefore irrelevant.

S328 is however a different matter. Interims, particularly those operating at or near board level, could well find themselves implicated in 'arrangements' by virtue of their role, even if they have only been passive participants, for example, at board meetings approving a transaction. And money laundering of course comprises a broad spectrum, including 'white collar' crime such as false accounting, corrupt commercial practices, or tax evasion. Even if not in the regulated sector, an Interim would therefore be well advised to keep a weather eye open for suspicious transactions, and report them to law enforcement, so as to establish a defence against a charge under s328 – the maximum penalty for conviction under s328 is 14 years imprisonment.

As mentioned, to establish a defence by making a report to law enforcement it must be an 'authorised report' as defined in s338. This section provides for making a report before the event, and enabling consent to be sought to allow the transaction to go ahead, and for reporting after the event, provided there is a reasonable excuse for the delay, and the report is made as soon as practicable and on the person's own initiative – it's no good waiting until the police come knocking!

INDUSTRY VIEW

ADAPTABILITY

Thoughts from IIM Director, Stephen Graham-Weall

There are some widely quoted rules or qualities for success as an Interim; however in my experience they are for guidance rather than unthinking obedience.

Interim managers have to be cultural chameleons adapting their approach and style to suit their assignments. Consider the following:

The first quality believed to be necessary to success as an Interim manager is the ability to hit the ground running. This ability is also frequently advanced as an advantage of employing an Interim manager. Is this true?

Assignments are, broadly, sorting out a mess, back filling a role or introducing change. Sorting out a mess, whatever the cause, demands clarity of vision, analytical skills and quick action, so hitting the ground running on as many as possible of the range of skills needed is essential.

Back filling a role requires a softer approach if the operation is running smoothly, including a short induction programme and agreeing the scope of actions to be taken during the assignment. Back filling when all is not well needs the same approach as sorting out a mess.

Introducing change is different, as the ability to hit the ground running will be needed for the process of introducing change, rather than the specific change that is the reason for the assignment.

The ability to hit the ground running **is** essential to an Interim manager, provided that they adapt the way they apply their skills and knowledge to suit the assignment.

Another common piece of advice is to dress one level more formally than the clients' personnel, to show you are different. But this depends on the circumstances – are you backfilling a team leader role or introducing change; is a culture change needed?

During a back filling assignment, despite the exhortations and examples from the Interim MD and me, the team continued to wear suits and ties. When the permanent Operations Director joined, and was seen not to wear a suit or tie, the team relaxed their dress. They had been waiting for his arrival to see what he wore before deciding to change their dress code. So don't underestimate the hidden, probably unconscious, implications of the dress code.

Interims obviously need to adapt their working hours and style to meet the needs of the role, but what is not so clear is what working conditions (office, IT, communications, support etc) should be made available to an Interim.

Whilst not being status driven, Interims need the facilities to enable them to perform efficiently, so the client should provide them. You will not receive credit for working without the necessary tools; after all, the client is investing in Interim management in the expectation of receiving a high quality professional service that is better than they could deliver internally.

What is not negotiable or variable is adherence to the relevant Codes of Practice and the highest standards of conduct, whilst resisting the temptation to 'go native'.

MEMBER BENEFITS



Member-get-Member Offer

Share the benefits of membership

Members are invited to introduce a colleague or friend to membership of the Institute of Interim Management and receive £35 reduction on your annual membership fee.

If you know a colleague or friend who could benefit from membership of our Institute and satisfy our membership criteria, then please invite them to complete the application procedure to be found at our website: <http://www.ioim.org.uk/membership/application.asp>

Dallas Kirkland
(Professions) Ltd.



For every new member you introduce who is successfully elected to membership you may claim a reduction of £35 in your annual membership fees at the next renewal date. Moreover, if you can recruit a second new member in any year ended 31 March, you may claim a £50 reduction in your member fees.

Professional Indemnity Insurance

Dallas Kirkland (Professions) Ltd.

The Institute has negotiated competitively priced PII tailored for IIM members, which should continue to be the most favourable terms available in the market. This PII cover is available through brokers Dallas Kirkland (Professions) Limited, who can be contacted on:

T: 020 7480 4181
F: 020 7702 1441
E: jennic@dallaskirkland.co.uk - Jenni Crook
W: www.dallaskirkland.co.uk

The quotation at the concessionary rates will only be given to IIM Members who quote their membership number when making contact.

Contracts & IR35

Lawspeed

Since first working with the Institute in 2002, Lawspeed has put together a whole range of packages and services to meet the particular needs of Interim Managers. You know that working as an Interim is not just a question of providing your services As a professional you have to give due consideration to commercial risk, contract, tax and other operational issues. And that is where Lawspeed can help.

Drawing on more than 25 years experience advising business of all shapes and sizes, Lawspeed will take all these problems off your hands offering **risk advice**, suitable **contracts**, joint venture operations, negotiations and advice on **IR35** status. We make sure that our clients are protected from the word go.

Lawspeed can be contacted on:
T: 01273 236236
F: 01273 236232
E: jamesm@lawspeed.com - James May
W: www.lawspeed.com

Remember to state that you are a member of the Institute of Interim Management before placing your order, to benefit from preferential rates.

Institute of Directors Membership

Save 50% on Joining Fee!

Our exclusive membership offer negotiated with the Institute of Directors. In addition to the many IoD member benefits, IIM members will receive a discount of 50% on the Election Fee – a saving of £100.

The Institute of Directors, which represents the interests of over 50,000 business leaders across the UK, from all industry types, size and geographical locations, provides tangible business support to its members. Members join the IoD in their individual capacity as a director, partner or senior executive. In doing so, you become part of a network of UK business leaders, benefiting from especially negotiated products and services. These also include free access to and use of an increasing number of premises and business services across the UK and overseas – offering valuable resource, to conducting your businesses away from your HQ.

For further information including how to join, please call the IoD Membership Development team on:

T: 020 7766 8888
E: join-iod@iod.com or visit
W: www.iod.com/join

Company Formation, Accounting, Tax and VAT

Nyman Linden

Established in 1963, Nyman Linden is a leading UK accountancy practice, presenting a comprehensive range of services encompassing Company Formation (free of charge to IIM members), Web-based Accounting, Corporation and Personal Tax Returns, VAT, Statutory Accounts and other Regulatory Services, providing a service that is right for you and at a fixed fee, agreed in advance, with no hidden extras.

For further information, please contact Andrew Plaskow, Partner, on:

T: 020 7535 1500
F: 020 7935 5087
E: andrew.plaskow@nymanlinden.co.uk
W: www.nymanlinden.co.uk



Professional Development

Massive discounts on Spearhead Training Courses!

As part of the Institute's aim in offering additional benefits to members and to support their professional development, it has negotiated a special arrangement with Spearhead Training. Under this, IIM members enjoy a standing offer of a 30% discount on all Public Courses which Spearhead run.

Spearhead Training Public Courses cover all the key business skill areas, and these courses may assist Interims in gaining real competitive advantage by enhancing their business generating skills, as part of their Continuing Professional Development, or if they should wish to broaden their business portfolio into new areas. Spearhead's Interim Management Programme is not classified as a Public Course and has already been discounted in price – the normal IIM 30% discount does not therefore apply to this particular course. Full details of the courses available can be found on www.spearhead-training.co.uk.

To take advantage of the discount, you can book directly with Spearhead Training quoting reference IIM-CPD-2002.3 as well as your IIM membership number. You can also take advantage of an additional 5% discount by booking on line.

Backup your PC

Save 10% on Datasafehaven online data backup & webAccess!

Datasafehaven provides an online data backup and webAccess service. The service allows you to protect and safeguard the valuable data on your desktop or laptop PC.

The service is easy to set up and use and requires no technical expertise. The software ("powered by Attix5, trusted by PricewaterhouseCoopers") allows the selection of data and the scheduling of when automated backups are to take place.

Encrypted data is transferred via your Internet connection to mirrored data servers housed in IBM managed data recovery centres. Backups are available online and can be quickly retrieved and restored. Using any computer anywhere in the world connected to the internet, you can also have remote browser access to your backed up data through webAccess.

For more information look at the Datasafehaven website.

T: 020 8871 4070

E: sales@datasafehaven.co.uk

W: www.datasafehaven.co.uk

BUPA Health Screening

Members are able to take advantage of BUPA Classic and Premier medical check ups at a discount.

The member should telephone a convenient local BUPA centre to make a booking, quoting the IIM's account number with BUPA and their IIM membership number. The member pays the BUPA invoice, net of discount. The IIM's account number with BUPA can be obtained from IIM Member Services at memberservices@ioim.org.uk.

Datasafehaven

Online data backup & webAccess

BUPA

Call for Papers, News & Views

Articles, news, views and photographs concerning the Interim sector are invited for publication in future issues of the Institute's newsletters and on its Web site. We reserve the right to edit these to length to fit available space. The Institute also welcomes 'Letters to the Editor' (preferably by email) on any issues of concern, or suggestions for improving our services to the membership, as well as our industry representation.

If you would like to contribute, please contact:

E: interiminsight@ioim.org.uk

T: +44 (0) 800 030 4716

F: +44 (0) 1932 350775

The next issue of [*InterIM Insight*](#) will be published in January 2009.

In the 'interim' wishing you much continued success with your assignments and business ventures from everyone at the IIM

