

Step by Step guide  
to setting up as a

# Professional Interim Manager



Book 1

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## Step by Step Guide to professional interim management business set up

So you have looked at several options and decided you will thrive on life as an interim manager. Congratulations.

Interim Management is a profession with a wide range of core disciplines and unending opportunities for developing your own supporting skills. But first, what do you need to do?

### **1** STEP ONE: Set up a Limited Company

For the most professional impact, and for registration with many agencies, you need a limited company. You can buy one off the shelf or think of a name and see if it's available. There are several companies which can set up your new company (whichever route you take.) Companies House is the first port of call ([www.companieshouse.co.uk](http://www.companieshouse.co.uk)).

#### Pick a name which:

- Gives a professional impact
- Indicates what you do
- Is unique enough to stand out from your competitors

It doesn't cost any more to register a really impressive name than a very weak one.

Once you have a name in mind, you need to search hard and long to ensure that it is not too similar to another organisation. Many start ups have fallen within the first few months when a lawsuit arrives because this simple research hasn't been done.

### **2** STEP TWO: Check for the domain name availability

If ".co.uk" and or ".com" aren't available you need to recheck for companies with that name. They may be outside the UK.

Double and treble check this, with more than one domain name agent.

When you are certain of your company name and the domain name availability then purchase them all on the same day. There are people who make a living out of snatching domain names from start up companies and then charging a premium for selling them to you. The company Registration / start up services will normally offer you the domain name purchase in the start-up package. Register the domain name (buy the name for a period of 1,3,5 years or more) in the name of company. The cost is small.

#### Tips:

- If you are a director of another company you will need to provide details when registering your new company.
- A company can now be set up with a minimum of one director and one shareholder. A separate secretary is no longer a legal requirement. There is sometimes an advantage in certain circumstances, of having other shareholders such as your spouse, but you are advised to take professional advice on this.

- Think carefully about “giving” shares away – even to family members. Shares attract dividends. The percentage dividend you give to yourself will have to be matched across all shareholders. Any shares you do distribute must be paid for at the value of the shares in your newly incorporated company. Tax can also be complicated so take professional advice.

### **3 STEP THREE: Set up bank accounts**

You need a bank account. The registration company may also offer you a bank account but you do not have to take this up. If you already have a good relationship with a bank then this is possibly a better route. Look at what is available from internet banking with the Abbey/Santander and the Co-operative Banks; they both offer free banking to small businesses. (It’s not impossible to move bank account, but it is more difficult to change the company name and domain name later on.)

**Reserve account.** My big tip is: set up a savings account when you register the company. It’s a real hassle to add another account later. You have to go through all the same hoops you went through in the first place. Your reserve (or savings account) is a useful place to set aside taxes such as Corporation tax, VAT, NI and PAYE), This way, you won’t be caught out and have cash flow difficulties.

### **4 STEP FOUR: Set up VAT registration**

You must register your company for VAT if your anticipated turnover is over the threshold (£68000 in 2009). You don’t have to register from day one, and if most of your clients are not or only partially registered, such as charities, it may be a disadvantage. However, it can show that you are a serious business – and save your clients money if they can recover VAT charged on any expenses they may reimburse you. Do ask your accountant. It’s a bit tedious going through all the government gateway registration but, in the end it’s much easier to register and sign up for online returns for VAT, PAYE, Corporation tax etc. Your accountant may do this for a fee.

Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) You will need your company registration details, Postcode and personal details and details of any other directorships you hold.

### **5 STEP FIVE: Insurance**

We strongly recommend that you have Professional Indemnity Insurance (PII). Many clients will expect a minimum of £250,000. If you are expecting to work at director level in organisations then you will need more. Claims on indemnity insurance are almost unheard of in Interim Management but you still need it. Potential customers and certainly recruiting agencies will verify your insurance. Have a copy of your certificate available electronically for them. The IIM has negotiated an excellent discounted rate for members and Associates with one specialist insurer.

Public Liability and Employers Liability cover is available as additions to PII at little or no extra cost.

**Other documentation:** It’s a good idea to have PDFs, or other electronic copies of all your key documents such as:

- VAT registration
- Company incorporation
- Indemnity insurance
- Academic qualifications (the most relevant)
- Driving Licence

- Passport

Recruiters will need to see your passport, driving licence and a current household bill to comply with money laundering prevention and monitoring regulations.

## 6

### STEP SIX: Define your Logo, Message and Style

You need a marketing message. Make sure you are really clear what “package” or “product offering” to present to your potential customers.

Remember Woolworths, if you don't know what you want to be, how can your customer know when to use you?

Logos can help you stand out – keep them simple but be very careful to research other logos to ensure you aren't encroaching on other companies' images.

Use your logo in your CV, your business cards, your email header or sign-offs and any paper documents such as invoices, contracts etc. This is your “brand”, make sure it supports your product offering.

## 7

### STEP SEVEN: Interim Accreditation

**Set yourself apart from those who are using interim work as a gap-filler while seeking permanent work – and undermining the image of interims.**

Professional accreditation is crucial if you are going to compete with so many well qualified peers. **IIM** Membership or Associateship will demonstrate several things about you:

- You are confident in your ability to deliver
- You have committed to Interim Management as a career choice
- You have independently, accredited credentials and standing as an interim practitioner
- You are proactive in your approach to CPD
- You have proven achievements
- You have a Code of Practice and will not drop the client the moment a permanent role is offered

If you are new to Interim Management you may be offered Associate status (**AIIM**). This will be until you have two or more successful assignments under your belt. If your previous work and references show that you are an experienced interim manager, you will be offered Member status (**MIIM**).

The **IIM** works hard to ensure that industry and the public sector recognise and respect the **IIM** credentials so you will have an extra plus in your marketing and this will give you an edge when the competition is tough.

Your other professional accreditations such as ACA, CIM, CIPS, MBA and many others are also important on your business card.

## 8

### STEP EIGHT: Marketing the new you

Once you have a new business behind you, you are ready for work. Where will it come from? The realistic answer is that you are responsible for finding work. Of course, there are several sources you can use to deliver your message and secure assignments.

- Your previous work contacts and colleagues
- Networking circles
- Direct contact with potential customers
- Recruiting agencies

### **Previous work contacts and colleagues**

You are no longer a “colleague” but a supplier. You need to ensure that your discussions are businesslike. Produce a summary of the skills and competencies you can offer and, most importantly, remind them of successful outcomes which are relevant to their current needs.

### **Networking circles**

This is not an instant win. You need to meet people across as many circles as you can afford to. It’s often luck, being in the right place, at the right time and with the right “product offering”.

Remember, as an Interim Manager, you are expected to hit the ground running. The fit with your achievements, experience and competences must be excellent. There’s no time to learn a great deal before you start delivering. (That’s not to say that you won’t learn a great deal, but you need to offer your customer a solution pretty quickly in most cases.)

### **Direct contact with potential customers**

Read the local and national papers and the specialist journals in your field. I’ve gained assignments by spotting that an organisation is about embark on a particular initiative and I’ve simply picked up the phone and arranged a meeting. If you have the skills and experience to make someone’s plans happen for them, then tell them. As a member of the [IIM](#) you will have access to supporting material to explain the benefits of your accreditation.

### **Recruiting agencies**

Use specialist interim agencies or top agencies with specialist interim arms. Make sure that the agency really understands the difference between an interim manager and a temp! Otherwise you may find yourself filling out hourly timesheets and falling prey to employment laws which work against your independence. Remember, you don’t pay them but you are their product – their route to income.

There are links on the [IIM](#) site to agents who are respected interim providers. There are many other good agencies - Those who hold a database of over 100,000 candidates and can only respond to you electronically and will contact you if their database search hits on your key words. Well, don’t hold your breath! The best agencies don’t have that many candidates (there aren’t more than a few thousand top interims!) and will insist on meeting with you before putting you forward.

You need to find the agents who work in your specialised field and talk to them about your unique offering.

### **Website**

A website gives you an opportunity to go into more detail about your work, demonstrates your commitment and avoids the need for printed brochures etc. When you meet a potential client for the first time you often don’t have time to give him much detail. It can be better to whet his appetite by introducing a few pertinent achievements and encourage him to refer to your site which should be clearly shown on your business card.

Setting up a website needn’t be expensive. I personally would recommend using a professional. There are many companies who can do this for you. A simple site with examples, case studies, testimonials

and a means of making enquiries can give your professional image a boost. The IIM has contacts who will offer favourable rates to members (see useful links).

## 9 STEP NINE: Remuneration and invoicing

This guide is not going to go deeply into EU rules on employment. You need to ensure that you understand your position and you can find position papers and other documents from [IIM/work as an Interim](#). Members will also be provided with up-to-date guides on BIS (formerly BERR) guides and interpretations regarding how to ensure compliance with regulations.

Basically, if you have one assignment only, with no other means of income for your company, if you are paid directly by an agency or a client company for a complete tax year or more, then you will need to seek the advice of your accountant or business advisor to ensure that you are not deemed to be “an employee” by HMRC under their IR35 legislation. You are strongly advised to take professional advice on this at an early stage and, ideally, before you sign any contract with a client or agency.

### Day rates

Most agencies run surveys from time to time on the day rates for interims and, possibly, in your specialist area. The rate you negotiate for one assignment cannot be treated as the norm. It might be very low or very high. Your focus is on demonstrating where you can add value to the potential client and that is what the rate should be based on. Of course, some clients can't afford the rate you want, some will be too nervous of paying it because they don't want to upset existing staff. You can present all sorts of figures around on-costs of permanent staff, (equipment, cars, employers NI, holidays, sickness, pension scheme costs, etc) which could be compared with the day rate cost of your services. Your value-add will be the clincher:

- Skills for immediate action
- Exit plan from day one
- Transfer of skills to the employees
- Legacy you will leave in toolkits, methodology, knowledge etc
- Succession planning

Where possible keep the first conversations around the fit with your skills and recent achievements. The fees should be the last conversation. If you are immediately launched into a bidding situation, particularly with agencies vying for work and offering customers a resource at lower rates, then you need to be cautious. Remember that agencies will be adding up to 25% to your rate. If you are dropping your rate then are the agencies? You are their product – their route to revenue. The better agencies will understand market fluctuations but all agencies will be trying to protect their margins too.

Whether you invoice your client directly, or the agency, present a professional looking document and keep it consistent and accurate.

Do not work without robust payment arrangements in place. Your time and knowledge are your stock in trade and can never be recovered, so there is every reason to protect your interests. Consider invoicing monthly, two weeks in arrears and two in advance. Follow up late payment with an informal reminder and a statement. You do not want to spend hours and hours chasing payment from your previous assignment when you need to focus on a new and demanding current customer.

As part of your exit plan, confirm with your current customer or agency when the last payment will be received.

You should keep your accounting records up to date, either with special software or, a robust excel spreadsheet which is set up to manage the VAT return as well.

## Paying yourself

Take professional advice from your accountant on the current rules. There are plenty of reasonably priced software packages which will handle the PAYE for you. Dividends are a means of reducing the tax liability on directors but your accountant should guide you.

Tip: Don't take out your monthly invoicing amount as salary or dividend: spread the income to provide a steady income over the periods when you aren't working. This will keep your relationship with your personal bank on a better footing. Plan to be "resting" for about an absolute minimum of three months each year, (Holidays and downtime). You may have a year of back to back assignments but you might be out of assignment for six months if your timing is unlucky.

## 10 STEP TEN: References

References are your passport to your next assignment. Ask for them a few weeks before you leave so that you can circulate them to potential clients and recruiters.

Ask for two or three, encourage short and readable comments. Three sentences will often be enough. Have a conversation with each referee about the emphasis you would like, for instance, if you have worked closely with the finance director then ask him to comment on the value you added in that area. You may also want a referee to comment on the legacy of knowledge, skills etc you have left behind. Perhaps you were a catalyst for change which the organisation undertook itself. These are all evidence of value you have given.

You can rotate your references and endorsements on your website for potential clients to view, rather than send in a whole batch.

You will also need to ensure that your contacts know when you are going to be available and when you are not available. Follow this up diligently as it is inconvenient to recruiters if they think they have found a match and you aren't free. Conversely, you don't want to be inundated with enquiries when you are up to your neck in work.

## 11 STEP ELEVEN: Support

Within your assignment, if you have a recruiting agency, they may offer you support with issues around the assignment. The **IIM** will be able to direct you to other interims with experience of the sort of issues you face and members will be happy to support and advise you wherever they can. You can use the Members' Forum for open questions, or to seek to bring on board another interim. You can also call the **IIM** on **+44 (0) 800 030 4716**. Etiquette would require you to use an agency for such additional help if you are assigned through one. Membership of the **IIM** will also give you access to other knowledge based sites for information and advice.

The **IIM** will encourage and support you in maintaining a strong CPD (Continuing Professional Development) profile. We will have discounted availability to certain on-line courses and with other recognised education providers.

**IIM** will keep you updated with relevant news. Activities include networking events held to bring you together with recruiters and with potential clients as well as national, regional and specialist media. Because we want you to succeed, our communication channels are very much two-way. We hope you will use them to your advantage.

Good luck in your new career.

Present the right credentials...

**MIIM** and **AIIM**

H Husbands/S Graham-Weall  
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Dolphins  
Elmstead Road  
West Byfleet  
Surrey  
KP14 6BJ

**T: +44 (0) 800 030 4716**  
[www.iim.org.uk](http://www.iim.org.uk)  
[memberservices@ioim.org.uk](mailto:memberservices@ioim.org.uk)