



Steve Rutherford

Partner, Interim Management Practice

Overview of Corporate Career

Joined Michael Page as their first Graduate Trainee in London in 1992. Grew up in and ultimately ran their Public Services offering, before leading their flagship Finance business in London and thence taking over their UK Technology brand. Turned this from a failing business in one location, to a profitable division operating from 7 offices, during a recession against a backdrop of a shrinking UK business. Promoted to UK Board in 2008, and sat on that until April 2015 when I left the business after 22 years.

Interim Assignments Completed

Joined Interim Partners, the largest independent provider, in 2015. Grew the team, developed the offering, hired a strong team of Directors to run the operations and led the business to the best ever performance by a Provider in the IIM's Survey (1st place for the business and 5 'named' consultants). Appointed by The Miles Partnership in summer 2017, to lead and grow their Interim offering.

The Interim Statement

Private Equity Special

September 2018

This month The Interim Statement takes a different format, focusing on the Interim Manager's life in Private Equity.

The question I get asked most by first time Interim Managers is, "How do I get into PE?" What is the fascination? Is life in PE all it's cracked up to be.

In writing this article I've been helped in my research by some of the most experienced PE Interim Managers, who have been there and done it, and who give a candid insight into the upsides and downsides of a PE assignment.

1. Why do PE firms use so many Interim Managers?

Relatively speaking, PE backed firms will use a disproportionately large number of true Interim Managers compared to other corporates. The reasons for this vary, but tend to fall into one of three broad categories.

PE firms work to very short time scales – typically 3-5 years is the 'lifetime' of an asset – and they need to see EBITDA grow rapidly. If they don't they will act, even if it means exiting a senior leader or former owner at short notice. Given that most PE backed ventures are mid-scale, and don't have large internal talent pipelines, a rapid external appointment is required.

Certainly, a contributing factor can also be the state in which many PE firms find the businesses when they acquire them. Some PE firms specialise in the 'distressed purchase', hence already expecting to drop in a turnaround specialist, but in most cases the due diligence will have missed something. Appointing an Interim Manager ensures a fast start.

The final contributory factor is the positive reputation Interim Managers have built up within PE as agents of change. Larger corporates sometimes feel a 'named' consultancy is the best answer to changing their business, but PE firms often prefer the pace, hands on approach and cost effectiveness of a senior Interim Manager. This is an open secret in PE.

Core Specialisms and USPs

Professional recruitment has been my career for over 25 years. I still love it. I enjoy solving the challenges clients throw at me, helping candidates secure high profile roles and assignments, growing recruitment businesses and helping colleagues reach their potential. Interim Management has been my professional life for three years and will be my professional life going forward.

Education & Qualifications

BA (Hons) & Masters Graduate of The University of Essex. Majored in Philosophy.

2. How does it differ working in PE compared to life in a large corporate?

Prepare for some huge generalisations in what I'm going to say here!

In my experience, an authentic Interim Manager will find life in PE hugely more satisfying than delivering on an assignment in a plc.

Large corporates tend to use Interim Managers quite poorly in my experience. Because a lot of the juicy transformation work will have been handed to the Big 4 or a Strat House, what's left is the 'gap management' type roles generated by an absence of a senior leader through ill health, maternity or resignation. These are never great gigs. While it's unlikely that an Interim Manager will receive four figures a day just for attending occasional Board Meetings, the emphasis will be to maintain BAU and ensure the role is handed back to the new or returning incumbent pretty much as the Interim Manager found it. While everyone has to earn a living, most Interim Managers would prefer to do what they do rather than operate as a really expensive babysitter!

PE expect more bang for their interim buck.

In hiring an Interim Manager, a PE firm will clearly expect competence in the BAU elements of the role, but will also be looking for a whole load more besides. Whether the situation is 'distressed' or not, the Interim Manager will be expected to rapidly drive change, improvement and results. Strip costs, drive sales, improve systems – pull every lever - to make the boat go faster and get the EBITDA to improve. They will expect a high level of commitment, both physical and mental, to the challenge and that the Interim Manager will be both strategic and execute. PE firms tend to prize hard work more highly than large corporates, and work:life balance on a PE assignment is an oxymoron.

3. What skills and experience are 'hot' in PE?

Obviously, previous relevant experience in PE is highly prized. This throws up the obvious question, "How can I get experience in PE when the roles only get offered to those with PE experience?"

The three 'ins' tend to be experience in a large plc, exposure to a 'hot' sector or to have an in demand technical skill or discipline background.

Despite the big differences between working in a PE environment and working in a corporate, PE firms do regularly hire direct from major plcs. This happens most at Exec Chairman or CEO level, in the belief that they will get someone who 'knows what good looks like'

and also, if I can be cynical, who might have a pension pot to put into the business. A solid CV in a big corporate will get PE interested, especially if they may be looking for someone who might entertain an Interim to Permanent engagement or can lead a sale.

Hot sectors are often ones which are booming or which are in distress. Hence, experience gained turning around a flagging casual dining business will be as highly prized as exposure to fintech start ups. Significantly, in both of these cases, the sector experience isn't the be all and end all. It's the change, turnaround, growth, etc. which they want to buy.

Finally, Interim Management is also subject to supply and demand like anything else. At certain times supply of Interim Managers outweighs demand, effecting both the availability of roles and also the day rate offered. Hence, currently rates for CFOs and HRDs are falling on the back of increasing supply against steady demand. Conversely, many PE firms are looking to improve the BD functions of asset companies, and hence Sales Transformation Interim Managers are in high demand.

4. Are there downsides to working in PE?

Of course there are, and the intensity, hard work and pressure of working in PE isn't for everyone. That said, for most Interim Managers an ability to cope with intensity, hard work and pressure comes with the entrance ticket and is part of what makes them want to do the job. There also needs to be an ability to accept risk, as some turnaround scenarios will not get turned around, but as one Interim Manager said to me, "There is no downside to risk-taking if you see it all as experience".

5. In conclusion

Different? Definitely.

Better? Maybe. There is no doubt that PE firms offer some challenging and exciting opportunities if, as one Interim manager said to me, "you have realistic expectations".

To understand more about the benefits hiring an Interim Manager can bring to your organisation, please contact Steve on +44(0)7387 103 792 or steve.rutherford@miles-partnership.com.