

The role of interim management in the technological revolution

Martin Smith, an Executive Director at Sheffield Haworth Consulting Solutions, looks at the rise of the independent consultant and the role they can play in addressing the heightened demand for skilled leaders across what is a rapidly evolving technology landscape.

In the UK no other sector is growing quicker than that of the technology sector. It continues to outstrip the rest of the economy by some distance (2.5x), with statistics showing that in 2018, it contributed over £180bn to GDP, up 12% on the previous two years.

With digital transformation continuing to drive business change across all industries and marketplaces, it is a given that change will take place at all levels, none more so than when it comes to talent and capabilities. Leadership teams that begin this journey of discovery very rarely end it with the same people in the role. New talent, familiar with new technologies, will inevitably be required. As such, the ability to be innovative and flexible in 2019 is essential, with hiring managers and business leaders needing to up their game when it comes to developing talent pools and working with partners to identify and engage talent in a timely and cost-effective manner.

It is extremely important to note that this is not only a HR issue, but a business one. Executives must embrace strategic workforce planning and treat it as a key priority issue, with the pace of expansion leading to a surge in job creation and a 'war for talent'. They need to ensure that their companies are agile and can respond instantly to whatever gets thrown at them, dissolving the traditional hierarchical structures that we tend to see and reinventing their workforces.

So, the question now on every executives' lips is how do we continue to innovate at speed and compete at the top of our chosen marketplace? The answer is clear and lies in their ability to think creatively when it comes to addressing key people and leadership challenges. It is where the



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role of interim management comes into play.

Such talent can be engaged and on site quickly, free of baggage and adding tremendous value from day one. Having 'been there and done it', their ability to deliver has already been proven, as has their ability to move between different environments and cultures, adapting seamlessly to whatever they encounter. They harbour a genuine purpose and can inject a certain momentum into a change scenario or growth agenda, combining a strategic and tactical skillset to define the problem statement, deliver a solution and then hand off to the business.

In 2019, there are many windows of opportunity opening for such operators across the tech sector. Whether it's an expert who can lead on technology initiatives and focus on the 'big-picture', an advisor who can carry out pre-IPO / M&A due diligence or a specialist in organisational design who can devise and embed a new Target Operating Model (ToM), it is those businesses who treat interim management as a

vital part of their strategic workforce planning who will come out on top. Combine this with the ever-increasing trend of companies tying employees to longer-term (6 months+) notice periods, a real issue when looking to add to permanent headcount, and the result is a buoyant and competitive marketplace.

The investor community must also sit up and take note of interim management and its value add. With the markets as competitive as ever, and as uncertainty about Brexit and worries over a trade war between the US and China persist, it's a tricky time for dealmakers across the globe. However, with all that in mind, investors press on, with a burgeoning need to build value in their investments.

As such, private equity and venture capital firms must capitalise on the high-quality resource available in the independent market, adopting flexible and agile resource that can relieve and deal with some of the pressures, priorities and sensitivities arising during an investment cycle. In addition, an honest appraisal of leadership capability within their portfolio companies must be carried out, ensuring they have the right people in place to accelerate growth and achieve the kind of exit/returns required.

There are all too many stories of high-potential tech companies biting the dust due to hesitation and burn out. With the 'ideal world' scenario of having all the right mindsets and skills in place at any one time rarely achieved, the ability to expand and contract your executive capacity, via the use of interim managers, should always be considered.

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