



Editor's introduction

The interim market seems to be reflecting the current economic uncertainties. Commodities such as oil are bouncing along at new lows, and yet the stock market continues to be relatively high. It could be that the gloom and doom has been overdone, or it could just mean that the stock market has some way to fall yet. The market has translated all this data into some downward pressure on interim managers' (IMs) daily rates. Once things settle down, however, there should be an increase in available assignments.

The aftermath of all bubbles is a reckoning, and this one is no different. We find out that our captains of industry are human beings who make mistakes after all. With the benefit of hindsight, they often seem to be over-rewarded, fallible people. It seems that there are going to be an increasing number of interim assignments that will be just pulling people's fat out of the fire.

Anecdotal evidence suggests that most of the public sector, apart from the NHS, has put a temporary freeze on the recruitment of interims and consultants. Part of the problem, though, is the perception that IMs are just ex-public-sector employees in a highly paid revolving door returning to their old jobs. IMs need a programme to explain to the real decision makers just what IMs can do for them. After all, an IM with a successful track record for a quarter of the price of a new graduate from one of the firms of consultants should be an attractive proposition for any public sector finance director.

In the private sector, there seem to be a greater than average number of overseas jobs. This is probably because sterling is cheap against the dollar and the euro, and these overseas jobs depend on the exchange rate of sterling. However, unless sterling sinks even lower, it is not clear whether this situation will continue.

Terence Boyle

SIPPs – what's in a name?

Self-Invested Personal Pensions (SIPPs) have been available since 1989. They are generally personal pension schemes that are approved by HMRC, and over which the member has considerable influence with regard to the investments that the scheme owns.

They are growing in popularity, and many companies are launching various SIPP contracts. However, with all these launches comes a whole new set of jargon to get used to – full SIPPs, SIPPlite, eSIPP and so on. These definitions have a lot to do with marketing and often less to do with substance or information.

Most insurance companies still offer personal pension plans. They provide all the technical know-how that enables individuals to send money to XYZ Pension Co, which sets up an approved pension plan for the individual and directs that individual towards a range of funds, often run by XYZ Pension Co and into which their money is invested.

A 'proper' SIPP (the author's term) separates the provision of all this technical know-how – how to set up the pension trust, how to get it approved, deal with accounts and maybe tax returns – from the choice of investments. A proper SIPP just provides the framework or wrapper that enables pension contributions to be paid and then leaves the investment of these contributions up to the member. The member may or may not choose to get assistance from a third party on investment strategy, fund choice or anything else.

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Generally, it seems that insurance company pensions have a less than glowing reputation so it is easy to see that the new SIPP arrangements can appear more attractive. But beware – there are now many contracts bearing the SIPP acronym that would not completely pass the ‘proper’ SIPP definition above.

Many insurance company SIPPs are cheaper than ‘proper’ SIPPs. The insurance companies manage to offer lower charges partly by limiting the investments into which money can be placed. At its most extreme, the choice may just be from a small number of other insurance companies. While this severely limits investment freedom, it may be suitable for some clients. With such schemes, investment into individual quoted shares or individual gilts is not likely to be allowed.

‘Proper’ SIPPs can invest in almost any listed share, gilts, unit trusts, commercial property and much more besides, including in some circumstances unquoted shares.

Another term beginning to gain currency is ‘eSIPP’. This is actually a brand name of James Hay, one of the largest SIPP providers in the UK. However, the term eSIPP now seems to be used by providers who provide good online access to information about the SIPP. Some providers offer online dealing within the SIPP. It seems that there is no standard definition. Furthermore, many SIPPs that do not use the eSIPP moniker provide comprehensive internet access to their clients. I suspect that, a little like internet-based bank accounts, as the products develop in which providers market a SIPP as an eSIPP, the assumption will be that all dealings and enquiries of any nature will be dealt with via the internet. Such internet-based SIPPs can be offered with very competitive charges. This is presumably because the provider believes that they will cost rather less to run than a more traditional product.

Conclusion

The naming of these products is not uniform and can be confusing. The thing to focus on is the job that you would like the product to do for you. ‘Proper’ SIPPs probably have a certain cachet, but for most of my clients at least are unnecessary expenses. On the other hand, SIPPs that are tied closely to an insurance company are too restrictive for most of my clients. It’s important to pick carefully or buy advice.

Ben Sherwood, Principal, Hillier Hopkins LLP

Has the public sector learnt from the private sector experience of IFRS?

In the following article, Terence Boyle presents a personal view of the introduction of IFRS in the public sector. A summary of the recent IFRS Forum hosted jointly by the ICAEW’s Financial Reporting Faculty and CIPFA will be available in the next edition of the newsletter, and will reflect the Institute’s view on this subject.

Much of the public sector is due to introduce International Financial Reporting Standards (IFRS) in the 2009/10 year. The ‘go-live’ date has regularly slipped – to communal sighs of relief from most public sector accountants. The signs are that this date will be met,

which means that the transition date for the comparative figures has already started (on 1 April 2008), and the strike date for starting full IFRS is 1 April 2009. The second wave of the public sector’s move to full IFRS accounts is due to start in 2010/11. Local government will be one of the sectors in this timetable.

The objective of universal IFRS compliance is to enable accounts to become a universally accepted ‘language’. However, scorekeeping that can realistically be compared both within the public sector and against the private sector is bound to produce some interesting results.

Many IMSIG members have had the experience of introducing IFRS in the private sector. The consensus of opinion seems to be that IFRS usually turns out to be more trouble than most people expect. Those companies that started planning early probably managed to introduce it without too much drama because they had the time to fix any problems that appeared. As a rough estimate, successful IFRS installation projects seem to take around two years.

The following are the key points in any IFRS project:

- Identifying what needs to be done to produce IFRS accounts.
- Integrating the solutions into the Enterprise Resource Planning (ERP) system and processes.

The problem with IFRS, though, is that it is more fundamental than just a simple change of display of the accounts. There are very few pre-IFRS systems that are able to collect all the information in the detail that is needed.

The introduction of IFRS needs to be treated as a project with all the overheads that are entailed in that. Much of the effort should be focused on communication and training. ERP systems allowed the private sector to reduce its expensive accountant headcount a decade ago, but this cannot change the fact that IFRS needs ‘real’ accountants to solve accounting problems. Consultants and IMs are often necessary to fill the gaps, but there is no substitute for home-grown inhouse experts in key IFRS areas.

There will usually need to be additions to the chart of accounts to collect the data in new and often more detailed ways. This is the ideal time in which to introduce simplified processes, but even simplified processes still need training. Good corporate governance needs things such as updated accounting policies and controls. Practical decisions need to be made about how to make valuations and how to identify impairments. One often-overlooked area of IFRS is the effect on management reporting and budgeting, and this takes time to be worked through.

If the old legacy systems cannot deliver that which is needed to produce IFRS, then there is a problem. New systems may be needed, and there may not be time to install them.

IFRS requires a comparative period before the start date, and producing that comparative year often turned out to be a useful learning experience for IFRS project teams, because it helped to establish the true scope of the project. However, the true scope was usually bigger than that in the original estimates.

Those companies that did not start early found that the introduction was a race against time. There was often no time to work through the main system before problems were encountered. Quick fixes became necessary in order to deliver the IFRS conversion. These ranged from reassembling the information in spreadsheets through to the parallel processing of data – but this kind of solution is expensive to maintain.

Public sector staffing structures have proportionately more accounting people available than the private sector, but it is not clear that this will translate into a better 'burst' capacity to produce quick fixes for IFRS.

Detailed guidance on public sector accounting issues has been slow in coming, which suggests that the technical detail of transferring IFRS to the public sector may be more complicated than was originally thought. However, this lack of guidance is going to make the public sector finance director's job just that little bit more difficult.

Part of the problem may be a political one, as the Government has imposed a ceiling on borrowing of less than 40% of gross domestic product. The effect of IFRS is often to gross up any balance sheet with assets and their associated funding. This obviously runs the risk of pushing the borrowing figure above the magic 40% level. Funding the banking system will need new government borrowings that will smash through this 40% ceiling, whatever the IFRS effect is on the Government's balance sheet.

Private sector IFRS experience should be directly applicable to the public sector. However, has the public sector learnt the lessons from private sector experience? 'Probably not' is the simple answer. In particular, it is leaving itself with less time than the private sector found necessary.

This should be a major opportunity for interim managers. There is certainly a threat that the public sector will be tempted to buy its way out of the problem by using the services of the big consultancy firms, so perhaps the present economic climate will convince them to try the more cost-effective option of interim managers.

Terence Boyle

Interims north of the border

The current economic climate presents interesting and challenging times to virtually all of us, whether within private commercial enterprise or in the public and charity sectors.

Gaps within existing management teams, the management of projects associated with business stabilisation, downsizing, and serving existing markets will come.

It could be argued, however, that the demise of major names such as Woolworths and MFI may well be linked to gaps in their own focus, direction and trading conditions that jeopardised their position before the 'credit crunch' even took its hold. In contrast to the experience of Woolworths and MFI, we note the speed at which private equity and investors moved to 'snap up' The Officers Club and Whittards of Chelsea from administration.

There are certainly going to be many good businesses positioned for acquisition at very realistic prices, so the private equity and investor groups will be out in force and the opportunities for interim management service providers to support this activity must be substantial.

We are already experiencing a number of enquiries in this respect in Scotland. The clients are seeking real specialism, and for that reason we have built a comprehensive team, which now numbers 20. The focus is on quality as much as quantity; we need to be able to offer a wide spectrum of unique skills, but experience is paramount.

Each member of the GHRL (Grampian Highland Resources Limited) team has his or her own important role. GHRL's current team of interim managers covers many disciplines including HR, finance, sales, quality, health and safety, process management and IT systems development, with each manager having a proven track record in his/her own specialist field. Business process evaluation and process management highlight where efficiencies in the client's business can be achieved and improvements made to define their ongoing resource requirements – human, financial and operational.

Much of our work is in Scotland, and while in many respects our clients are no different to any others,

INTERIM MANAGERS ANNUAL UPDATE

Thursday 2 April, 16:00–19:45, Chartered Accountants' Hall, London

Book your place at the Annual Update to receive an essential insight into the issues affecting interim managers in the current economic client. With hints and tips on how you can land that assignment, update yourself on tax and legislation developments, and network and discuss crucial issues and concerns with fellow practitioners, the Update will enable you to gain valuable insights into how to make the most of working as an interim manager in the current market.

With a welcome from Chairman **Dennis Cox**, speakers at the event include **Simon Berry**, Interim Assignment; **Simon Marchant-Jones**, Client Services Director, Brooklands Executives Limited; and **Joel Harding**, Principal, Hillier Hopkins. The event will conclude with a drinks reception and opportunities for networking.

Prices start at **£55 + VAT** for Interim Management Group subscribers.

For further information and to book your place, contact **E msdevents@icaew.com**, **T +44 (0)20 7920 8539**

the Scottish market is unique in terms of geographic spread and economics. The Central Belt of Scotland enjoys the bulk of the population base, and the majority of the manufacturing and financial services sector employment. Aberdeen in the northeast has massive economic influence in the global energy and energy services sectors, bringing prosperity, jobs and international export revenues to that region. The Highlands are also a thriving area with not only a positive business heritage, but also their own unique parameters.

Interim management is a cost-effective means of providing resources to achieve corporate objectives. The market appreciates the benefits of known and fixed overheads operating to a specific project plan as much in Scotland as anywhere else.

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T 01667 451595**

System mapping in the public sector

Peter Fraser, Director of Aberdeen-based management systems software company MandOS, here presents his experience of system mapping within the public sector.

Management systems have established themselves as key tools by which managers change behaviour. Any management system is likely to have the following key components:

- Policy formulation
- Objective setting
- Planning
- Implementation and operation
- Performance assessment
- Improvement
- Management review.

It is, however, important that every person involved in a system actually understands it. This requires a simple description (or 'map') of what the system is and how it should work. Any description should make it easy for a newcomer to understand the system, to find the required information and to make changes. You cannot manage or improve until you understand how you operate now.

Processes are the means by which an organisation gets things done. Processes are a sequence of related tasks triggered by an event and intended to achieve an objective. This 'event' can be many things, so a process can be responsive or proactive. For example:

- Responding to an enquiry
- Recruiting staff
- Holding a meeting.

Processes should be planned, which requires resources, skills and management. It can be difficult for anyone

who is used to narrative text to suddenly change their thinking to examine their processes and how they interact with each other. They may not identify what it is that initiates an action and how it is followed through to completion.

The very act of mapping a management system will often cause problems such as discrepancies, contradictions and a lack of clarity to be identified. It is therefore first necessary to clarify goals and then to define the existing processes that achieve those goals, but it can be a challenge to identify who does what, why and how. Maps should be as simple as possible. Complex maps may help their authors to understand the system, but they will almost certainly confuse a casual reader.

The traditional departmental budget and reporting structures within an organisation often seem to introduce conflicts within and between departments. These turf wars can make it difficult for those involved to work together when real-life management behaviour does not match the approach that staff are told to follow. This is more likely to happen if objectives are not clear and policies conflict.

Experience shows that it is not advisable to design a system based on an external model. The ISO9001 'model of a process-based quality management system' has been copied by many organisations without an appreciation of its (significant) weaknesses, but a number of useful models do exist on what are essentially the same key factors:

- The EFQM Excellence Model focuses on enablers (leadership, people, policy and strategy and people and resources), processes and results (people, customers, society and key performance).
- Four McKinsey consultants developed the McKinsey 7S in the late 1970s when researching organisational effectiveness. The 7Ss are: strategy, structure, systems, staff, style, skills, and shared values. To be effective, a high degree of internal alignment is required among all seven. Staff, strategy, structure and systems can be changed in the short term, whereas style, skills and shared values are longer term.
- The American academic Jay Galbraith developed the Star Model, which contains five categories: strategy, structure, processes, reward systems, people policies.

In recent years, there has been some criticism of target setting within the UK public sector. Time and effort have been wasted in an attempt to meet numerous targets, while the reasons for the existence of an organisation are all but overlooked. If objectives, policies and performance measures are contradictory, people may meet one objective while failing to achieve the others. Many organisations still have significant scope for improvement in this area. The process has only just started ...

**Peter Fraser, Director of MandOS in Aberdeen,
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Are Southern Hemisphere accountants in the UK contractors, or interims in the making?

This article uses data extracted from the Robert Walters plc 2009 salary survey.

The current economic downturn appears to have had little effect on the numbers of Australian, New Zealand and South African newly qualified ACAs arriving in London. As the Southern Hemisphere summer draws to a close, we continue to see the highest calibre ACAs find contracting assignments with blue chip commercial firms, SMEs, financial services and public sector organisations across London.

Traditionally, these accountants arrive in London having recently qualified as ACAs from Big Four or mid-tier practice firms. We also see those who have qualified through industry and arrive with less audit or business services experience but more hands-on commercial skills to complement the contract labour pool. We also see many CIMA, CPA and ACCA-qualified accountants making up the temporary workforce.

In the past, the majority of these candidates would be on a working holiday visa and were limited in the length of time they could stay and work in the UK. However, now the majority of professionals have either an EU passport, ancestry or a Tier 1 visa, which is less restrictive and in most cases allows the individual to stay and work in the UK indefinitely, based on a points system.

Most individuals will be hired in a temporary capacity but their positive attitude and impressive results mean that many will be retained for several roles within that organisation. Some will often be offered permanent roles. That is not the end goal for all contractors, as many seek to maximise the number of contract roles in London to get the broadest variety of experience during their time in the City.

At this time of year, many of the roles at the newly qualified level are financial accounting year-end roles, but throughout the year, roles for newly qualified to five to ten years post-qualified accountants in commerce and the public sector include:

- Financial accounting
- Management accounting
- Group accounting
- Internal audit
- Systems accounting
- Project accounting
- Financial analysis
- Business analysis
- Financial planning and analysis
- Excel modelling
- Finance manager
- Commercial finance manager
- Financial controller
- Financial director.

Financial services roles for contract accountants generally sit in the middle office of investment banks. Core roles come under the following areas, but tend to be quite specific within these broad groups:

- Financial accounting (e.g. balance sheet substantiation)
- Financial control
- Management accounting
- Regulatory accounting (FSA, BOE reporting)
- Product control (for a specific book/trading desk)
- Risk analysis
- Operational risk
- Treasury/hedge accounting.

We have noticed that instead of returning home to Australia, New Zealand or South Africa after two or three years in the UK, many ACAs are choosing to stay longer. Many take additional qualifications and progress into more senior finance and project management-type roles. Some of the further qualifications that we have seen ACAs pursue include Chartered Financial Analyst (CFA), Chartered Director (IoD), Institute of Chartered Secretaries and Administrators (ICSA), PRINCE2 or an MBA. The majority of these accountants tend to have extremely strong systems and IT skills and most are open to assignments throughout Europe and beyond.

With experience and proven ability in many contract roles at blue chip companies and SMEs, Australian, New Zealand and South African ACAs progress through the ranks to become interim managers at FD level and above. Having spent their entire time in the UK working on a variety of contract and project roles across several industry sectors, they make very strong interim managers – often specialising in start up, turnaround, IFRS implementation, systems implementation and other related project and restructuring assignments.

Outlook for 2009

We anticipate that the greatest demand in 2009 will be for regulatory reporting, risk analysis, internal audit, corporate governance and core technical accounting skills; however, the uncertainty of the current economic climate provides great opportunity for finance contractors at all levels. Organisations will hire contractors and interims for specific projects and assignments and also as cover for permanent headcount gaps.

Considering also that permanent candidates may be reluctant movers right now, we anticipate a demand for contractors and interims to fill many of these permanent roles in a short-term capacity as well.

(For a comprehensive breakdown of the daily rates that contractors are now earning, please request a copy at www.robertwalters.com/salarysurveyrequest.)

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Women in interim management

Many women have to make a choice in their family-work balance that men generally do not. This forces many well-qualified women to, at least for a while, leave their chosen career paths often at a time when their career demands are increasing.

There are many challenges, both practical and emotional, associated with the career break and subsequent return to work. There is the challenge of keeping oneself up to date with technical and market-place developments, and not least on IT skills. There are also emotional issues to be faced, not least the issue of needing to build up personal confidence. The problem of not belonging to a network inhibits many from knowing where to go to access courses, childcare support and career advice as well as knowing which recruiters and employers are interested in hiring returners to work. But what are the key career objectives for female ACAs? How can we support them in achieving these objectives? How do we as a SIG attract and retain such people?

Evolution is not standing still and business models are in a rapid state of flux. Mixed teams of men and women from a variety of backgrounds are likely to solve real-world problems better than monoculture groups. The current trends in the world economy seem to be a triumvirate of increasing female participation in the paid labour force, the growth of China and the acceleration of the use of new technologies. Those who set up teams in business today should remember these trends.

The present banking crisis seems to be a good example of an old management problem. Businesses might be more successful if their management structure meant that the people who wielded power were those who could produce good long-term profits and not those whose primary goal was to get power.

In most developed countries, it seems that girls now do better at school than boys. More women are getting university degrees than men, and more women than men train as high-end professionals. That means that in years to come, better-educated women will take more of the top jobs, and some might argue that they have an inbuilt advantage in understanding the needs of female consumers.

Women have sought to be treated equally for the last few decades. Equal treatment in the old hierarchical big company game just meant that women were paid less on average than were men because they did not climb so far up the career ladder. But, do female ACAs earn less than their male colleagues because they are consciously making the choice to do so? There is a scarcity of women in the top echelon of finance because not all of them want to compete in the game. The first rule of climbing the greasy pole of the career ladder is working 60 or 70 hours a week. Some women seem to prize another commodity more highly than high-flying careers – having more time. But just because women might not want to aggressively push their way to power does not necessarily mean that they don't want it, or aren't ready for it.

Finance has a particular problem at the present time. Accountants are the handmaidens of capital. The private sector has only offered their employees token benefits of flexible working times and work-from-home options.

They just recruit new people who are prepared to work in the new ways and ignore the old. This will change because the talent pool is finite and talented women voting with their feet will shrink the pool. Where can they go? In the short term, one obvious place is interim management. Younger women will develop into interim managers who particularly value the flexible working conditions.

The ICAEW realises how important it is to inform both individual members and employers of how we can support them throughout the different stages of both preparing and managing a career break. Our challenge at IMSIG is to accommodate all these new entrants with their diverse requirements into the expanding market. We need to know the obstacles to fulfilling interims' potential, and how these obstacles can be removed.

Over the next few issues of the newsletter, we hope to look at the management of a career break, and how to guide and support women interim manager returners in the workplace. Our aim is to help such women to become effective and fulfilled interim managers. These are the people who need to be involved in the future of the Interim Management Group.

BACK TO THE WORKPLACE – NEW DIRECTIONS

Tuesday 21 April 2009, 09:30–14:30
Chartered Accountants' Hall, London

Re-evaluating your priorities and future career options whilst on a career break, or on finding yourself out of work, can be challenging. Open to both men and women, this seminar offers practical and expert guidance to help you to prepare for your return to work, and provides an opportunity to network with finance professionals facing similar challenges. Attendance will enable you to:

- Look at the importance of conducting a career skills audit to make yourself marketable to future employers
- Gain practical advice to help you build up your confidence and get back into the job market
- Network with other members, a recruiter and career advisory staff
- Find out about new developments at the ICAEW to help you return to work and remain competitive.

The programme includes:

- The importance of carrying out a skills audit
- Building up your confidence – getting back out there again
- The job of finding work
- How the ICAEW can best support you.

The price for this seminar is **£50** (plus VAT) for members, and **£70** (plus VAT) for non-members.

For further information and to book your place, contact **T + 44 (0)20 7920 8539**,
E msdevents@icaew.com, or go to
www.icaew.com/index.cfm/route/163567

EVENTS CALENDAR

How to win more assignments (even in a recession)

Interimconnect workshop
Saturday 14 March, South Kensington Central London
Price: £113.85 (includes VAT)
Contact: Mike Measures
T 01428 714367/07879 636307
www.interimconnect.co.uk

Turnaround, restructuring, corporate recovery and insolvency

Tuesday 17 March, 08:30–14:00
Chartered Accountants' Hall, London
Price: Faculty members £39.10 (includes VAT);
Non-Faculty members £51.75 (includes VAT)
Contact: Richard Steele, Corporate Finance Faculty
T +44 (0)20 7920 8557
E richard.steele@icaew.com

New framework for UK company accounts and reports 2009

Tuesday 17 March, 14:00–17:15, Holiday Inn, Garforth
Price: £60.50 + VAT for 1 to 5 delegate places
Wednesday 18 March, 14:00–17:15,
Bristol Golf Club, St Swithins Park, Blackhorse Hill,
Almondsbury, Bristol
Price: £127.50 + VAT for 1 to 5 delegate places
Contact: CCH Customer Services
T +44 (0)1635 588898
www.cchpd.co.uk

Understanding supply chains

Wednesday 18 March, 5.30pm for 6.00pm until
7.00pm, with buffet and networking
to follow, Chartered Accountants' Hall, London
Price: Finance and Management Faculty members free;
Non-Faculty members £23.00 (includes VAT)
Contact: Caroline Wigham,
Finance and Management Faculty
T +44 (0)20 7920 8508
E fmfac@icaew.com

Riding out the recession seminar

Wednesday 25 March, 17:00–20:00
Financial Solution Centre, 1 Temple Row, Birmingham
Price: Free
Contact: Linda Conway
T +44 (0)121 697 7002
E linda.conway@icaew.com

Thursday 26 March, 16:30–18:00
Bristol Golf Club, St Swithins Park, Almondsbury, Bristol
Contact: Trudi Coles
T + 44 (0)1566 86090
E Trudi.Coles@icaew.com

Interim Managers Annual Update

Thursday 2 April, 16:00–19:45
Chartered Accountants' Hall, London
Price: £55 + VAT for Interim Management Group members
Contact: MSD Events
T +44 (0)20 7920 8539
E msdevents@icaew.com
Telephone bookings: T +44 (0)1908 248 159
(Mon–Fri 09:30–16:30)

Security

British Computer Society (BCS) Consultancy Specialist
Group (CONSG)
14 April 2009, details TBA
Contact: Rajan Anketell
E rajan@anketell.com

Interim Management Dining Club

Thursday 16 April
Honourable Artillery Company, London
Price: £65 + VAT
Contact: Mrs Pippa Shove
T 01306 882020
E info@imdc.info

Financial reporting update for members in business, including IFRS

Tuesday 21 April, 14:00–17:00
Aerodrome Hotel, Purley Way, Croydon
Price: £65 + VAT
Contact: Jacquie Fairclough,
Croydon and District Society
T +44 (0)20 8763 6261
E jacquie.fairclough@icaew.com

Companies Act and practical money laundering

Tuesday 21 April, 17:00–21:00
Finchley Golf Club, Frith Lane, London
Price: £45 in advance, £50 at the door
Contact: Mrs L Graichen, North London Society
T +44 (0)20 8452 2684
E administrator@nlsc.org

Using spreadsheets to work smarter not harder

23 April, 9:30–12:30 Chartered Accountants' Hall,
London
13 May, 14:00–17:00 Somerset County Cricket Club,
The County Ground, Taunton
20 May, 14:00–17:00 Dunston Hall Hotel,
Ipswich Road, Norwich, Norfolk
21 May, 14:00–17:00 The County Hotel,
Rainsford Road, Chelmsford, Essex
Contact: Victoria Betteridge T +44 (0)20 7920 8481
E victoria.betteridge@icaew.com

Income shifting 2009

Tuesday 28 April, 14:00–17:15, Manchester
Contact: CCH Professional Development
T +44 (0)1635 588898
E customerservices@cchpd.co.uk

Using management information and KPIs effectively

Thursday 30 April, 09:00–12:30
Holiday Inn, High Wycombe
Price: From £38 + VAT per place
Contact: Christina Brook
T +44 (0)1737 223999 E christina@sesca.co.uk

Group accounting workshop

Thursday 7 May, 09:30–12:30
Liverpool Law Society, The Cotton Exchange Building,
Second Floor, Edmund Street (off Old Hall Street),
Liverpool
Price: £55 + VAT (£63.25)
Contact: Alex Pilkington T +44 (0)1942 497015
E alex.pilkington@icaew.com

E-business and technology update

Tuesday 12 May, 14:00–17:30
Stage Hotel, Leicester Road, Wigston, Leicester
Contact: Vicky Nicholas, Leicestershire and
Northamptonshire Society
T +44 (0)1604 821558 E vicky.nicholas@icaew.com

Personal liability for officers of companies 2009

Thursday 14 May 2009, 09:30–17:15, Manchester
Contact: Customer Services,
CCH Professional Development,
E customerservices@cchpd.co.uk

Mental toughness

Thursday 14 May, 14:00–17:00
Deloitte, 1 Woodborough Road, Nottingham
Contact: Elaine Franklin, Nottingham,
Derby & Lincoln Society
T +44 (0)1773 811010 E elaine.franklin@icaew.com

BSCA seminar – legal issues regarding restructuring a business

Wednesday 3 June, 13:00–14:00 Mere Hall, Bolton
Price: £17.62 includes VAT
Contact: Celine Macdonald-Matti, Bolton Society
T +44 (0)1925 661 858
E celine.macdonald-matti@icaew.com

In the meantime, readers may find the ICAEW's 'Narrowing the Gap' programme a useful resource. It focuses on helping to support our members in preparing for a career break, returning to work after a career break, and with their career progression thereafter. Go to www.icaew.com/narrowingthegap.

A new interim institute

The Interim Management Association has just launched the IMA Institute (www.ima-institute.com/), a new membership organisation for individual interims.

Many redundant executives are currently turning to short-term interim work, which can have the effect of depressing market rates. Individuals seeking short-term solutions to longer-term employment needs may not always bring to bear the skills that are required of a career interim manager.

Thus, it has never been more important to set professional benchmarks and guarantee the standards of individual interim executives.

Through the strict entry criteria of the Institute, accountants who are joining the new organisation will be able to demonstrate that they are career interims rather than filling in between permanent roles.

The IMA Institute offers a distinct class of membership to avoid any conflicts of interest between individual interims and service-provider members. Further, the data is ring-fenced and not accessible by any third party or company member of the IMA.

The IMA Institute is working with leading organisations, including the Open University (OU), to provide a suite of tailored, executive development courses. The OU can provide targeted development ideally suited to interim managers.

Another partner is Saville Consulting, which has completed academically and statistically validated research on benchmarking successful interim managers. For the first time, interim managers can accurately measure their professional competencies against the industry standard. The IMA Institute will be working closely with both parties to ensure that programmes are developed to meet any needs that are highlighted through this research.

IMA Institute membership also includes a range of insurances (including professional indemnity insurance), legal and IT support, as well as a professional membership website carrying the latest industry news and information. Much of this venture represents an industry first.

The IMA Institute's close links to the IMA and the Recruitment and Employment Confederation will also ensure a powerful lobbying voice with the UK Government on a range of issues relevant to interim managers, not least the recent legislation on money laundering.

Graham Shove, business development director of accountants Competex, one of the IMA Institute's partners, says: 'I think there are significant advantages for accountants operating as interim managers who can use the IMA Institute logo and letters after their name. It indicates a high level of professionalism of their core interim skills that will put them in front of others, particularly at a time when the market needs clarity and reassurance.'

The IMA's immediate-past chairman, Nick Robeson, adds: 'The IMA steering group has been working hard to bring the IMA Institute to fruition. It provides individual interims and their client organisations with professional guarantees that have been robustly tested against high-level criteria.

'As the interim industry continues to grow and develop, the IMA Institute will play an increasingly important role in establishing, maintaining and improving professional standards.'

To sign up for the IMA Institute or find out more, go to www.ima-institute.com.

David Harries is managing director of IM Training, which manages the IMA Institute as an outsourced provider for the Interim Management Association

Strategic accountancy: making the numbers really add up

Strategy and accounting: could two words taken together produce more yawns from business managers?

Accountancy has long laboured under the arcane 'bean-counter' image. Accountants are seen simply as bearers of financial news – and frequently not always good news. But psychology also plays a part in this perception – accounting departments are seen as control oriented rather than ones that are looking for growth opportunities. Moreover, accountants are often too 'inwards-focused', concerned more with this company's numbers and not enough on comparing the numbers with those of the competition.

Yet, we don't need to spend too long trying to understand why this situation has arisen. In part it is due to accounting departments that are content to see themselves simply as reporters. But perhaps the biggest culprit may be senior management and its strategic governance processes.

When the financial focus is on simply accounting for profit and cash flow, rather than understanding what has caused certain results, then we are heading for trouble. What is needed is to reinstate accounting to its rightful place – one of the key pillars on which strategic thinking ought to depend.

What, however, are the tell-tale signs that accountancy is falling down on its strategic role? Apart from those mentioned above, look out for instances:

- where decisions about key business directions are taken without reference to financial performance indicators, such as cash flow and profit;
- where accountants report to strategy meetings but are not asked to explain the business trends that might have generated the numbers;
- where marketing departments develop strategies without road-testing these in financial terms; and
- where senior management is willing to sign off new strategic moves without forecasting the impact in terms of value creation.

Changing this benighted view of accounting will require effort from more than the accounting department. Just

as marketing staff need to be able to discuss the company's financial results, so accountants need to be able to debate the organisation's marketing strategy. Serious effort needs to be made to understand each other's language. The following are some initial actions to consider:

- Institute a change programme at board level to ensure that future strategic governance can deal more effectively with corporate accounts.
- Revamp accounting departments to provide insightful information about what is happening in the business.
- Build stronger links with the providers of customer and market management information in the company.
- Build financial models that explicitly connect strategy to financial impacts.
- Build training courses on key financial measures for the other departments in the company.

Such efforts will pay off over time. The captain of a naval destroyer understands exactly the capability of the engine room and where the precise application of horsepower will have the most effect. Accounting departments need similarly to see themselves as guardians of the information that drives the engine room of the business.

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Interimassignment.com

If you had just finished an enjoyable and well-paid interim assignment and knew that you would be starting the next one in two months' time, how great would those two months be?

Unfortunately, however, the life of an interim is rarely so predictable and many interims say that the time between assignments can be very stressful, and that trying to secure the next contract can be extremely hard work.

An effective personal marketing strategy will make a huge difference as to how you perceive these 'gaps' and will also make a huge difference to the quality of your assignments and the fees that you are able to charge.

In order to succeed as interims, we need to be able to:

- Have meetings with decision makers who have an urgent and important issue that we believe we can help with.
- Perform in those meetings so that we are offered the assignment (though we may choose not to take it if it doesn't meet our criteria).

How to get meetings

Remember, your objective is to meet with people who have a specific issue that you believe you can help them to address. Therefore:

- Segment the market and identify your target market(s) – those companies and people who are likely to be facing issues that you can help to resolve and where

you would like to work. You may have more than one target market, but don't have too many.

- Develop a compelling value proposition. There should be a separate proposition for each target market. People like to buy from specialists, so your proposition should position you as just that.
- Identify multiple routes to market and select those that suit you best – for example, service providers, PR, conference speaking, network groups.
- Take action – make the market aware that you exist and that you specialise in helping address the common issues faced by companies like them. Network, network, network.

Performing in meetings

Meetings are as much opportunities for you to qualify the client as they are for the client to qualify you, but you will demonstrate your competence more by the quality of questions you ask than what you say about yourself. As an outside, objective 'expert' you can often uncover factors that the client had never even thought about:

- Ask questions that help you AND the client to gain greater clarity on the situation that they face and the likely causes.
- Ask questions that help you AND the client to gain greater clarity on the impact that the situation is having on other parts of the organisation and their business overall.
- Ask questions that help you AND the client to gain greater clarity on what needs to be done (ideally involving you and your unique skills and approach!).

Taking the above approach should result in more meetings and more offers. Clients will see you as being able to truly add value to their business and should pay accordingly. It should mean that you can overcome much of the feast and famine experienced by many interims, which will enable you to enjoy your time between assignments much more. Good luck!

Simon Berry, sales and marketing coach for interim managers, T 01844342239, www.interimassignment.com

TAKE PART IN THE FUTURE OF YOUR COMMITTEE

The Interim Management Group committee welcomes applications from group subscribers who would like to be involved with its future activities.

While requiring a certain time commitment and attendance at four committee meetings annually, joining the committee is a rewarding opportunity to participate in the development of the group, to work with other like-minded professionals and to make a difference in the field of interim management.

If you are interested in applying to the committee, please email your CV and a brief explanation of your reasons for wishing to join to E.sigs@icaew.com.

And finally... a project manager's story

I was just finishing a job in the public sector. Stephen walked into my office with anger written across his face. He was a dyed-in-the-wool public servant, with a deep suspicion of the private sector. But now that he knew that I was on my way out, he had become quite friendly.

Of course, at the start of my assignment, he and most of his colleagues had moved heaven and earth to be obstructive. The organisation had had a series of high-profile project disasters in the past. As a consequence, private sector contractors now ran all the projects and then handed them on to an outsourcer to run the finished systems.

It was clear that my project was not going to get off the ground unless I received a lot more co-operation, and I therefore decided that helping the organisation with its strategic exercise to identify new roles for its superfluous staff was the only way to get their co-operation.

It was actually fun trying to think up new things for them to do. My best idea was for them to become Business Change Agents in achieving their strategic objectives. The runners-up in the ideas stake were services brokers specialising in contract negotiation and controllers of the outsourcing resource.

Our joint paper successfully made its way through the corridors of power. There was to be no headcount reduction for the moment. The organisation relaxed with this good news, and co-operation with my project was established.

Stephen started talking: 'I have been ordered to go on a project management course. It is all the fault of your idiot private sector project manager colleague in Project Grayling.

'He started off by trying to find out what the project was supposed to deliver. He then insisted in writing a business case. Most of us just ignored him. Sadly, he convinced poor old Greg and a few others to buy in to his new methods. He produced a project plan with high-level targets and weekly KPIs. Of course, it was a disaster.

'He started to blame people for not doing things. We had quite a problem with him because he kept waving these signed user requirements in the project meetings. Old Greg became the fall guy and he was moved to another department.

'When we saw what was happening, we all started to ignore him. He struggled on for a while, but finally got the push when the project collapsed. He spent his last few weeks writing a character assassination of all of us on the project.

'I have just come from a project debrief with our external consultants. They have to be seen to do something after the failure of another project. So it seems that we are all being sent on project training courses with exams at the end.'

But I was not listening to Stephen; my project was still on track. That week helping them to find new roles for their staff had certainly been time well spent.

Contributed by an IMSIG subscriber

TURNAROUND, RESTRUCTURING, CORPORATE RECOVERY AND INSOLVENCY

**Tuesday 17 March, 08:30–14:00,
Chartered Accountants' Hall, London**

This case-study led event to be held by the Corporate Finance Faculty presents positive case studies and discusses practical steps to take in the current uncertain financial climate. It aims to provide businesses with the following practical information and advice:

- What warning signs should you be looking out for?
- What steps can you take when your business runs into difficulty?
- Possible options explained – understanding the process of insolvency or IVAs.
- Accelerated M&A – what does this actually entail and what options are available?

Intended for senior executives looking for opportunities and practical advice to turn their businesses around in these difficult times and turnaround/insolvency specialists to discuss practical steps and share best practice, the event will provide a practical understanding of the turnaround, corporate recovery and restructuring process, whilst giving real examples from successful case studies.

The cost for Corporate Finance Faculty members is **£39.10 (inc. VAT)**, and **£51.75 (inc. VAT)** for non-Faculty members.

For further information, contact Richard Steele on **T +44 (0)20 7920 8557** or **E richard.steele@icaew.com**.

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Dennis Cox, Chairman **Terence Boyle**, Editor

Group subscribers can access further information at www.icaew.com/interimmanagement.

This newsletter is emailed quarterly to members of the Interim Management Special Interest Group.

Information on joining this or other special interest groups is available at www.icaew.com/sigs.

If readers are interested in contributing to this newsletter, please contact barbara.hale@icaew.com.

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