



# The ROI of Interim Managers

1st Interims, from 1st Executive, produce a strong return on investment. While retainers may appear higher than a full time executive salary, the ROI will often be between \$5 and \$20 for every dollar invested. The example below uses a mid level position as a comparison (\$200,000 salary). The temporary engagement of high level skills to meet a particular business challenge is where interim managers really come into their own.

Issue	Cost	Why?
Four month delay in finding a new permanent employee, plus a fast 3 month recruitment cycle based on \$200,000 base salary	<b>\$515,000</b>	Total employment costs will typically be two thirds of operating expenses or one third of gross profit. Employees should produce 3 to 4 times their employment cost to breakeven. The calculated cost of a four month recruitment delay on top of a three-month recruiting cycle is a high and executive salary and while this may not be immediately felt, it will occur.
Speed of delivery/results	<b>\$450,000 to \$2,000,000</b>	Throwing a busy executive team at a new project typically has less than a one in four chance of success. There is a very short familiarisation process for Interim Managers who are accustomed to delivering results in the area of specialisation quickly. No politics, no fluff, just outcomes.
Value of impartial advice	<b>\$75,000+</b>	With no long term career aspirations with your organisation, they tell it how it is, not what they believe you want to hear.
Value of an overqualified executive	<b>\$75,000+</b>	We deliberately source a rank above the task at hand, 1st Interims have seen the issues and dealt with them before and understanding how to act is something they already have in their toolkit.

## Cost Benefit Analysis

Assume a four month contract at a net client cost of \$2000 per day compared to a \$200,000 base salary	<b>up to \$355,000 saving</b>	On the costs above, and without costing in impartiality and over qualification – the ROI on the 1st Interim is between 4 and 18 times cost – with no ongoing employment obligations or associated risks.
Management Consulting Comparison	<b>\$320,000</b>	At an equivalent level, and with the likelihood that recommendations would be produced that still needed to be acted on, a day rate of \$4,000 a day is mid market – double the cost.

### 1st for Value

Even with charge out rates between \$800 and \$3,500 for a very senior executive, when the true cost of employment (salary, recruitment, bonus, annual leave, payroll tax, motor vehicle and more) are considered, 1st Interims provide exceptional value. Their engagement is also contractually results based.

### Quick Study = Fast Results

1st Interims are quick studies (we assess them) and, with their experience they get to the heart of a business opportunity and turn it into results quickly. No long induction, no unnecessary cultural familiarisation, and a level of experience and action orientation that delivers outcomes quickly.

### Experience and Objectivity

Finally, how do you value objectivity and impartial advice? 1st Interims are neither trying to extend a consulting engagement nor prolong a career with you. As a result, they are not looking for new things to sell and certainly won't be second guessing what they think you may wish to hear – they will call it as they see it.

### Low Risk

Through IXPA we access a global network of executives and partners to supply experienced Interim Managers to organisations who operate around the world.