

Budget Cuts Research Uncovers 40% Potential Drop in Day Rates by Interim Executives in Public Sector

Submitted by: Blue Click PR Limited

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Budget Cuts Research Uncovers 40% Potential Drop in Day Rates
by Interim Executives in Public Sector

- Benchmarked response to Public Sector swingeing budget cuts
- 83% Interims agree to reduce 2009 day rates
- 53% consider reductions of 10% to 24%
- Cuts bandwidth from 0% to 40%
- Interim Executives not entitled to redundancy

30th July 2010, London, United Kingdom – With government waste and budget cuts under heavy discussion, IMS Executive Ltd. (<http://www.ims.uk.com/>) surveyed 2,000 Interim Executives with Public Sector experience to check their willingness to charge lower day rates. The research provoked strong reactions since many interims had already cut rates to the bone in 2008/2009. Of those in the £500 to £900 day rate bracket, 53% would consider cuts of between 10% and 24%. The average reduction was 14%. At the lower end, a few interims would consider huge reductions of up to 40% to keep working. For research findings and opinions see http://www.ims.uk.com/downloads/attitude_survey.pdf

Defending their position on the grounds of exceptional value for money, the most highly specialised Interim Executives argued vehemently against cutting day rates at all, describing it as shortsighted. Their proven track records point to change management projects where they repeatedly saved the government millions of pounds.

IMS Executive Ltd. (<http://www.ims.uk.com/ims-solution.asp>) is a Buying Solutions (<http://www.buyingsolutions.gov.uk/>) Supplier of Interim Executives and according to Sales and Marketing Director, Tony Shearing 'This week when Francis Maude (<http://www.dailymail.co.uk/news/article-1298009/Civil-servants-job-expensive-make-redundant.html>) highlighted the enormous financial cost to taxpayers of senior civil servants who cost too much to be made redundant (<http://www.guardian.co.uk/politics/2010/jul/27/civil-servants-too-expensive-redundancy>), it makes even more economic sense to take on skilled interims for short-term, specific tasks. They are not entitled to employment benefits such as redundancy pay!'

There is a general misconception that interim executives are overpaid, however, when all factors are considered, interims cost-effectively help organisations achieve specific, measurable objectives.

Mr. Shearing continues 'Interim executives are a breed apart from permanent staff. They have unique skills, insight and experience in change and project management and the key benefit is you acquire an individual who is accountable for delivery'.

Since interims carry none of the on-costs of permanent staff, they are not expensive. They do not get statutory employment benefits such as NI contributions, health insurance, public sector pension contribution, holiday & sick pay, and redundancy.

Tony Shearing states 'In a bid to cut costs, an error some government departments make is to second permanent staff into change management roles for which they do not have the skills or experience. Research shows that only a third of public sector change projects achieve all their objectives, on time and on budget. Getting permanent staff to implement change-management projects is like getting firemen to sell ladies' underwear! They are just not trained to do it so why would anyone take the risk?'

He adds 'Perhaps instead of asking how little they can get an experienced interim to work for, a far better question for clients to ask would be; 'which candidate offers the best value for money?'' The best are worth their weight in gold because they know how to achieve the desired results and hence justify the client's investment!'

From research feedback, those interim executives against cutting day rates argued that such a move risks compromising or delaying projects. A classic example of false economy is a public sector client who knocked a quarter off the day rate versus 2009 rates. After twice going through the full interview process, they still failed to attract a person of the right calibre at that day rate, wasting hundreds of man-hours (and taxpayers' money) in the process.

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Word count 575

Weblinks:

<http://www.dailymail.co.uk/news/article-1298009/Civil-servants-job-expensive-make-redundant.html>

<http://www.guardian.co.uk/politics/2010/jul/27/civil-servants-too-expensive-redundancy>

Editor's Notes'

Interim Executives are not Consultants

Definition; Interim Executives are hired for short periods to implement change projects which Clients define or Consultants define for their Clients. Interim Executives are implementers, Consultants are advisors. Interim Executives have high-level change management or project management skills and experience, which permanent staff do not normally possess.

IMS Executive Ltd. is a provider of interim executives to public and private sector organizations with headquarters near Tewkesbury, Gloucestershire and an office in London. It was established in 1993 and has over 5,000 interim executives and independent consultants in its executive network. IMS Executive Ltd. has an ISO 9001 accredited Quality Management System for the supply of Interim Executives and Management Consultancy.

IMS Executive's client list includes The Home Office, Department for Transport, Office of Government Commerce, Department of Health, Peterborough City Council, GE Capital, HSBC, iSoft Plc, Bradford Teaching Hospitals, Avery Berkel, Affinity Sutton Housing Group, EDF Energy and Eli Lilly.

Previously, Managing Director Chris Benbow was an interim executive and a director in the NHS and in the

construction industry.

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