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Interim management in 7 phases

Based on my experience, I would split an interim management assignment in 7 phases as described below:

- Phase 1: Select the manager and confirm the assignment by the manager
- Phase 2: Prepare the assignment
- Phase 3: Operational start of the assignment
- Phase 4: Observe, analyse ... and navigate at sight
- Phase 5: Define the action plan
- Phase 6: Execute and communicate the action plan
- Phase 7: Transfer of power.

Phase 1: Select the manager and confirm the assignment by the manager

Clients often search an interim manager during a crisis and in the shape of a "rare breed". They are looking for a man or a woman with a good knowledge of the market, trade and type of company he or she will get into, able to quickly impose themselves on the existing staff and to improve a sometimes desperate situation. In reality, they will have to make do with a manager getting not even near to the defined profile, thus they should concentrate on the typical abilities of an experienced interim manager: to quickly adapt and analyse, to work autonomously, to be result oriented and stress resistant, to be communicative...

On the other part, the transition manager must clearly understand the objective of his mission, potential deviations, the means at his disposal and he must get information, directly or indirectly, about the company he gets involved with. He must carefully examine the contract, particularly the clauses of non-competition and end of contract.

Personal experience: All assignments I carried out strongly deviated from their initial definition.

Phase 2 : Prepare the assignment

The preparation of the mission, for example during preliminary meetings held at the headquarters of the company should be regarded as "silence before the storm". The interim manager should use this time to gather information on the market, the structure of the company or the services he will be responsible for, the operational rules, the current businesses and especially the staff he will have to manage. Once in the heart of the subject, he will have to quickly get his own opinion on many issues and persons; thus, all the information previously gathered will make this work easier for him.

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Personal experience: The "Untouchable" n° 2 of a company which I managed was a master of deception. His ability to embellish the worst situations was as effective as destructive. As I had been warned of him during the preparatory phase, I was able to double check any information provided by this manager from the first day of my mission. I thus could increase efficiency by systematically using other sources of information.

Phase 3 : Operational start of the assignment

The arrival of the transition manager in the company is a key moment. It is well-known that the first impression left on people cannot easily be modified and the duration of an interim mission seldom leaves him time to correct a wrong impression. Therefore the new manager should prepare his arrival well to ensure that his appearance, his first actions and words will be adapted to his role and his environment. For example, a turn around manager should rather drive a small car and wear a classic business suit but use his words and gestures to leave an impression of authority and serenity ("I am there to impose difficult changes and I carry the future").

He will have to quickly implement the first levers of power: set up a management committee, build a circle of trustworthy people who will be his sources of information and relay managers, establish a dashboard on the evolution of the market sector he is responsible for and its environment, etc...

In this third phase, he quickly imposes his mark by setting the first rules and by taking some safe decisions.

Personal experience: In the case of a company in jeopardy, one can quickly improve the situation if there is a lack of important rules or if these are not applied correctly. For example, by simply establishing a checking procedure for price quotations before sending them to customers, I was able to quickly eliminate a source of potential losses and became essential in a key function of the company.

Phase 4 : Observe, analyse ... and navigate at sight

When the circumstances are favourable, the transition manager takes some time to study the environment he is in charge of, before determining how to achieve the defined goal.

Therefore, ideally, a general manager interviews all managers of departments or in key positions of the company, visits representative customers, factories and departments, gets in contact with all the staff, at least by greeting them, if the company size allows this, he attends, - first as an observer - important meetings, takes note of key information on the market, the sales, the financial situation, the visibility and the way the company operates, etc... All information gathered is oriented towards the defined objective.

Actually, the clients, the employees or the circumstances often do not leave the transition Manager enough time for this constructive approach. He must often act quickly. He may even have to take important decisions right from the first day. In that case he must do everything at once and to the best of his abilities - manage, observe and analyze the company in order to be able to get to the following phase as soon as possible.

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Personal experience: Freshly appointed as the manager of a subsidiary that needed to be put back on its feet, I was absorbed immediately by the management of customer projects in serious and complex situations. By managing these problems, step by step, I quickly forged myself an experience and a legitimacy which enabled me to propose and apply radical solutions to put the company back on its feet.

Phase 5 : Action plan definition

In my eyes the action plan is a diverse weapon. It helps to synthesize the list of issues to deal with and the actions to take, to appoint the people responsible for these actions and to fix the completion dates. It is also a means to actively involve staff and to show the client that the situation is getting under control and put on the right tracks.

The action plan must be a mix of ideas from the transition manager, bringing an external point of view and expertise, and the best ideas from his staff who will feel valued when their opinion has been taken into account.

A few weeks should be sufficient to establish a complete action plan, but there too, experience shows that sometimes circumstances need very quick reaction and that, particularly in times of crises, action plans are often questioned by unforeseen events and priority changes. It is very important though that at least some actions with strong impact are carried out as soon as possible.

Personal experience: From various methods learned through my contact with Toyota, while working on a turn around mission for one of their suppliers, where I was in charge of the Asian customers, I especially apply the method: "3 times why?". Confronted with a dysfunction, this method forces the group of people concerned to ask the question "why?" three times. This helps to find the real reason of the problem in the first answers and then to be able to define an effective action plan.

Phase 6 : Execution and communication

Once the transition manager has established his leadership and the action plan has been announced, he needs to prove himself. Indeed, there will be many occasions of potential leadership loss and of stagnation of parts of the action plan: more or less open opposition from certain people, return of old habits, diminishing support of the client, sudden turn of the company, an overloaded schedule of the transition manager, etc ...

The action plan must remain the axis of the assignment. It can be adapted if some actions prove irrelevant, unfeasible or with an unfavourable "impact/necessary means" ratio. The regular publication of its progress, at least every 15 days, is vital to tame the unruly and to show the team as well as the client the progress made to reach the objective.

A transition management period often traumatises the personnel, thus the transition manager should make sure that all people concerned receive correct and regular information: the important managers, their teams, the staff representatives, other entities of the company or the group, etc... Of course, a weekly meeting with the client is essential.

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Personal experience: As a director of a factory with about hundred employees, I had to deal with 5 trade unions, with aggressive claims and in permanent opposition to management decisions. I set up an action plan to permanently improve the situation step by step (see "Kaizen" Philosophy, p5 TBM) which involved the personnel and which could be pulled through without opposition from staff representatives and even with an active participation of some of them. Their involvement contributed to the good results of the action plan and limited the number of their claims.

Phase 7 : Power transfer

As indicated by its name, an interim or transition management assignment consists in facilitating the transition from one situation to another, for example from a state of crisis to a stable environment, or from the absence of manoeuvrability to a controlled situation.

Once the objective has been achieved, the transition manager finishes his mission by transferring to the succeeding management all his knowledge regarding the entity he was in charge of, the progress report of the action plan and his advice for the future. This task is an integral part of the mission and in general, works better than an unaccompanied transfer of his role to a manager who is often already speculating to get the open position.

Personal experience: I finished a turn around assignment of a company by searching and selecting the new General Manager, then trained her and transferred the tasks to her. She implemented the final stages of the initiated action plan, which enabled the company to be profitable in the following year.



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