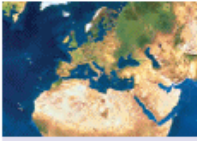




4TH EDITION

ORGANIZATIONAL
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GOING GLOBAL

Interim management in France, the UK and Ireland

Interim management started in Holland during the 1980s as a means of circumventing the strict regulation of employment and labour. It is developing rapidly across Europe as a way of either tackling a specific issue or temporarily filling a gap. It is, however, a grey area not yet well understood and is often confused with consulting or contracting. In the UK the market for such services has grown from about £75m in 1995 to around £268m in 2003. It should be seen as less reactive and more of a proactive, added value management approach, according to Richard Lambert, chairman of the Interim Management Association.

CEO Europe started in 2001 as a key facilitation company for temporary, interim and permanent senior executive appointments across Europe. They have many clients and interim managers based around the world and can react to a request for an interim appointment at short notice. One major assignment in January 2007 was for a company called Glowria, the French number one online video rental and video on demand (VoD) provider. Glowria was looking for a senior manager capable of quickly returning it to profitability. The gap between the business plan and what Glowria was actually achieving was widening, with a resulting loss of confidence in the existing management team among investors. Glowria's shareholders and directors decided to entrust the company to an interim manager with the clear brief of turning the company around or closing it.

Within 5 days of the request for assistance, CEO Europe presented Glowria with a short-list of candidates that matched the project profile. The successful candidate, Eric Caen started his mission on March 15th. Eric had the ideal profile to help Glowria. He founded the video games company Titus Interactive at the age of 19 in 1985 and by 2000 it was ranked 3rd in Europe and 7th worldwide with over 700 staff and a turnover of more than 175m Euros. He was also nominated entrepreneur of the year in France in 1998. When Eric arrived, the situation at Glowria was as follows:

- Turnover was stagnant at 5.8m Euros.
- Financial losses were high and cash-flow was a problem.

- The staff were demotivated and either defiant or even hostile towards his arrival and the purpose of his mission.
- Existing and potential commercial partners were worried about future business prospects, getting paid, etc.

Eric quickly developed a strategy to turn the company around that was based on:

- Structure – reorganize the business; convince – management and staff that success was possible; motivate – managers and staff to turn the business around.
- Getting back into positive growth.
- To make the best possible start by showing himself (and his senior managers) as organized, firm, decisive as well as clear in their direction and intention to succeed.
- Develop a relationship of trust with the staff. Based on keeping them informed and reassured – intended to find and build a consensus for the company, its activities, processes and future.
- Remotivate all the levels of employee and manager to regenerate a dynamic of achievement of immediate commercial results.

The company was managed out of the crisis within 7 months, the results being:

- The turnover increased by 20 per cent to reach 7m Euros.
- All employees were retained within the company.
- The company stopped its loss making activities in Germany (DVD Germany) and intensified its commercial efforts in France (DVD France and VoD as White Label products).

In June 2007, Eric agreed a strategic partnership with Netgem intended to create business leads. Uniting their competencies permitted both companies to expand their commercial boundaries. Glowria also succeeded in signing agreements with new major partners over that summer, including Fnac.com, Neuf Cegetel, Dartybox, SFR and Allocine. Towards the end of 2007, Netgem proposed an exchange of shares with Glowria. Eric had to convince Glowria's shareholders

of the benefits of joining with Netgem - a company quoted on the stock exchange. The deal was finalized in December 2007 with the takeover of Glowria by Netgem, Glowria being valued at 18m Euros – a measure of the success of the project.

Alan Charlesworth is also an interim manager who spent 9 months on one assignment seeking to consolidate a business in order to make it profitable. This involved closing either the London or Dublin office. The job involved keeping everyone onside, dealing with people's natural concerns and sensitivities as well as maintaining operations during a period of dramatic change. The job involved split weeks between London and Dublin, living in hotel rooms for much of the

time and working long hours trying to overcome initial resistance and concerns.

TASKS

- 1 Which (if any) style of management would it be appropriate for interim managers such as Eric and Alan to adopt in these situations and why?
- 2 Could the contingency approach to leadership offer a better explanation of how to approach leadership in this situation? Why or why not?

Sources:

<http://www.ceo-europe.com>. Accessed August 2009. www.glowria.fr (accessed August 2009).

Mann, S (2003) Working away. *Professional Manager*, May, pp. 29-32.