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leaders.com

*Change is the law of life.
And those that look only to
the past or present are certain
to miss the future.*

~ John F Kennedy

Competition is global. Constant change and improvement are increasingly imperative.

Finding the 'right' experienced board level independent director for you to help lead successful transformation is a task we relish.

Making a real difference in this process is something we have been doing in a unique and collaborative way since 2000.

Every transformation project is special. Every organisation has a unique culture

Finding the 'right' experienced senior board level independent is key, against the alternative cohorts of expensive big brand consultants with their focus on their revenue rather than their clients.. It means...

Lower risk

Lower costs

Better returns on investment

For you – happiness with a complex task – well delivered.
And for us, repeat business and referrals, which is why,
when others more expensive fail, we prosper.

Senior board level independents represent a unique resource

They are not interested in taking board level employed roles again

They know they are more effective for their clients as independents prepared to 'speak truth to power'.

They are paid on a 'return on investment' basis by their clients. Daily rates are the vehicle by which agents work on which agents (often large) daily margins are then added. Always best to start with an overall project estimate. X days at Y – to deliver Z 'value'.

These senior independents are not daily rate interim infillers or 'bolt ons' to big consultancy projects. Again carrying large 'middle men add ons'.

These high quality board level independents are hard to find

Since 2000 we have constantly filtered the changing resource out there.

From the outset we have always looked after a finite number of experienced senior board level leaders who love helping hard pressed MD's and boards achieve fine, cost effective transformations.

In Malcolm Gladwell's seminal chapter in 'The Tipping Point' of the power of numbers in effective groupings he identified 150 as a key number beyond which organisations become less 'personal' and quality of experience both with clients and candidates can suffer. This finite number has always been key to our operational philosophy.

The end result is a faster, better process. No client has the time to wade through lot's of 'might be's' in interview. Classically an MD needs a high grade shortlist interview of three. All keen to win the project.

Happy Clients

Since 2000 we have successfully served a wide range of clients from the very big corporates, at board level, like Vodafone, Panasonic, Tata, DCC Flogas and GB Oils, Yeo Valley and DHL.

To private equity like The Stationary Office to ambitious mid sized companies, to the Public Sector like Ordnance Survey, The Legal Services Board, the Solicitors Regulator, to Business Schools like Henley.

Some £4M of project fees for our people. Many millions of ROI. We even do interesting single senior independent strategy surveys too to work with a key decision maker seeking a fresh look at strategy. It all starts with a conversation. **Just ring the MD on 020 7830 9663.**

Knowledge and fresh insights drive successful transformation

Since our formation in 2000 we have always paid special attention to continuous professional learning and development for our members.

Since 2001 and at the end of every month we publish a private members newsletter usually about 12 pages covering relevant news, videos and slidesets, some of which can be viewed in our website www.transformation-leaders.com. The cloud archive for these newsletters runs to nearly 2,000 pages so far.

Our extensive members and client networks allow us to run around 7 significant 'insight events' in London each year. Some examples include Globalisation of Energy (and climate change). The Public Sector Business. Globalisation of Banking. Globalisation of Health. Globalisation and Data – followed by insights into digital security in mid 2016.

Both clients and our members and guests very much enjoy planning and putting our minds to what might be coming up in terms of transformational change. We live in a global and highly competitive village. Standing still and not innovating is very rarely an option for long term survival.

Achieving 'measurably better for less' is the key transformational goal.

As far as we can see what we do is highly unusual in UK agents and intermediaries and another example of the way we look after the after the interests of both our clients and our senior board level independent transformation leaders.

Curiously it can be a mistake to look for the 'round peg in the round hole' with 'sector specific' experience. Board experiences in other sectors can bring fresh insights. But the skillsets within **transformation-leaders** cover all facets – non executive chairmen, turnaround MD's, independent FD's, HR directors, IT leaders, engineering and production, purchasing, supply chain, sales, marketing, third and public sectors.

Our Process



Industries and sectors covered

Our candidates profiles provide experience in an extraordinary range of successful roles within private, public and third sectors

As you can imagine our unique independent experience grows every year. We are never interested in high volumes, high margins, but a niche that allows for fine long relationships with our chosen candidates, personal service to our clients, at a cost that delivers extraordinary sector beating value to our clients and access to individuals who can make a real difference at lower risk, lower cost and fine success. Often far better than whole armies of big name consultants.

Machiavelli in his remarkable and insightful book on leadership 'The Prince' wrote

'There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than a new system. For the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who gain by the new ones'

There in a nutshell is why every MD and board need to seek out the right experienced senior independent to help lead through successful transformation.

Especially if the project is going to be big enough to require large consultancy help at a later stage. For these big brand consultancy resources can be highly dangerous, if not managed with experience and skill.

We have many case histories of successful hiring in our files. Here is what one of our clients, a multi company chairman wrote...

'I have known transformation-leaders for many years. They are indeed unique. I have sourced via them on three important occasions. In two cases they found for me brilliant and highly trustworthy industrial engineering leaders. The first to help bed in a major new industrial piece of equipment and process, fraught with difficulties. The project took a year longer than expected but the ROI he delivered produced a dramatic increase in the value of the business, which was subsequently successfully sold at major stockholder return.

The second occasion. On a project which continues was for a highly experienced independent engineering production leader for another of our successful companies. The third project involved very sophisticated digital strategy advice, which continues to this day.

In each case the sourcing cost was at least half of what a good interim head renting agent would have charged in percentage daily add-ons. On a £60k project these add-ons can amount to £30K of extra cost. I am not surprised that transformation-leaders.com have saved their clients over £1M over conventional interim agents so far.'



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An appendix

These pages come from a major document commissioned by the PCG ('the voice of freelancing') from Cranfield University for BIS and for HMRC to demonstrate, with valuable case histories, the ever growing importance of UK freelancers.

In our case not only was our unique sourcing model covered, which has always dis-intermediated the interim ahead renting agency model, but one of our transformation projects was used as example with our client Panasonic UK and Europe to show how one key and trusted senior independent was successfully used by the Panasonic board to oversee a critical 2 year project to be delivered on time and on budget by a major contracted consultancy with a large number of their highly paid expert big consultancy foot soldiers.

About the Author



Professor Andrew Burke holds the Bettany Chair and is the founding Director of the Bettany Centre for Entrepreneurship. He is also a member of the Board of Cranfield Ventures Limited - the University's tech transfer unit. Previously, he was the Director of Graduate Programmes and a member of the Executive at Cranfield School of Management.

He is widely published in top ranked international journals including the Harvard Business Review, Journal of Management Studies, Regional Studies, International Journal of Industrial Organisation, the Oxford Bulletin of Economics and Statistics, and Small Business Economics. His work has been presented at the EU Commission, World Trade Organisation, HM Treasury, UK Houses of Commons and Lords as well as through media such as BBC Breakfast Television and the Working Lunch.

Andrew is founding editor of the International Review of Entrepreneurship and was a guest editor of the International Journal of Industrial Organisation. He is on the editorial boards of the International Journal of Business Innovation and Research and the International Journal of Research, Innovation and Commercialization.

He has acted as a consultant for organisations such as the European Commission, Businesslink UK, GESAC (EU), Forbairt (IDA), Hudson Contract, Schlumberger, Selex-Galileo, May Gurney, Bank of Ireland International Banking, the Irish Music Rights Organisation, and PCG (Professional Contractors Group). He also has a portfolio of new venture investments.

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The voice of freelancing

Panasonic

Nigel Cowmeadow *Director of Logistics*

The company was founded by Konosuke Matsushita in 1918 trading under the name Matsushita Electric Housewares Manufacturing. The company began with a strong innovation ethos. Konosuke Matsushita set out the company's mission as "... the mission of a manufacturer is to make products to enhance one's life - and benefit society"¹². The company began when he left the Osako Electric Light Company because they had no interest in an electric light socket that he had invented. He could not find any buyers for his product but picked up an order for fan insulation plates and then used the profits from this contract to refine his innovation to produce a two-way socket and attachment plug which had a cost advantage over rivals¹³. The company gradually evolved from basic electric components to consumer products such as irons and radios. The company grew by widening its product portfolio of electronic goods through relentless innovation and expanding internationally. The company had a turnover of approximately 78 billion US dollars in 2010¹⁴.

Panasonic tend to use freelancers in three areas: to deal with seasonal peaks in manufacturing, to fill short-term demand for unique IT expertise, and for business projects; particularly those involving change management and innovation. In terms of the use of freelancer involvement in senior management roles, this is usually confined to project management. Nigel Cowmeadow, European Logistics Director has observed that the need to use freelancers in these roles has increased as a result of the increasing adoption of lean management structures: "Lean management has meant that there is less spare capacity in senior executive teams and also less movement of executives across functional and business areas. As a result, there is limited scope to put an internal manager on secondment in order to manage a project as they are unlikely to have the time and broad management expertise to manage it effectively. This is where freelancer interim managers can be very useful".

But Nigel Cowmeadow goes on to point out that the benefit of freelancers extends beyond their expertise. He points out that they can bring fresh ideas from other industries. By contrast internal management are often so involved in the detail of their work that they can often "miss the wood for the trees" or be overly pessimistic; "we tried that before and it didn't work". Freelancers can often overcome this type of internal scepticism or opposition to innovation if they can provide first-hand examples and evidence of an innovation working in another business. He also observes that because freelancers are independent agents it enables them to be objective when dealing with internal politics and even-handed in managing vested interest groups.

Nigel Cowmeadow makes reference to a major technology change management programme at Panasonic UK as a good example of how freelancers can add value to a

12. Ibid.

13. <http://panasonic.net/history/corporate/chronicle/1918-01.html>

14. Annual Report 2010, Panasonic Corporation, for the year ended March 31, 2010.

business. The company decided to adopt a uniform SAP information system across all of its European operations and in the UK this involved replacing an existing system which had been developed by an independent provider. Nigel Cowmeadow likened that change to an organisation undergoing a heart transplant as “one essential life organ of the company is lifted out and replaced by a new one”. The change management project involved the most complex and important KPIs. The risks were considerable as Panasonic UK had an annual turnover of £700 million and accounted for roughly 35% of Panasonic’s European sales.

In order to overcome these challenges Nigel Cowmeadow hired Val Cross, a senior freelance manager from TopInterim, who previously had worked in the IT company that had supplied Panasonic’s existing information systems. This enabled the company to put in place a high level technical expert at a senior executive level who could be fully focused on this specialist and highly risky technical operation.

Apart from the technical and business risks, the project necessitated winning over the hearts and minds of staff that had grown used to the existing information system. Nigel Cowmeadow decided to use a freelancer to manage the project. The decision was prompted by a number of factors. There was nobody internally who had the technical depth and breadth of knowledge of this particular information system to be able to provide direction to ensure that the new system would work effectively when implemented. This was going to be important because successful implementation was going to involve blending the expertise of Panasonic’s business area managers (e.g. accounts, marketing, logistics etc.) with IBM consultants who were hired to implement the SAP system, alongside an internal

Panasonic team from Germany who had knowledge of the system working there. Each of these teams involved a rough 50:50 ratio of employees to freelancers.

As the IBM consultants were being paid on a day rate, it was key to have a project manager who would not be at a knowledge disadvantage in terms of ascertaining how long their part of the work ought to take. At its height, the IBM consultants were costing £250,000 per week, so it was important to get this aspect of cost management right without hampering their progress.

The new system was given a successful trial run over an Easter bank holiday weekend and then finally implemented over a May bank holiday weekend. The integration was delivered on time and on budget. Panasonic then hired Val Cross on a further two month contract to deal with any glitches that may arise in the new system.

Nigel Cowmeadow points out that that corporate executive careers tend to create narrow areas of expertise as people work in silos. By contrast freelancers tend to experience a greater variety of business situations and challenges in their work and so have a broader skill set. He argues that since freelancers are more independent, unbiased and lack conflicts of interests, they can be in a great position to cut through political and cultural obstacles which can stand in the way of a project’s success. In summation, he notes that on finite business projects which require broad and impartial programme management and budgetary expertise, it usually makes more sense to use a freelancer rather than an employee executive.

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Transformation-Leaders and TopInterim

David Pinchard *CEO*

TopInterim provides freelance interim managers to organisations at senior executive and board level. The company was founded in 2000 and for market segmentation purposes has evolved to trade both under its own name and as Transformation-Leaders. The business has a select network of freelance senior executives to provide organisations with interim directors and manager in areas such as general management, finance, IT, international HR, sales and production. Reputation is key to the success of the business where recommendations, referrals and trust are core drivers of the hiring process.

David Pinchard, founder and CEO of TopInterim explains the optimality of using an employee or freelance manager is determined by the organisational needs of the business. A firm requiring stability, continuity and evolutionary change will usually opt for an employee-manager while a firm operating in a turbulent environment requiring transformation will often draw on the services of senior interim managers. The typical projects that these freelancers will manage include innovation, adoption of internally disruptive technologies, business turnaround and downsizing.

They all hinge on adding value to a business and the basis for freelancers' remuneration is usually performance/output based rather than a temporal/ input basis. David Pinchard describes the process as businesses outsourcing entrepreneurial management where the interim managers are entrepreneurs themselves. He says they "serve an entrepreneurial function in that they manage economic disequilibrium". He argues that these freelance executives are visionaries and at an individual level "must be financially independent in order to be willing to risk losing the project if their vision is not going to be implemented". He also describes them as "portfolio managers" who tap into their unique talents and apply them across diverse organisations.

David Pinchard argues that "interim managers add unique value by bringing an objective and independent managerial approach to business". They can remain aloof from internal politics which can be daunting when a business is faced with major transformations such as downsizing a Government department or transforming a business which faces much internal opposition. David Pinchard contrasts this with employee executives "who are too tied-up with internal politics and have a vested interest in the outcome". He also believes that employee-managers are too risk averse to be effective in this entrepreneurial context: "Full-time employee-managers are afraid that it will all blow up in their faces and cause them to lose their job".

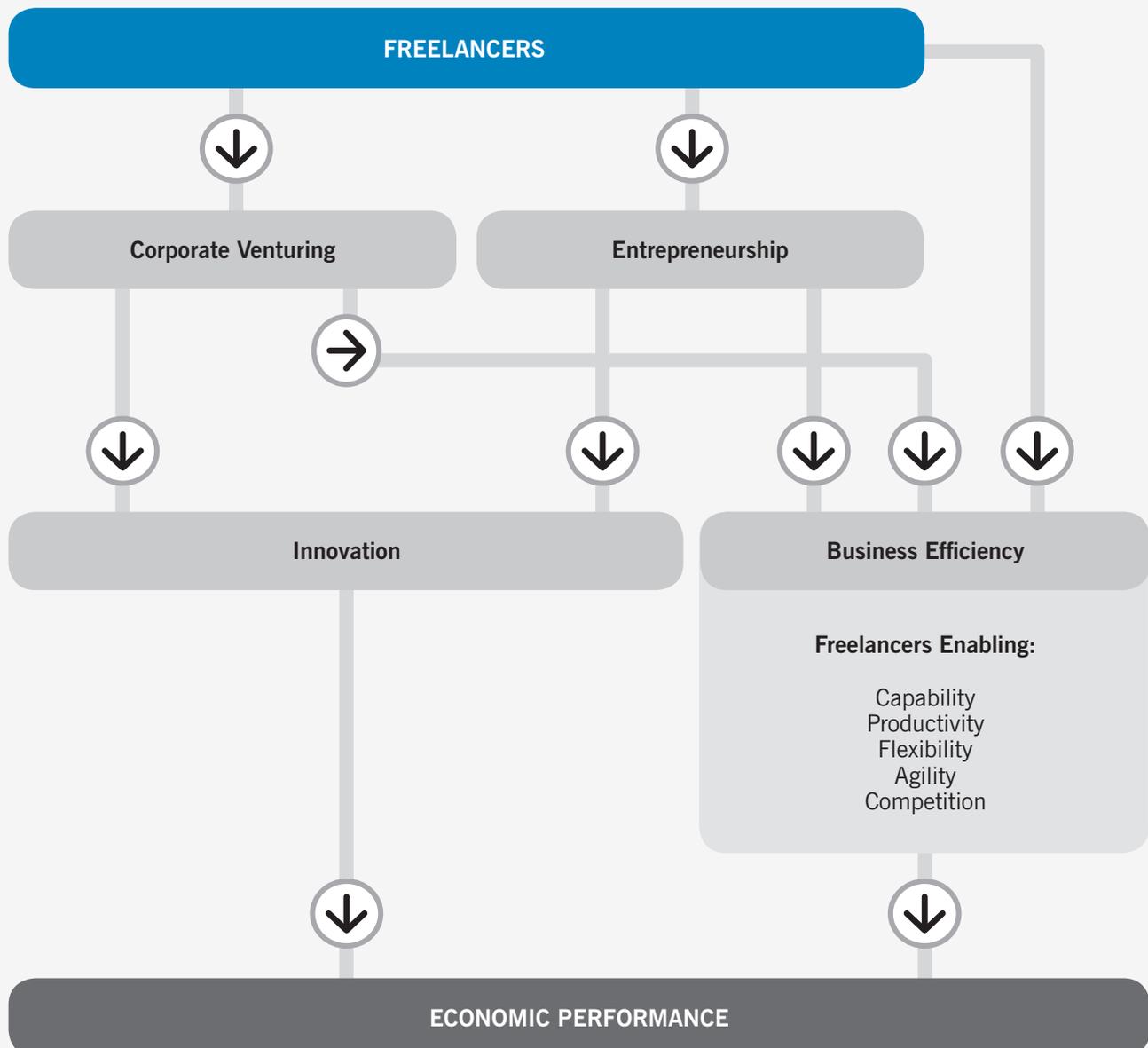
David Pinchard points out that at first sight some organisations may view senior interim managers as expensive and he admits that "it is true that these are high calibre executives with 'must-see CVs' who are paid well". However, he says that they are highly productive, focused and driven executives who deliver results for organisations. In these terms they are very good value for money. He also argues that they are less risky than employee executives as they are paid on results.

Since his first assignment as an interim manager, David Pinchard has observed a trend where it is becoming increasingly accepted as normal for organisations to hire an interim executive when change management is required. As this trend continued, this growing market segmented into senior interim managers and what David Pinchard terms more “top-end” senior “Transformation-Leaders” – the latter particularly important in highly uncertain business

contexts which accelerated after 2008. These developments necessitated the dual trading names for his business in order to more clearly differentiate the service offering and hence better target these different market segments. The business is currently expanding internationally with entry into China.

8 Conclusion

Freelancers play a pivotal role in Britain's 21st century innovation-driven economy. They are sources of and conduits for innovation in both corporations and SMEs. They enable businesses to manage, in fact reduce, entrepreneurial risk and so promote innovation and enterprise. They also liberate businesses from the limits of their internal resource base and enable the use of exceptional talent that would otherwise not be economically feasible to hire on employee contracts.





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