

## EDITORIAL



Tony Evans  
Chairman IIM

## IIM NEWS & EVENTS

Birmingham Roadshow

## SELF-MARKETING

The Art and Science of  
Effective Networking

Joblogging

## TAX MATTERS

Section 660

VAT on mileage

## INDUSTRY VIEW

– outlook for 2006  
IOD

Norman Broadbent  
Impact executives

## INTERIM MANAGER OF THE YEAR AWARDS

## OCTOPUS SPECIAL

## LEGISLATION

## INDUSTRY CHANGES

News from the  
Interim Providers

## MEMBERSHIP SURVEY

## MEMBER BENEFITS

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Welcome to the first 2006 edition of *Interim Insight*. The year is now well underway; January has come and gone, which it seems to do somehow more rapidly as I gain in years. During recent months, there has been growing concern over the way the global economy is moving, particularly from a western point of view. So I thought I would take the opportunity to offer my "sixpenn'orth" to the pot and comment on four trends that I believe will influence work opportunities for Interims over the next year or two. I claim no special insight but offer some food for thought (rather than food for the stomach provided for celebrations in recent weeks).

**Global shifts in economic power:** The trend of the world's worth moving in an easterly direction is set to continue. In 1970, IBM alone had a bigger market capitalisation than the whole of the Japanese stock market. Today, General Motors, the USA's largest company until recently, is worth \$12 billion. Add to this, the value of Ford Motor Co. and the sum is still less than half of Honda ... and less than 20% of Toyota that possesses a market capitalisation of \$172 billion.

Although the US economy is estimated to grow most in absolute economic output terms over the next ten years, the gap with China and India is closing with both enjoying year on year growth of c. 8-10%. Today, Asia (excluding Japan) accounts for 13% of world GDP, while Western Europe accounts for 30%. Within 20 years the two will converge. These global trends will also be accompanied by regional ones which we are also likely to be profound and vary from industry to industry. Germany's population over 75 years old will increase by 33% over the next ten years. The increase in tax burden required to maintain current benefit levels for Germany's future population is 90% (for Japan, these numbers are 36% and 175% respectively).

**Consumer debt and inflation:** Consumer debt levels are at historical all-time highs and similar on a per head basis in the UK and USA. At the end of September 2005, US household debt was \$11.4 trillion which showed the steepest increase since 1985. Those households spent a record 13.75% of their disposable income just servicing that debt (ref. US Fed). The US government continued to inflate the supply of money (M3), with more than \$293 billion additionally being put into circulation over the last quarter. This is an annual increase of around 15-20%. This is somewhat faster than the growth in the economy (unlikely to be over 3% at best), which means it will fuel price increases (so my economist friends tell me). That means more inflation in spite of cheap imports from China and India. A final "factoid" in this area is that at these kinds of M3 expansions more new money will be added in eighteen months than the present value of all the gold ever mined! I leave it to you to consider how this might impact your sector of work.

**Private equity investment:** There are vast amounts of money chasing deals in the UK, Europe and the USA. Predictions all say this trend is set to continue in 2006, and possibly beyond. Given the amount of money chasing a reasonably finite number of deals, the results are substantially levered acquisitions. Defaults will occur – there is an inevitability about this, so I suggest keeping an eye out for the work. It will come: it is just a matter of when.

**Energy:** Depending upon whether you are an oil "Bear" or "Bull" will temper your view on the direction of the price of oil in 2006 and beyond. Bears believe we are now globally at a point of "peak oil". That is, we will use more oil than we can find and extract from this time onwards. Prices of up to \$100 a barrel could be seen if sentiment takes this view. Keep in mind the following: The number of workers in China alone is 750 million. The estimated number of Chinese households achieving European income levels by 2020 is 100 million. The Chinese bought 2 million cars in 2004 and the average Chinese consumes less than 10% of the energy that an average American does. From this alone, we could reasonably conclude that global demand for energy and oil won't go down! Of course you could take the view that OPEC will increase output, more massive oil fields will be found, The Saudis are not overstating their oil reserves (details of the calculations are more or less a state secret) and increased oil pumping is currently possible. In this case, oil could drop to more normal historical values of c \$30.

Hopefully, this has got you thinking. A final point: There are 33 million young professional graduates in developing countries. That is more than double the number in developed ones. The implications for companies and governments in the development of global skills strategies will become as important as global sourcing and manufacturing.

To end what is probably the longest ever editorial; can I commend to you our "member get member" campaign? Our numbers grow but it is the Institute's objective to represent the best Interims – encourage them to apply.

Good reading.

## IIM NEWS & EVENTS



## SELF- MARKETING

### THE ART AND SCIENCE OF EFFECTIVE NETWORKING

By  
Judith Perle



—Management  
Advantage—

## IIM on the Road!

Following the well-attended event in London in November, a further event in the 'Succeed as an Interim' series will be held in Birmingham on the evening of 21 March, at 6.00 for 6.30. Again we are very grateful to leading Provider and IMA member, Impact Executives, for its very generous sponsorship.

The evening will look at three areas critical to success as an Interim: self-marketing, which is all important in finding and winning assignments, risk management to protect reputation and minimise personal liabilities in case an assignment runs into difficulties, and adding value beyond the specific assignment brief – essential to building your reputation and winning the next assignment.

The formal presentations will be followed by the opportunity to ask questions of the panel of speakers, and time to network over a glass of wine and finger buffet.

The event is aimed not just at our members but also a wider network to include non-members operating in the Interim profession who may be considering the benefits of belonging to the professional body, as well as those who might be considering Interim Management as a career.

So if you are Midlands based please mark 21 March in your diaries now and do mention the event to others in your contact list who might find it useful.

Tickets are £25 for members and £35 for non members. The venue is the Macdonald Burlington Hotel, which is in central Birmingham within a few minutes walk of New Street Station. Further details can be found in the flyer on the IIM website at [www.ioim.org.uk/events/](http://www.ioim.org.uk/events/).

## Soft Skills Rule OK!

**You're familiar with the situation. You arrive on the first day of a new assignment, and are shown into your office. You've been formally briefed, and the official organisation chart has been explained, so you know the official line. But you have no 'inside information' as to what's really happening, or where the real power lies. Where do you start?**

Or picture another familiar scenario. You've just emerged from post-project recuperation, full of beans, ready for your next challenge. You face a blank computer screen, and a phone that hasn't rung for some time. You contact the obvious suspects – the agencies, good friends, past clients, hot prospects. Then what?

In both cases, your professional expertise is crucial but, to put it bluntly, not enough. The complete answer involves those elusive but all-important soft skills. It's to do with building relationships and fostering rapport and trust. In short, developing a network of people who are on your side and who want to help.

Networking is one of those terms that gets bandied about by all and sundry nowadays. Colleagues, Interim Provider agencies, outplacement consultants, and headhunters all stress how important it is - but they generally don't tell us how to do it, or how to do it well. It's assumed that by the time we become experienced Interims, we have all the soft skills we need, and that these skills encompass the ability to network effectively.

### Demolishing Preconceptions

For many, their idea of successful networking is to emerge from an event clutching a handful of business cards to file, or to leave a meeting feeling having explained their needs effectively – but that misses the crucial point that effective networking involves a series of transactions, that ultimately involve creating, building and nurturing relationships with a wide variety of people. So the key question is: What are you actually going to do to make your contacts feel that you are a worthwhile person to spend valuable time on?

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...away from 'What can I get from you?' and towards 'What might I be able to do for you?'

... stay in touch ... 'one night stands' are not productive ...

Networking is also viewed by some as first cousin of the smooth 'worker of rooms', intent on using and manipulating people to their own advantage. They fail to see the crucial point of networking – that it is as much about helping others as helping yourself, and that nowhere is that old (but true) cliché more applicable: What goes around, comes around.

### **Just Do It!**

Most of us know who we want to meet and why, we may know where and when we want to meet them, and what we might gain by doing so. Where so many people fall down is on the how. Having trained originally in publishing, I am constantly amazed at how bad most people are at making the easy connections, or indeed just making the call. Even on the Sloan Masters Programme at London Business School, in a class full of high-achievers, I was surprised at how many networking opportunities were being missed by classmates just because they failed to follow some basic, common sense and easy to apply rules. And rule number one is that if you don't ask, you don't get!

My fellow classmate (and now colleague) Tony Newton has had similar experiences: "As someone who has made a rather more dramatic career change than most, I can testify to the fact that building a whole new network of contacts in a completely new environment ... has little to do with being an introvert or extrovert, sociable or a loner."

### **A Shift of Mindset**

Becoming a better networker involves, first and foremost, a change of attitude. Away from 'What can I get from you?' and towards 'What might I be able to do for you?' Secondly, there are the social skills that need polishing. Each of us faces slightly different challenges. Some people find it hard to start up conversations, others find they run out of things to say, or struggle to develop rapport with the person they're talking to. Other people are fine in face-to-face situations, but find the telephone a real challenge. Almost everybody could do with a reminder about the importance of making contact quickly and effectively after an initial meeting or phone call. After all, relationships aren't created overnight. They take time to develop, and trust needs to be built up brick by brick.

Research shows that there's no single, correct method which will guarantee that you reach networking heaven! Each of us has to find their own way of getting there, bearing in mind, of course, the principles outlined here. Good luck, and happy networking. It can be fun, honestly!

### **Golden Rules**

- Giving is better (and more comfortable) than getting – so think about what you can offer, rather than what you stand to gain.
- Think laterally – who do you know who could introduce you to somebody new?
- Re-establish relationships that may have fallen by the wayside.
- Get out and about – go to networking events / conferences / meetings regularly. Just meeting people you already know and feel comfortable with doesn't do much to extend your network.
- Be interested in other people – don't push or sell yourself.
- Always carry your business cards – you really never know when you might meet someone interesting.
- Try to follow up quickly when you meet someone for the first time. Otherwise, how can you expect them to remember who you are.
- You can network anywhere, anytime (not just at officially designated 'networking events').
- Stay in touch with people – 'one night stands' aren't usually very productive.
- Get some training!

To follow up on the last point you can contact Management Advantage who run one-day workshops in a variety of soft skills, including their flagship programme on networking skills. You can find out more about their open and bespoke workshops on their website [www.manadvan.com](http://www.manadvan.com). Or simply call the author of the above article, Judith Perle, on 07947 010 342 or email [jperle@manadvan.com](mailto:jperle@manadvan.com).