



The global crisis
as an opportunity for courageous
transformation

International Interim Management Survey 2020

In this whitepaper, you can learn how nearly 2,000 experts from globalise, the world's leading interim management network, assess the transformational capacity of the global economy – and which measures are at the top of their priority list.

»The Covid19 crisis has highlighted the strategic and organizational weaknesses of companies.«



The global crisis as an opportunity for courageous transformation

The need for transformation in companies has been growing for years – but the Covid19 crisis has shaken many old certainties too. In many areas, it has acted as a catalyst, highlighting the strategic and organizational weaknesses of companies. This has raised some fundamental questions. What steps need to be taken not only to survive the crisis, but even to emerge from it stronger than before? Which skills and resources can companies use to get back on track for growth in the medium term?

To better understand these challenges, we initiated a major international survey of experts. Interim managers are especially well placed to understand the mood in companies – because they have a profound knowledge of the global economy. Unlike pure consultants, they penetrate into the depths of the operative business while still operating at decision-maker level. They are also frequently internationally active.

For this reason, we asked our network of managers to provide their assessment of the situation and the outlook for companies, which measures are currently in particular demand, and how open companies are to external support.

What our experts say:

1 Once Covid19 restrictions have been substantially eased, interim managers expect a rapid return to previous economic strength – provided that companies start laying the groundwork now.

2 Many planned transformation projects were initially put on hold as a result of the Covid19 crisis, but for the majority of companies, transformation projects have been merely postponed, not cancelled.

3 While companies urgently need to secure their liquidity above all else, they must at the same time look to the future – with strategic reorientation and courageous restructuring.

4 The Covid19 crisis is widely seen as being a catalyst for transformation. Nevertheless, three out of five respondents doubt that companies have the internal expertise to cope with the crisis.

5 While companies have been relatively hesitant to use interim managers since the beginning of the crisis, external experts are likely to become more relevant in the coming months.

It's been astonishing that the survey results hardly differed between the individual countries. Only the outlook for economic recovery was more optimistic in those countries whose economies suffered particularly badly from the crisis. We therefore refrain from a regional breakdown in this white paper.

You can read the detailed results on the following pages: the cumulative knowledge of 1,877 managers from around the world, who came to some intriguing conclusions. Let them be your inspiration. •

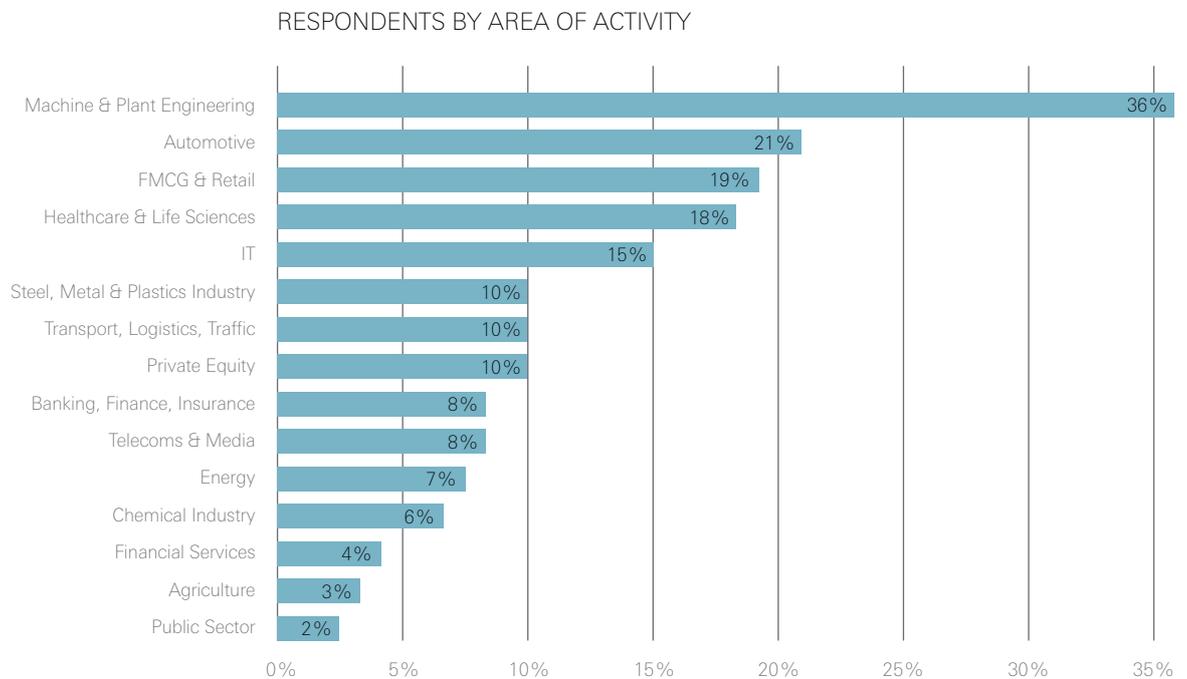
Your globalise Team

1,877

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Our panel: globally active C-level managers in traditional industries

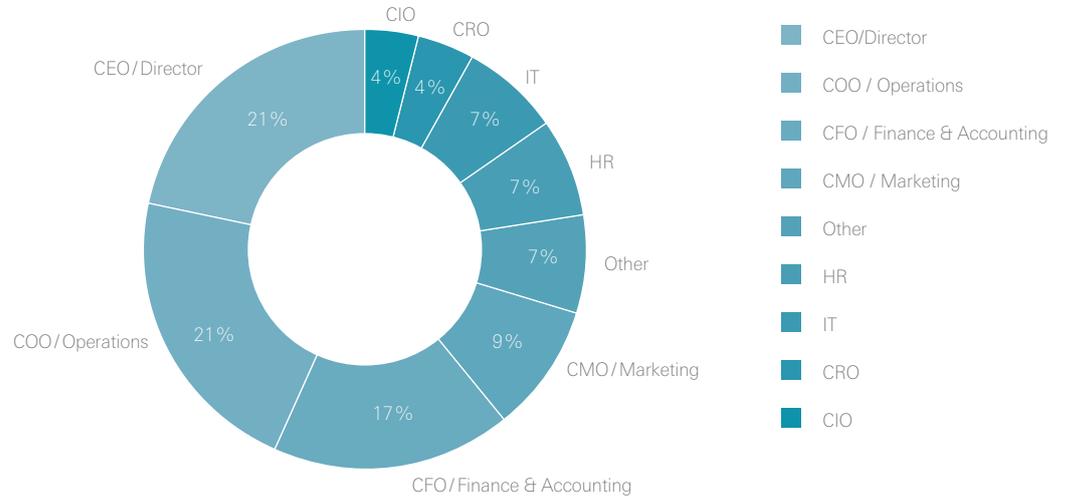


During June and July 2020, we asked interim managers from around the world to provide assessments of the global management challenges facing companies. The results of this survey are based on the responses of a total of 1,877 globally active managers. The majority of the experts surveyed work in Austria, China, France, Germany, India, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the USA.

To enable us to assess the representativeness of the panel, we asked the managers to indicate the sectors in which they are most frequently employed (multiple options and up to three answers). The distribution of the managers across the various industries paints a fairly accurate picture of the reality in interim management: At 36% and 21% respectively, most of the respondents are in the mechanical and plant engineering and automotive industries, followed by consumer goods and retail (19%), healthcare and life sciences (18%) and IT (15%).

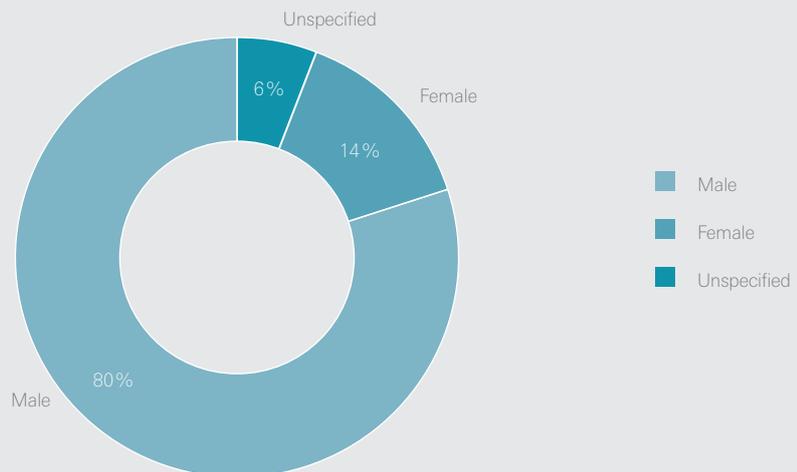
»Interim managers are still most frequently used in mechanical and plant engineering and in the automotive industry.«

RESPONDENTS BY PROFESSIONAL ROLE



Three out of five study participants are usually active at C-level – as COO (21%), CEO (21%) or CFO (17%). By contrast, they rarely occupy positions in HR, IT or marketing.

RESPONDENTS BY SEX

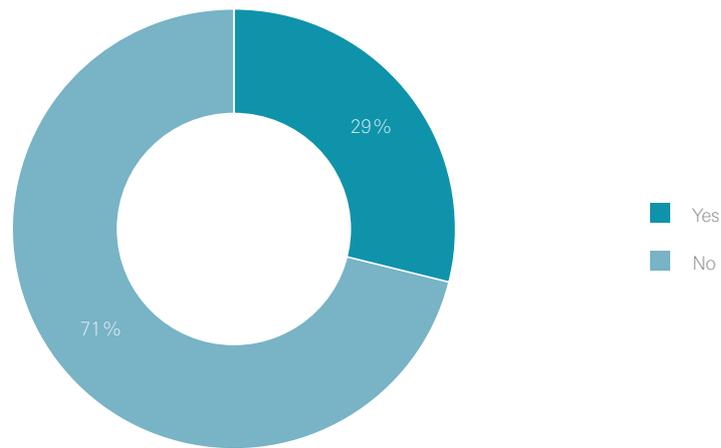


Interim managers are still predominantly male. 80% of those interviewed identified themselves as male and only 14% as female.

»The majority of interim professionals operate at decision-maker level – as CEOs, CFOs and COOs.«

Covid19 crisis: Companies in a state of shock – light at the end of the tunnel

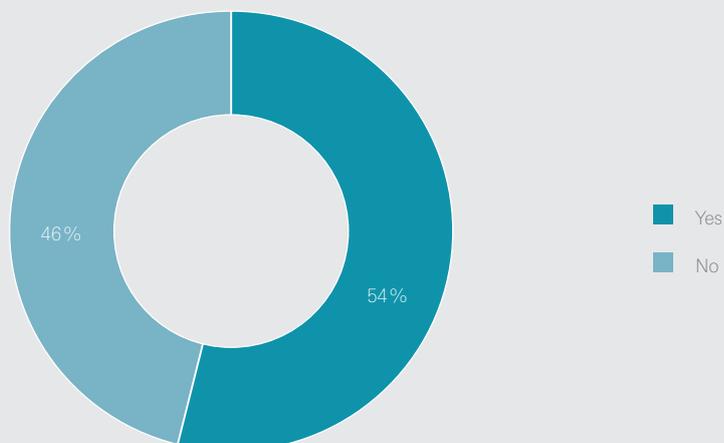
HAVE YOU BEEN ABLE TO WIN ANY NEW CLIENTS DURING THE COVID19 CRISIS?



In the second part of the survey, we looked at the current and expected assignment situation in interim management. The results clearly show that between March and July 2020, companies were primarily occupied with coping with the acute crisis.

Just under three out of ten managers interviewed (29%) had been able to win a new client over the spring and early summer 2020 – primarily in connection with the management of the Covid19 crisis. Considering the circumstances, this number is quite high. However, 71% didn't manage to secure new contracts for projects.

HAVE YOU LOST ANY CLIENTS AS A RESULT OF THE COVID19 CRISIS?



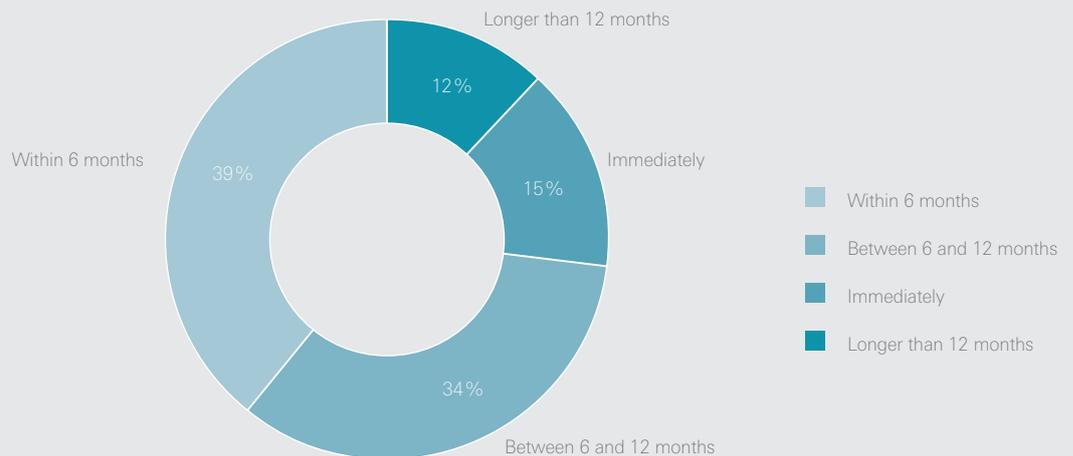
Many companies apparently postponed larger projects immediately after the global lockdown. More than half of the managers surveyed lost clients as a result of the reactions to Covid19. This suggests that they were initially put on hold due to a lack of resources.

»Many planned transformation projects were initially put on hold as a result of the Covid19 measures. However, interim managers were in great demand for short-term assignments during the crisis.«

As far as economic recovery after the current crisis is concerned, the managers we surveyed were definitely optimistic. Just 12 % expect the economy to take a year to recover following a significant easing of the Covid19 restrictions. A total of 54 % expect a rapid recovery within less than six months, while a good third (34 %) predict that it will take six to twelve months. However, it is important to bear in mind that these forecasts relate to the

timeframe after the widespread easing of restrictions, not to the time at which the survey was conducted. Also, the recovery will look substantially different between industries. While some businesses within the IT or health-care sectors didn't experience a sharp decline due to Covid19 and/or can be expected to recover quickly, the automotive or hospitality industries could well be sustainably affected.

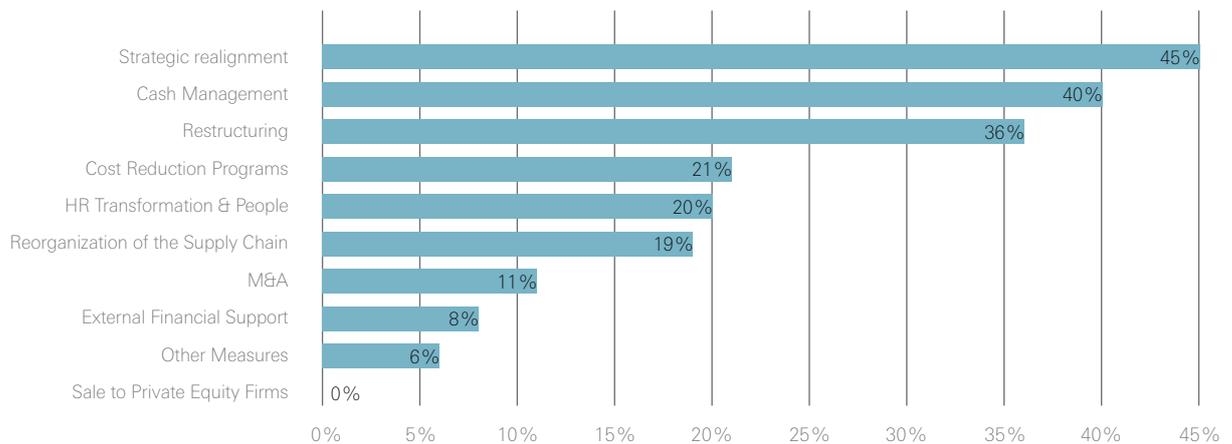
HOW QUICKLY WILL THE ECONOMY RECOVER FOLLOWING THE EASING OF RESTRICTIONS IMPOSED DURING THE COVID19 CRISIS?



»Following a far-reaching easing of Covid19 restrictions, interim managers expect a rapid return to previous economic strength – provided that companies start laying the groundwork now.«

Strategic realignment, cash management and restructuring – the keys to rapid recovery

TOP MEASURES FOR OVERCOMING THE COVID19 CRISIS



It seemed particularly important to us to ask the experts for their assessment of the demands placed on management. Which steps are now essential to quickly overcome the crisis (multiple options and up to three answers)?

The mood of the respondents is clear. Comfortably the most important factor is seen as a strategic reorientation of companies, with 45 % indicating that as their top pick. This is followed by a measure that was certainly playing a very important role at the beginning of the crisis, but remains an ongoing issue. 40 % of those surveyed consider cash management to be indispensable, followed by restructuring projects (36 %).

Cost management, HR transformation and supply chain reorganization each appear to be important to at least one-fifth of respondents. In contrast, M&A and especially sales to private equity firms play a less important role

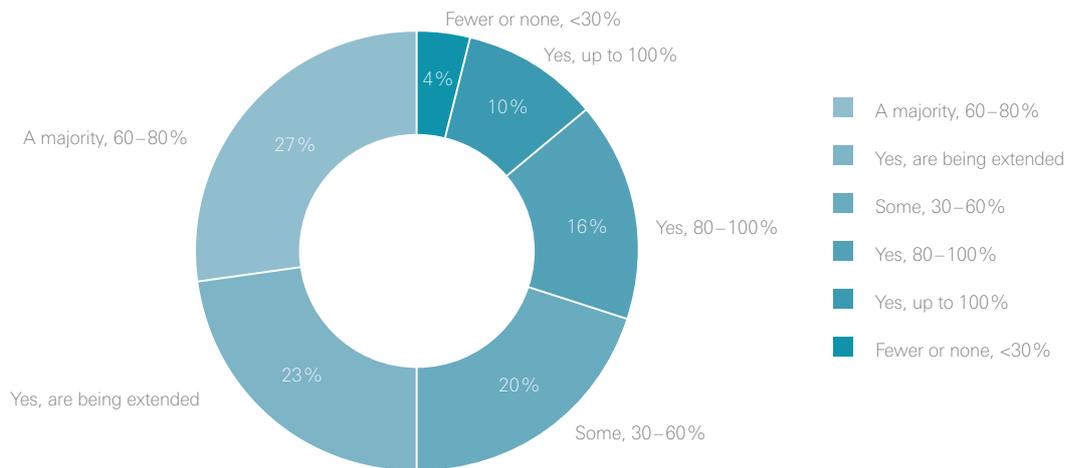
– presumably also because investors are likely to wait and see how things develop before making their move, only taking action once the companies have sorted themselves out and prices fall further.

We also took a look at companies' medium to long-term transformation projects. According to the majority of experts, a large number of companies will continue with projects they had originally planned, once the crisis is over. In fact, almost a quarter (23 %) anticipate that these projects will accelerate – one indicator that the crisis is acting as a catalyst for change. After all, in certain areas, transformation projects aimed at adapting to the VUCA world had already been urgent before the Covid19 crisis. Many companies may now reconsider their overall strategies. This will intensify the pressure to act, especially in more competitive industries.

»On the one hand, companies urgently need to secure their liquidity above all else, but at the same time look to the future – with strategic reorientation and courageous restructuring.«

»For the majority of companies, one thing is for sure: transformation projects may have been postponed, but they have not been cancelled.«

HOW MANY ORIGINALLY PLANNED TRANSFORMATION PROJECTS ARE BEING IMPLEMENTED?

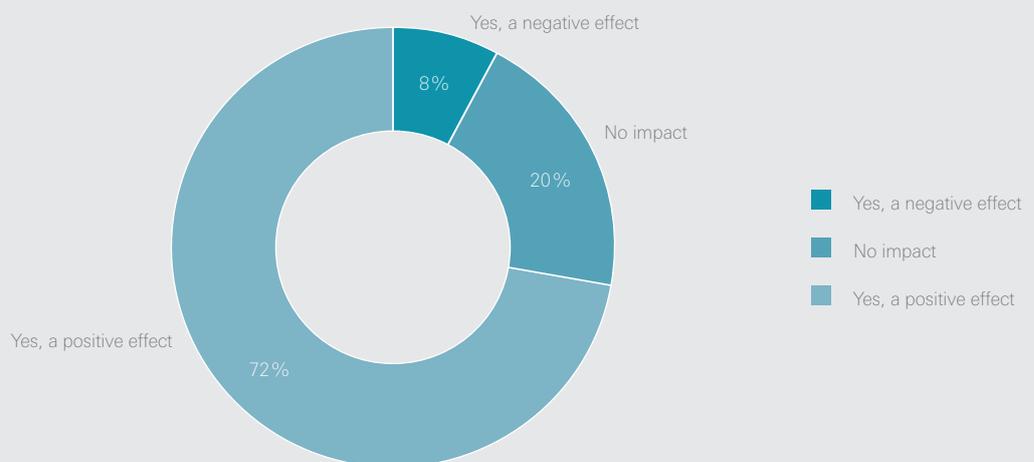


Only slightly less than a quarter of respondents predict that fewer than 60% of the planned projects will be implemented.

Closely related to this is the question of whether the Covid19 crisis has influenced digitization within companies. Most of our experts agree, with almost three-quarters

of respondents (72 %) talking in terms of a positive effect, while just one in twelve thinks it had a negative impact. 20 % foresee no change.

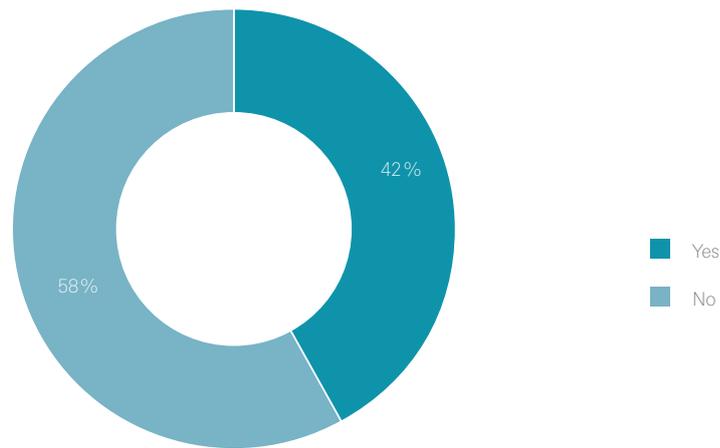
HAS THE COVID19 CRISIS HAD AN IMPACT ON THE DIGITIZATION OF COMPANIES?



»The Covid19 crisis is regarded as a catalyst for the digitization of businesses.«

External support in restructuring, change management and strategy is in demand

DO THE MAJORITY OF COMPANIES HAVE THE EXPERTISE TO MASTER THE CRISIS?

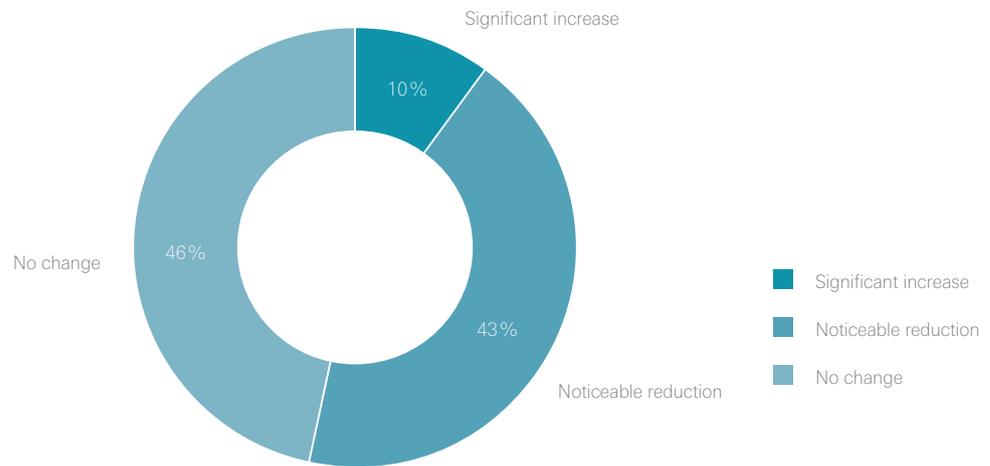


As far as the internal capabilities of companies to cope with the crisis are concerned, the experts are divided. 58 % of respondents report shortcomings in this area while 42 % consider the knowledge within organizations to be sufficient.

We also asked our panel of experts about the areas in which companies require particularly strong external support. We did not supply any answers. The areas that received particularly frequent mention were restructuring, change management, strategic reorientation and digitization. These aspects usually entail sustainable and sometimes painful transformation processes. For this reason, experience shows that they benefit significantly from external expertise.

In the eyes of our interim managers, many companies lack internal expertise and there is also a perceived deficit in operational aspects such as project, process and crisis management. Our experts also drew attention to people management and HR, cash management and cost optimization – all of which are typical application areas for interim managers.

HAVE COMPANIES INCREASED THEIR USE OF INTERIM MANAGERS AS A RESULT OF THE CRISIS?

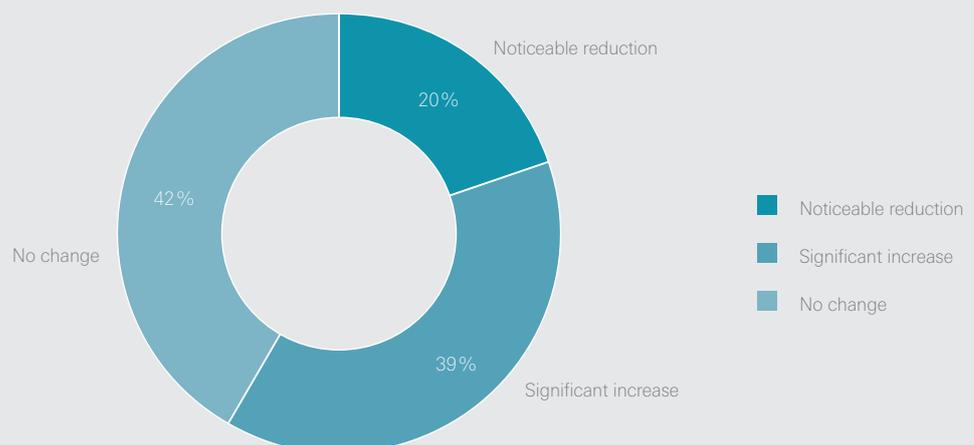


»While companies have been relatively hesitant to use interim managers since the beginning of the Covid19 crisis, external experts are likely to become more relevant in the coming months.«

During the Covid19 crisis, companies have barely increased their reliance on interim managers: only 10% of respondents report a rise in the use of external experts, while 43% did not notice a significant change. Almost half of our panel (46%) are observing a reduction in the use of interim managers. The prognosis for the coming months is quite different. In each case, around 40% of those surveyed expect an increase or no significant change compared to the status quo. Only 20% forecast

a decline. This predicted increase in the use of interim managers is likely to have a clear cause: many transformation projects will soon start to regain momentum, especially in terms of the strategic and operational aspects mentioned above. Once companies have processed the initial shock, they may well turn their attention to the future, taking a closer look at urgent but far-reaching transformation processes.

HOW DO YOU EXPECT THE USE OF INTERIM MANAGERS TO DEVELOP IN THE COMING MONTHS?

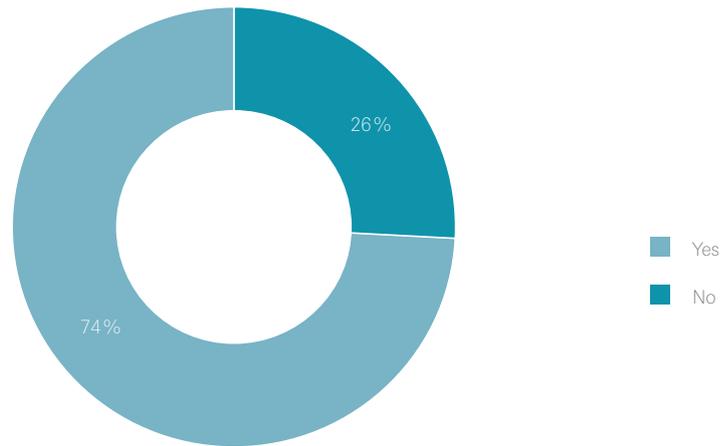




We also asked whether external financing would stimulate the use of interim managers – such as funds provided through private equity companies, banks or the state. Almost three quarters of respondents answered “yes”:

Whether companies will be able to draw on the support of external experts, which is often needed, therefore also depends on the willingness of private and public institutions to support companies in their restructuring efforts.

WOULD ADDITIONAL FINANCIAL SUPPORT FROM EXTERNAL SOURCES STIMULATE THE USE OF INTERIM MANAGERS?



Covid19 crisis as an opportunity for courageous transformation

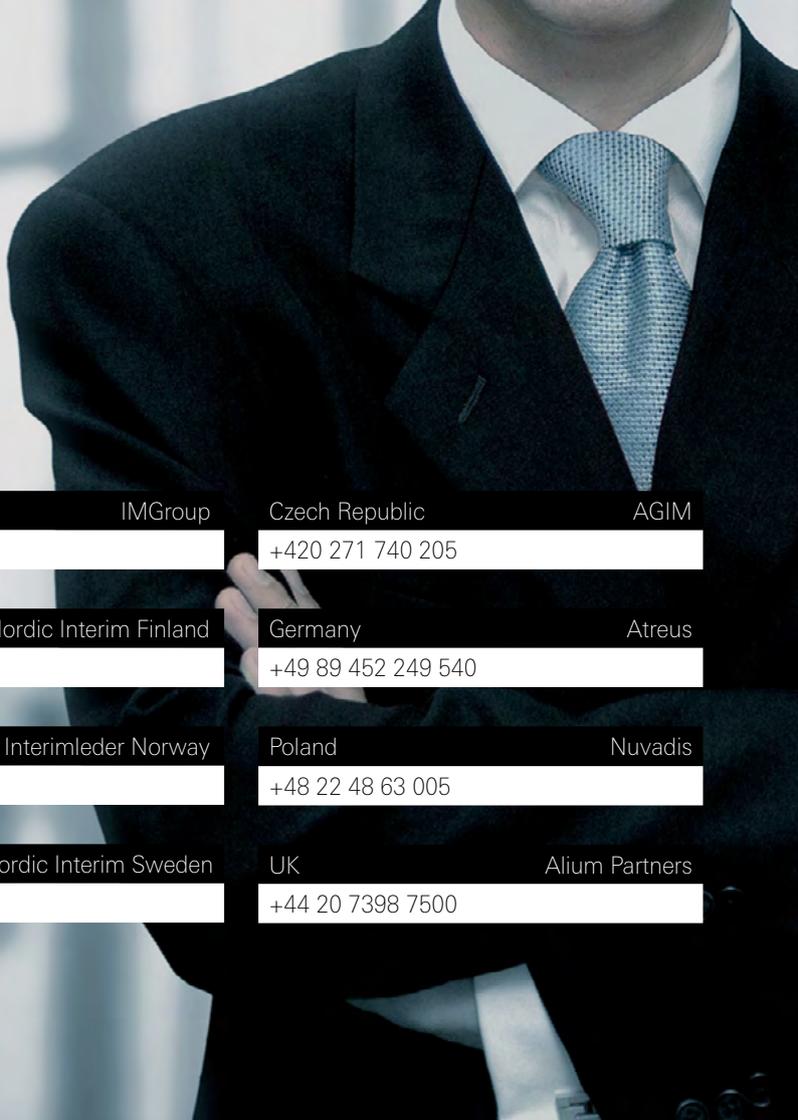
Companies that make the right moves now can turn the Covid19 crisis into an opportunity: an opportunity to realign themselves strategically and sustainably, to reduce overcapacities, to rethink their business models. This requires courage, strategic foresight and, if necessary, external support.

Interim management is not yet widespread in many industries, but it could prove to be the decisive factor for success, especially for the upcoming strategic and operational tasks. Companies in all industries are facing long transformation processes. Successfully mastering them will require not only a great deal of patience, but also the right know-how and do-how. Thanks to their experience and political independence, interim managers are in a position to accompany these processes with particular determination and courage.

Drawing on our vast network of managers, we can accompany you through the challenges that lie ahead in the coming years. **globalise is not just a global association of market leaders in interim management; we also represent – and offer you – the concentrated expertise and experience of more than 60,000 seasoned interim managers in all industries and disciplines.**



The Global Interim Management Group



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About globalise

Globalise provides companies with interim managers to help overcome specific organizational challenges – often at very short notice – as well as helping to recruit senior and C-level managers.

We can draw on a global pool of over 60,000 experts. Their proven experience covers every sector, industry and role, from C-level to functional, operational and program management.

Whether a single project at one site or a transformation program across your entire operation, globalise managers will achieve your goals – quickly, reliably and on budget. Every time.



WHEN IT'S TIME TO ACT –
WORLDWIDE.

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