

The challenging economic environment is placing an even greater premium on seasoned finance executives who can help U.S. companies navigate the turbulent waters ahead. One HR strategy to consider for meeting this need without breaking the bank is to hire interim finance executives.

An HR Strategy for the 2009 Economy: Consider Interim Finance Executives

With every leading economic indicator benchmarking a rapid contraction in the U.S. economy, businesses in most industries are aggressively looking for the right kind of executive financial expertise to help them steer a course into these headwinds. At the same time, many companies find themselves limited in what they can pay to attract and retain that executive talent.

In this context of the 2009 economic outlook, a smart HR strategy for organizations seeking high-quality finance executives to consider is the hiring of interim executives. By working with a staffing company to identify world-class executive talent available on an interim basis, companies can maintain the right mix and depth of finance leadership while avoiding the high cost of continually restructuring the corporate finance management team.

The notion of temporary executive job assignments actually started in Europe, where companies face labor laws making it very difficult to terminate employees. Terms for these types of opportunities vary -- "Contingent Executive" or "Interim Executive" are the most common -- but the premise is the same: An experienced exec provides a strategic leadership role for a company, within his/her areas of expertise, for a limited amount of time.

A growing number of today's finance executives elect free agency. As they move from assignment to assignment, they share their skills, experience and knowledge. They are equipped to drive innovation, share intellectual capital and facilitate human capital flexibility. They understand the challenges that most U.S. companies face and they're prepared to hit the ground running.

By their nature, interim executives are uniquely positioned to add objectivity, detachment and depth to existing senior management teams. Their fresh perspectives can be invaluable.

Interim executives are typically available on both a long-term or project basis. Regardless of the length of the assignment, interim executives can provide the financial management depth an organization needs without the high cost of fixed employment. At the same time, the employer avoids expenses related to hiring permanent managers whose specialized expertise may not fit long-term business needs. Moreover, bringing on an interim executive allows the company to avoid hiring freezes and problems regarding headcount reports since they aren't hiring a full-time employee.



Most interim executives are seasoned finance specialists available just when they are needed by a company to do the following:

- Lend critical skills to special projects;
- Fill in gaps in specialized expertise; and
- Provide leadership during critical events in the lifecycle of a business - from inception and early stage growth to going public, expanding or even dissolving.

Some companies are hiring interim executive finance talent to fill gaps created by retiring baby boomers while they search for permanent replacements. Some are turning to temporary help to sustain a business following a sudden departure, a strategy that has become particularly valuable in recent months because faraway recruits are taking longer to relocate due to the depressed housing market. Others are looking for short-term executive support during a merger or acquisition, restructuring, rapid corporate expansion or amidst a major due diligence project.

Whatever the motivation, interim finance executives are becoming an increasingly popular solution to the need for high-level management expertise in an uncertain economic environment that is placing serious cost restraints on employers.