

[E-mail your responses to editorial@supplymanagement.com]

[Steve Elliott]

SOAPBOX

The life of an interim



▶ **Steve Elliott** is professional interim manager and managing director of ProcurePro (www.procurepro.co.uk)

Recent articles in *SM* have waxed lyrical on the benefits of being an interim manager. However, it is important to understand it is not for the faint-hearted and nor is it merely easy money for working half-weeks.

As an experienced interim, my move into this world was a career choice, after much thought, research and even psychological testing. And the differences are significant. You need to be highly entrepreneurial. You

need to think like a business – you are working for a client not an employer, and you need to pitch and sell at a meeting, not interview. You must be confident and comfortable in being the new person every time, able to get on with it from day one and know your subject matter inside out.

You need to be flexible and able to lead or work as part of a team. You are not an employee – you do not have the luxury of settling in and you have to deliver in a short time. You must thrive on constant change and pressure.

Too many buyers are being lured by the perception of big money and a flexible-working lifestyle and are unprepared for the sheer hard work that awaits them.

Too many buyers are being lured by the perception of big money and flexible working and are unprepared for the hard work

The day rate is typically 1 per cent of a purchaser's annual salary. This might seem high, but that sum needs to reflect that you pay your own salary, usually a dividend, and you do not get paid for holiday, sick, maternity/paternity leave. There is no private health or life insurance or pension contributions made on your behalf. You must pay corporation tax at 20 per cent, battle with IR35s and personal tax on dividends, contend with the difficulties in obtaining loans and mortgages because you are self-employed, and possibly experience a HMRC audit every five years.

You need to be prepared to travel to the client and, if necessary, work from home for long periods. When your assignment ends, you may not know when or where the next one will be. You need to build key relationships, network and connect with the agencies that will most likely find your interim assignments. You are likely to take half the amount of holiday you would in permanent employment and work much longer hours.

But it is not all doom and gloom. As an interim you can change clients regularly and you gain great experience and variety in all sectors and industries. You have the freedom to choose where you work and you know that people need your help and skills, which is fulfilling. You can work free of the culture restrictions and restraints that a full-time employee may have, which is liberating. While you must always remain professional and respect the client's business, you can deliver change more easily, navigate bureaucracy and challenge thinking. You are able to look back at the end of an assignment and see the value you have delivered. And, every assignment builds on your portfolio of skills, making you more in demand.

have to be a whingeing anti-globalisation protester to want to know about the "labour behind the label". Do business in China by all means. But understand what you are getting into.

You would not want to end up sounding like Tony Ferrino, one of the comedian Steve Coogan's less celebrated creations. He was once asked in a Q&A to justify his support for low-wage factories in the Far East, where some workers and union activists had a worrying habit of "disappearing".

"Well," Ferrino said, "it is so easy to be critical, to say, 'Oh, this violates human rights,' blah blah blah. I'd like to see some of these cowards try to run a Third World country without violating human rights. It's not as easy as it seems, I can assure you."

"Deadlines have to be met. Orders have to be delivered. And if that means – you know, it's not pleasant – but if \$30,000 worth of training shoes are delivered on time, and one person goes missing, I'd say it's a small price to pay."

[Stefan Stern]

FIRSTPERSON

Some trouble in big China



The recent appalling pictures from Tibet, amid preparations for the Beijing Olympics, were a reminder

that, however attractive the cost savings on offer, China remains a problematic country to do business with.

Smart investors are exercising caution about the alleged fortunes that will "inevitably" be made in the mysterious East. Current turbulence in the world's financial markets will affect China too. Inflation has been rising fast there. The Chinese currency, the renminbi, has been too cheap for too long, and an upward revaluation is inevitable.

▶ **Stefan Stern** writes for the *Financial Times* (stefan.stern@ft.com)

And wages are now rising rapidly too, eating into the labour cost arbitrage that some hoped would continue indefinitely.

Last summer we got our first real glimpse of the sort of problems a dash to China could incur. US companies, sourcing Chinese products as varied as pet food, toothpaste and children's toys, reported concerns over contamination and, in the case of the toys, lead poisoning from cheap paint.

It all got deeply political pretty fast. Hillary Clinton dived in with some unsubtle (and implicitly protectionist) observations. "I do not want to eat bad food from China or have my children having toys that are going to get them sick," she said. "So let's be tough on China going forward."

This is really all about – you guessed it – proper supply chain management. Do you know what

is happening in remote Chinese factories? If you keep pushing back on price how do you expect your suppliers to treat their suppliers further down the line?

When I asked Mary Teagarden, a professor at the Thunderbird School of Global Management in Phoenix in Arizona, about this, she told me standards in China were slipping.

"There is often no incoming inspection of raw materials, and no outgoing inspection of finished goods. This is about business people displaying poor business practice," she told me.

"They don't put lead in paint because they are wicked, it's just what works for them. China is so large, and industrialisation has been so rapid, that maintaining any control over multiple sites is extremely difficult."

In the end, "easy" profits always come at a price. You don't

LETTERS

Sponsored by



Curtis Fitch /Source™, market leading intuitive software, supported by the most flexible consultancy. Call 01242 530 900 or visit www.curtisfitch.com

Diversity: don't follow US lead

The US supplier diversity programme is heavily discredited and full of abuses. We should not copy a fundamentally flawed scheme just for the sake of our CSR credentials ("Buyers should follow US lead on supplier diversity", *News*, 27 March).

What we should do is give all potential bidders a fair chance to present their offering and ensure we match the best of these with our organisation's needs. This does not require special programmes, simply a good professional approach to purchasing.

DOUGLAS ELSE-JACK
VIA E-MAIL



Scots can learn from English too

On the subject of public sector reform, ("It's trim up north", *Soapbox*, 27 March), surely Ken Cole misses the point.

The public sector, at all of its various levels, operates essentially as a monopoly. Textbook economics tell us that a monopoly organisation will forever produce less output for a higher price than an organisation operating in a competitive environment. In fact, in the long term, a monopoly will produce output that is no longer required by society.

This has a rather perverse effect, in that such organisations will only recruit and promote staff who guarantee to perpetuate this sorry state of affairs. Against this backdrop it seems unlikely that public sector organisations will ever be able to recruit and retain top buyers.

I agree with Cole that England must be more radical in delivering greater »