

Interim Executive ANNUAL SURVEY 2020

Watermark
SEARCH INTERNATIONAL



“Watermark provide high quality candidates within short timeframes and it is clear that they are connected with great market talent. They span the brief quickly and thoroughly, whilst operating with high levels of transparency and integrity. Caroline’s service has been fantastic.”

Chief People & Culture Officer
from the construction sector

“When I have needed to get experienced executives on board quickly who could hit the ground running and help drive transformation, Watermark stepped up big time. From just a short conversation, Watermark have the knack of lining up excellent candidates – more than one of whom could slot in. Reliable results and quickly – just what we needed.”

David O’Connor, Chief Information Officer,
University of Technology Sydney

“Watermark promptly assessed our needs and understood the changes we were looking to embed in the organisation. They were able to present candidates who reflected the organisation’s requirements not only based on skill but on our trajectory towards an executive team that reflected the diversity of the community that we serve.”

General Manager, Human Resources –
Mutual Banking Sector

“Our firm needed an interim CFO quickly. Watermark provided experienced candidates with deep industry experience quickly and with no fuss. The result was no disruption to the business and uninterrupted finance support to the executive team.”

Lindon Egan, Chief Financial Officer,
MinterEllison

“St John Ambulance Australia were recently provided a wonderful opportunity by Watermark Search International with access to highly talented corporate executives to assist us in developing a national communications strategy to deliver mental health training to victims of the recent bushfires and more recently members of the public effected by COVID-19. The program is still being developed with the assistance of two interim executives from Watermark on a pro bono basis. St John is incredibly grateful to Watermark for stepping up in a time of need to assist not-for-profits like St John.”

Len Fiori, Chief Executive Officer,
St John Ambulance Australia

WELCOME

FROM WATERMARK

It's a decade since Watermark launched its first survey of the interim executive. In 2020, we are proud to be launching our tenth edition of this important research report. In the years since 2010, the demand for interim executives in the Australian marketplace has seen significant growth. Our firm is proud to have been a pioneer of the sector and to now hold a leadership position in interim executive recruitment.

Our interim business is a vital part of the broader success of the Watermark business. We regard our interim practice as a key differentiator in what is a crowded executive search marketplace.

Indeed, the growth of that business, and its successful positioning, have been supported by the 40 years of experience Watermark Search International brings to the sector.

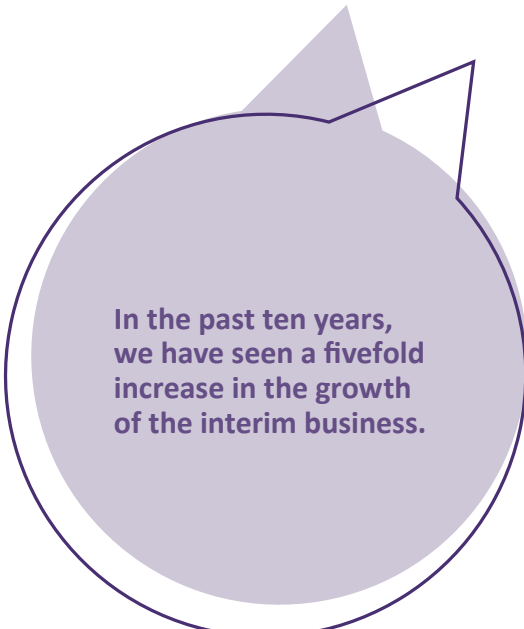
In recent years, our interim practice has also become Watermark's innovation hub – a seeding and testing ground for new products – with TESS (Total Executive Search Solution) and KPRI (Key Person Risk Initiative) just two of the valuable initiatives we have developed.

Added to this is the asset that is our interim team, a group of experienced thought leaders who are recognised experts in the interim field. I would like to close by highlighting the significance of their contribution over the ten years we have been conducting the Watermark Interim Executive Survey and investing in our interim practice. In that time, we have seen a fivefold increase in the growth of the interim business. That's a great achievement and reflects the quality of our offering, interim executive talent, and ultimately, our commitment to our interim executive clients. As always, our team and I are on hand to answer any questions about Watermark or assist you in any way. Please don't hesitate to contact us



David Evans
Managing Partner

Watermark
SEARCH INTERNATIONAL



**In the past ten years,
we have seen a fivefold
increase in the growth
of the interim business.**

EXECUTIVE SUMMARY

If there's one theme that has emerged in the tenth edition of the Watermark Interim Executive Annual Survey for 2020 it's that the interim professional is now firmly on the main highway that is the Australian workplace. This year's report provides key data and detail reflecting that position. It also identifies the trends which inform the market about the value of the interim executive offering on the client side – buying in specific skills to meet a specific need and time frame.

For executives working as interims, or actively seeking an interim role, they are in demand because of their leadership skills and ability to offer **deep functional expertise** to an organisation to solve a problem at a point in time.

For companies and business looking for interim talent, it's about understanding the benefits of sourcing the kind of experienced professionals needed to manage not just the disruption challenges they face but the broader demands of digitisation and innovation. Our clients are keen to understand the evolution of the interim executive marketplace because it is a key solution for them as they seek to fulfil business critical needs.

In other words, the interim sector is about relevance and resourcing skills in the here and now. Hiring an interim executive is the right solution for many businesses not just for today but also for the future.

We expect the sun to keep shining on the interim executive offering and for it to continue to attract a growing number of professional interim executives who bring those sought-after skills. Equally, on the demand side we see an expansion in the number of clients coming to Watermark, as they understand the benefits of engaging an interim.

They have seen for themselves just how effective resourcing the project in short time frames with business-critical skills via the professional interim can be. As a specific insight on the challenging times we have faced in the first half of 2020 due to COVID-19, we would also emphasise that Watermark has not only been able to meet spikes in demand from clients resourcing through this time by utilising interim talent – we have also been able to interact effectively with our interim professionals in a remote setting.

Watermark's Interim team quickly adapted to meeting with clients and interim executives in an agile way. We have been able to successfully bring together and present portfolio skills via technology solutions like Teams and Zoom; ensuring the wellbeing of our cohort of interim professionals through regular contact and updates; and maintaining 'face-to-face' presence with our valued clients in virtual ways. Whatever the interim talent need, Watermark's understanding of the sector has made it the market leader in managing the challenges of COVID-19.

We look forward to continuing to provide vital sector knowledge and thought leadership in 2020 and beyond. We will continue our networking and development events via Webinar, and later resuming meetings and industry events post COVID-19. Whether during or post COVID-19, the excellent talent and services we offer remain. As always, we are on hand to discuss any issues raised in the report or any other questions you may have.

Please do not hesitate to contact one of our Interim Team in Sydney or Melbourne.

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SURVEY HIGHLIGHTS



The tenth edition of our interim executive survey highlights **REINVENTION** by companies and executives as a key response to digitisation and disruption. Interim executives are a mainstream element of the Australian workforce in a greater way than we have ever seen before. We believe the 30% uplift in total respondents to this year's survey reflects that. Furthermore, a huge 94% of survey respondents said they expect interim to play an even bigger part in the future of work.

These insights are framed by five key elements:

1

Changes in organisational design – as businesses face shorter cycles the need to provision the right skills and quickly adapt to change is more pressing than ever. As organisations are forced to pivot and adapt to market forces, interim executives are a sought after piece in the business strategy puzzle – more so than ever before.

2

Rise of the C-Suite – the number of C-level roles has expanded as organisations respond to more complex demand in places like technology and digitisation; supply chain and logistics; procurement and customer. The rise of the C-level interim reflects this evolution with interim executives Chief Procurement Officer; Chief People Officer and Chief Digital Officer all in demand.

3

Deep functional expertise needed – business success depends on delivering the right skills and services to technology savvy customers. That means it's not just about being flexible as a professional but also about offering deep functional expertise and currency to mirror the demands of the marketplace.

4

Leadership is the lynchpin – the market wants leaders who can respond in the here and now and to a range of environmental and market challenges. Whatever the business strategy, successful interim leaders show confidence, knowledge, strong EQ and the ability to respond not just quickly but also effectively.

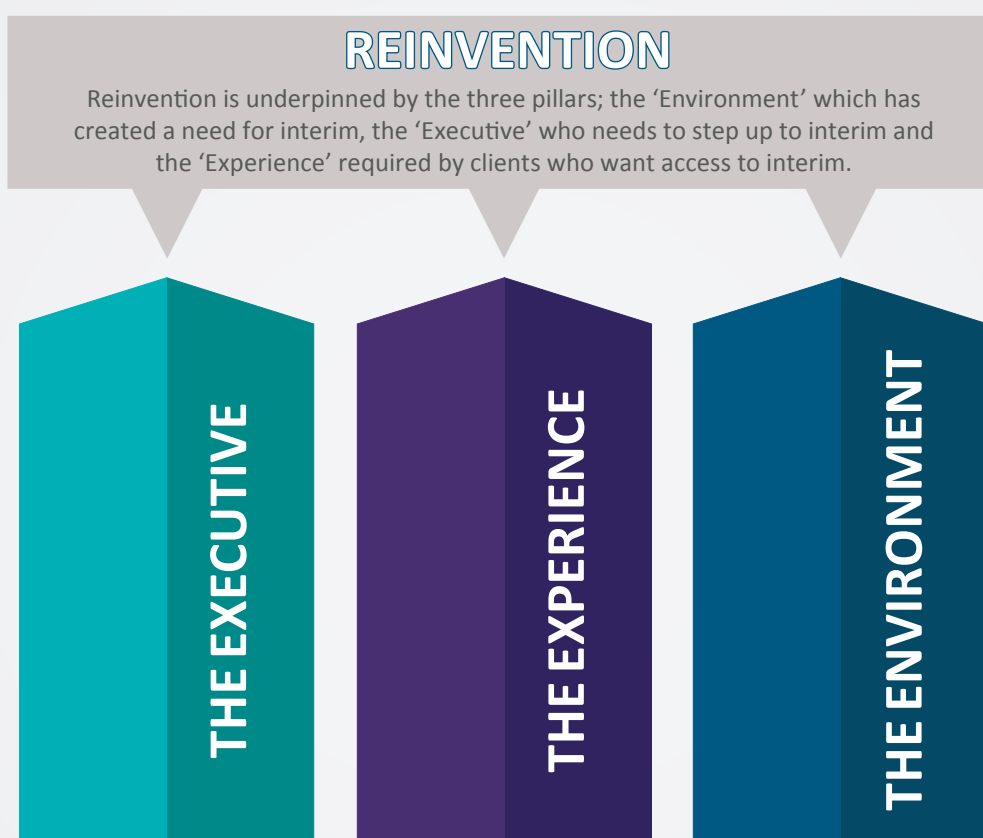
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Demand for digital currency – one in three interim executives recognise they need digital and customer experience highlighting the importance of digital currency as a 'must have' in the digitised economy of today and tomorrow.

KEY SURVEY FINDINGS 2020

The Three Es of Interim

For 2020, our survey framing is around the three pillars shaping the supply and demand sides of the interim executive marketplace.



The Executive Pillar explores the demographic of an interim executive and the motivators of the people choosing to engage with this way of work. It examines the core skills valued by clients in a constantly evolving, uncertain and disruptive business landscape – what we call an interim executive's Superpowers.

The Experience Pillar focuses on the type of work an interim executive undertakes. This is about looking beyond motivation – and the reasons a person chooses to be an interim executive – to explore the actual hands on experience. The Experience Pillar informs us about which sectors, levels, and functional areas are in demand.

The Environment Pillar looks at the broader macro environment in which interim executives operate as well as the micro drivers of the sector. Themes like transformation, digitisation, and disruption are relevant not just to the type of Executive sought and the Experience they need but also to the Environment in which they, and clients seeking to engage an interim executive are operating.

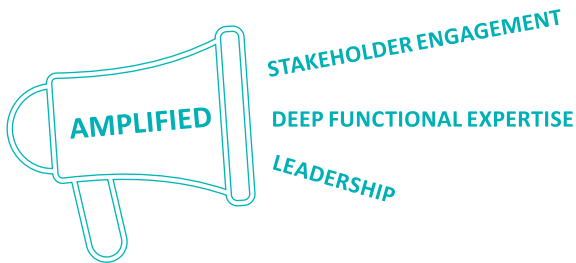
THE EXECUTIVE

LEADERSHIP IS THE LYNCHPIN

Consistently, the survey results show that the top three greatest attributes our interim executive respondents offer an organisation are: deep functional & leadership experience, execution focus, and the speed at which they can diagnose issues and craft a plan to remedy.

These come from a clear understanding of what we characterise as the interim Superpowers and years of experience on the business front lines in honing these.

The value of deep leadership expertise has been amplified in the current year.



Specifically, we see the rise of demand for key skills: complex stakeholder engagement (58% growth year on year (YOY)), quickly demonstrating capability (61% growth YOY) and navigating politics (73% growth YOY). The growing complexity of the business landscape (disruption, macroeconomic influences, constantly evolving business models, changing customer sentiments), is paving the way for leaders who are solid communicators, adaptable, quickly able to assess risk on the information available and cut a path forward to bring people on the journey. Interim executives are the solution. Not only do they navigate the issues of their functional area of expertise, but they also have on average 25 years of leadership in transformational environments.

Overhitting the mark and shining in a crisis is the strength that client's value.

DEEPENING FUNCTIONAL EXPERTISE

One in every two executives in the survey choose interim as a way of working – both for the breadth of assignments on offer and the ability to work across sectors. Deepening their expertise with challenging assignments and sector experiences triumphed over the flexibility this way of working has provided to many in previous years. We see a 24% increase YOY in interim being a stated preference but open to other terms of engagement (i.e. permanent, fixed term, consulting). At Watermark, we have seen a tangible shift in our interim executives being more flexible in the method of engagement by clients. The opportunity is the most important aspect specifically the challenge and variety, and we see the back-end contract arrangement of less importance both to client and executive.

BEING RELEVANT – NETWORKING GIVES THE EDGE

While a 20-year career builds credibility, resilience and experience, this does not equate to currency in an interim executive's Superpowers unless you are making a conscious effort to upskill or reskill. The functional skills and ways of working learnt as recently as two years ago may be redundant today.

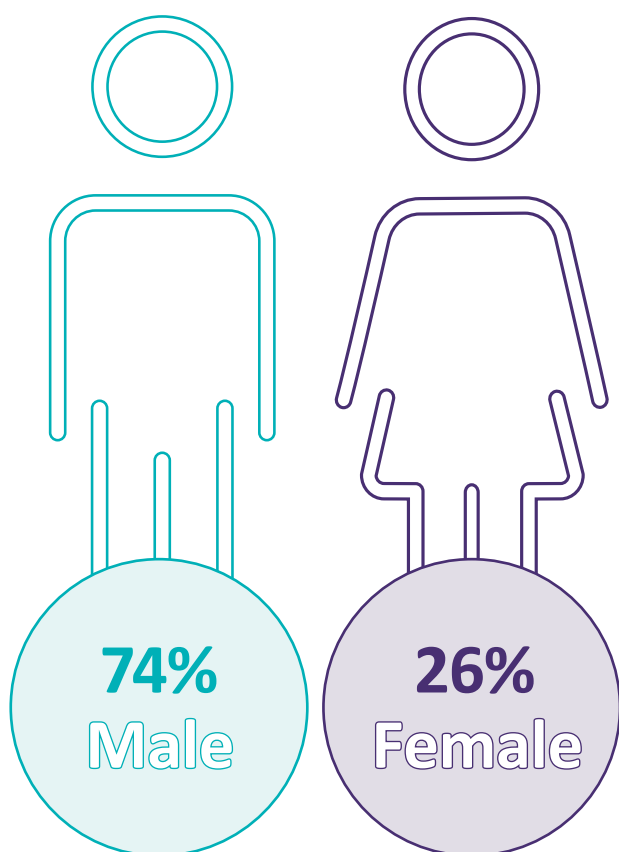
It is well documented that the worker of the future must adopt a continuous learning mindset. Our interim executive respondents embrace such a growth mindset; they are curious, driven to constantly learn and develop through networking, industry forums and reading, taking on increasingly challenging assignments, conducting research, and attending webinars and courses. All these are specific to honing their Superpowers.

In this fourth industrial revolution – the digital economy – we have never been more hyperconnected. That means cultivating productive and quality networks gives a clear competitive advantage. Not only are networks a key source of work and referrals, they give the opportunity to share current market information, tap into new trends and insights – and help give an 'edge' and currency to an interim executive's skillset. Industry networks are specifically impactful in helping an interim executive to maintain relevancy.

THE EXECUTIVE RESULTS

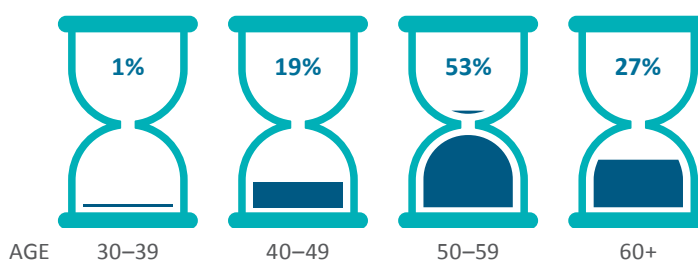
YOUR GENDER

Results remain consistent with 2019 across the entire market at 74% male and 26% female. However for Watermark alone, the split is more balanced at 49% male and 51% female.



YOUR AGE

Results remain consistent with previous surveys. The largest cohort of interims continues to be the 50-59 age group. There has been a 4% increase in the 40-49 age group.



HOW COMMITTED ARE YOU, AS AN INTERIM EXECUTIVE?

There has been a 9% drop in respondents who choose interim as their career choice. However, this has shown an increase of 24% YOY of respondents who prefer interim but will consider a permanent role.



- Very committed, it's my career choice **34%**
- My preference, but will consider a permanent job **36%**
- Looking for either permanent or interim work **26%**
- Really only considering interim until a permanent job comes up **4%**

WHY DO YOU CHOOSE INTERIM?

Most respondents choose interim for the variety of assignment on offer or to work with different businesses / sector (1 in 2 choose this). Previously, flexibility was the most popular result (down by 10%). More executives are broadening their resume with variety of interim roles and sector experience. The motivator is the opportunity specifically the challenge and variety of assignment.



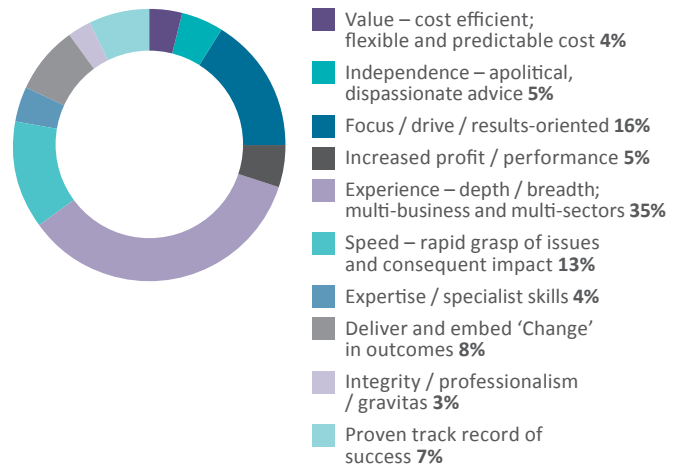
HOW DO YOU REMAIN RELEVANT AND CURRENT IN YOUR CHOSEN AREA OF SPECIALISATION?

Our interim executive respondents embrace a growth mindset; they are curious, driven to constantly learn and develop through networking, industry forums and reading, taking on increasingly challenging assignments, conducting research, and attending webinars and courses.



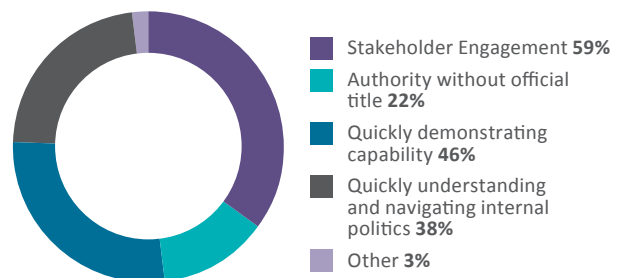
WHAT DO YOU CONSIDER TO BE THE SINGLE GREATEST ATTRIBUTE THAT YOU COULD OFFER AN ORGANISATION AS AN INTERIM?

The top attributes our respondents can offer to an organisation are Experience – depth/breath, multi-business and multi-sector Focus/drive/ results oriented and Speed – rapid grasp of issues and consequent impact.



WHAT SOFT SKILLS ARE MOST IMPORTANT?

59% of respondents believe that Stakeholder Engagement is the most important soft skill, up 22% on last year. Next is Quickly demonstrating capability, up by 18% and Quickly understanding and navigating internal politics up by 16%. While the skills are consistent YOY there has been a massive jump in emphasis/importance of each. As business environments have become more challenging and complex, the desire for these traits has been amplified.



THE EXPERIENCE

CHANGE IN THE PROFILE OF THE ASSIGNMENT

The data shows a shift toward 'C-suite' interim assignments with a 23% growth YOY in this category. In this we see a move away from GM level and Program Management roles prominent in prior years. It also shows a link to the leadership and specialist skills required to lead through disruption. Stakeholder engagement and communication are key skills of a successful interim executive.

The in-demand sectors have remained consistent with one in five having worked in government. The top five busiest sectors in 2020 (which also reflect Watermark's key client sectors) were:

1. Government
2. Not for Profit
3. Financial Services
4. Health
5. Professional Services

The demand for skills in IT, Digital and Data and related areas saw a spike in demand of 25% YOY. The growth in technology skills reflects the digital economy in which we now live and work. For 2020, COVID-19 has brought this front and centre. The move to digitisation has highlighted the importance generally of digital literacy. As companies grapple with disruption in data and digital there is a flow on impact on how customers engage, which in turn drives demand for market growth and customer experience. Interestingly, we saw a decline of 16% for Project/Program management skills, which is a move away from Program Management requirements into C-Suite Leadership assignments.

REMUNERATION AND RATES

Regarding daily rates for interim executives we see the range of \$1000 – \$1800 captures 73% of respondents. There was a small increase in those being remunerated at \$1800+ per day – up from 17% in our 2019 Survey to 23% in 2020.

WHAT THE MARKET IS SEEKING

For 2020, the Watermark interim executive survey highlights the experience the market is seeking. In two out of three assignments, transformation and specialist skills not available inhouse is the reason an interim is required. The key business driver of this transformation work is business turnaround (cost reduction/margin improvement). One in five assignments relate to this, followed by cultural change.

Business disruption due to environment, competitors and digital is causing businesses to take out costs, review operations, and more broadly to transform. This business disruption is a consistent theme and one that we see as likely to continue post COVID-19 as businesses reimagine themselves and their operating models.

The commentary from respondents talks to growth – business acquisition, M&A, scale up, innovation, business cases, new business – with one in two respondents saying this demand will continue into the future. There was a spike in growth of risk assignments (CRO roles grew by 42% YOY) and digital (CTO/CDO up by 16% YOY). Macroeconomic forces are at play, influenced by a heightened regulatory environment and evolution of the digital economy.

"Every experience with Watermark has been professionally managed and I view Watermark as the leading Interim Search firm in this space."

Survey Participant

"Excellent alignment of client need with my capabilities; and the go-to leader in the Interim Agency market in Australia."

Survey Participant

WANTED: DEEP FUNCTIONAL EXPERTISE

One in two (50%) respondents said leadership and financial & risk management will be the core skills businesses will aim to address in 2020 and beyond. These were closely followed by IT/digital literacy skills and customer experience cited by one in three respondents.

Having interim executives who are solid communicators, digitally savvy, able to assess risk, cut a path forward, and bring people on the journey – these skills are key.

The importance of 'leadership skills' – including stakeholder engagement (58% growth YOY), quickly demonstrating capability (61% growth YOY) and navigating politics (73% growth YOY) has sharpened in the current year. Growing complexity and the multiple challenges of the business landscape mean relevancy in these traits is vital for a successful interim executive.

FINDING INTERIM WORK AND WORKFLOW

There is a growing competitiveness within the interim market. More people are choosing this as a way of working and as such individuals need a clear value proposition. What's more, the importance of networks and channels to market is as strong as ever. Three out of every four (75%) of respondents are sourcing assignments through prior job contacts. This highlights the growing importance of networks both as a source of work and as a competitive advantage. The Survey showed a 27% growth YOY in the use of brokers as a channel to market – and 85% selected 'important' or 'quite important' when asked about the value of engaging with a broker.

In looking at how busy or utilised Survey respondents were the results showed that one in two respondents waiting 6+ months for next assignment – up 33% YOY. While it is important to note this survey was conducted in March 2020 (the height of the COVID-19 crisis) the statistics show 28% of interims were on assignment at the time the Survey was conducted – down from 36% in 2019.

WANTED SKILLS:

1. LEADERSHIP
2. FINANCIAL & RISK MANAGEMENT
3. DIGITAL

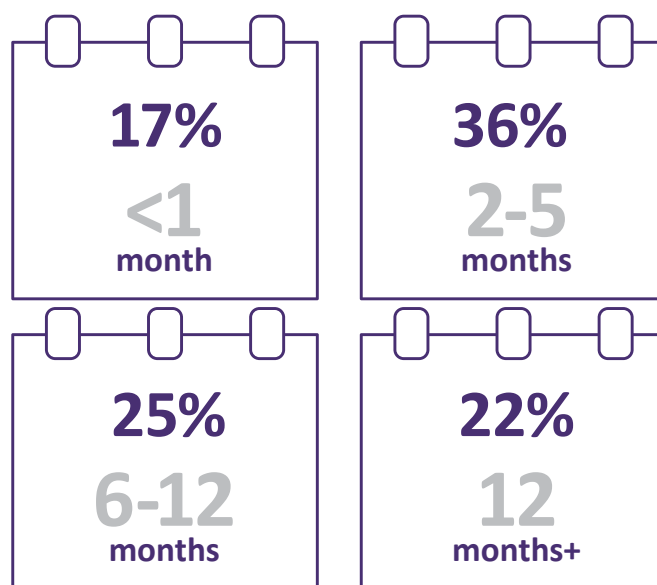
"The business had the need to bring in a specific skill set on an interim project to address a challenge. Following a conversation with the Watermark team they were able to quickly understand the type of experience and person we were looking for and within days we had a number of exceptional candidates and within a week we had the right person assisting us. A great outcome."

Darren Boyd, Chief Executive Officer and Managing Director, Millennium

THE EXPERIENCE RESULTS

HOW LONG HAVE YOU BEEN LOOKING FOR AN INTERIM ROLE?

There has been a big shift in the length of time respondents have been looking for an interim role. The bulk of respondents, at 35%, have been 'on the market' for between 2-5 months. Those looking for less than 1 month has dropped by 13% from 30% in 2019. Those looking for 6-12 months has risen by 7% and 12+ months has risen by 5%. This data highlights the competitiveness of market, importance of networks to fuelling pipeline of work plus partnering with Watermark. Robust networks are a competitive advantage for an interim executive.



WHAT IS YOUR TARGET (OR CURRENT) BASE DAY RATE?

Just over three quarters (77%) of respondent's day rate is between \$1000 – \$1800 per day. We have seen a slight increase of 6% of those earning \$1800+ per day. Clients are paying for the skills they need to deliver, and the market is most comfortable in the range of \$1000 – \$1800 per day.



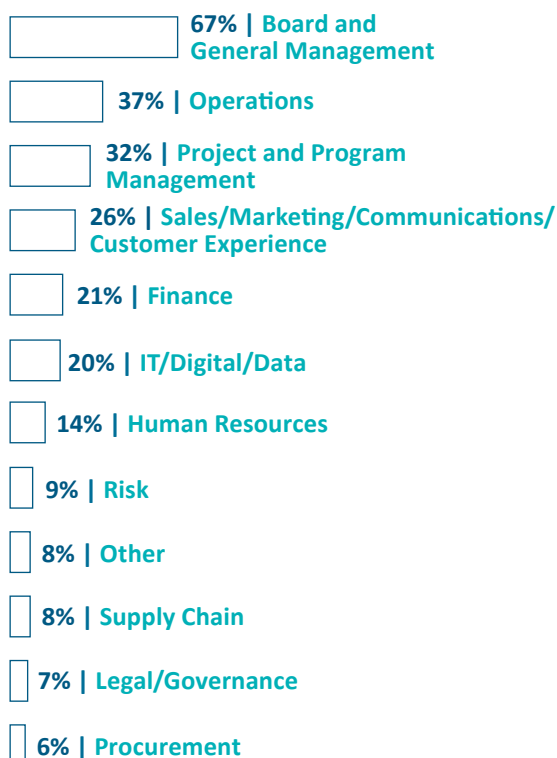
WHAT LEVEL HAVE YOU TYPICALLY WORKED AT?

The largest growth in this section is 'Other C-Suite' up by 11% to 58%. CEO, GM/Head of Dept/Exec Director and Project/Program Manager have all dropped between 4-6%. The shift toward interim C-suite roles is directly linked to the leadership skills that are in demand and valued by client in a crisis or as the business goes through changes and transition.



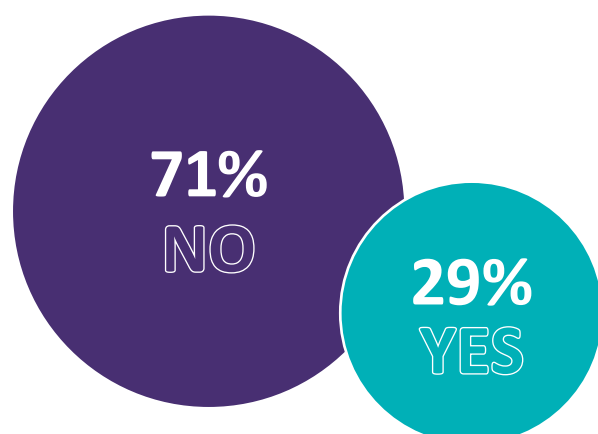
WHICH FUNCTIONAL LEVELS HAVE YOU WORKED IN?

Board/General Management and IT/Digital/Data have both increased by 4%. The biggest drop is Project/Program Management which is down by 6%. A shift from running programs of work to respond to transformation and disruption (2019 survey) to organisations wanting leaders with deep technical expertise and recent currency (i.e. digital literacy) to lead through disruption and crisis.



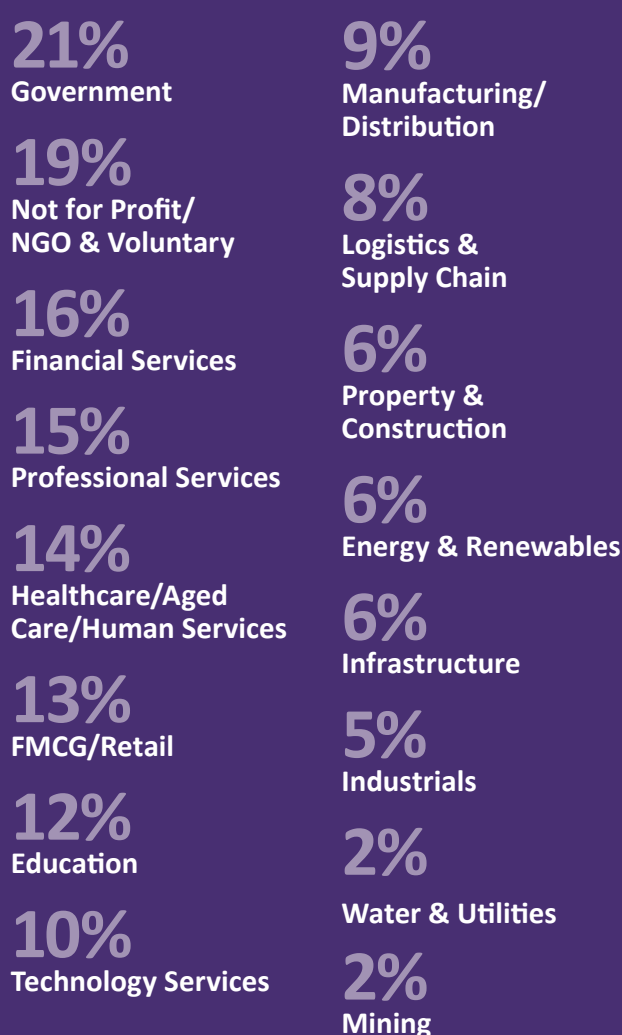
ARE YOU CURRENTLY ON ASSIGNMENT?

At the time of the survey, which was March 2020, 29% of respondents were currently on assignment which is 8% less than 2019. Even factoring in COVID-19 and the disruptions to the economy the interim executive marketplace is becoming a very competitive landscape.



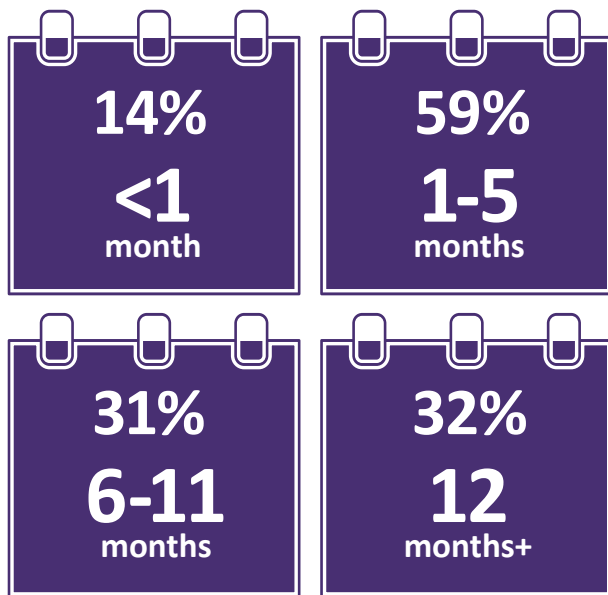
OVER THE LAST 12 MONTHS, WHICH SECTORS HAVE YOU WORKED IN?

The sectors that respondents have worked remains pretty consistent with 2019, with some minor changes. Manufacturing/Distribution has dropped by 4% and Government has increased by 3%. The top three sectors are: Government, Not for profit/NGO/Voluntary and Financial Services. The overall sector coverage is broad and relatively evenly spread. The demand for interim executives is increasing across most sectors and is reflective of where the market is most active, i.e. Health and Government have been and will continue to be drivers of growth for the whole Australian economy for the next 12-24 months, at least.



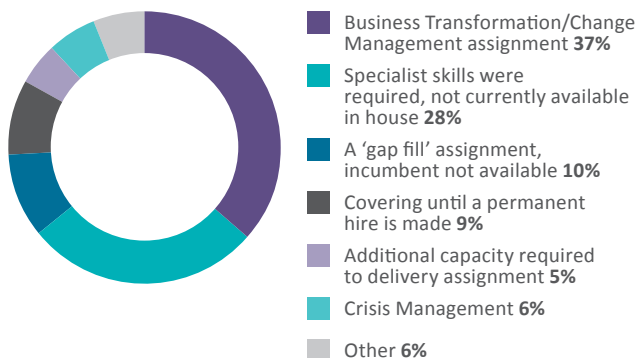
HOW LONG HAVE YOU BEEN ON YOUR CURRENT ASSIGNMENT?

The largest cohort of respondents have been on assignment between 1-5 months with 43%. However, the largest increase is those on assignment for 12+months, up by 5% to 24%. The average length of assignment for all 2020 interim assignments at Watermark is 9 months.



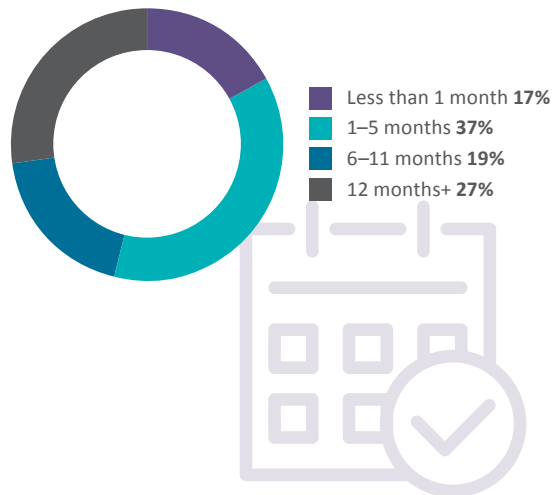
WHAT WAS THE REASON FOR YOUR MOST RECENT ASSIGNMENT?

Business Transformation/Change Management assignments are still the main reason for an interim assignment at 37%. The second highest reason, at 28%, that respondents were on an assignment was that specialist skills were needed, and they were not available inhouse. Interestingly, Crisis Management is up by 3% on 2019 results.



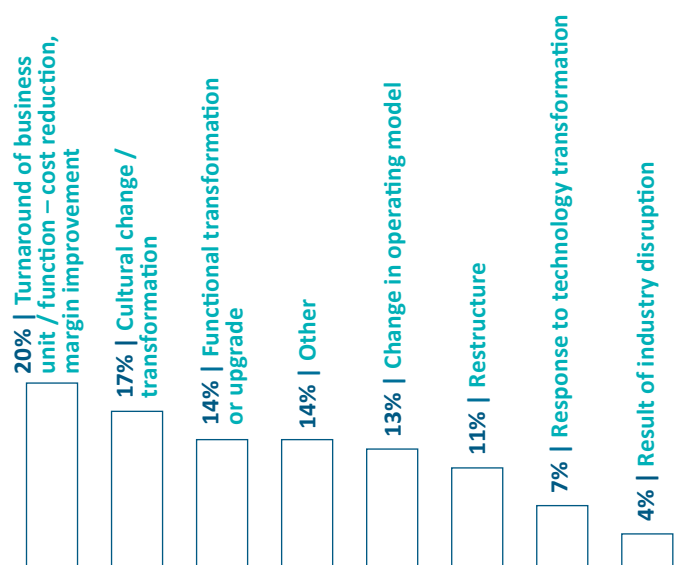
IF 'OFF ASSIGNMENT' HOW LONG HAS IT BEEN SINCE YOUR LAST ASSIGNMENT?

The responses to this question are comparable to 2019 with the majority of respondents have been off assignment for 1-5 months (37%)



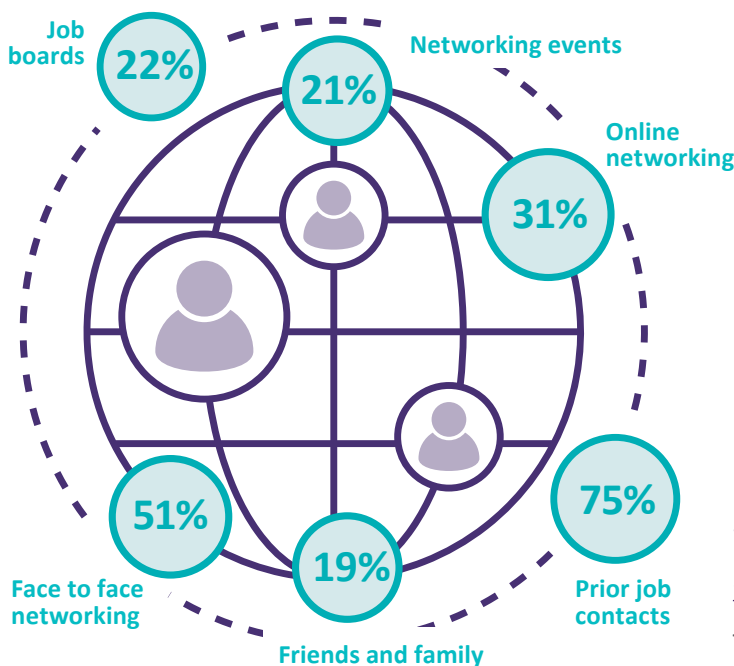
WHAT WAS THE UNDERLYING BUSINESS REASON FOR YOUR LAST INTERIM ASSIGNMENT?

Turnaround of business unit/function – cost reduction, margin improvement was the underlying business reason for 20% of all respondents – up by 5% from 2019. Over 30% of respondents were involved in either Cultural change/Transformation (17%) or Functional transformation /Upgrade (14%). The key theme for assignment continues to be disruption (competitors, digital, etc) – causing businesses to take out cost, review margins, transform. This theme is likely to continue post COVID-19 as businesses reimagine themselves and operating models.



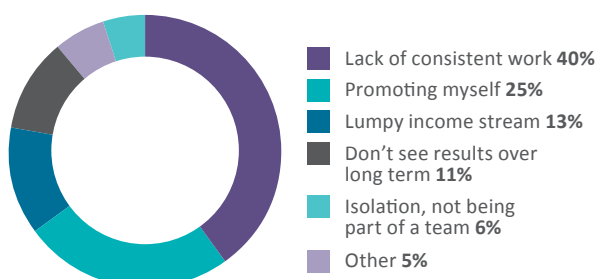
IF GAINING WORK THROUGH YOUR OWN NETWORKS, HOW IS IT SOURCED?

Results are consistent with 2019. However, face to face networking is down by 6% and online networking up by 2%. This could be due to COVID-19 and the enforced social distancing and prevalence of online tools (zoom, teams, facetime) as a primary contact medium. Respondents are sourcing assignments through prior job contacts for every 3 out of 4 assignments, and 1 out of 2 assignments through F2F networking. Your personal network is a competitive source of advantage and will continue to be in our currently 'hyperconnected' digital world.



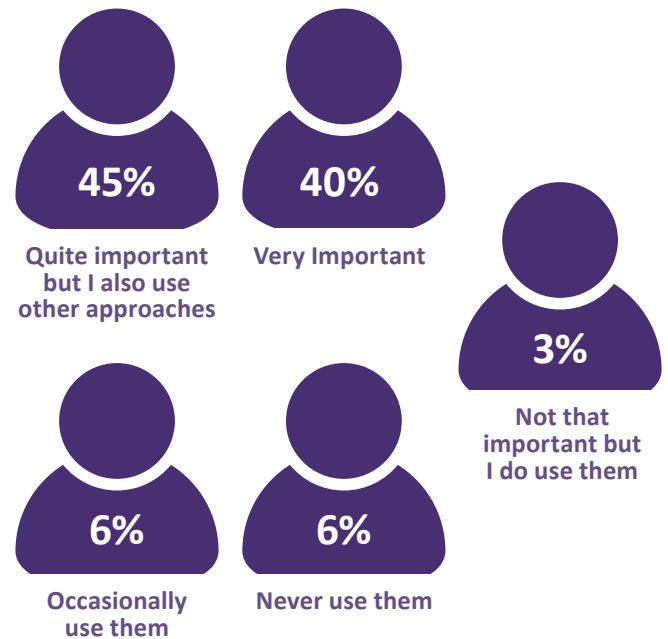
WHAT IS THE BIGGEST CHALLENGE TO BEING AN INTERIM EXECUTIVE?

A lack of consistency is again the biggest challenge our respondents find with being an interim executive and this result is consistent with those of 2019. This is followed by 25% who find the biggest challenge to be promoting themselves. We find that being clear about your Superpowers to your network can help you be active, current and relevant. Being top of mind with your network helps keep the pipeline of work strong.



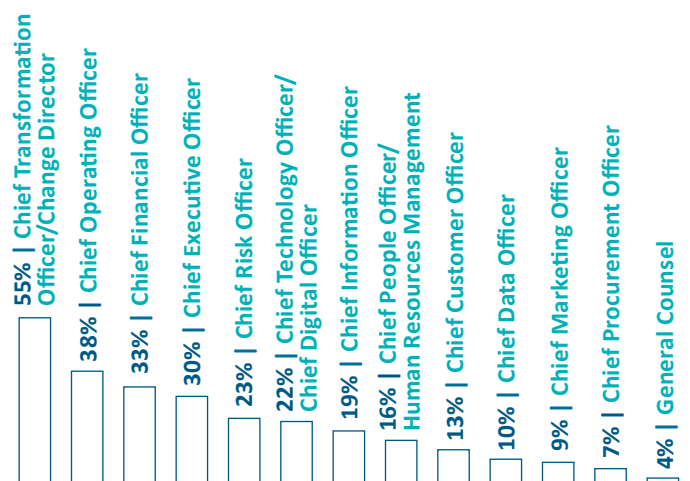
HOW IMPORTANT ARE INTERIM BROKERS IN SOURCING ROLES?

85% of respondents think that interim brokers are very important (40%) or quite important but they do use other approaches (45%) in sourcing roles, which is in line with 2019 results. A combination of a broker and your networks extend the reach of your channels to market and a means of sourcing roles.



WHAT FUNCTIONAL ROLES DO YOU SEE AS DEMAND AREAS FOR INTERIMS?

The biggest changes from 2019 are Chief Risk Officer, up by 7%, Chief Technology officer/Chief Digital Officer up by 3% and Chief People Officer/Human Resources Executive down by 3%. Transformation roles continue to be in high demand, with 1 in 2 respondents predicting need for this in the future (consistent to prior year). There is a spike in growth of risk and technology roles as we live and work in a digitally connected world. We predict this focus on risk and technology to continue well into 2021.



THE ENVIRONMENT

COVID-19 PANDEMIC A DRIVER OF CHANGE

In looking at both micro and macro impacts, the global pandemic which was declared in March 2020 has been a life changing event to say the least. Some 2.7 billion people (four out of five workers) globally were forced into lockdown and had to rapidly adopt 'stay at home' measures. In Australia, our first response was to ensure the health and safety of our people and support business continuity.

As organisations emerge from the global crisis, their continued focus is to ensure the safety of their people and the continuity of their operations. They want to do this cost-effectively but with a mindset of transformation and reinvention. For most companies, there is a 'new normal' emerging; going back to old ways of working is not an option. In terms of the workplace environment, we must therefore embrace a place where ongoing change is expected – as is the need to be adaptable and get creative. The 'new' environment is about recovery and the future, building the work-life, structures, communities and organisations that are sustainable and future-proof.

At the same time as these changes, there has been a heightening of themes already at play around consumer spending, preferences and expectations. COVID-19 has forced us to quickly adopt digital technologies and that has been demanding. For many there have also been physical and mental health challenges whilst in isolation.

COVID-19 blindsided us. It showed us that for the most part, we were unprepared or underprepared for such a crisis.

This has highlighted the need for pragmatic, experienced, confident, decisive leadership.

That's key to succeeding in this brave new post-COVID-19 world. It hasn't all been negative. The mantra, 'we are all in this together', has helped us become more resilient in the face of crisis. There is now an opportunity to reinvent and even thrive if we plan and prepare for the organisation of the future.

"We have been extremely satisfied with our experience with Watermark in the search for a temporary executive. The quality of candidates provided for interview was exceptional and the appointed candidate had all the necessary professional attributes as well as the ideal personality mix with our organisation. We were also very pleased that this short-term appointment progressed to a full-time role, a true indication of the quality of the people sourced for us by Watermark."

Lachlan Baird, CEO, Prime Super

"Watermark has connected us with highly skilled, professional and experienced interim executives who made a big difference from day one and enabled us to lift the bar with ongoing improvements to our business."

Peter Daly, CEO, Master Plumbers

EMERGENCE OF NEW TALENT HIRE APPROACHES

As organisations shift from crisis to recovery, we anticipate that they will adopt new talent hiring practices. We predict a move towards less traditional linear career models with more careers built around a portfolio of assignments. It also brings with it alternative remuneration and incentive plans.

The broader areas that will reshape the workplace environment include a focus on future planning and process and procedures – including areas such as supply chains, digital delivery, customer experience, remote dispersed workforce and maintaining cultural engagement.

With this reshaping of the operational and business landscape we anticipate that our interim executive workforce are the leaders that can help organisations to rethink, reinvent and reboot our future workplaces.

FUTURE DIRECTIONS

We believe the COVID-19 crisis will trigger a rise in demand for interim executives over the next 12 to 24 months. The past ten years of Watermark Survey research has demonstrated a strong growth path.

We know the interim approach works in a crisis environment as well as a growth market.

Coupled to this, there's been a rising awareness of the benefits and success of this solution as our clients more clearly understand the concept and true value of this resourcing method. At Watermark, we've steadily built a trusting relationship with organisations and seen the success of the interim model.

CHANGES IN WORKPLACE OF THE FUTURE

Interim executives are here to stay and are ideally suited to the transformative workplace of the future. We predict that interim executives will be a growing solution to reinventing, transforming, and filling voids brought about by the crisis and be seen as a flexible, economic, valuable workplace investment. There is an expectation that as we recover, organisations will adopt new talent hiring practices, less traditional linear career models and more careers built around a portfolio of assignments. This is where our interim executive cohort will lead the way in a more flexible, adaptable – even at times, virtual – environment.

The crisis has brought about the need for transformation to new business and organisational models and key to this will be an understanding and steering a positive workplace culture, one that can engage a more dispersed workforce due to new flexible working conditions. Leadership will be the lynchpin to success.

“When our CIO resigned close to Christmas and a refresh of the technology roadmap due in the new year, it was a sensible choice to consider an interim placement. Jacinta and the team from Watermark delivered on their value proposition by having quality 4 candidates for us to consider and meet with. Within 2 weeks, our interim CIO was in place and able to connect for handover and enable continuity. Three months later, we have now converted our interim to permanent CIO.”

Gavin Heathcote, Chief Operating Officer,
Heart Foundation



THE ENVIRONMENT RESULTS

We are delighted to report that Watermark are an acknowledged leader in the interim field in Australia and we are recognised for our professional, approachable and trusted team. We pride ourselves on the strong reputation we have achieved in providing high quality interims and the ability to match executives with high quality clients. We are trusted to represent our cohort effectively and we know our clients' needs.

There has been a big shift in these results, respondents believe the biggest changes will be Managing an environment of economic and social change and disruption: which is up by 19%. Followed by Extension of the Agile/Flexible workplace – up by 14%. Last year's biggest change, Understanding and leveraging technological/digital change has moved to third place, down by 10%. Greater use of technology services to support workers is also up by 11%. These results support industry 4.0 – the fourth industrial revolution – key themes in this revolution for businesses to be match fit are 1) digitising, 2) agile ways of working, 3) collaboration and co-creation and 4) the rise of the 'platform' business model. COVID-19 will fast track these changes, bringing front and centre – remote working, supply chains, culture, and transformation.



HOW WELL DO CLIENTS GENERALLY UNDERSTAND THE CONCEPT OF INTERIM?

Most respondents still believe that Clients have some experience with interim (49%, down 4% on 2019) or that Clients need to be convinced but are open to the concept (38% up 2% on 2019). We recognise that we need to continue to educate the market and will take the opportunity right now to demonstrate to potential clients that interim is a viable solution, one that will enable them to move forward post this crisis.

49%

Have some experience, not consistent across the business

38%

Need to be convinced, but open to the concept

9%

Comfortable with the concept and use interims regularly

4%

Not open to the concept and do not understand it

0% Will never use an interim

WHAT DO YOU SEE AS THE KEY DIFFERENTIATOR BETWEEN A MANAGEMENT CONSULTANT OR CONTRACTOR AND AN INTERIM EXECUTIVE?

Following are a few quotes from our respondents:

- “The consultant usually just provides strategy and a plan where the interim executive will do both of these things and then execute the plan. They are more hands on”
- “Decision making authority and accountability – interim executive would be expected to make decisions within delegated level of authority, management consultant makes recommendations”
- “An interim executive gets closer to the team, understands the internal politics better, and ultimately gets better results as they have ‘skin in the game’ “
- “An interim executive can create, develop and deliver rather than advise”
- “The interim executive is embedded and supporting internal and external process, a consultant provides advice and brings an external view to the table”

“An organisations’ need for flexibility is a key factor in the increase in interim executive deployment. However, in some cases, there is a further benefit to hiring an interim team that can work together. This approach allows you to draw on skill sets you don’t currently have in-house, without the expense of new permanent hires or the need to bring in third-party vendors.”

Survey Participant

DO YOU BELIEVE THAT INTERIM EXECUTIVES COULD REPLACE THE TRADITIONAL MANAGEMENT CONSULTANT MODEL, PARTICULARLY IN THE DELIVERY AND EXECUTION OF STRATEGY?

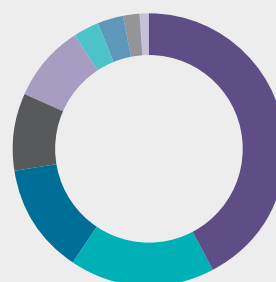
Responses are in line with those of 2019, with 69% suggesting that both have a place, they can co-exist together.

There is a strong view in the market that the interim executive Model or ‘Teams as a Service’ model will bring the best value to every organisation as it builds capability while adding capacity and getting the work done. It is seen as a model that offers far greater value and better outcomes for organisations.

The interim model does have the advantage of bringing hands on delivery, front line experience combined with strong change management and coaching skills learnt over many years. An interim executive model is likely to deliver executives with deeper experience, a broader skill – set and is most certainly more cost efficient. There is a concern around how cohesive an interim team can be, and this is a point that we will be working on going forward.

WHAT IS YOUR VIEW ON THE GROWTH OF INTERIM EXECUTIVES IN AUSTRALIA?

42% (2 in 5) of respondents believe that interim is set for steady growth over the next 12 months, up by 10% from 2019. The interim solution may well be the silver bullet organisations need to reimagine businesses post COVID-19 and get them moving forward given the economic uncertainty.

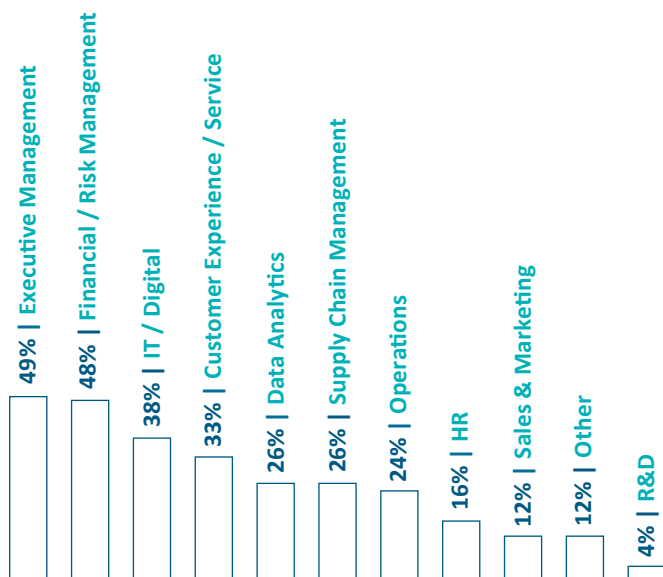


- Set for steady growth over the next 12 months **42%**
- It's the working style of the future **17%**
- Demand will remain the same **13%**
- Here to stay **9%**
- About to take off **9%**
- Other **3%**
- A medium-term trend **3%**
- Shrinking demand **2%**
- No real appetite **1%**

As this survey was conducted in the midst of the global pandemic COVID-19, we asked respondents to answer the following questions preemptively, based on the rapidly changing face of business:

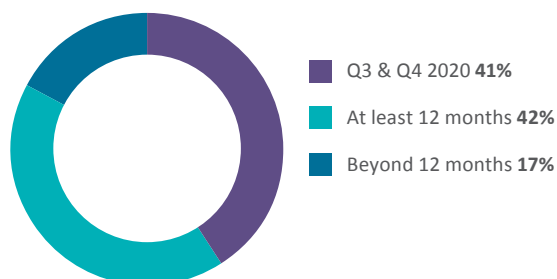
IN YOUR OPINION, WHAT ARE THE TOP THREE BUSINESS AREAS REQUIRING URGENT ATTENTION TO ADDRESS SKILL GAPS IN 2020 AND BEYOND?

49% say Executive Management requires urgent attention. 48% say Financial/Management and 38% say IT/Digital.



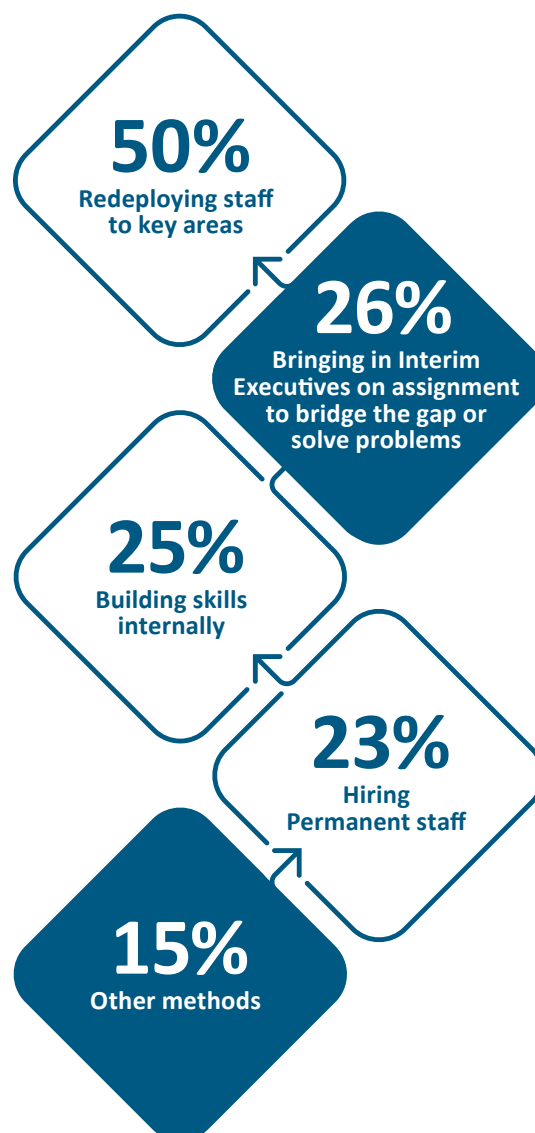
FOR WHAT PERIOD OF TIME DO YOU PREDICT THIS INSTABILITY WILL CONTINUE?

42% of respondents believe this instability will continue for at least 12 months. 41% believe that it will only continue through to the end of 2020.



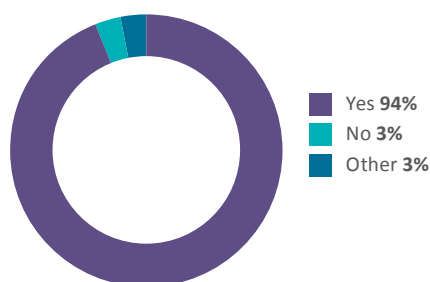
HOW ARE ORGANISATIONS CURRENTLY ADDRESSING THE SKILL GAPS IN THESE KEY DEPARTMENTS?

50% of respondents say that organisations are redeploying staff to key areas. 26% say they are bringing in interim executives to bridge the gap and 25% believe they are building skills internally. In times of heightened uncertainty, companies seem to pursue multiple options including overloading existing teams. Interim deployment can be a relief to teams in crisis on a very flexible and cost-effective basis.



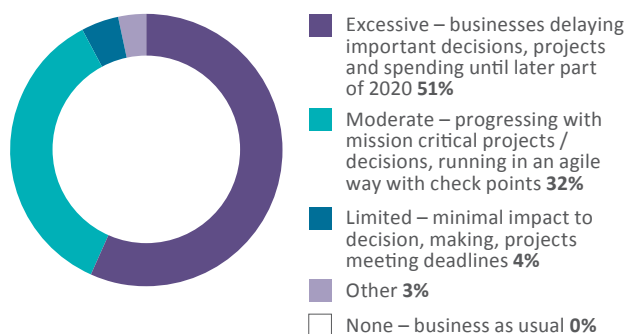
DO YOU SEE INTERIM EXECUTIVES AS A WAY TO BRING SHORT TERM RELIEF TO CORPORATES AS THEY FACE ONGOING ECONOMIC UNCERTAINTY AND THE FLOW-ON EFFECTS?

94% of respondents agree that interim executives will bring relief through the economic uncertainty. An overwhelming positive response to this question even to the point one person commented they believed that interims would become 'the norm' and that this type of engagement would be seen as 'a panacea'.



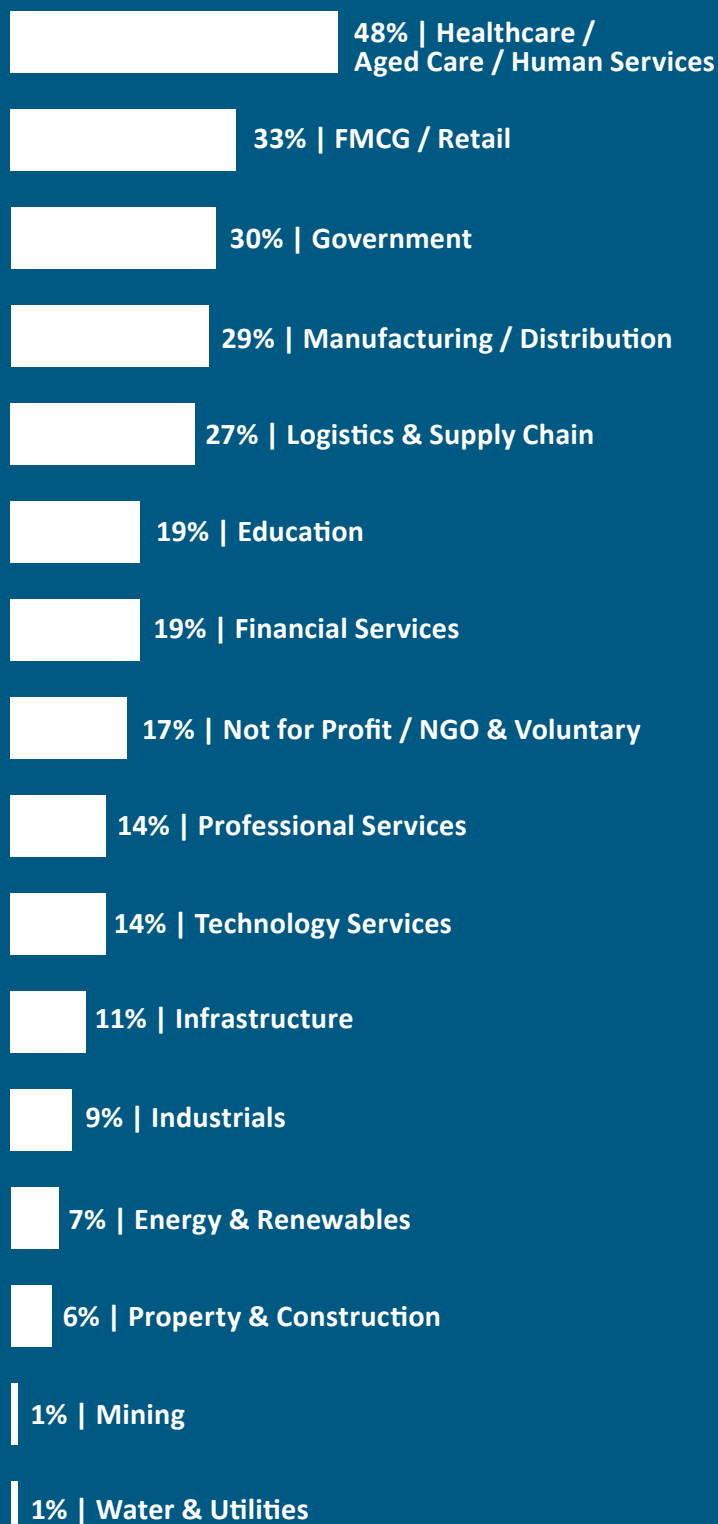
TO WHAT DEGREE HAVE YOU OBSERVED ECONOMIC INSTABILITY IN THE LAST 6 MONTHS (DRIVEN BY SEVERE WEATHER EVENTS SUCH AS FIRES AND FLOODS, COVID-19, STOCK MARKET INSTABILITY, LOW INFLATION/INTEREST RATES) IMPACTING BUSINESS DECISION MAKING?

61% of respondents believe the instability in the last 6 months has been Excessive – businesses delaying important decisions, projects and spending until later part of 2020. The responses suggest excessive to moderate instability and this varies by sector; some decisions are being delayed; other projects are moving forward in a more agile/flexible way. Some businesses are resetting strategic business models and appear to be flourishing in preparing for the future world of work, whilst others are failing in crisis decision making.



AS COMPANIES RECOVER FROM THIS ECONOMIC INSTABILITY, IN YOUR OPINION, WHAT INDUSTRIES WILL HAVE THE HIGHEST NEED FOR INTERIM EXECUTIVES?

Respondents believe the top three industries with a need for interims will be: Health/Aged Care/Human Services 48%, FMCG/Retail 33% and Government 30%.



INTERIM PARTNER PROFILES



CAROLINE MCAULIFFE

PARTNER EXECUTIVE INTERIM MANAGEMENT, SYDNEY

"For the past fifteen years I have deployed senior level, high calibre executives, with deep functional expertise, into private and public sector organisations to complete growth, change, transformation, turnaround or cost efficiency mandates.

I cut my teeth in the Interim Executive industry in Australia in 2005 joining a start-up boutique Interim Executive business as a Partner in what was a largely emerging industry. I joined Watermark in 2011. With a track record of hundreds of successful interim assignments, we are experiencing significant growth and awareness of this credible and effective resourcing solution.

The rise of the 'of the contingent workforce and current crisis environment is seeing a demand for seasoned experienced executives to provide a competitive advantage."

Sector focus:

Government, Not for Profit, Healthcare & Human Services, Infrastructure, Utilities/Energy, Transport, Industrial & Manufacturing, Property & Construction.

Interim placement highlights:

Interim Chief Executive Officer (Government), Interim Chief Financial Officer (Health/Government) Interim CIO (Education) Interim Chief Claims Officer (Insurance), Interim Head of HR (Health), Interim Chief Transformation Officer (Utilities), Interim General Counsel (Insurance).

Contact:

Caroline.McAuliffe@watermarksearch.com.au
Phone: +61 2 9233 1200



LISA MCAULIFFE

PARTNER EXECUTIVE INTERIM MANAGEMENT, SYDNEY

Lisa has over 20 years' experience in HR related services specialising in recruitment, career transition and career coaching in both Europe and Australia.

During her career, Lisa has been successful in the growth of three start-up recruitment companies, managing teams and clients nationally.

A natural relationship builder she has extensive experience partnering with business leaders across multiple industries, providing suitable career transition and coaching solutions throughout major business transformations.

In her capacity as a coach, Lisa has assisted Senior Executives from a variety of different industry sectors and roles, transition successfully into a portfolio career. Originally from the UK, Lisa has travelled extensively.

Sector focus:

Financial Services, Insurance, Professional Services, Media, Entertainment, Travel, Telecommunications, Retail/FMCG.

Interim placement highlights:

Chief Financial Officer (Legal), Chief Financial Officer (Financial Services), Chief Information Officer (Financial Services), Head of Brand & Communications (Legal).

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JACINTA WHELAN

PARTNER EXECUTIVE INTERIM MANAGEMENT, MELBOURNE

"I have been passionate about Interim Executive Management, Portfolio Careers and future ways of working for over 20 years having started and led Interim businesses in Hong Kong, New York and in Australia.

I lead the Melbourne business of Watermark Interim Management and focus on Interim appointments in both public and private sectors. I work with Career Interim Professionals looking at a portfolio career and my particular emphasis is on CEOs and CFOs, senior executives in IT&T, human resources specialists, project and program management experts and business turnaround and change consultants.

The Interim Executive opportunities Watermark offer range from providing professional guardianship, managing a business or department through a turbulent period, bringing in specialist skills for a particular project or auditioning for a potential senior permanent vacancy."

Sector focus:

Health, Not for Profit, Government, Education, Infrastructure.

Interim placement highlights:

Interim Chief Executive Officer (Public Health), Chief Information Officer (Education), Chief Executive Officer (NFP), Chief Technology Officer (NFP), Chief Operating Officer (Infrastructure), Chief Financial Officer (NFP), Information, Communications & Technology Director (Government).

Contact:

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DONNA BURR

PARTNER EXECUTIVE INTERIM MANAGEMENT, MELBOURNE

"I have local and global experience across financial services, manufacturing, utilities and not for profit sectors. My superpowers are delivering a remarkable customer experience and solving business problems at pace.

Authenticity, loyalty and a passion for leaving things in a better condition underpin my values. I advocate for holistic well-being and economic empowerment for women. The later seeing me volunteer with the Melbourne Women's Fund.

This alignment of experiences and passion for seeing businesses thrive brings me to my current role; connecting interim executives with clients who can benefit from their deep functional expertise, speed to deliver and sage leadership."

Sector Focus:

Corporates, Financial Services, Utilities, Not for Profit, Retail/FMCG.

Interim placement highlights:

Chief Financial Officer (Bank), Chief Innovation & Technology Officer (Insurance), Head of Legal (Consumer), People Director (ASX), Chief Risk Officer (Financial Services), Technology Executive (Utility), Group Head of Human Resources (Consumer).

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SUZANNE MULVIHILL

HEAD OF INTERIM TALENT, SYDNEY

Suzanne has gained over twenty years' experience as an office manager, executive administrator and data analyst. Having spent many years in the entertainment sector for the BBC and 20th Century Fox, Suzanne then took this experience and became an interim professional for 13 years providing extensive administrative support services and project management skills to growing businesses.

Suzanne joined Watermark 5 years ago and is responsible for the successful delivery of many projects focussed on the growth of our interim business.

Suzanne provides laser-like attention to the maintenance of our candidate management system and pulls the insights we need to ensure we remain current and fully briefed across market dynamics. Suzanne is also responsible for the seamless execution of many of our client and candidate events and is passionate about the growth in the interim market within Australia, especially for women.

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WATERMARK'S CAPABILITIES

Executive Search

Founded in 1979, we are one of the longest established Australian executive search firms. Even though we are, above all else, an Australian based firm, we have an established track record in attracting and then securing, overseas candidates.

We have considerable expertise in senior executive appointments across a broad range of public and private sector organisations. Our firm has been built on a substantial body of work undertaken for publicly listed companies, private companies, state owned corporations, government agencies, departments and advisory boards.

Diversity

We pride ourselves on delivering the best candidates in the marketplace for consideration by our clients. We go further than most executive search organisations in ensuring that our clients have a gender diverse range of candidates as part of the process. Over the past three years, nearly 50% of all successful candidates introduced by Watermark were female. This is a significantly greater representation of women executives as successful candidates than any levels indicated by recent third-party studies. In addition to our focus on gender diversity we have also had the opportunity to assist a number of Indigenous organisations secure high-quality candidates through well targeted executive search.

Interim Executive Management

We provide immediate and high-level specialist executives with the experience to bring stability to and provide guardianship for a company during a period of change, executive absence or performance turnaround. We also assist with providing executives who deliver on projects, programmes or specialist reviews. When clients are ready to appoint an executive, we normally complete the assignment within two weeks.

Tailored and unbundled solutions

Watermark is very comfortable with adapting or tailoring our service offering to fit our individual client's needs. We are able to unbundle the search process to provide only the parts of an executive search or value-added recruitment services you require. Tailored services we have provided include; market mapping, managing advertised response (reviewing, culling and recommending), reference checking, selection panel attendance and scribing. This can also be scaled-down to better suit budgets or supplement existing internal resources.

Board Search

We believe that strong boards make for better organisations and improved business performance. In conducting searches, we do not simply look for 'a name' but rather search for candidates with the relevant skills to add real value to a board. We often start our board search by working with the client to produce a Board Skills Matrix, which then informs the specific brief.

Our track record ensures familiarity with the specific, and often sensitive, challenges involved in appointing Non-Executive Directors and Chairs with the right skill, personal and cultural fit.

Market Insights

We have a unique 'window' into both the commercial and government worlds and are available to provide informal market insights to our clients on topics such as salary packaging, hiring trends and executive onboarding.

As thought leaders, we undertake various pieces of research and market analysis to form our CFO Report, Interim Management Survey and this Board Diversity Index.

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