



BENEFITS OF USING INTERIM LEADERSHIP TO FILL SUDDEN GAPS ON THE EXECUTIVE TEAM

How well can you weather the disruption of a sudden departure?

A key executive has suddenly left your company, possibly at a critical time, leaving a gap in institutional knowledge, uncertainty in the minds of direct reports, and instability in the leadership team. Finding a quality replacement is a long and time-consuming process. Interim leadership can provide continuity,



stability, and forward momentum as you search for a permanent replacement.

In this edition of Executive Issues & Insights we explore key

insights drawn from the extensive C-suite and Board experiences of the NextLevel team on how an interim executive can rapidly integrate into a management team and be of significant value.

NEXTLEVEL CASE STUDY

Consumer packaged food company stabilizes in the face of high executive turnover

A family-owned grower and producer of organic consumer packaged food products faced the departure of a CFO with 10 years of company experience, followed shortly thereafter by the departures of the controller and FP&A manager. These departures caused tremendous instability in the company in the face of the annual budget and year-end audit.

A NextLevel executive who is very experienced in the industry and role was brought in as CFO to bridge the gap between the departure of the prior CFO and the entry of a replacement. When the controller and FP&A manager left shortly afterward, he worked quickly to hire and onboard an interim controller and interim FP&A manager to stabilize the finance department. He then worked to negotiate bank covenants to provide breathing room after two recent defaults during the

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NEXTLEVEL INSIGHTS

Understand the scope of the interim role

The interim will be filling a significant role on the leadership team, generally overseeing one or more functional areas and often interfacing with the Board. As such, he or she should ensure there is clarity regarding the scope of the role. This can be accomplished by discussing and asking questions up front to ensure alignment related to responsibilities and expectations. With alignment and a more complete understanding of the scope, the odds of success will be greatly enhanced.

Regain focus

An interim stepping into a leadership position will often have to identify and manage a range of concerns and possibly raw emotions from the executive team and direct reports. These can have a significant impact on the focus and productivity of those individuals and teams. An experienced interim will have the tact and diplomacy to successfully navigate the situation and refocus attention on the business.

Get up to speed quickly and set priorities

After a sudden departure there are often time-sensitive initiatives or even crises that an interim needs to handle quickly. But it is also critical that the interim spend appropriate time in the initial stage of the engagement gaining an understanding of the business and building relationships and trust with direct reports, other leadership team members, the Board and key outside parties such as bankers, accountants, and attorneys. By doing so, the interim can gain a much better perspective on priorities and how best to execute on them more quickly and effectively.

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BENEFITS OF USING INTERIM LEADERSHIP TO FILL SUDDEN GAPS ON THE EXECUTIVE TEAM *(continued)*

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regime of the prior CFO. He launched formal weekly cash forecasting and developed macro-level budget targets for the leadership team to minimize budgeting iterations and workload.

During this process, the NextLevel executive also identified \$200,000 of tax credits the company previously believed it was ineligible for, and he worked with the VP of manufacturing to develop a model incentive plan to improve performance in a key department. Finally, he assisted with the technical skills vetting for the hiring of a permanent CFO and successfully transitioned his position when a candidate was hired.

As a result, the company completed its year-end audit with no findings and entered the new fiscal year with realistic bank covenants. The company mitigated the impact of the turnover on the remaining finance and IT team members and established an achievable budget pathway for the permanent CFO to follow.

**“AN EXPERIENCED INTERIM LEADER IS
MUCH MORE THAN A PLACEHOLDER.”**

**Their unique position enables them to give
valuable feedback to the CEO and Board.**

More Information

To learn more about how NextLevel can provide interim leadership to fill sudden gaps in your executive team, call us at (800) 833-NEXT or email info@nlbev.com.

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Fully assume the executive role

An interim leader should be much more than a placeholder. He or she should assume the full scope of responsibilities of the role, which includes both rapid assumption of all key managerial duties and leadership of any time-sensitive key initiatives. By quickly integrating into the management team and proactively being of value as part of that team, the interim engagement can be highly successful. Keys to doing this are listening, building relationships, and nurturing buy-in for approaches that address issues and position the company for greater success.

Give objective feedback

The interim should listen to relevant viewpoints, but not take for granted everything they hear. Their job is to assess the information and reach objective conclusions. A CEO, other key executives, or the Board may understand the issues but not the root cause. The interim is in a unique position to gain insights with an unbiased perspective and give objective feedback about how to address issues once they have built relationships and established trust early in the engagement.

Help the company prepare for the successor

An important goal of an interim is to help ensure the success of the permanent replacement. A key component of this is working with HR and the CEO or Board to help define the skills and experience needed for the role so they can start recruiting and interviewing the right type of candidates. Another is having a transition plan that helps the successor get up to speed quickly. This should cover key day-to-day processes and activities and the status of priority projects and initiatives together with relevant observations regarding key people on the teams.

WHAT TO EXPECT FROM AN INTERIM LEADER FILLING SUDDEN GAPS ON YOUR EXECUTIVE TEAM

- **Understanding scope:** Have they asked questions to define the priorities and align expectations?
- **Focus:** Do they have the experience and tact to refocus teams away from the departure and back on business?
- **Getting up to speed quickly:** In addressing time-sensitive initiatives or crises, have they learned about your company and worked to build relationships?
- **Assuming the executive role:** Are they focused on addressing positive change in their leadership role?
- **Giving feedback:** Are they willing to give necessary feedback to senior leaders even if it is uncomfortable?
- **Preparing for their successor:** Are they putting your company in a place where the replacement can be successful?