

2023 Interim Executive Survey

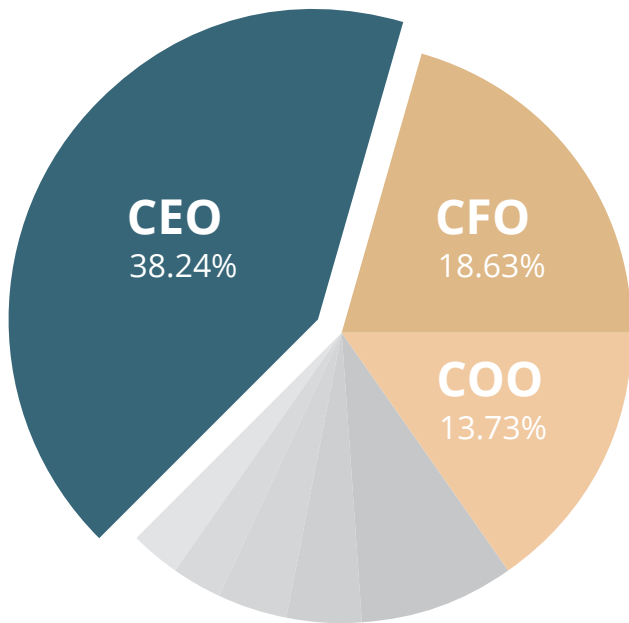
204 executives completed the 2023 Interim Executive Survey conducted by InterimExecs.

89% of respondents were located in the United States. Among the balance of 11% the majority hailed from the United Kingdom and Canada followed by other areas of the world ranging from Belgium to Brazil.



Specialty

Which is your primary executive title?



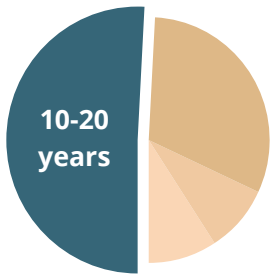
Others:

- CIO (Chief Information Officer): 7.84%
- CSO (Chief Sales Officer): 3.92%
- CHRO (Chief Human Resources Officer): 3.43%
- CMO (Chief Marketing Officer): 2.45%
- CTO (Chief Technology Officer): 2.45%

CEOs were most represented (38.24%), followed by CFOs (18.63%) and COOs (13.73%). 9% of respondents held other titles such as Chief Innovation Officer, Chief Product Officer, Operating Partner, CISO (Chief Information Security Officer), and Chief Supply Chain Officer.

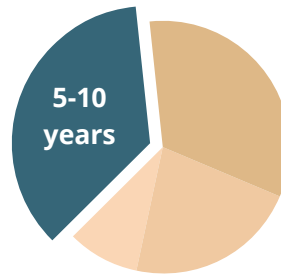


Executive Experience



How many years have you been serving in C-Suite roles?

- <10 years: 9%
- 10-20 years: 51%
- 21-30 years: 31%
- >30 years: 9%



How many years have you been taking on interim, fractional or contract roles?

- <5 years: 22%
- 5-10 years: 36%
- 11-20 years: 33%
- >20 years: 9%

The majority of interim, fractional and contract executive have between **10-20 years** experience serving in executive roles.



Interim Roles

What is the number of interim, fractional, or contract roles you have served in?

3 or more: 81%

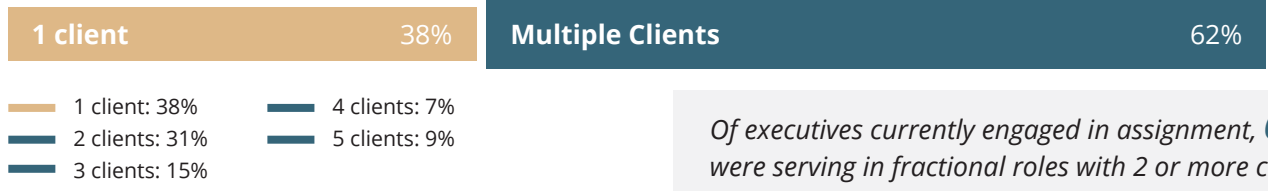
10 or more: 30%

81% of executives responding have taken on 3 or more interim assignments. **30%** have taken on more than 10, showing a wide breadth of experience and ability to successfully lead time and again.



Clients

If you are currently engaged, how many clients do you have right now?

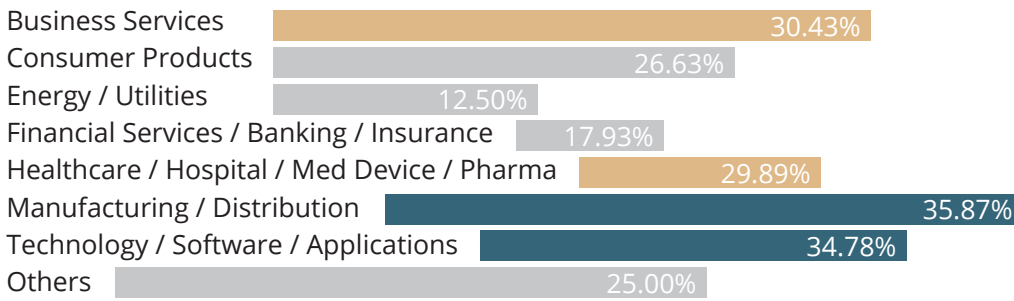


Of executives currently engaged in assignment, **62%** were serving in fractional roles with 2 or more clients.



Industries

In which sectors have you taken assignments over the past year?



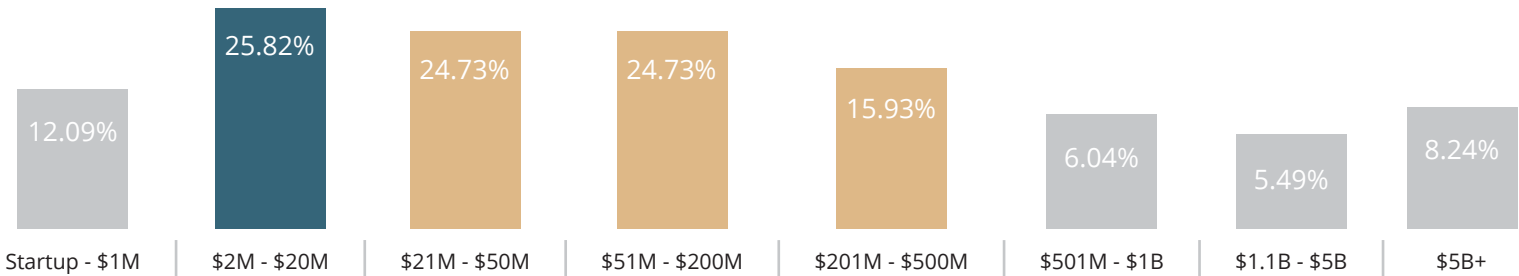
Looking back over the prior year, executives jumped into a range of industries, but **manufacturing / distribution & technology** were most highly represented followed by business services and hospital and healthcare.

25% of executives listed other industries with non-profit taking the lead followed by industries ranging from construction to education to transportation.



Size of Primary Client

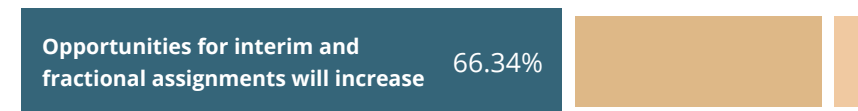
Looking at your current primary client, what is the size of that organization?



The majority of respondents currently serve clients in the **lower middle market**.



Interim Opportunity Trend



- Opportunities for interim and fractional assignments will increase: 66.34%
- Opportunities for interim and fractional assignments will remain the same: 30.20%
- Opportunities for interim and fractional assignments will decrease: 3.47%

96.5% of executives surveyed predicted opportunities for interim and fractional assignments would increase or remain the same in 2023.

Interim Management & Fractional Leadership in 2023: Top 5 Trends

Increase in Turnaround Work Due to Inflation and Recession Pressure



Many leaders see a looming recession which will lead to deteriorating performance, budget cuts, and financial hardships and even crisis for many organizations. Many respondents predict that costs and interest rates will continue to rise, all impacting cash flow and creating a volatile environment that will require a different type of leadership. Highly leveraged businesses will especially meet increasing pressure, and PE owners will look to replace weak management teams. Many executives foresee an increase in turnaround and Chief Restructuring Officer (CRO) assignments where more experienced leadership will be tapped to help navigate through choppy waters. One executive pointed out that many C-suite teams do not have the skillset to deal with tough economic times. "In other words, it's easier to run companies when the economy is strong," they said.

Surge in Executive Retirement Leads to Increasing Interim Executive Demand



The continuing retirement of boomers was a strong theme, with many respondents predicting an increase in executives retiring and owners passing off their businesses in 2023, ultimately driving an increase in interim deployments. Executives will retire at a faster rate as recession brings new challenges on top of the already lingering exhaustion, burnout, and exhaustion the pandemic created. A declining economy will also highlight major leadership gaps. Many predicted that management, boards, and owners would be dissatisfied with current leadership's response to a tumultuous environment, leading them to look for outside executives experienced in change management.

Workplace Environment In Flux Fuels Demand for Qualified Talent



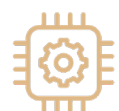
People and changing workplace dynamics was also high on the list as a key trend driving interim management in 2023. Lack of qualified talent and staff shortages was a common sentiment. Many leaders will still struggle to adapt to a new world order where lines blur between work from home, hybrid, and back to office environments. At the same point, the move to more remote work will open up the talent pool to companies, giving them access to specialized leadership that is no longer bound by location. Many companies will choose to avoid the risk of hiring a permanent executive amid an uncertain economic future, and instead will look to project-based or fractional leadership.

Supply Chain and Onshoring Drive Leadership Demand



Many predict continued supply chain challenges where market demands will exceed available inventory. Especially in the technology sector, companies depended on batteries, computer chips, and other electronics sourced outside of the US will struggle. A trend toward onshoring supply chains and consolidating in the US will continue.

AI and Cyber Spur New Leadership Capabilities



Technology challenges was the fifth predicted driver of more companies bringing on interims in 2023. Increased exposure to cyber security threats is a big concern. Next generation data analytics will make it easier (and more affordable) to get predictive results, but the right leadership will be needed to drive a technology transformation. "A mature digital strategy is no longer optional," said one executive. "Success in building AI and machine learning applications will determine what companies lead in their industries."