
News from The Mecklenburg Times

03/29/2010

A blooming business: Top executives toil as temps

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<http://mecktimes.wordpress.com/2010/03/29/a-blooming-business-top-executives-toil-as-temps/#more-980>

CHARLOTTE — A visionary who launches new product brands about as frequently as most people buy shoes, Owen Ryan still needs help with other aspects of his many ventures.

When the Charlotte entrepreneur recently set up a company called AntiOxidant Farms to develop healthy foods and drinks, he looked for guidance on finding executives to run the business.

That's when Ryan met Chris LaCorata, co-founder of Interim America Inc., a Charlotte firm that places executives in positions, from chief executive officers to plant managers.

In the past six months, Interim has arranged for a chief financial officer and a regional sales manager to help Ryan reach his goal of making AntiOxidant Farms a nationally recognized brand.

The difference between LaCorata's company and a conventional headhunter is that Interim America's placements are temporary.

What LaCorata and others regard as an emerging market with high growth potential, temporary executives – he calls them “interim” placements, thus the company name – are filling gaps in an economy in transition.

A confluence of circumstances fuels the market. These are tight financial times, and executives from the baby boom generation are retiring or seeking more flexibility in their work schedules. As a result, companies will look for minimally risky ways to pull themselves out of trouble or build momentum as they get started, say believers in such temporary assignments.

LaCorata and others say Interim America's services differ from those of management-consulting firms. The temporary executives take full responsibility for day-to-day operations, whereas a consulting firm gives advice, and others implement it. Further, companies using them don't risk taking on permanent leaders who end up being bad fits.

“It's a way for a small- to medium-size company to tap into somebody who's fabulously experienced and move them down the road quickly without a long-term financial obligation,” said Carol Swartz, a clinical professor of economics at UNC Charlotte. “ ‘We've got an interesting problem, and would you like to help us work on it?’ ”

Nationwide, Interim America has a stable of more than 1,300 executives it places anywhere there is a need. On average, six to eight of those are working at any given time, but that number is growing, said LaCorata, who expects it to reach 25 before year's end.

For Ryan and others, though, the temporary executives could end up becoming permanent, depending on how well the interim period goes. Ryan said that's a possibility for his company, adding that he likes having the opportunity to try out executives without committing to them long term.

In fact, LaCorata has already had that happen to one of his temporary executives.

Roger Sim, an executive with more than 20 years of financial experience in the plastics industry, had been laid off when his employer reorganized. After connecting with Interim America, Sim got a six-week assignment with a company close to his Chicago home.

When his first assignment ended, the same company kept giving him more jobs, and the gig stretched to 14 months, then ended happily: He was hired on a permanent basis as regional director of finance.

Still, Sim is comfortable with the idea that nothing is truly forever. "At the end of the day, I'm working for a private equity group," he said. "They get sold every seven years. If we get sold, depending on who buys us, I could get rolled out. I would do (the temporary placement) again. If I did that for the rest of my life, I'd be happy."

And so would John MacQuarrie of Davidson. Last spring, the 42-year-old executive and his wife decided he should stay closer to home than his commute to Cleveland, Ohio, allowed.

In fact, his employer wanted him to move to Indianapolis. So he left the company and started looking for temporary work on his own, successfully landing two projects.

MacQuarrie has signed up with Interim America, ready to take on his first assignment while winding down the projects he landed himself.

He likes building flexibility into his future. "Having some control over my own destiny is appealing," he said. "Interim assignments have less stability, perhaps, but you're not pigeon-holed into a company's plan for you. It's not for everybody, but if you're confident with your skills, and you have strong convictions of what your work and personal objectives are, it can be a great alternative."

LaCorata founded Interim America about four years ago with the owner of a consulting firm he met while working as vice president of operations for a food and beverage company.

The retirements of baby boomers, who make up a large segment of acting American executives, will create a gap in experienced business leaders, LaCorata said, and research shows that most of those retirees will still want to stay active.

Additionally, LaCorata said, many companies haven't carefully groomed replacements, while startups and lower midmarket companies struggle to attract and afford experienced executives.

Interim America focuses on such sectors as industrial, financial, consumer products, business services, health care and high tech/information technology. Most of its placements fill assignments of eight to 14 months at smaller to midmarket companies.

LaCorata said he sees continued growth in such placements as venture-capital spending increases with an improved economy. He said that's when companies, new and existing, will seek help with their transitions.

LaCorata said he and his former business partner, who has retired, continue to see forces emerging that will create even more demand for the firm's services. Those include the return to the United States of work that had been outsourced overseas for the cheaper labor costs, but that is coming back due to today's fuel costs and the weakened dollar internationally.

He also expects an economic recovery to include growth in startup companies and small businesses, among the business types most likely to seek temporary leadership.

"We feel like this is a sleeper industry that's completely underdeveloped," LaCorata said. "We think it will take a great deal of promotion to bring out the potential, and we think we're in the right place."

For Ryan, the food-and-beverage entrepreneur, temporary leadership perfectly fits his needs, partly because he considers it a cost-effective staffing method.

"Chris is terrific," Ryan said, referring to LaCorata. "If I could get him to join my company, I would do that. He could replace me."

Here's how Interim America operates

Interim America recruits highly experienced executives, typically those with at least 25 years of experience, at least 15 of those at a high executive level. It places them in companies where their skills will best fit the needs.

Companies pay Interim America fees ranging from \$1,000 to \$2,500 a day for each vacancy filled. Twenty percent of that is Interim America's share, and the rest goes to the executive.

Interim America invested in advertising to market its services to potential executives and companies. At one point, the efforts attracted 200 resumes per week, Chris LaCorata, the co-founder of Interim America, said. That volume has settled down to about 40 per week.

LaCorata said the firm is getting a lot of interest from female executives who see temporary placements as chances to get varied industry experience and break through glass ceilings.

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