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Taravat Taher-Zadeh
Chairman

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New Year challenges for Interims

Welcome to the January 2004 Issue of InterIM Insight.

This time last year, the economic climate was still rife with uncertainties and bruised confidence, particularly impacted by the impending political problems in the Middle East. For the service Provider market, increasing numbers of recruitment companies entered the sector - albeit some misguidedly under the banner of 'Interim Providers'. I mention this advisedly, as I was recently copied on yet another communication from an Interim (interestingly on this occasion not an IIM member?...yet!) addressed to an employment agency that had advertised an 'Interim' position at £8 an hour. Whilst it is at least encouraging that the minimum wage in the UK is being adhered to, such misrepresentation of Interim Management does the industry no favours.

The position of the professional Interim executive in business today is a unique one. No other method of rapidly applying this flexible management resource comes close to providing the value and return on investment that Interim Management continues to demonstrate. The very nature of the way we apply our substantial management experience means that we are a cost-effective solution - whether in times of organisational and industry recession, or opportunities in business growth.

In 2003, we witnessed not only a market saturation by so-called Interim Providers, but, coupled with continuing organisational down-sizing and further evidence of more people making a life-style choice of a flexible professional existence, supply outstripped demand, thereby placing competitive pressures on everyone in the Interim industry.

However, by all accounts 2003 closed on a positive note for many, especially during the second half-year. More and more Institute members were called on assignments, both in the UK and overseas (with many experiencing contract extensions), and encouragingly the UK Public Sector also started making greater use of Interim solutions.

Our challenge for 2004 is to continue to raise the industry and Institute profile across all business sectors, regulatory bodies, the media and Governments (in the UK and EU). And importantly, to ensure the positive recognition of accredited Interims, and the IIM as the only dedicated body representing the interests of professional Interims Managers, setting standards for practitioners and users alike.

In pursuit of our objectives, this new year Issue reports on our current and planned activities. The recently launched Membership Survey is designed to get a clearer view of your needs and to bring greater benefits. I am pleased to report that 20% of the membership have responded already, and I would encourage remaining members to do so at the earliest opportunity, particularly given the broader aims of the Survey.

Our 2004 National Events Programme kicks off in February with "Interim Management Opportunities in the Biotechnology & Pharmaceutical Industries", kindly sponsored by RSA Interims. Keith Hobson, Managing Director of RSA Interims, gives us his views of the Interim market, against a background of earlier comments from leaders in Business and Industry on the economic outlook for 2004.

Gwilym Owen, Regional Director for IIM North, reports on recent regional networking events held near Manchester and Leeds, and IIM North Member, Noelle Bowden relates her experiences as Assistant Chief Executive on assignment to an NHS Trust in the South East.

City firm of solicitors, Field Fisher Waterhouse, have kindly submitted an article covering the latest developments in Privacy and Data Protection legislation, in particular in relation to e-marketing.

Our Members' Benefits section includes exclusive deals for IIM members, negotiated with the Institute of Directors, Spearhead Training, and Blue Chip Publishing, which feature in their February issue of Mergers & Acquisitions magazine an article on Interim Management and an interview with yours truly.

The increasing external interest in the Institute and our active PR and communications programme demand additional specialist skills. I am therefore delighted to announce the Board appointment of IIM Associate David Murrell, as Chairman of PR and Communications Committee.

Happy reading and I look forward to seeing you soon.

THE YEAR AHEAD



Business confidence and projections

Industry leaders share their views with [InterIM Insight](#)



Richard Lambert

A WARM BUSINESS FRONT, BUT A CHILL FROM THE CHANCELLOR? WHAT A SURPRISE!

The UK economy remains an island of stability and growth in Europe, where the nascent recovery is still fragile. Consensus forecasts put UK growth at 2.7% this year – ahead of the 1.5% expected in the Eurozone, but behind the increase in US GDP, which is set to rise to 4%. This is according to a report in the Financial Times (FT) on 5 January this year.

The FT also separately reported that business output and optimism in the UK are at the highest levels since May 2000, according to a new survey. The report, by BDO Stoy Hayward, the accountancy and consultancy company, forecasts that healthy domestic demand and an improving world economy will lift the UK's economic growth to 2.3% in the first half of this year. The most recent estimates, for the third quarter, put growth at 2.1% last year. The survey, compiled from a series of recent business indicators, showed confidence in the economy was rising. Service sector businesses were also optimistic despite fears that high consumer debt levels could constrain spending this year.

However, against this background of optimism, in the December 2003 pre-budget report, the Chancellor of the Exchequer announced that he would be introducing measures in his April 2004 budget to address the different tax treatment of dividend income compared with earned income for owner-managed businesses. In short, the Chancellor is looking to either impose social security on dividends or perhaps some form of surtax. He has clearly recognised that IR35 legislation is not working and providing the additional tax take that the Government had anticipated.

So, what do others feel about the UK business climate in general and the Interim Management sector in particular, for 2004? [InterIM Insight](#) spoke to a number of business leaders and organisations.

Digby Jones – Director General, Confederation of British Industry (CBI)

“This Government must turn up the heat to encourage an enterprise culture, building on UK opportunities in skills, innovation and international trade. Current Government systems – and frankly many businesses and trade unions – are not adapting quickly enough to the higher demands of the modern world.”

Mr Jones expects healthy employment growth in 2004, but says this masks the true state of the private sector labour market. He says employment will rise overall, by some 190,000, but around 120,000 of these jobs are likely to be in the public sector and a further 48,000 manufacturing jobs will go.

Taravat Taher-Zadeh – Chairman, Institute of Interim Management (IIM)

“There are compelling reasons for all organisations, what ever their size, structure, scope or industry sector, for utilising Interim Management. Our challenge for the year ahead is to continue to instill greater awareness and understanding of this invaluable resource by organisations, and equally, by the Government, for the healthy contributions made by this sector to the UK economy.”

Richard Lambert – Chairman, Interim Management Association (IMA)

“2004? Could it be a return to the good times of 1998-2001 for Interim Management? The market is set to change, with many forecasters signalling a return to growth in the private sector and another year of investment anticipated in the public sector, as the Government tries to meet its objectives in the run up to the election in 2005. From the IMA perspective, we will continue to invest in promoting quality Interim Managers that add real value. Through our Public Affairs committee, ensure that we lobby Parliament to protect the rights of career Interims who wish to remain independent. And finally, endeavour to create a clear differentiation between Interim Management, consultancy and contractors.”

Graeme Leach - Chief Economist, Institute of Directors (IoD)

“UK GDP growth in 2004 will be stronger than in 2003. We expect GDP growth of around 2.7% this year up from 2.1% last year. The IoD also expects that the UK economy will re-balance in 2004, with an acceleration in business investment and a slowdown in household consumption growth. IoD forecast business investment rising 4% this year, with household consumption slowing to around 2%. Contrary to received wisdom, total debt servicing costs (mortgage and non-mortgage debt for capital repayment and interest) are actually very high by historic standards. As a result, the UK economy should be slowed with a relatively modest further increase in interest rates. We expect interest rates to peak at 4.5% by the end of 2004.”

IIM Companion Bill Penney – Chairman, Ashton Penney

“Although from an Interim Provider perspective, supply over the last two years has grown faster than demand, the early growth in the economy should see a welcome increase in future demand for Interims”.

IIM Companion Nigel Corby – Managing Director Global Executives

Interim Management demand lags behind the economy by about six months, but there are enough signs of an upward trend. The market in the last two years has been lacklustre, which is surprising, when the use of Interim Management should be more attractive in a recession. I believe the latter quarters of 2004 will see demand returning to normal levels and 2005 should be a good year. Interim Management supply businesses, where competition is still burgeoning, will remain under threat. I predict consolidation, and even closures, as added value, service and supply quality regain the upper hand in the minds of our clients.

IIM NEWS & EVENTS

IIM featured in
Mergers & Acquisitions
&
Professional Manager
publications

MAJOR MEMBERSHIP SURVEY LAUNCHED

The Institute has launched its first comprehensive survey. It is available for on-line completion, on the Members' Area – if you failed to receive the recent email communication from Institute Secretary, Tom Brass, please contact Institute offices by telephone or email to obtain the access code.

The survey has major objectives, all of which are planned to bring greater benefits to members at the earliest opportunity. In achieving these aims, we need, as a priority, to produce a more advanced database profile of our membership, as well as to gauge views in order to respond better to your needs. It would therefore be greatly appreciated if members could please return their completed forms by 15 February.

IIM IN THE MEDIA & REPRESENTING IM INTERESTS

Our marketing, events and lobbying activities continue to gather momentum within industry and Government circles, as well as with leading trade and professional journals.

Our October 2003 event "*The Changing Turnaround Landscape – Building Corporate Value*", co-hosted with PricewaterhouseCoopers, London, addressing the key issues concerning business rescue and recovery, was featured in an article entitled 'Tackling Turnarounds' in the Chartered Management Institute's Professional Manager journal.

IIM Chairman, Taravat Taher-Zadeh, was also recently interviewed for an article on Interim Management, entitled '*In the meantime...*' features in the February Issue of leading industry journal, Mergers & Acquisitions Magazine, by publication from Blue Chip Publishing.

As many IIM members are either professionally active in the private equity and VC markets, or interested in developments and opportunities arising in these sectors, we have negotiated an exclusive subscription deal with Blue Chip Publishing. Application formalities and details of this offer appear under Membership Benefits in this Issue.

NEW REGULATIONS FOR TEMPORARY WORKERS PROVIDED THROUGH AGENCIES

As many of you may know, the new Directive was announced by the Employment Relations Minister, Mr Gerry Sutcliffe towards the end of 2003. This piece of legislation was potentially problematic for Interims as we could be inadvertently caught up by being given unwanted employment protection rights, as the government sought to protect more vulnerable, low paid, temporary workers.

After the strong response received from the previous IIM survey in the autumn of 2002 on this and related matters, your Board has undertaken a number of lobbying activities, including seeking support from Government and Opposition MPs, plus direct meetings with officials at the DTI. The IIM, jointly with the Institute of Directors, has been in direct dialogue with the Department of Trade and Industry during the past year, addressing the concerns of our respective memberships' prospect of becoming what we regard would be 'collateral damage' if the original proposals for legislation were to be ratified.

We were pleased to see that the Government has responded positively to our constructive approach on this issue, as Mr. Sutcliffe's measures include:

"Provisions to allow Limited Company contractors, who are often highly paid and highly skilled, to opt out of being covered by the regulations, but which prevent vulnerable workers being forced to do so.

"Employment businesses no longer being able to withhold workers' pay, purely because they cannot produce an authenticated timesheet."

Mr. Sutcliffe also commented about the purpose of the new regulations, saying "...these safeguards will help ensure that vulnerable groups are looked after by suitable people".

Hopefully, the Government will also ensure and recognise that Interims can now focus more on client delivery, and the Government will see our businesses for what they are - subject to commercial law and not the ever increasing intricacies and complications of employment law. The revised Conduct of Employment Agencies and Employment Businesses Regulations come into force on 6 April 2004 and are available at <http://www.hmso/legislation/whatsnew.htm>

[InterIM Insight](#) would be very interested to hear from members about your experiences in having to deal with company based legislation, plus any other issues faced in managing your businesses. Please send your communications to the Institute offices or to [InterIM Insight](#).

**New IIM Board
appointment for
PR & Communications**

NEW BOARD APPOINTMENT

We are pleased to announce IIM Associate, David Murrell's appointment as Director to the Board and as Chairman of a newly formed PR and Communications Committee. We are delighted that David has accepted the challenges of this new appointment. With an outstanding career in communications and PR built over 30 years in diverse industry sectors and company sizes, David's experience will undoubtedly add value to the Institute's aims in building on the work already achieved to date, and not only for the IIM but also for the Interim Management sector as a whole.

REGIONAL NEWS & NETWORKING EVENTS

Northern Lights by Gwilym Owen, Regional Director IIM North

In keeping with the festive season just passed, North Region concentrated on social and networking activities.

Two events were held, one before Christmas, south of Manchester and the other, in the New Year, south of Leeds. The Leeds meeting also welcomed three members of the IIM Board, Chairman Taravat Taher-Zadeh, Tom Brass, Institute Secretary and Mike Green Institute Treasurer. Below are some of the points raised.

Members wanted the IIM to raise the profile, both of the Institute and of Interim Management. Taravat informed the meeting that, as far as the Board's objectives are concerned, they are inter-related and that all Institute activities and initiatives attach a high priority to achieving these aims. IIM Anglia's membership of the East Mentoring Forum being one recent example ([InterIM Insight](#) Issue 6 11/03). Additionally, the Board are being invited to make corporate presentations and a number of future sponsored events are under discussion.

Institute lobbying activities are gathering momentum, both at 'central office!' and locally. IIM North have made contact with the Government Offices for the Regions and are continuing to market the Institute with the local business community. However, it is also down to individual members to raise the profile of the Institute and of Interim Management in their working life as well.

Continuous Professional Development (CPD) was discussed, including the possible duplication with other professional bodies that members belong to. The meeting was informed that there was further work being undertaken on the Institute's CPD programme, with new announcements following soon.

Everyone enjoyed the meetings and it was suggested that similar events should be held quarterly.

FORTHCOMING EVENTS

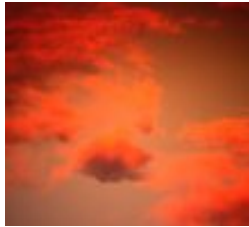
We have a number of events under discussion, including topics as diverse as Business Process Outsourcing, Non-Executive Director roles and responsibilities, industry specific trends, amongst others. In the meantime we are delighted to confirm details of our next event, by generous sponsorship of RSA Interims, to be held in the lavish surroundings of The Old Palace at Hatfield House.

Interim Management Opportunities in the Biotechnology & Pharmaceuticals Industries Monday 23 February, Hatfield, Herts.

"We are delighted to be supporting the IIM and look forward to co-hosting this event with you " comments Keith Hobson, MD of RSA Interims, who is also our Five Minute Focus interviewee for this Issue.

We have an exciting line-up of speakers from the venture capital and consultancy sectors, who will share with us the industry developments, changes and challenges faced by the Life Sciences sectors in the UK and indeed overseas, and the opportunities offered for the Interim Management industry. Our speakers include **Dr Paul McCubbin, Vice President, BTG plc, Rudi Jansen, Founder & Director of Jansen Pharma Consultants** and **Keith Hobson**.

For booking details please contact the Institute or visit IIM web site at www.ioim.org.uk



Networking in the North
lays foundations for
future Interim meetings

February 2004 Event

in Association

with



IIM North beating the January blues at Thorpe Park Hotel, Leeds
L-R: Christopher Renton, Paul Liversidge, Jeff Newton, Gwilym Owen, Albert Kilburn, Mike Abbott, Mike Green, Mary Day, Tom Brass, Roger Wright, Taravat Taher-Zadeh

FIVE MINUTE FOCUS

InterIM Insight

Interviews
Keith Hobson
Managing Director
of
RSA Interims

*“...gravitas,
communication and
interpersonal skills....to
manage by influence
and
persuasion....”*

*“...client experiences
with our Interims are
positive...”*

*“...can't get too excited
about the Interim v
Consultant debate...”*

*“...critical success
factor
for Interims is finding
the next job...”*

*“...do not sign up
with a supplier
and expect
the jobs to flow...”*

A 'can do' attitude



Keith Hobson joined RSA in January 2002 to set up RSA Interims. Prior to joining RSA, Keith had more than 25 years senior management experience in the Pharmaceutical, Information Technology and Management Consulting sectors covering both international and domestic markets.

For the last ten years he has specialised in the Pharmaceutical and Healthcare industries. In addition to his executive career, Keith has also spent several years as Non-Executive Chairman of an OFEX listed Technology plc. He holds a joint Honours Degree in Computer Science and Statistics and has studied on a number of Advanced International Management programs at INSEAD, European Business School.

Will you please give us some background to RSA's Interim practice, and your particular areas of specialisation within the Interim sector?

KH: The RSA Group has been meeting the resourcing needs of the Pharmaceutical, Healthcare and Biotechnology industries for more than 20 years. The Search & Selection business was set up in 1981 and this was complimented more recently by an Agency style Database Recruitment Company. Today RSA is a leading recruiter to the sector covering all functional areas and all salary levels. Two years ago we brought this experience to bear on the Interim Management market and formed RSA Interims.

The business has grown rapidly and we were accepted into the IMA in early 2003. RSA Interims undertakes assignments on behalf of clients throughout the UK and across the rest of Europe. At very short notice we offer experienced Interim Managers for Board and senior positions across the full functional spectrum from Research through to Sales & Marketing. Our clients range from the Industry giants to start-up companies.

Do you have an ideal set of qualities that you look for in an Interim candidate?

KH: Apart from the obvious factors such as the extensive in-depth knowledge and experience to perform the roles, we look for the personal skills that are required to go into a company and be immediately effective. This particularly relates to the gravitas, communications and interpersonal skills required for the individual to manage by influence and persuasion. Flexibility and a “can do” attitude are also vital ingredients in most successful Interim Managers.

How aware do you think clients are of the benefits of Interim management in solving senior management problems?

KH: I believe that Interim Management, at least in the sectors in which we are working, is still very much evolving. Many companies in the Pharmaceutical and Biotech Industries are only just starting to recognise the possibilities of flexible resourcing solutions such as Interim Management, particularly when you look at the functional areas outside of Finance and HR.

In our business development efforts we tend to spend a surprising amount of time demonstrating that Interim Management can be a solution to client problems where this hadn't been thought of before. This is particularly true when it comes to more strategic or project-oriented solutions, rather than just filling a gap. In fact, for a significant number of our new client assignment placements, it has been the first time that the client or manager has utilised an Interim Manager.

What's your view of the Interim market over the next 12 months? Do you think it will grow or that we'll see a tailing off in demand?

KH: This is a developing area of Human Resource solutions, so I am very optimistic about the future. Client experiences with our Interim Managers are almost invariably very positive and once they have used an Interim, they are usually very ready to do it again, when they have a suitable need.

Do you think that Interim Managers are gradually taking the place of management consultants?

KH: I can't get too excited about the debate of “what is an Interim” and “what is a Consultant”. Having worked for several years for a “Big 5” consulting firm, I can tell you that the majority of the revenues for such firms come from implementation, rather than advisory work. What I do know is that the rates that are normally charged, at least by the big firms, are significantly higher than typical Interim rates. When you think of the wealth of experience in the people registered with Interim Providers, I believe it is a natural evolution for some Interim Providers (including RSA) to start putting together teams that can solve problems, which would traditionally have been addressed by consulting firms.

What do you think are likely to be the biggest growth sectors for Interim Management over the next few years?

KH: The public sector (the NHS in our case) is widely acknowledged as a current growth sector and,

WINDOW ON INTERIM MANAGEMENT ASSIGNMENT

*IIM Member
Noelle Bowden
relates her experiences
as
Assistant
Chief Executive
on
assignment to the NHS*

*"...the brief was
'performance,
performance,
performance'...!"*

*"...where policy was in
place, there was a lack
of
adherence to it..."*

although it is subject to the machinations of political policy changes, I think there is every reason to believe that this opportunity will continue over the next few years. In the private sector, I can see a lot more client awareness growing in the understanding of how they can use Interim Managers in functionally specific problems, in addition to the traditional areas of Finance, HR, Turnaround and Change Management etc.

If there was one single piece of advice you could give an Interim Manager looking for assignments, what would it be?

KH: To an experienced senior executive working in corporate life, the benefits of life as an Interim Manager can seem very attractive and I'm sure most people consider going out on their own at some stage. The benefits are indeed very attractive, but the critical success factor for everyone is "finding the next job" and the first jobs are usually the hardest to find unless you have been able to specifically line-up something.

My advice to all Interim Managers is that you need, to consider your personal marketing and business development. Do not sign up with a supplier and then expect the jobs to flow. The ratio of Interims on a register, compared to the available jobs, is very high. Rather than signing up with every Interim provider around, Interim Managers should identify the suppliers most likely to help them, based upon the industries or functions that they specialise in, and then work closely with those suppliers, in addition to personal networking and business development.

Laying foundations in a large acute Hospital Trust

IIM Member, Noelle Bowden worked for over twenty years in the National Health Service, including five years at Board level, before becoming an Interim Manager five years ago. Based in Huddersfield, she holds a Masters degree in Health Service Management, and is also a Member of the Institute of Healthcare Management and a Fellow of the Chartered Management Institute. On assignment in the South East, Noelle shares with us the challenges, rewards and achievements as an Interim Assistant Chief Executive to a National Health Trust undergoing major change programme.

Background to the assignment

The assignment has been with a large acute hospital Trust in the South East of England that employs 4,821 staff with a turnover of £195 million. It provides services across four sites and has significant sector-wide responsibilities, such as a cancer centre, lead body for NHS Professionals, and a sector-wide health informatics service.

When the assignment commenced in March 2003, there had been tremendous turnover in the Executive Team. The Chief Executive and Director of Finance were both Acting appointments, having commenced in January 2003. The Directors of Strategic Development and HR were newly appointed and The Director of Operations post was vacant. Only three of the eight Executive posts (Medical Director; Director of Nursing and Director of Estates and Facilities) had been in post for some time.

The position in March 2003 was that the Director of Operations post was not required in its previous configuration, due to the Acting Chief Executive's restructuring of the management arrangements. The Acting Chief Executive had discovered anomalies with figures presented to the Centre on waiting lists/access targets and an external investigation had been commissioned. There was a need for an Executive lead to ensure significant improvement on the elective side, and thus the post of Assistant Chief Executive was born on a 6 month Interim contract. The brief was "performance, performance, performance"!

The Role

The role as an Executive member of the Trust Board required Noelle to:

- Contribute to the strategic development of the Trust and its services
- Review current practices and policies in patient administration and determine areas for improvement
- Manage the achievement of the patient access targets on a weekly (daily!!!) basis ensuring that any breaches were effectively managed with regard to firstly the patient, secondly reports to the Centre and thirdly, to ensure the loop is closed to prevent further occurrences
- Forward the fast-moving Patient Choice agenda
- Improve bed management, including delayed discharges and the recently introduced reimbursement process.

Outcomes

A lack of policy was discovered. Or, where policy was in place, there was a lack of adherence to it.

The patient access targets continued to be a challenge and there was a need to develop the Trust's managers, to ensure a "can do" culture was introduced consistently across the organisation. Against this background it should also be noted that during the summer of 2003, the Trust moved from a 2 star to a zero star rating, reflecting problems with finance, elective and emergency care. The nationally published star rating system (published by the DOH) is a performance indicator for all NHS Trusts.

Achievements

The waiting list policy has been re-worked and re-launched. All relevant staff have been trained regarding the policy and work is now under way to provide robust operational procedures to underpin the policy. Trust-wide monitoring reports have been introduced and operational web based monitoring systems have been set up. The patient access targets have significantly improved although historical breaches will continue for some time.

Managers can now see a way forward to working within a no-blame culture of improvements to patient access. Bed management has significantly improved, as has discharge planning and a robust system has been introduced for reimbursement. The Trust has kept pace with the patient choice agenda.

The duties of the post remain challenging. Although the achievements when written down appear light, they are underpinned by major cultural change, enabling the Trust to change the organisation into one that "can do".

The future

The Trust has continued to experience turnover at Executive level. However, the appointment of an experienced Chief Executive in November 2003, has brought a much needed stability to the organisation.

Noelle extended her Interim contract to the end of the financial year, having worked in the Trust for just over 12 months. The Interim management route chosen by the client, has laid foundations now, upon which the Trust can improve and progress.

INDUSTRY NEWS & UPDATES



“...the sender of an unsolicited email or SMS must ensure that his identity is clearly ascertainable..”

“...any businesses which breach their provisions are subject to potentially unlimited fines...”

NEW RULES ON PRIVACY AND DATA PROTECTION

Field, Fisher, Waterhouse look at the latest developments in Data Protection legislation

New Regulations affecting e-marketing have recently come into force, some of which go much further than other relevant legislation, such as the Data Protection Act, providing a further set of rules on the business use of information on individuals.

These new rules on the protection of privacy and data protection in the electronic communications sector came into force on 11 December 2003 in the form of the Privacy and Electronic Communications (EC Directive) Regulations 2003. The Regulations apply to businesses carrying out direct marketing by any of the various forms of 'electronic communication'. They also apply to businesses employing cookie or similar technology on web sites.

Direct marketing by email and text message

The Regulations introduce new rules for direct marketing by email and text message ("SMS"). Unsolicited direct marketing by email/SMS is now prohibited unless the recipient:

- (1) Has previously notified the sender that he consents to receiving such communications; or
- (2) Is an existing customer and the marketing relates to similar products and services. In this instance the recipient must be given a *simple* and *free* means of declining the direct marketing (free of charge save for the cost of the transmission of the refusal). This must be provided at the time the recipient's information is originally collected and on each subsequent occasion that marketing material is sent to him.

These new rules apply to direct marketing emails and SMS sent to consumers, sole traders and partnerships only. They do not apply to such communications sent to companies (including their employees). This exclusion of corporate customers from the Regulations has been criticised and is under review. Currently, however, if you are marketing by these methods only to companies, the new rules will not apply to you.

The sender of an unsolicited email or SMS must ensure that his identity is clearly ascertainable (and in no way concealed or disguised) and that a valid address, to which a request for the direct marketing to cease may be sent, is provided. This applies irrespective of the recipient (i.e. consumer, corporate customer etc.).

In respect of mailing lists compiled before 11 December 2003, the Information Commissioner has stated that for the time being, where such lists were compiled in accordance with then current privacy legislation, and customers have been contacted recently (i.e. within the last 12 months), marketers can continue to send direct marketing communications by email/SMS to those persons on the list, provided such recipients are given a simple and free method of declining future communications.

Direct marketing by telephone, fax and automated calling systems

Marketers must not carry out direct marketing by telephone where the recipient has previously notified them that he objects to such calls; the number must also not be one registered on the Telephone Preference Service. Similarly, in relation to faxes, the sender must check to see if a number is registered on the Fax Preference Service. Where it is not, the Regulations require the recipient to give a positive indication of consent to receiving the communication before any direct marketing material is sent by fax (except where the recipient is a company, in which case the recipient must not have previously notified the sender that it objects to such faxes).

The situation is the same in relation to automated calling systems – the individual must have previously notified the caller that for the time being he consents to such communications being sent.

Cookie technology

The Regulations also govern the use of 'cookie' or similar 'spyware' technology on a web site. Cookies are small text files automatically deposited on the hard drive of a user's computer when he visits a web site. They store certain information inputted by the user (which may or may not be personally identifying, for example a username, password or credit card details) and allow the web site owner to collect information about the user and his preferences.

The use of such technology also makes it easier for the user when he revisits a web site, in that he does not have to re-enter the information that has previously been stored in the cookie. Regardless of whether or not the technology is used to collect personally identifying information, the new rules prohibit the use of such technology to store, or to gain access to, information stored on a user's computer, unless certain requirements have been met. These are that the person employing the technology first:

- (1) Provides clear and comprehensive information about the purposes for which the technology is being used; and
- (2) Provides the user with the opportunity to refuse its use/access to the information stored.

The Regulations do not provide any guidance as to how the above conditions should be met. However, a well-placed link to the privacy (or, if separate, cookie) policy on the site, setting out the reasons why the technology is used should satisfy the requirements of (1) above. Fortunately most Internet browsers can be reconfigured by the user so as to allow him to delete the cookies or prevent their use.

Explaining the steps that the user will need to follow in order to achieve this should satisfy the requirements of condition (2) above. Alternatively, web site owners could simply refer the user to the help functions of his Internet browser for further information on how to do this.

There are two exceptions to the above rules. These relate to the technical storage of information or access to it, solely for the purpose of transmitting a communication and to storage or access which is "strictly necessary" for the provision of a service that has been requested by the user. For more information about cookie technology see the UK Interactive Advertising Bureau's web site www.allaboutcookies.org. The site provides sample cookie policies for both 'simple' web sites and web sites employing more sophisticated technology.

The Information Commissioner is responsible for enforcing the Regulations. Any businesses which breach their provisions are subject to potentially unlimited fines, whilst anyone who suffers damage from such a breach will have a statutory right to sue for compensation.

This article was written by Nigel Wildish, Partner (Nigel.Wildish@ffw.com) and Elizabeth McSweeney, Assistant Solicitor (Elizabeth.McSweeney@ffw.com), at Field Fisher Waterhouse.

For further information on FFW's services, please visit their web site www.ffw.com

Institute of Directors Membership Offer extended

Save 50% on Joining Fee!

We are delighted to announce the continuation of this exclusive offer negotiated with the Institute of Directors. In addition to the many IoD member benefits, IIM members will receive a **discount of 50% on the Election Fee – a saving of £100** – for membership applications made throughout 2004.

The Institute of Directors, which represents the interests of over 50,000 business leaders across the UK, from all industry types, size and geographical locations, provides tangible business support to its members. Members join the IoD in their individual capacity as a director, partner or senior executive. In doing so, you become part of a network of UK business leaders, benefiting from especially negotiated products and services. These also include free access to and use of an increasing number of premises and business services across the UK and overseas – offering valuable resource, to conducting your businesses away from your HQ.

For further information including how to join, please call the IoD Membership Development team on:

T: 020 7766 8888

E: join-iod@iod.com or visit

W: www.iod.com/join

Full details of the offer are also available on IIM Members' Area.

IoD Networking Event 17 February 2004

The IoD has also kindly extended an invitation to IIM members considering membership to attend their evening networking reception on Tuesday 17 February, which will also include a guided tour of the premises and a presentation of the products and services offered.

There are only a limited number of places available and Members wishing to attend the event should contact David White of IoD Membership Development Department.

Professional Development

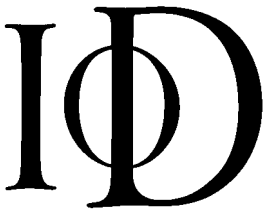
Save 30% on Spearhead Training Courses

As part of the Institute's aim in offering members additional benefits and to assist your professional development, we have negotiated a special arrangement with Spearhead Training. IIM members are offered a 30% discount on all Public Courses run by Spearhead Training.

Spearhead Training courses cover all the key business skill areas and these courses may assist you in gaining real competitive advantage by enhancing your business generating skills, as part of your Continuing Professional Development, or if you should wish to broaden your business portfolio into new areas.

Full details of the courses available can be found on www.spearhead-training.co.uk. Further details and booking forms will also be posted in the Members' Area, however, in the meantime, you can book directly with Spearhead Training quoting reference IIM-CPD-2002.3 as well as your IIM membership number. You can also take advantage of an additional 5% discount by booking on line.

MEMBER BENEFITS



Trade Journal Subscription Offer

33% discount to IIM members

Blue Chip Publishing, a business-to-business magazine publisher, is offering IIM members 33% exclusive discount to their subscription-based monthly magazines, Mergers & Acquisitions and Advice4Growth, with an initial 3 months complimentary subscription commencing 1 February.

With a circulation targeted at board-level executives, Mergers & Acquisitions should be of interest to anyone involved in dealmaking and corporate finance, and includes regular features on corporate governance, corporate recovery and turnaround solutions, among other key industry topics.

Advice4Growth is aimed at small and medium-sized businesses with a circulation that covers, both private and public sector organizations alike.

For further details of how to subscribe to these magazines, please contact Blue Chip Publishing's Michael Tonks on:

T: 0121 248 0420

F: 0121 248 0439

E: michaeltonks@bluechippublishing.co.uk

W: www.bluechippublishing.co.uk

And, don't forget the Member-get-Member Offer

Members will know that last year we introduced an incentive scheme designed to help boost membership by encouraging members to introduce Interim colleagues to apply to join the Institute.

For every new member introduced, you will have the option of receiving a bottle of Champagne or a £20 credit against your next annual renewal subscription.

For further details of this Member incentive, please visit www.ioim.org.uk

Call for Papers, News & Views

Articles, news and views concerning the Interim sector are invited for publication in future Issues of [InterIM Insight](#), for the attention of the managing Editor:

E: interiminsight@ioim.org.uk

F: +44 (0) 20 7727 6081

T: +44 (0) 20 7727 4656

M: +44 (0) 7787 505 045

The next issue of [InterIM Insight](#) will be published in March 2004.

In the 'interim', wishing you much continued success with your assignments and business ventures.



Contributions
for the next Issue of
[InterIM Insight](#)