

RD CORPORATE COMMUNIQUE...

ROBERT DENNEY

Management, Strategy and Leadership

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THERE ARE TIMES WHEN INTERIM MANAGEMENT MAY BE NEEDED

There are a time in the life of many companies or organizations when they face a critical situation that is either beyond the capability of the current CEO or there is no one in management who has the experience or credentials needed to handle the situation. Some of the circumstances that could cause this crisis include:

- Sudden vacancy in the CEO position due to unexpected resignation, death, serious illness or personal difficulties.
- Retirement of the CEO without a capable successor having been developed.
- Serious financial condition and even potential bankruptcy.
- Major law suits or violations of the law or regulations.

In many of these cases the Directors or Shareholders address the situation by recruiting a new CEO with the expectation, or at least the hope, that that person will not only be able to “right the ship” but will also remain with the company going forward. However, some of these are not “business as usual” situations. They often can only be successfully addressed by someone who has dealt with similar circumstances before and who steps in as the interim or “turnaround” CEO.

Who might be potential candidates?

- An outside member of the Board
- A retired CEO who is seeking a short-term challenge
- A consultant with appropriate CEO experience

The qualifications for the interim CEO will vary to some degree depending on the situation but will include some or all of the following:

- Prior experience as a temporary or crisis CEO
- Experience in finance, technology, manufacturing, marketing.
- Experience in the same or similar industry – although this is not absolutely necessary if the person understands the nature of the industry.
- Experience in negotiating with creditors if necessary.

But the most important qualifications of all is the ability, desire and energy to address the situation as quickly as possible and take or recommend both short and longer-term steps to resolve the situation.

Bob Denney

Bob is a recognized authority on management, strategy and leadership for law firms and corporations throughout the United State. For companies he also serves as an outside Director or advisor and has even served as an Interim CEO in crisis and turnaround situations. More information is available on his website www.robertdenney.com.

154 Chandler Drive, West Chester, PA 19380
610-431-2077 Cell: 610-804-7850