

From Transition to Transformation: The Power of Interim CEOs

A TrueBridge Perspective



A True Platform company

Introduction

TrueBridge, a practice of True Search, the sixth-largest executive search firm globally, was founded in 2022 as a new business line within the True platform and has rapidly grown to provide interim and fractional solutions at the C-suite and one-level down across finance, marketing, HR, sales/revenue and product/tech, in addition to roles such as CEO and COO.

In today's dynamic business landscape, investor-backed companies often face periods of transition where decisive leadership and strategic direction are essential. Interim CEOs play a crucial role in these situations, providing stability and expertise to navigate critical junctures. This whitepaper, authored by Brian Lafer, Managing Director of TrueBridge, and Dave Beuerlein, Founder of TrueBridge, draws upon extensive experience and research to explore when and how to effectively leverage an interim CEO.

When and Why to Use an Interim CEO

Interim CEOs are often brought in during times of crisis or significant transition. But what are the key inflection points where an interim CEO is most effective? One of our recent interim CEO placements, Bruce Simpson, highlighted that the best use cases include:

- When a business is grinding to a halt operationally, but the model itself remains sound.
- When previous leadership has exited suddenly, creating a leadership vacuum.
- When private equity investors need clear visibility into the true condition of the business.

Why an Interim CEO?

Unique Advantages in Times of Transition

Objectivity

Interim CEOs offer a unique advantage: objectivity. Unburdened by internal relationships or past decisions, they can swiftly assess the situation and make tough, unbiased choices that might be difficult for a permanent CEO.

Speed and Decisiveness

Time is of the essence in transitional periods. Interim CEOs are adept at quickly analyzing challenges, developing action plans, and executing decisively to stabilize the business and drive immediate results.

Specialized Expertise

TrueBridge's network comprises interim CEOs with diverse backgrounds and specialized skill sets. Whether the need is for a turnaround specialist, a growth expert, or a leader to prepare the company for sale, we can identify the ideal candidate with the precise experience to address your specific challenges.

Bruce highlighted a critical role of the interim CEO: "I don't have a dog in this hunt or a horse in this race. I will give you nothing but the truth." By providing transparency to investors and stakeholders, an interim CEO helps ensure informed decision-making and future planning.

The Leader | What You Get with an Interim CEO

Interim CEOs bring unique qualifications that make them well-suited for high-stakes transitions. These leaders typically:

- Have prior CEO experience—Interim CEOs have always served as CEOs before, often multiple times, with successful exits and prior interim experience.
- Align with the company's specific needs—Some specialize in restructuring and turnarounds, while others focus on scaling and growth.
- Are hands-on leaders—They don't simply delegate; they actively engage in the business to drive results.
- Earn trust quickly—Their success depends on establishing credibility with the board, employees, and stakeholders in a short timeframe.

The Impact | What You Should Expect an Interim CEO to Do

An interim CEO must drive immediate, measurable impact. Their effectiveness is often determined by:

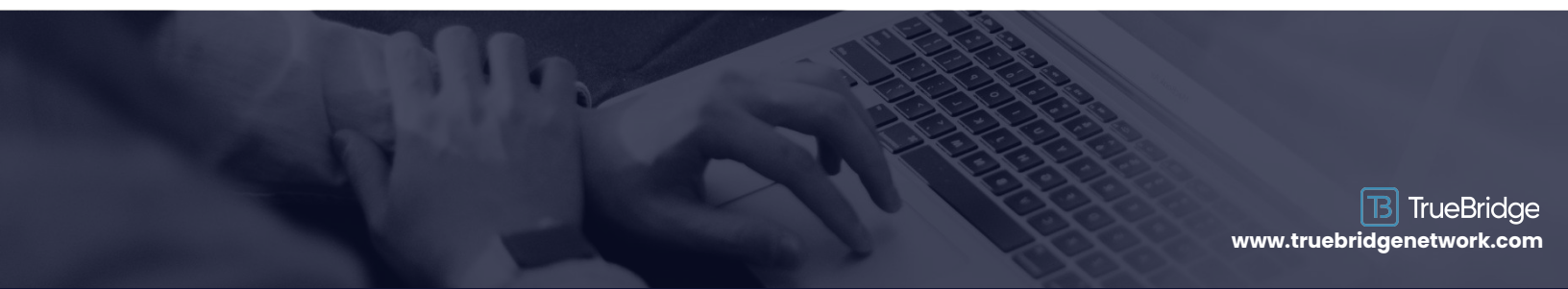
A clear 90-day plan As Julie R. Smith, another experienced interim CEO in our network emphasized, "In a full-time role, you have 90 days to figure out what you're doing. In an interim role, you have 90 days to have an impact." Rapid assessments, decisive actions, and early wins are critical.

Setting things up for the full-time CEO The interim CEO's job is not just fixing immediate problems but ensuring the organization is positioned for long-term success.

Beyond Immediate Fixes Interim CEOs can implement sustainable systems and processes that support long-term growth. This might involve optimizing operational efficiency, strengthening financial reporting, or enhancing organizational structure.

Mentoring and Transition A successful interim CEO not only addresses immediate needs but also prepares the organization for the future. This includes mentoring the incoming permanent CEO and ensuring a smooth handover to minimize disruption.

Immediate Turnaround Support Julie described her interim role as "turnaround with growth acceleration and commercial value development," which involved rebuilding HR, operations, and leadership confidence to stabilize the company before transitioning leadership.





Research-Backed Considerations for Interim CEO Engagements

Specific Metrics and Examples

Interim CEOs often focus on KPIs like cash flow, revenue growth, cost reduction, and customer acquisition cost. They prioritize rapid financial stabilization and operational efficiency.

Challenges and Pitfalls

Potential challenges include resistance from existing management, the need for rapid decision-making in complex situations, and the risk of short-term focus over long-term strategy. Clear communication and stakeholder alignment are crucial to mitigating these.

Legal and Contractual Considerations

Interim CEO agreements should clearly define roles, responsibilities, compensation, terms, and termination clauses. Confidentiality agreements are essential.

Due Diligence

Seeking references from previous clients is crucial when selecting an interim CEO. Providing oversight throughout the engagement is critical to ensuring alignment and success.

Your Role in Making the Interim CEO Successful

Maximizing the effectiveness of an interim CEO requires alignment and support from key stakeholders. To ensure success:

Help them establish credibility

Support their authority from day one to prevent internal resistance.

Ensure all key stakeholders are on board

Make introductions before the CEO starts to accelerate onboarding.

Align on success metrics

Clearly define what a successful engagement looks like. As Bruce said, "My success is the day you hire a new CEO." Whether the goal is handing off a stronger company to a permanent leader or executing a turnaround, clarity is essential.

Conclusion

Interim CEOs play a vital role in stabilizing and repositioning businesses during times of transition. By taking decisive action, establishing credibility, and aligning with private equity goals, they can drive meaningful impact in a short timeframe. Companies considering an interim CEO should evaluate whether their challenges align with this approach and set clear expectations for success.

**Nobody knows interim
and fractional talent
like TrueBridge.**

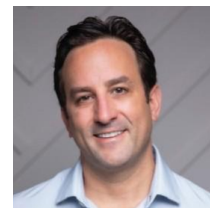
About the Authors and TrueBridge

Brian Lafer, Managing Director and Practice Lead at TrueBridge, brings over a decade of experience in executive talent solutions. Prior to joining TrueBridge, Brian's previous firm, an early disruptor in the independent consulting space, was acquired by a leading public executive search firm.

Dave Beuerlein, Founder of TrueBridge, brings over 25 years experience in executive search. In his recent role as Talent Partner at Khosla Ventures, he recognized a critical gap—the need for high-caliber interim executives to parachute in and add immediate impact, often providing a level of expertise beyond what they could get in a full-time hire. “The need was there, but there wasn’t a talent firm that provided a high-touch solution - so we created TrueBridge to provide a dedicated, high-touch solution for investor-backed companies seeking flexible, top-tier leadership.”

"With my decade of experience in a similar space, I was excited to partner with Dave to build this interim model and provide a valuable resource for companies navigating critical junctures," adds Brian Lafer. "At TrueBridge, we understand that interim executives are not merely filling a seat. These are seasoned professionals who have intentionally chosen this path, bringing a wealth of experience and a commitment to delivering tangible results."

Keep the conversation going



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Background on the Interviewees



Julie R. Smith

Julie specializes in stepping into highly regulated, multiunit businesses recently acquired by private equity to either turn them around or prepare them for sale. While she initially intended to remain in the interim capacity, her success in leading a recent engagement led to her accepting a full-time CEO position at the company. Her notable experience includes.

- Brought in by Bain Capital to turn around The Princeton Review.
- Led Homewatch Caregivers through private equity standardization, two exits in 10 months, with its eventual sale to Apax Partners.
- Consulted with Ares Capital on multiple engagements.



Bruce Simpson

Bruce has more than 25 years of experience leading tech-enabled businesses, focusing on enterprise sales and transitional leadership. His expertise includes:

- Served as CEO in multiple turnaround scenarios, including Convr, WellSpring Worldwide, and Discovery Health.
- Specializes in maintaining business continuity and morale following CEO transitions.
- Previously led LaunchPoint (now Discovery Health Partners), Digi-Data, and Novarra, the latter of which was acquired by Nokia.