



## Don't Let Leadership Vacancies Undermine Growth and Profits

Rather than being another headache to manage, leadership vacancies can be used to develop internal capabilities, improve performance and accelerate progress toward strategic objectives.

## Accelerate Your Business Transformation While Filling Leadership Vacancies

Football fans never want to hear a coach talk about “rebuilding” during the preseason. Such excuses often follow the departure or retirement of key team members. It means the team will be lucky to have a winning record, let alone make the playoffs.

Many of the manufacturers we talk to these days have open management positions that they are struggling to fill. The remaining leaders are doing their best to maintain performance. They are in rebuilding mode but can't use that as an excuse. Imagine

the customer response to: “Sorry we’re going to be a little late with your order. We’re rebuilding this year.”

With the wave of baby-boomer retirements and low unemployment rates, the struggle to fill open positions isn’t going away any time soon. Recognizing this as the status quo, several of our clients have been able to flip this challenge around and use it to their benefit. We’ve worked with them to leverage management vacancies to grow capabilities and build momentum toward their annual business objectives.

## **The Opportunity Cost of Management Vacancies**

In many cases companies are being forced to take a chance on less qualified, less experienced managers. Even when this works out, like any new hire, it takes time for new leaders to get up to speed.

The business impact of having unfilled positions and long onboarding periods are often overlooked or written off as unavoidable. Absent leadership oversight, any weakness in processes or supervisor capabilities tends to snowball. Common signs of such failures that we’ve observed during operational assessments include: declining on-time delivery rates, a growing order backlog, increased overtime, increasing labor costs, deterioration of management systems and loss of focus. All of which erodes margins and undermines future sales. Getting everything back on track often requires a costly and resource-intensive emergency response.

From a strategic perspective, the absence of leadership and the heightened focus on everyday issues reduces management accountability. Change initiatives can grind to a halt. The first sign of this is the failure to meet quarterly performance and financial improvement targets. It only takes a few weeks or months of missed targets for annual targets to fall out of reach.

## **Dynamic Duo to the Rescue**

Performance doesn’t have to erode when you have a management vacancy. Filling a key position with an interim leader immediately – or the moment performance starts to slip – will keep the business running and keep orders going out the door without jeopardizing profit margins. Augmenting this role with an experienced change agent

will maintain momentum toward strategic objectives.

Most interim leaders are highly qualified managers who relish the challenge of learning about new companies and filling key roles, but who aren't looking for a permanent position. They bring experience, perspective and knowledge that they can use to assess the current state of operations, identify opportunities for improvement and develop the management team's capabilities until HR finds a permanent replacement, who the interim leader can then help onboard.

In addition to bringing in an interim leader, several of our clients have taken advantage of leadership disruptions to drive change. Because performance was already trending in the wrong direction before the leadership opening occurred, they also brought in operations consultants to work on strategic priorities with the full support and buy-in of the interim leader.

Like a potent quarterback and receiver duo, the combination of a tightly aligned interim leader running day-to-day operations and an operations consultant driving improvements can have a deep impact. Together they can keep a factory or business moving forward and achieving its financial objectives rather than letting it languish until new leadership is found and hired.

## 8 Reasons to Hire Interim Operations Leaders

Are Leadership Vacancies Undermining Your Growth and Profits?

Do you have a leadership gap? Don't rush critical hiring decisions and don't lose ground while you're trying to find a permanent solution. Here are eight reasons when it makes sense to hire an interim operations leader. Interim operations leaders have the experience you need and are ready to start right away.

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**David Pate, Vice President**

Dave Pate is an experienced business leader with previous roles in plant management, planning and lean operations. He currently serves as Vice President, introducing new clients to TBM, cultivating long-term growth with current clients and on-boarding new clients.



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Shannon Gabriel is Managing Director of TBM's Leadership Solutions practice where she leads the organization's comprehensive approach to operational leadership and change management by assessing current leadership capabilities, gaps, or risks.