



Talent and Supply Chain Issues Are Keeping Operations Executives Up at Night

Our recent Operations Executive Roundtable revealed that talent management and supply chain disruptions are the biggest challenges on the minds of operations executives right now. Fresh approaches and innovative thinking will be key to successfully tackling these escalating issues.

Key Takeaways

- With the COVID-19 pandemic still raging in some parts of the world, middle market manufacturers continue to struggle with significant supply chain delays that hamper their ability to fulfil customer orders.
- Talent shortages at all levels of the organization further impede companies' ability to deliver on their customer promises.

- Leading operations executives are proactively experimenting with new approaches and considering alternative avenues for solving both critical issues in the short and long-term.

With constrained access to material and people, operations executives are forced to think creatively to meet demand.

Every quarter, TBM brings together middle market manufacturing and service sector executives from major companies serving a variety of industries to virtually discuss priority industry topics and share ideas and best practices for addressing them. At this spring's meeting, the consensus was crystal clear: **supply chain risk along with talent acquisition and retention challenges are top of mind**. And, the usual fixes aren't working to solve these issues. Executives clearly need out-of-the-box approaches to keep their lines moving forward—and they need them fast.

Here's a snapshot of what we heard from the leaders of the eight different manufacturing and service businesses who joined us on last month's call:

Global supply chains remain significantly constrained.

- Delivery and customer fulfillment delays are a way of life for most manufacturers right now, and this isn't going to improve any time soon. Manufacturers expect shortages of key materials and components to persist for the next several months at least.
- Customer outreach is more important than ever as order deadlines are in jeopardy. One company is connecting its operations and front-end teams directly with customers to provide guidance on delays and offer as much transparency as possible into the status of orders.
- Many manufacturers are seriously considering product rationalization and

product redesign as strategies for dealing with critical component shortages.

- Allocation is a reality right now. TBM Vice President of Technology and Supply Chain Practices, **Ken Koenemann**, shared how leveraging **digital technologies** will be instrumental in solving for this immediate problem.
- Longer term, however, most companies will need to rethink and reoptimize their supply chain networks to account for the risks that are now inherent in the global supply.
- That supply chain optimization work should start now, beginning with quantifying the cost of risk in the supply chain so it can be more strategically and realistically factored into future supply chain network decisions.

Finding and keeping people requires a revamped approach to human capital management

- If it's hard for manufacturers and service industries to secure supplies, it's just as difficult—if not more so—to keep lines staffed with skilled talent.
- Money has to be part of the equation for both hiring and retention and it's important to know what your closest geographic competitors are offering as a starting point.
- Some companies are sweetening the pot with more bonuses, delivered more often, and by finding ways to link financial incentives to individual performance as a way to motivate and reward their best people.
- As the available pool of talent shrinks, companies have to find other ways to get the people they need. Organizations are experimenting with several approaches ranging from creating more inclusive environments, to providing channels for actively soliciting employee feedback, to offering high-value onsite benefits such as free healthcare clinics for employees and their family members.
- Managing Director of the Leadership Solutions Practice at TBM **Shannon Gabriel** encourages manufacturers and service companies to focus on differentiating themselves from the other employers competing for the same talent. This can include reevaluating or reducing the most stringent requirements for the job and eliminating other barriers to the application process.
- Give serious thought to finding and targeting potential talent that other employers are regularly overlooking. Getting creative about where and how you search for people can open the door to untapped pools of talent that you may

be able to develop internally through on-the-job training and apprenticeship programs.

- Proactive career development can be another way to attract and retain talent while ensuring you are grooming people to step into leadership roles. Some companies are using site-to-site pilots to identify candidates with the greatest leadership potential. Others are focusing on building up their leadership benches and ensuring they have succession plans in place.

Willingness to try new approaches will be critical to resolving both material and people shortages going forward.

Over the next several months, TBM will proactively respond to what we heard during our latest roundtable discussion and to what we see happening on our clients' plant floors every day. As increasingly complex talent and supply chain issues threaten to cripple production for many manufacturers, our experts are helping companies stay ahead of the issues and successfully implement innovative and alternative strategies that are generating real results. Stay tuned for our newest articles and fresh thinking on both of these critical issues. Or reach out today to start the conversation about your specific human capital and supply chain challenges.

Consider reading some of our most recent articles focused on talent and supply chain issues:

- 5 Keys to [Future-Proofing Your Supply Chain Strategy](#)
- Is [Supply Chain Resiliency Costing You 5-15% More Than It Should?](#)
- How to Make [Controlling Risk](#) Part of Your Post-COVID Strategy
- How to Embrace the [Golden Opportunity in U.S. Manufacturing](#)
- Making the Connection between [Human Capital Management and Operational Performance](#)



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