

# THE BUSINESS LEADERS PLAYBOOK FOR **OPERATIONS**

A comprehensive guide for business leaders to build, manage and optimise their operations for efficiency, scalability and sustainable growth.

*Presented by Leadership Services*

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# Chapter 1: Introduction - Why Operations Leadership Matters

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Operations is the backbone of every business. It encompasses the processes, people, and systems that deliver your products and services to customers. Yet many growing businesses lack dedicated operations leadership, resulting in inefficiency, quality issues, and an inability to scale.

Effective operations leadership transforms your business from reactive firefighting to proactive, strategic delivery. It creates the systems and processes that allow your business to grow without proportionally increasing complexity and cost.

## The Cost of Poor Operations Leadership

| Impact Area | Without Leadership                       | With Leadership                          |
|-------------|------------------------------------------|------------------------------------------|
| Efficiency  | Wasteful processes, duplicated effort    | Streamlined workflows, clear ownership   |
| Quality     | Inconsistent output, customer complaints | Standardised processes, quality controls |
| Scalability | Growth creates chaos                     | Systems designed to scale                |
| Cost        | Hidden costs, budget overruns            | Transparent cost management              |
| Team        | Burnout, high turnover                   | Clear roles, manageable workloads        |

 *Leadership Tip: If your business doubles in size, would your operations cope? If the answer is no, you have an operations leadership gap.*

# Chapter 2: Operational Strategy and Business Alignment

An operational strategy defines how your business will deliver on its promises to customers. It must be directly aligned with your overall business strategy, ensuring that operations enables growth rather than constraining it.

## Operational Strategy Template

| Element            | Detail                                    | Owner             | Timeline       |
|--------------------|-------------------------------------------|-------------------|----------------|
| Business Objective | e.g. Grow revenue to 5M                   | MD/CEO            | 12 months      |
| Operational Goal   | e.g. Increase capacity by 40%             | Ops Director      | Q1-Q2          |
| Key Initiative 1   | e.g. Automate order processing            | Ops Manager       | Q1             |
| Key Initiative 2   | e.g. Implement quality management system  | Quality Lead      | Q2             |
| Key Initiative 3   | e.g. Restructure warehouse operations     | Warehouse Manager | Q2-Q3          |
| Success Metrics    | e.g. Order fulfilment time under 24 hours | Ops Director      | Monthly review |
| Budget Required    | e.g. 75K capital, 25K ongoing             | Finance/Ops       | Approved Q1    |

## Operational Maturity Assessment

| Area      | Level 1: Reactive    | Level 2: Managed    | Level 3: Defined  | Level 4: Optimised    | Your Level |
|-----------|----------------------|---------------------|-------------------|-----------------------|------------|
| Processes | Ad hoc, undocumented | Basic documentation | Standardised SOPs | Continuously improved |            |

|            |                      |                  |                         |                           |  |
|------------|----------------------|------------------|-------------------------|---------------------------|--|
| Quality    | No formal controls   | Basic checks     | Quality system in place | Proactive quality culture |  |
| Planning   | No capacity planning | Basic scheduling | Demand forecasting      | Predictive planning       |  |
| Technology | Manual, spreadsheets | Basic tools      | Integrated systems      | AI-enhanced operations    |  |
| People     | Unclear roles        | Defined roles    | Skills matrix           | Development pathways      |  |

 *Leadership Tip: Your operational strategy should answer one question: How do we deliver more value to customers while reducing waste and cost?*

# Chapter 3: Process Mapping and Optimisation

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You cannot improve what you do not understand. Process mapping creates visibility of how work actually flows through your organisation, revealing bottlenecks, waste, and opportunities for improvement. It is the foundation of operational excellence.


## Process Inventory

| Process             | Owner | Frequency | Time Taken | Pain Points | Automation Potential | Priority |
|---------------------|-------|-----------|------------|-------------|----------------------|----------|
| Order Processing    |       |           |            |             |                      |          |
| Invoicing           |       |           |            |             |                      |          |
| Customer Onboarding |       |           |            |             |                      |          |
| Production/Delivery |       |           |            |             |                      |          |
| Quality Checks      |       |           |            |             |                      |          |
| Reporting           |       |           |            |             |                      |          |
| Purchasing          |       |           |            |             |                      |          |
| HR Administration   |       |           |            |             |                      |          |

## Process Improvement Tracker

| Process | Current Time | Target Time | Current Cost | Target Cost | Improvement Action | Status |
|---------|--------------|-------------|--------------|-------------|--------------------|--------|
|---------|--------------|-------------|--------------|-------------|--------------------|--------|

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 *Leadership Tip: Walk the process yourself. Sit with the team member who does it daily and observe. You will find inefficiencies that no amount of desk-based analysis would reveal.*

# Chapter 4: Supply Chain Management

Your supply chain directly impacts your ability to deliver to customers. Whether you manufacture products, deliver services, or resell goods, managing your supply chain effectively reduces cost, improves reliability, and creates competitive advantage.

## Supplier Assessment Matrix

| Supplier | Product /Service | Annual Spend | Lead Time | Quality Rating | Reliability | Risk Level | Alternative Available |
|----------|------------------|--------------|-----------|----------------|-------------|------------|-----------------------|
|          |                  |              |           |                |             |            |                       |
|          |                  |              |           |                |             |            |                       |
|          |                  |              |           |                |             |            |                       |
|          |                  |              |           |                |             |            |                       |
|          |                  |              |           |                |             |            |                       |

## Supply Chain Risk Register

| Risk                            | Likelihood (1-5) | Impact (1-5) | Risk Score | Mitigation Strategy | Owner |
|---------------------------------|------------------|--------------|------------|---------------------|-------|
| Single source supplier          |                  |              |            |                     |       |
| International supply disruption |                  |              |            |                     |       |
| Price volatility                |                  |              |            |                     |       |
| Quality failure                 |                  |              |            |                     |       |
| Logistics disruption            |                  |              |            |                     |       |

|                              |  |  |  |  |  |
|------------------------------|--|--|--|--|--|
| Demand spike beyond capacity |  |  |  |  |  |
|------------------------------|--|--|--|--|--|

 *Leadership Tip: If any single supplier failure would halt your operations, you have a critical vulnerability. Develop alternative sources for every key input.*

# Chapter 5: Quality Management

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Quality is not just about avoiding defects. It is about consistently meeting or exceeding customer expectations while minimising waste. A structured approach to quality management builds customer trust, reduces costs, and differentiates your business from competitors.

## Quality Metrics Dashboard

| Metric                      | Current | Target | Industry Average | Trend |
|-----------------------------|---------|--------|------------------|-------|
| Customer Complaint Rate     |         |        |                  |       |
| First Pass Yield            |         |        |                  |       |
| Return/Rejection Rate       |         |        |                  |       |
| Customer Satisfaction Score |         |        |                  |       |
| On-Time Delivery Rate       |         |        |                  |       |
| Cost of Quality             |         |        |                  |       |
| Internal Defect Rate        |         |        |                  |       |

## Quality Control Checklist

- Quality standards defined and documented for all products/services
- Inspection points established at critical stages
- Non-conformance procedure in place with root cause analysis
- Customer feedback systematically collected and acted upon
- Supplier quality requirements documented and monitored
- Quality training provided to all relevant staff
- Quality data tracked and reviewed monthly
- Continuous improvement actions identified and implemented

 *Leadership Tip: The cost of preventing a quality issue is always less than the cost of fixing it after the customer has received it.*



# Chapter 6: Lean Operations and Continuous Improvement

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Lean operations is about eliminating waste in all its forms - time, materials, effort, and money. Continuous improvement creates a culture where every team member actively looks for ways to do things better, faster, and at lower cost.

## The Eight Wastes Assessment

| Waste Type          | Description                     | Examples in Your Business | Current Impact | Improvement Action |
|---------------------|---------------------------------|---------------------------|----------------|--------------------|
| Defects             | Errors requiring rework         |                           |                |                    |
| Overproduction      | Making more than needed         |                           |                |                    |
| Waiting             | Idle time between steps         |                           |                |                    |
| Non-utilised Talent | Not using peoples skills        |                           |                |                    |
| Transportation      | Unnecessary movement of goods   |                           |                |                    |
| Inventory           | Excess stock or WIP             |                           |                |                    |
| Motion              | Unnecessary movement of people  |                           |                |                    |
| Extra Processing    | Doing more than customer values |                           |                |                    |

## Continuous Improvement Log

| Date | Improve ment Identified | Area | Proposed Solution | Expected Saving | Owner | Status |
|------|-------------------------|------|-------------------|-----------------|-------|--------|
|------|-------------------------|------|-------------------|-----------------|-------|--------|

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 *Leadership Tip: Start a weekly 15-minute improvement huddle with your operations team. Small, consistent improvements compound into transformational change over 12 months.*

# Chapter 7: Operational Budget and Cost Control

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Operational costs are typically the largest expense category for any business. Effective cost management requires visibility, accountability, and a structured approach to identifying savings without compromising quality or capacity.

## Operational Budget Template

| Category                   | Annual Budget | Monthly Budget | Actual Spend | Variance | Notes |
|----------------------------|---------------|----------------|--------------|----------|-------|
| Raw Materials/COGS         |               |                |              |          |       |
| Labour (Direct)            |               |                |              |          |       |
| Labour (Indirect)          |               |                |              |          |       |
| Facilities                 |               |                |              |          |       |
| Equipment and Maintenance  |               |                |              |          |       |
| Logistics and Distribution |               |                |              |          |       |
| Quality and Compliance     |               |                |              |          |       |
| Technology and Systems     |               |                |              |          |       |
| Utilities                  |               |                |              |          |       |
| Contingency                |               |                |              |          |       |
| TOTAL                      |               |                |              |          |       |

## Cost Reduction Opportunity Register

| Area | Current Annual Cost | Potential Saving | Action Required | Investment Needed | Payback Period | Priority |
|------|---------------------|------------------|-----------------|-------------------|----------------|----------|
|      |                     |                  |                 |                   |                |          |
|      |                     |                  |                 |                   |                |          |
|      |                     |                  |                 |                   |                |          |
|      |                     |                  |                 |                   |                |          |

 *Leadership Tip: Review your top 10 operational costs monthly. Challenge each one: Is this necessary? Could we do it differently? Could we do it for less?*

# Chapter 8: Workforce Planning and Productivity

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Your people are your most important operational asset. Workforce planning ensures you have the right people, with the right skills, in the right place, at the right time. Poor workforce planning leads to overtime costs, quality issues, and staff burnout.

## Workforce Planning Matrix

| Role | Current Headcount | Required Headcount | Gap | Skills Required | Recruitment/Training Plan |
|------|-------------------|--------------------|-----|-----------------|---------------------------|
|      |                   |                    |     |                 |                           |
|      |                   |                    |     |                 |                           |
|      |                   |                    |     |                 |                           |
|      |                   |                    |     |                 |                           |
|      |                   |                    |     |                 |                           |

## Productivity Metrics

| Metric               | Definition                       | Current | Target | Action to Improve |
|----------------------|----------------------------------|---------|--------|-------------------|
| Revenue Per Employee | Total revenue / headcount        |         |        |                   |
| Output Per Hour      | Units or tasks / labour hours    |         |        |                   |
| Utilisation Rate     | Productive time / available time |         |        |                   |
| Overtime Rate        | Overtime hours / total hours     |         |        |                   |
| Absence Rate         | Days absent / total working      |         |        |                   |

|                |                                      |  |  |  |
|----------------|--------------------------------------|--|--|--|
|                | days                                 |  |  |  |
| Training Hours | Training hours per employee per year |  |  |  |

 *Leadership Tip: Measure productivity, not just activity. A team that is always busy is not necessarily a team that is delivering results.*

# Chapter 9: Health, Safety and Compliance


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Health and safety is both a legal obligation and a moral responsibility. Effective compliance management protects your people, your business, and your reputation. Non-compliance can result in prosecution, fines, and reputational damage that can be terminal for a business.

## Compliance Checklist

| Requirement                   | Status | Last Reviewed | Next Review | Owner | Action Required |
|-------------------------------|--------|---------------|-------------|-------|-----------------|
| Health and Safety Policy      |        |               |             |       |                 |
| Risk Assessments              |        |               |             |       |                 |
| Fire Safety Assessment        |        |               |             |       |                 |
| First Aid Provision           |        |               |             |       |                 |
| COSHH Assessments             |        |               |             |       |                 |
| Display Screen Equipment      |        |               |             |       |                 |
| Manual Handling Training      |        |               |             |       |                 |
| Employers Liability Insurance |        |               |             |       |                 |
| Accident Reporting (RIDDOR)   |        |               |             |       |                 |
| Environment                   |        |               |             |       |                 |

|                   |  |  |  |  |  |
|-------------------|--|--|--|--|--|
| tal<br>Compliance |  |  |  |  |  |
|-------------------|--|--|--|--|--|

 *Leadership Tip: Compliance is not a one-off exercise. Build a compliance calendar and review each area on a scheduled basis throughout the year.*

# Chapter 10: Facilities and Asset Management

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Your physical assets and facilities represent significant capital investment. Effective management extends asset life, reduces unexpected failures, and ensures your physical environment supports productive operations.

## Asset Register

| Asset | Location | Purchase Date | Value | Condition | Maintenance Schedule | Replacement Due |
|-------|----------|---------------|-------|-----------|----------------------|-----------------|
|       |          |               |       |           |                      |                 |
|       |          |               |       |           |                      |                 |
|       |          |               |       |           |                      |                 |
|       |          |               |       |           |                      |                 |
|       |          |               |       |           |                      |                 |

## Maintenance Planning

| Asset/Area | Maintenance Type | Frequency | Last Completed | Next Due | Cost | Contractor |
|------------|------------------|-----------|----------------|----------|------|------------|
|            | Preventive       |           |                |          |      |            |
|            | Preventive       |           |                |          |      |            |
|            | Inspection       |           |                |          |      |            |
|            | Calibration      |           |                |          |      |            |
|            | Deep Clean       |           |                |          |      |            |

 *Leadership Tip: Preventive maintenance costs a fraction of emergency repairs. A planned maintenance schedule reduces downtime by up to 50%.*




# Chapter 11: Operational Risk Management

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Every operation carries risk. The key is identifying, assessing, and mitigating risks before they become problems. A structured risk management approach gives you confidence that your operations are resilient and your business continuity is protected.

## Operational Risk Register

| Risk                  | Category     | Likelihood (1-5) | Impact (1-5) | Score | Current Controls | Additional Mitigation | Owner |
|-----------------------|--------------|------------------|--------------|-------|------------------|-----------------------|-------|
| Key person dependency | People       |                  |              |       |                  |                       |       |
| Equipment failure     | Asset        |                  |              |       |                  |                       |       |
| Supplier failure      | Supply Chain |                  |              |       |                  |                       |       |
| Regulatory change     | Compliance   |                  |              |       |                  |                       |       |
| Demand fluctuation    | Market       |                  |              |       |                  |                       |       |
| Cyber incident        | Technology   |                  |              |       |                  |                       |       |
| Cash flow pressure    | Financial    |                  |              |       |                  |                       |       |

 *Leadership Tip: Review your risk register monthly. Risks change as your business evolves, and a register that is not maintained is worthless.*



# Chapter 12: Performance Metrics and KPIs

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What gets measured gets managed. Operational KPIs provide the data needed to make informed decisions, identify issues early, and demonstrate progress. The key is choosing metrics that drive the right behaviours and are genuinely actionable.

## Operational KPI Dashboard

| KPI                   | Definition                    | Current | Target   | Frequency | Owner |
|-----------------------|-------------------------------|---------|----------|-----------|-------|
| On-Time Delivery      | % orders delivered on time    |         | 95%+     | Weekly    |       |
| Order Accuracy        | % orders without errors       |         | 99%+     | Weekly    |       |
| Capacity Utilisation  | Actual output / max capacity  |         | 80-85%   | Monthly   |       |
| Cost Per Unit         | Total cost / units produced   |         |          | Monthly   |       |
| Cycle Time            | Time from order to delivery   |         |          | Weekly    |       |
| Employee Productivity | Output per employee           |         |          | Monthly   |       |
| Waste/Scrap Rate      | Waste as % of total materials |         | Under 3% | Monthly   |       |
| Customer Satisfaction | NPS or CSAT score             |         | 8+/10    | Quarterly |       |
| Health and Safety     | Lost time incidents           |         | Zero     | Monthly   |       |
| Stock Accuracy        | Physical vs system            |         | 99%+     | Monthly   |       |

|  |       |  |  |  |  |
|--|-------|--|--|--|--|
|  | count |  |  |  |  |
|--|-------|--|--|--|--|

 *Leadership Tip: Display your key operational metrics where the team can see them daily. Visibility drives accountability and continuous improvement.*

# Chapter 13: Technology for Operations

Technology can transform operational efficiency when applied to the right problems. From ERP systems to automation tools, the key is selecting technology that solves real business problems rather than adding complexity.

## Operations Technology Stack Assessment

| Function             | Current Tool | Satisfaction (1-5) | Integration | Annual Cost | Replacement Option |
|----------------------|--------------|--------------------|-------------|-------------|--------------------|
| ERP/Planning         |              |                    |             |             |                    |
| CRM                  |              |                    |             |             |                    |
| Inventory Management |              |                    |             |             |                    |
| Project Management   |              |                    |             |             |                    |
| Quality Management   |              |                    |             |             |                    |
| HR/Workforce         |              |                    |             |             |                    |
| Finance/Accounting   |              |                    |             |             |                    |
| Communication        |              |                    |             |             |                    |

- Audit current technology and identify gaps in operational capability
- Prioritise technology investments that deliver measurable efficiency gains
- Ensure all systems integrate to avoid data silos
- Train staff thoroughly on any new technology
- Measure ROI of technology investments after implementation

 *Leadership Tip: The best operations technology is the one your team will actually use. Involve end users in selection and implementation to ensure adoption.*



# Chapter 14: Scaling Operations for Growth

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Growth is the goal of every business, but growth without operational readiness creates chaos. Scaling operations successfully requires advance planning, investment in systems and processes, and leadership that can manage increasing complexity.

## Scalability Readiness Assessment

| Area                                | Ready to Scale? | Bottleneck | Investment Required | Timeline |
|-------------------------------------|-----------------|------------|---------------------|----------|
| Processes documented and repeatable |                 |            |                     |          |
| Systems can handle 2x volume        |                 |            |                     |          |
| Supply chain can scale              |                 |            |                     |          |
| Team structure supports growth      |                 |            |                     |          |
| Quality maintained at higher volume |                 |            |                     |          |
| Facilities adequate for growth      |                 |            |                     |          |
| Cash flow supports scaling costs    |                 |            |                     |          |
| Leadership capacity sufficient      |                 |            |                     |          |

 *Leadership Tip: Plan your operational scaling 12 months ahead of your*

*revenue targets. Operations always needs to be ready before the growth arrives.*

# Chapter 15: Outsourcing and Partner Management

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Outsourcing non-core activities can reduce costs, improve quality, and free your team to focus on what they do best. The key is selecting the right activities to outsource and managing partners effectively to ensure service quality.

## Outsourcing Decision Matrix

| Activity | Core/Non-Core | Current Cost | Quality Level | Outsource Potential | Estimated Saving | Risk |
|----------|---------------|--------------|---------------|---------------------|------------------|------|
|          |               |              |               |                     |                  |      |
|          |               |              |               |                     |                  |      |
|          |               |              |               |                     |                  |      |
|          |               |              |               |                     |                  |      |
|          |               |              |               |                     |                  |      |

## Partner Performance Tracker

| Partner | Service | SLA Target | Actual Performance | Cost | Contract Review Date | Rating |
|---------|---------|------------|--------------------|------|----------------------|--------|
|         |         |            |                    |      |                      |        |
|         |         |            |                    |      |                      |        |
|         |         |            |                    |      |                      |        |
|         |         |            |                    |      |                      |        |

 *Leadership Tip: Never outsource a process you do not understand. Document and optimise it first, then outsource the optimised version.*

# Chapter 16: When to Bring in an Operations Director

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This playbook has provided the frameworks and tools to manage your operations function. However, there comes a point where every growing business needs dedicated strategic operations leadership.

## Signs You Need an Operations Director

- Your operations are reactive rather than planned
- Quality issues are increasing as the business grows
- You cannot clearly identify where operational costs are going
- Processes exist in peoples heads rather than in documented procedures
- Customer delivery performance is inconsistent
- Your team is working harder but output is not increasing proportionally
- You are planning significant growth and need operations ready to support it
- Key person dependencies create unacceptable risk
- You have tried improving operations but lack the expertise to make lasting change
- Operational issues are consuming leadership time that should be spent on strategy

## The Part-Time Operations Director Model

| Factor           | Full-Time Hire                               | Part-Time Operations Director                 |
|------------------|----------------------------------------------|-----------------------------------------------|
| Annual Cost      | 70-120K + benefits + recruitment fees        | 21-50K depending on days required             |
| Time to Start    | 3-6 months recruitment process               | Immediate - start within days                 |
| Experience Level | One background and perspective               | Multiple sector and operational experience    |
| Risk             | High - long notice periods, redundancy costs | Low - flexible contracts, no long-term tie-in |
| Strategic Impact | Dependent on individual capability           | Proven frameworks from multiple businesses    |
| Team Development | Can mentor but one                           | Brings best practice from                     |

|  |             |                   |
|--|-------------|-------------------|
|  | perspective | across industries |
|--|-------------|-------------------|

Leadership Services provides experienced part-time Operations Directors who join your team and deliver transformative operational leadership from day one.

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