

ARTICLE

The Leadership Blind Spot That's Destroying Your Operational Excellence Goals

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Key Takeaways:

- Leaders can unintentionally derail Operational Excellence by making reactive decisions—like prioritising urgent orders—that override processes and disrupt flow across the organisation.
- These behaviours, especially when paired with short-term thinking or top-down control, create misalignment, dilute accountability, and prevent continuous improvement from taking root.
- The solution starts with leadership stepping back to reflect, reset, and realign. By setting clear, non-negotiable goals, creating space for regular audits, and empowering teams with clarity and consistency, leaders can remove their own blind spots and unlock the full potential of Operational Excellence.

Leadership blind spots are the hidden obstacle to Operational Excellence.

When it comes to the concept of Operational Excellence, the truth is that most manufacturing leaders believe they're doing everything right. After all, you've invested in lean, optimised processes. You've pushed for efficiency at all turns. You've emphasised the importance of [continuous improvement](#). Finally, you've held meetings in which you set lofty targets and pushed your team to achieve them.

So, what are leaders to think when all of these efforts fail to produce the correct results? Despite all our work, we can clearly see that costs are creeping back up, productivity gains are plateauing, and our workforce has disengaged. Where did we go wrong?

The uncomfortable truth is that the biggest obstacle to [Operational Excellence \(OpEx\)](#) isn't on the shop floor—it's within higher management. We're talking about blind spots in leadership, which can quietly sabotage any OpEx endeavour, no matter how well-planned or well-intentioned. Executives, after all, are not immune from making decisions that, however well-intentioned they may be, inadvertently create inefficiencies, resistance, and chaos.

We may push for cost reductions but end up making cuts in all the wrong places. We may demand agility but end up overriding those processes designed to ensure stability. In some cases, we may promote innovation but subconsciously fail to recognise good ideas when they don't come from our own minds.

The point? If you're serious about achieving Operational Excellence, you need to take a hard look at how [operational leadership](#) habits and financial blind spots might be getting in the way.

When Leadership is the Problem, Not the Solution

Overruling Processes Can Cause Chaos

One of the most common examples of a “leadership blind spot” stems from a tendency to override established processes. Say, for example, that your production team has developed a carefully planned schedule for the coming weeks. Thanks to their efforts, every order has been slotted in based on capacity, material availability, and delivery commitments. Then, a high-profile customer calls, demanding an urgent order. Not wanting to damage the VIP relationship, leadership steps in and tells production to prioritise the job.

It’s a familiar scenario, but did you ever really think about what happens next? From the production side, their entire schedule is immediately thrown into disarray. Orders that were already in progress get delayed, suppliers get calls to deliver materials they weren’t prepared for, and employees suddenly need to scramble to meet unrealistic deadlines. As a result, the chances of mistakes, inefficiencies, and other problems increase.

From a management perspective, providing VIP treatment seemed like an obvious decision. But what happens when more and more customers start to demand the same treatment? Before long, the entire system breaks down because scheduling simply isn’t possible anymore. And when the system breaks down, so does the process by which the company creates revenue.

This is a great example of how we, as leaders, often fail to see the full picture. We believe we are solving a problem when, in reality, we are creating system-wide chaos. The lesson? Comply with processes, even at the top. After all, if the system is working, why would you step in and break it?

Cheap Decisions Can Cost Millions

Cost cutting and “trimming the fat” are major tenets of the OpEx philosophy. However, the obsession with cost-cutting from the top down often ignores the fact that leaders often possess a huge blind spot when it comes to where cuts should be made. This can result in massive financial losses—the exact opposite of the original intention.

Let’s say, for instance, that a company opts to purchase cheaper equipment to reduce expenses. On paper, it appears to be a smart move. There will be a lower upfront investment, faster approvals, and an immediate relief to the budget. However, as British author Terry Pratchett outlined in his famous “Boots Theory,” things quickly take a turn.

[Cheaper machines](#) are often cheaper for a reason. Because they break down more frequently, maintenance costs soon skyrocket. As production slows due to the constant need for repairs, the firm starts to miss deadlines, disrupting sensitive supply chains. Customers soon start to get frustrated by inconsistent service. What was initially intended to be a cost-saving endeavour is not eroding both operational stability and income—highlighting the importance of expert [supply chain consulting](#) to prevent such costly inefficiencies.

So, how did this happen? Well, leadership all too often views cost-cutting as a one-time decision rather than a strategic financial discipline. The latter means understanding the true cost of inefficiencies before making budget cuts. Instead of blindly reducing expenses, leaders need to properly audit fixed and variable costs first, thereby identifying areas where smarter spending—rather than just spending less—can lead to better long-term results. By failing to do this, leaders often create long-term financial drains that far outweigh any initial savings.

How “Not Invented Here” Syndrome Cripples Innovation

Innovation is a critical driver of Operational Excellence, enabling businesses to continuously improve processes, reduce waste, enhance efficiency, and stay competitive in evolving markets. However, the drive for innovation can sometimes reveal one of the most toxic leadership habits of all: “Not Invented Here” syndrome. Put simply, this is the idea that if a solution wasn’t created internally, it isn’t worth considering.

When this sort of mindset takes root in an organisation, it stifles innovation, slows progress, and prevents firms from benefiting from proven best practices. Rather than embracing potentially business-changing ideas, leaders dismiss outside perspectives simply because they didn’t originate within their own ranks ([Harvard Business Review: How to Overcome Innovation Barriers](#)). Over time, this can create a culture in which employees stop sharing their ideas altogether. After all, if leadership always rejects their suggestions, why should employees bother speaking up?

This is where it’s important to remember the difference between a “boss” and “leader.” Where a boss takes credit for successes and blames others for failures, a leader listens, supports, and empowers their team. To drive real change, leadership needs to abandon the need for control and superiority and start trusting their people. Whether they are a junior manager or the company janitor, the best solution often comes from those closest to the work. In the end, truly great leaders know that empowering employees leads to better decisions, stronger results, and an improved bottom line.

How Leadership Can Get It Right

Step 1: Set Clear, Non-Negotiable Goals with a Strategic Roadmap

Most leaders focus heavily on operational improvements—reducing waste, increasing efficiency, and optimising workflows. While these efforts are essential, they are destined to eventually hit a ceiling. The solution? Start thinking like a CFO. For example, leaders might ask themselves a series of questions, including “Where is the biggest cost driver?” “Which fixed and variable costs can be optimised?” and “Are we spending money in the right places?”

But setting cost-cutting targets alone isn’t enough. Financial strategy should drive decision-making, not gut reactions. If leadership mandates a 15% cost reduction, they must provide a strategic roadmap for how to achieve it. On top of that, they need to make sure it won’t destroy operational efficiency.

This is where [productivity improvement consulting](#) comes into play, helping leaders connect financial strategy with frontline execution.

Step 2: Perform Regular Audits and Leadership Resets

Leaders need to get in the habit of properly assessing their own blind spots. This means performing regular audits and strategy resets. Such effort should go beyond merely tracking performance metrics and instead actively ask, “Are we still on the right track? What’s working, and what isn’t? What blind spots are we missing?”

Reviews like this help to ensure that leaders aren’t making the sort of short-term decisions that erode long-term success. After all, just as Operational Excellence demands continuous improvement on the shop floor, leadership needs to get comfortable with continuously refining its own approach. Meanwhile, regular financial audits should look beyond production efficiency and analyse cost levers at every level—supplier contracts, travel expenses, procurement, and inventory management.

In the end, resistance doesn't come from change itself, but from leaders who fail to communicate, adapt, or course-correct along the way. We discuss this approach in our blog "[To Be More Productive, Put Up Your Feet.](#)" In it, we specifically encourage leaders to pause, take a step back, and critically assess their decisions without the usual operational noise. Remember, strategic thinking requires stepping out of the daily grind. In failing to make these audits, leaders risk making decisions that "feel" right but financially weaken the company in the long run.

Step 3: Prioritise Financial Discipline Over Operational Micromanagement

When Lean, efficiency, and productivity improvements have been exhausted, it's time to shift the focus to financial levers. These are those key areas of financial decision-making that directly impact a company's profitability, cost efficiency, and operational performance.

Indeed, many leaders continue to micromanage operational details when the real opportunity lies in optimising fixed and variable costs. Travel expenses, supplier contracts, inventory management—areas like these often hold untapped savings that leadership overlooks because they are simply too fixated on production floor performance.

This brings us back to yet another fundamental leadership principle: true leadership isn't about controlling every process, but empowering teams while ensuring financial discipline drives sustainable, long-term results. This means moving beyond old-school carrot-and-stick management. Employees don't need bigger incentives or harsher consequences.

What they really need is clarity, consistency, and a distinct role in the problem-solving process. When accountability is shared rather than imposed from the top, teams become more engaged, more proactive, and better aligned with company goals.

Leadership Can Be Both the Problem and the Solution

If your Operational Excellence initiatives aren't delivering results, it's time to take a hard look in the mirror. While you're there, ask yourself a few questions and try to answer them honestly. Are your leadership decisions overriding established processes and creating chaos? Are cost-cutting measures being applied in the wrong places, leading to false savings? Are valuable ideas being dismissed simply because they didn't come from the top?

While leadership blind spots like these are common, they can be corrected. By shifting from operational micromanagement to financial discipline, making data-driven decisions, and fostering a culture of accountability, leaders can unlock the full potential of Operational Excellence—a goal often supported by [expert operations consulting](#).

So, are you ready to lead, or will you continue to be the biggest obstacle to success?

Contact us today!



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