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A turnaround without creativity? Well, good luck with that!

A lack of creativity in a crisis is like a 7-course meal in a 3-star restaurant – without spices.

First things first: Creativity doesn't replace lean, efficient processes with clean workflows in a preferably manufacturing company. But often it is precisely the lack of creativity that prevents companies from finding the path to a successful turnaround at the crucial moment.

Creativity is not **colorful brainstorming**; we don't need another workshop with colorful stickers, and it certainly doesn't manifest itself in nice strategy slides. Creativity is the tool to **recombine existing resources in a new and effective way, to resolve blockages, and, above all, to get people moving – because that's what they want!**

Especially in interim management, this type of creativity plays a crucial role. Here it means:

- Finding solutions under restrictions – with too little time, too little money, too few resources
- Recognizing and breaking through inhibiting behavioral patterns
- Taking people along emotionally – instead of just guiding them through lists of measures
- **Acting pragmatically:** harvesting the low-hanging fruit with the 80/20 rule. Better 80% today than 100% in six months, when the liquidity has already run out

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Three turnaround situations in which creativity is crucial

In this article, I will highlight three turnaround situations in which creativity is a success factor. This does not replace project plans, ignore KPIs, or neglect targets. It's about finding a path to success – when things get really tight.

1. Production relocations, plant closures, and PMI scenarios

These scenarios always mean brutal cuts in the organization and require intense change processes that mean drastic changes for the people involved. At the same time, success is directly dependent on the active participation of precisely these people.

The classic mistake: whitewashing, vague statements, “let’s see what happens,” “it’ll be alright.”

The employees see right through it. The result is passive resistance, know-how is withheld, and key people block completely. The failure of the project is pre-programmed.

A creative approach that I choose and recommend as an interim manager:

Radical honesty with clear announcements:

- Say what's really happening – and what's not!
- Provide insight into the timeline, give information about the schedule.
- Paradoxically, honest communication creates more participation than watered-down phrases.

Creative motivation instead of empty promises:

- Are there prospects at the new location or in other companies?
- Who can specifically take projects, foreign assignments, or qualifications with them?
- How can project and transfer experience be visibly marked as added value for the resume?

Creative forms of know-how transfer:

- “Receiving” employees conduct “training on the job” on site at the transferring company, perhaps even for several weeks. In addition to the know-how transfer that automatically takes place, a bond is created between the employees and the necessary know-how is absorbed.
- The transferring employees go to the relocation country with the relocation to the receiving company and accompany the SOP there. Open questions can be clarified directly on site, and the already established “relationship” makes implementation much easier.
- Key knowledge holders remain in the relocation country even after the SOP phase in order to consolidate stability and sustainability. If there are prospects for the time after that, these will be communicated. It should also be communicated if there are none! That alone

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is a matter of fairness. And remember: even “no” immediate perspective can be a perspective.

All of this is not complicated science. And yet these simple and creative possibilities are very often not considered and then not used. Why is that? (Yes, I sometimes ask myself that too...)

Communication is annoying. “Face to face” is avoided because it is so much easier to “control things from the office.” And of course, there are 1,000 other reasons why people don’t talk to each other in person.

2. Negative Gross Profit and daily money burning: A downward spiral without end

The possible starting point: Remaining in the situation. Sticking your head in the sand. Simply accepting the condition. Unable to face the situation. Waiting to see what happens – it’ll be alright. Just keep going exactly like this.

Sounds stupid? But it almost always feels that way.

The classic mistake: Staying in the usual behavioral patterns.

Starting with the owner (who doesn’t want to admit it), to the CEO (who is driven by the owner or gets in his own way) to the managing directors who have been doing their thing for decades and see no reason to change anything – the paycheck comes as usual every month – so just keep doing things the same way, everything else is uncomfortable.

But the air is getting thinner and thinner, the result is negative month after month, liquidity is only possible by increasing the credit line and new loans. The banks appoint consultants (who cost an enormous amount of money) and even then the management just keeps going – and thinks it will somehow be alright.

Creative approach as an interim manager:

Personnel measures are always the first measures that come to mind.

- Sure. But almost always that is too short-sighted and too simplistic. Just leave it (the personnel measure) alone for now. Create clarity in the process landscape before even thinking about personnel measures.

Creativity here simply means naming the actual cause crystal clear.

- Often it is not even necessary to identify them, as they are well known – but nobody says it out loud: manufacturing costs are unknown because the calculation basis is simply

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wrong or rudimentary. Machine hour rates are ancient and the allocation keys are far from reality.

Actively approach customers to keep sales high, even if it is loss-making.

- Actively secure the customer base. Acknowledge deficits to the customer and at the same time underpin them with a binding plan. Strengthen trust.

Shut down sick, unnecessary processes.

- What only creates complexity but no contribution margin? What are the concrete, measurable levers? Lead times? Rework? Set-up times? Means: consistently shut down or sustainably optimize the “lazy processes.”

Use the really right KPIs

- Allow and use “dirty KPIs.” There are no THE right KPIs. But only the KPIs that are relevant for the current situation. Which are essential to be successful, to understand the situation. They do not have to be digitally collected, everything is allowed here: Excel, whiteboard, paper, etc. Relevance is what counts here.

Use task force groups in a targeted manner to achieve short-term improvements.

- Do not set up too many parallel measures, but make sure that resources can actually cope with the assigned tasks. Often there are individual experts whose workload is limited. Observe the 80/20 rule and set priorities.
- Closely “track” progress and target achievement – honest cohesion and cooperation are extremely important here. Lone fighters are out of place here. A daily comparison at least is mandatory.
- New and/or creative solution proposals are welcome and discussed in the team. Management is part of the task force and is available at all times. Management is exactly at eye level and not a millimeter above it. If it is not, then it needs to be replaced.

Creativity here does not mean having “colorful ideas,” but rather having the courage to prioritize differently and take unconventional paths in order to gain time and liquidity. Openness and courage through all hierarchies are required here. Creativity to get the ship back on course.

3. Sick projects, barriers, and stagnation in implementation

In struggling companies, new customer projects are strategically vital, as they mean: additional sales and securing capacity utilization. However, if the new project is based on the old behavioral patterns, it is immediately sick and, at best, only delays the decline. A new project in particular offers the opportunity for sustainable change.

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The classic mistake: Processes and (management) thinking patterns that have been lived for ages are simply continued.

The often-found way of thinking: What made us the market leader 20 years ago is still sufficient today, still prevails. Calculations are not questioned, yes – often even still made from the gut.

Digitalization (I am not a fan of this buzzword, but it is appropriate here) is a foreign word. Project plans are not even available, not even rough schedules. Nothing.

Thus, the project duration is completely in the dark and customers are given timelines that are regularly missed from day one. The result: the customer jumps ship. The necessary volume and sales are gone. A vicious circle, because the next project will not be better. Or different.

Creative approach as an interim manager:

Redefine roles, do not simply transfer the old responsibilities 1:1

- This is not about completely restructuring the organizational structure – it is about rethinking the responsibilities and accountabilities in relation to this specific project in a targeted and results-oriented manner and having the courage to implement this.

Cross-functional teams – No departmental thinking, but project thinking

- Break up silo thinking and set up cross-functional core teams with decision-making authority. Set and track common goals instead of individual KPIs per department.

Specifically create room for maneuver in which new things can be tried out – allow mistakes

- The error culture in companies plays an essential role not only in relation to projects. A negative error culture: searching for the culprit always leads to protectionism, ducking away, and ZERO creativity. Mistakes are equated with punishment – that is poison for the project and the company. Therefore: consciously allow mistakes, learn from the mistakes in the team, and readjust. This is the only way to achieve optimal processes.

Bad News First. The messenger will not be eliminated.

- A principle that must be firmly anchored in every company, and here in relation to a project: Bad News First. Yes – that's how simple it is. That is elementary. Delays, broken tolerances, rejects, quality defects – whatever it is, raise your hand immediately: without fear of personal consequences. This goes hand in hand with the error culture.

Set up project-specific KPIs, also unconventional, very project-specific

- Standard KPIs do not work here or say nothing about the project performance. Means: set up project-related KPIs, also unconventional (it does not always have to be digital). It is

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important to see the project status honestly at all times and thus to be meaningful to the customer.

Set up project plans. Not alone, but in consultation. Realistic. Clarity.

- Often there are no project plans at all. That is actually the case. A binding project plan is essential to understand the timeline, milestones, required resources, and dependencies. How else can I manage a project internally and, much more importantly, be able to provide meaningful information to the customer?
- Here too, less is more. If it is not possible digitally (for whatever reason), a “however” structured project plan (Excel, Gant) is sufficient at the beginning. It is essential that the project is understood in its dimensions.

Open, clear, and honest communication with the customer

- It is useless to tinker internally with the problems until “just before the deadline.” Usually already knowing that deadlines to the customer cannot be met. Regular appointments with the customer take place three times a week. But the cat remains in the bag. Wrong.
- Correct: indicate problems and delays to the customer at an early stage. The customer is only human. Look for alternatives together with the customer. Important in this context: to have a solution approach internally with the team, to understand it, and thus to be able to communicate a reliable new timeline to the customer.

Conclusion

Creativity is not a “nice to have”, not a soft factor, and certainly not the opposite of hard restructuring work. It is a crucial success factor – especially when the pressure is high, resources are scarce, and there is no blueprint.

Whether in production relocations, with negative GP, or in stagnating projects – it always shows: those who have the courage to question familiar thinking patterns, communicate with clarity, and allow new paths gain room for maneuver. And thus the chance for real change.

Creativity in interim management does not mean colorful ideas, but smart action – with maximum impact. Leadership begins precisely where others only manage.

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I am available for an exchange of experiences with an operational focus!

I offer concrete and operational support as COO / Plant Manager – especially in challenging and crisis situations, such as negative gross profit, turnarounds, restructurings, production relocations, or PMI projects.

Let's discuss it.

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