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# Lead Management and Key Personnel Positions in a Business

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As you develop your business plan, a “management team” needs to be pulled together, with serious thought given to the key positions that need to be filled and who should fill them.

The path of least resistance should be avoided - that is, placing close friends and relatives in key positions simply because of who they are. There are two criteria to justify placing someone in a position on your management team. First, does the person have the training and skills to do the job? Second, does the person have the track record to prove his or her talents?

Often, a management team evolves over time. Members of your team may wear several hats until the company grows and the company can afford the additional team members. A large business may have some or all of the following positions.

## Lead Management Positions

- **Chief Executive Officer (CEO) or President** -- This person will be the driving force behind the company; he or she will make things happen, put together the resources to support the company and take the product to the market place.
- **Chief Operating Officer (COO), Vice President of Operations or General Manager** -- Whether called an organizer, an inside manager or an operations person, this person is the one who will make sure company operations flow smoothly and economically. He or she is responsible for making certain that necessary work is done properly and on time. An understanding of details of the business and an enjoyment of handling details are necessary.
- **Vice President of Marketing or Marketing Manager** -- Few businesses can be successful without marketing their products to the customer. The individual in this slot must have both marketing and industry experience.

- **Chief Financial Officer (CFO) or Controller** -- You may wish to establish two positions or combine both roles into one. The responsibility of one role is to seek money; that is, to look for investors and deal with banks, lenders, etc. This function also could be assigned to another team member, such as the CEO or the General Manager. The responsibility in the Controller role is to manage money and watch over the assets of the company. It is not uncommon to have the same individual seek money and manage money.
- **Vice President of Production or Production Manager** -- Good production managers with specific industry knowledge and experience are sometimes difficult to find. In the beginning, you may subcontract some production.

## Key Personnel

In a small business, there often are few staff people with many duties. Because some people must wear “several hats”, it is important to clearly identify the duties and responsibilities for each of the “hats”. Below is a sample outline of some of the key personnel in a business. Because the focus of businesses varies greatly, the number of key personnel and organizational structure can also vary substantially. However, most businesses will have many of the key personnel listed below.

Key personnel in a value-added business and their duties include:

- **Operations manager.** This individual is the leader for the operation and has overall responsibility for the financial success of the business. The operations manager handles external relations with lenders, community leaders and vendors. Frequently, this individual also is in charge of either production or marketing for the business. This person will set in motion the vision, strategic plan and goals for the business.

- **Quality control, safety, environmental manager.** This is a key function in any industry and, in particular, one that deals in food products. In a small business, one person generally will be responsible for handling OSHA compliance, EPA compliance, monitoring air and water quality, product quality, training of employees in each of these areas and filing all necessary monthly, quarterly and yearly reports.
- **Accountant, bookkeeper, controller.** This is another key function. The individual filling this role has the responsibility for monthly income statements and balance sheets, collection of receivables, payroll and managing the cash. The key aspect here is managing the cash.
- **Office manager.** The person in this slot also may serve as human resource director, purchasing agent and “traffic cop” with salespeople and vendors. This employee, in general, will oversee everything not involved in production and may also handle some marketing duties.
- **Receptionist.** Sometimes called the “front-line” person, the receptionist handles phone calls, greets visitors, handles the mail, does the billing and performs many other tasks as required by the office manager.
- **Foreperson, supervisor, lead person.** This individual is the second-in-command in the shop and will oversee production in the absence of the owner, general manager or president. This position usually will have an overall understanding of all aspects of the business and also will handle working with new employees, including setting up training and schedules.
- **Marketing manager.** If finances permit, a marketing manager may be on staff to handle all aspects related to promoting and selling the product. The top management person often handles this duty in a small business.
- **Purchasing manager.** Duties of this position may be filled by either or both the general manager/top management person and the office manager. The supervisor or lead person often also is involved.
- **Shipping and receiving person or manager.** This may not be a full-time position in a start-up business. Someone, however, needs to be assigned the task of packaging, ordering transportation for delivery, receiving incoming material and warehousing of finished goods and stock. Several people may be involved in this, including the office manager, foreperson or accounting clerk.
- **Professional staff.** Instrumental in each company, new or existing, are the firm’s professional staff resources. These include an accountant (CPA), a lawyer, an information technology (IT) consultant and, possibly, a local doctor or access to a medical facility. Although perhaps not outlined as full-time staff positions in your organization, these roles should be considered a part of the management team and discussed in the development of the business plan.