



## SMARTER PERSPECTIVE: MANUFACTURING

# The Actual Cost of Firefighting in Manufacturing: Addressing Urgent Issues Before They Burn Your Business

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Anyone in manufacturing knows the routine—every day brings a new set of “Critical” or “Urgent” tasks that need “Immediate Attention.” These can include quality issues, equipment breakdowns, delivery problems, and more. But why do these issues keep happening? What is the impact on the business—financially and operationally? And how does constant firefighting affect company morale? Let’s take a deeper look into the true costs of firefighting in manufacturing and explore how companies can stop the cycle.

### What is Firefighting in Manufacturing?

MIT defines firefighting as “any unplanned allocation of resources to either fix problems or speed completion of a project.” When you think about it, much of what happens daily in manufacturing fits this description. Whether it’s a team leader grabbing parts to keep the line moving or a plant manager on-site managing a quality issue or equipment breakdown, these all fall under firefighting.

### Why is Firefighting So Prevalent in Manufacturing?

Manufacturing is like a Jenga tower—each Jenga piece represents a process, and

failure to maintain any process or failure to follow it creates instability. When one piece wobbles, it can affect the entire structure, causing everyone to rush to prevent a collapse. Manufacturing environments have multiple processes—sourcing, purchasing, logistics, engineering, quality control, maintenance, and more—and if any of them are out of sync, issues can escalate quickly. Left unchecked, these problems accumulate and lead to neglected issues that require immediate attention.

### The Implications of Firefighting

The consequences of constant firefighting are wide-ranging, both financially and operationally. Some of these impacts are immediate and measurable, while others, like employee burnout and strained customer relationships, can take a deeper toll over time. Let’s break it down:

#### 1. Financial Implications

The core goal of any company is profitability. But firefighting comes at a cost—often a hidden one. For instance, consider an auto parts manufacturer with a production line experiencing daily breakdowns or losses of 1 to 2 hours. These losses lead to production backlogs, missed deliveries, and a situation where everyone—from

operators to plant managers—rushes in to prevent further disruption.

Let’s calculate the cost of just the labor:

- 5 Operators x \$20/hr
- 6 Support Group Members x \$40/hr
- 3 Managers x \$80/hr

Assuming the issue happens 5 days a week, 52 weeks per year, the total cost could range from \$150,800 to \$301,600 per year—just for labor! And this doesn’t include overtime, energy consumption, facility costs, and other hidden expenses.

#### 2. Quality of Problem-Solving

In a crisis, speed often trumps quality. As urgency builds, teams cut corners to get things back on track as quickly as possible. This, however, leads to recurring issues. Problems that should be resolved properly are hastily fixed, resulting in more issues down the line. Over time, this creates a vicious cycle of “problem traffic” that piles up, costing more in the long run.

#### 3. Employee Burnout

While financial costs are easy to quantify, the toll on employees is often more difficult to measure. Constant firefighting leads to stress and burnout as employees work to keep operations



running smoothly. These “heroic efforts” may seem necessary in the short term, but they are unsustainable. Over time, this increases turnover rates, leading to recruitment and training costs and additional strain on the remaining employees.

#### *4. Strained Customer Relationships*

Firefighting also has a significant impact on customer trust and relationships. Frequent breakdowns and quality issues mean that customers are dealing with delays, quality inconsistencies, and even potential shutdowns. Companies are forced to expedite orders, offer discounts, and issue apologies—leading to a strained relationship with customers.

### **How Can We Stop the Cycle of Firefighting?**

The root of firefighting lies in an overwhelming number of issues that pile up without proper solutions. The key to stopping firefighting is reducing the inflow of problems and effectively addressing those that arise. Here’s how companies can break the cycle:

#### *1. Bring in Extra Resources*

Sometimes, firefighting becomes a

matter of needing additional hands-on deck. Hiring temporary problem solvers who can focus on identifying and resolving issues without being overburdened helps address problems properly and ensures they don’t happen again.

#### *2. Change the Strategy*

A significant portion of firefighting occurs because processes aren’t being followed or aren’t robust enough. Leadership must reassess and adjust strategies to ensure that processes are in place and properly followed. This may require creating, enforcing, or improving processes that ensure smoother operations.

#### *3. Expert Problem Solvers*

In a firefighting environment, problems can quickly multiply. To address this, companies need skilled problem-solvers who can tackle not just individual issues but entire classes of problems. Hiring the right talent and giving them the tools and autonomy to address systemic issues is key.

#### *4. Training and Cultural Shifts*

Investing in training programs and

changing the company’s culture is essential for long-term success. When employees are trained to recognize and prevent problems early, and when they see leadership actively supporting the process, it motivates the team to contribute to sustainable solutions.

### **Putting Firefighting Behind You**

Although firefighting in manufacturing can feel like an inevitable part of the process, it doesn’t have to be. With the right tools, resources, and strategies, you can minimize—or even eliminate—this costly and stressful cycle. By addressing the root causes of issues, focusing on preventive measures, and fostering a problem-solving culture, companies can reduce the need for constant firefighting.



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