

CEO Tip of the Month: If You Have a Restructuring Plan, Give it Some Structure

by Guido Quelle

As we understand it, restructuring individual parts of a company, or even the company as a whole, is part of the growth cycle. All too often, restructuring is associated with crisis or with incompetence, and is above all seen as a threat.

Restructuring means that things regain a structure that guarantees that afterwards the company can perform more effectively on the market than it did before. Anything else would make no sense. We don't want to hide the fact that restructuring is unfortunately also used as a euphemism for "making a clean sweep." If 3,500 jobs are cut at a company's headquarters, the term "restructuring" is clearly being stretched.

If we see the restructuring of a company as a chance to give it a more successful market position, the question immediately arises as to how the restructuring itself can maintain a structure in order to avoid confusion and chaos. Or, to put it more positively, the question is how to bring about the restructuring as quickly as possible, since changes will initially be focused inward and our time is better spent focusing on the market.

Here are seven tips that should help bring structure to your restructuring projects. They are based on our experience with advising clients:

1 Clearly define your focus

All too often, restructuring is used to integrate all possible plans. Don't allow this to happen. As the CEO, your interest must be in seeing results on the market as soon as possible.

2 Put freeloaders in their place

Following on from the first point, let your employees know the scope of the restructuring and put the brakes on those who would like to capitalize on the situation by adding on further tasks. The sooner this is done, the better.

3 Provide information from the start

Don't delay. As soon as you're sure about the scope of your restructuring initiative, inform the stakeholders involved, particularly the works council. They should be brought on board from the start to avoid the risk of a good project being blocked on principle.

4 Put together a small team

Too many cooks spoil the broth. Put together a core team to take care of the restructuring.

5 Plan a project

Though this may seem self-evident, it's nevertheless worth pointing out. Plan a project, and when you do, bear in mind that you yourself will need to continue to be involved in the planning. The Senior Management must show its colors when there is a restructuring at the corporate level; otherwise it will lose credibility. At the same time, you don't have to – nor should you – do everything yourself; your role is to set things in motion and organize others. Agree on a project structure that ensures that you will reach your goals quickly.

6 Ensure regularity

Regular reviews allow you to keep your project team informed of progress. Here we're not talking about input – along the lines of "This is what we've done so far." – but instead about results: "This is what we've achieved so far." Also, the question of what bottlenecks remain is a central one.

7 Know when to stop

It's not about finding the perfect solution. It's about carrying out the necessary restructuring as quickly and successfully as possible. The methods don't have to be pretty; the results are what count.

Add your own experiences to the list. And bear in mind that restructuring can only have one goal: eliminating the obstacles that stand in the way of profitable growth. Once this truth has been embraced, the goal can be communicated within the organization.

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