



# Pre & Post RESTRUCTURING

For Eurocham Vietnam

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# Why do we restructure

Business organization makes changes in personnel and departments to meet business/market conditions. Some shift to expand to serve growing markets. Others reorganize to downsize to conserve overhead.



# When does restructuring usually happen

- **External influenced**

  - World economy impacting market demand

- **Internal influenced**

  - When a business needs scaling up or scaling down

- **Locally influenced**

  - Localization or globalization

- **Globally influenced**

  - Technology implementation; product expansion or elimination; change of business focus; M&A



# Understand where you stand

- It is unavoidable
- It is not going to be a perfect resolution
- It is going to happen no matter you are ready or not
  
- Do what you must do
- Do what you can do

## Be ready for a new normal

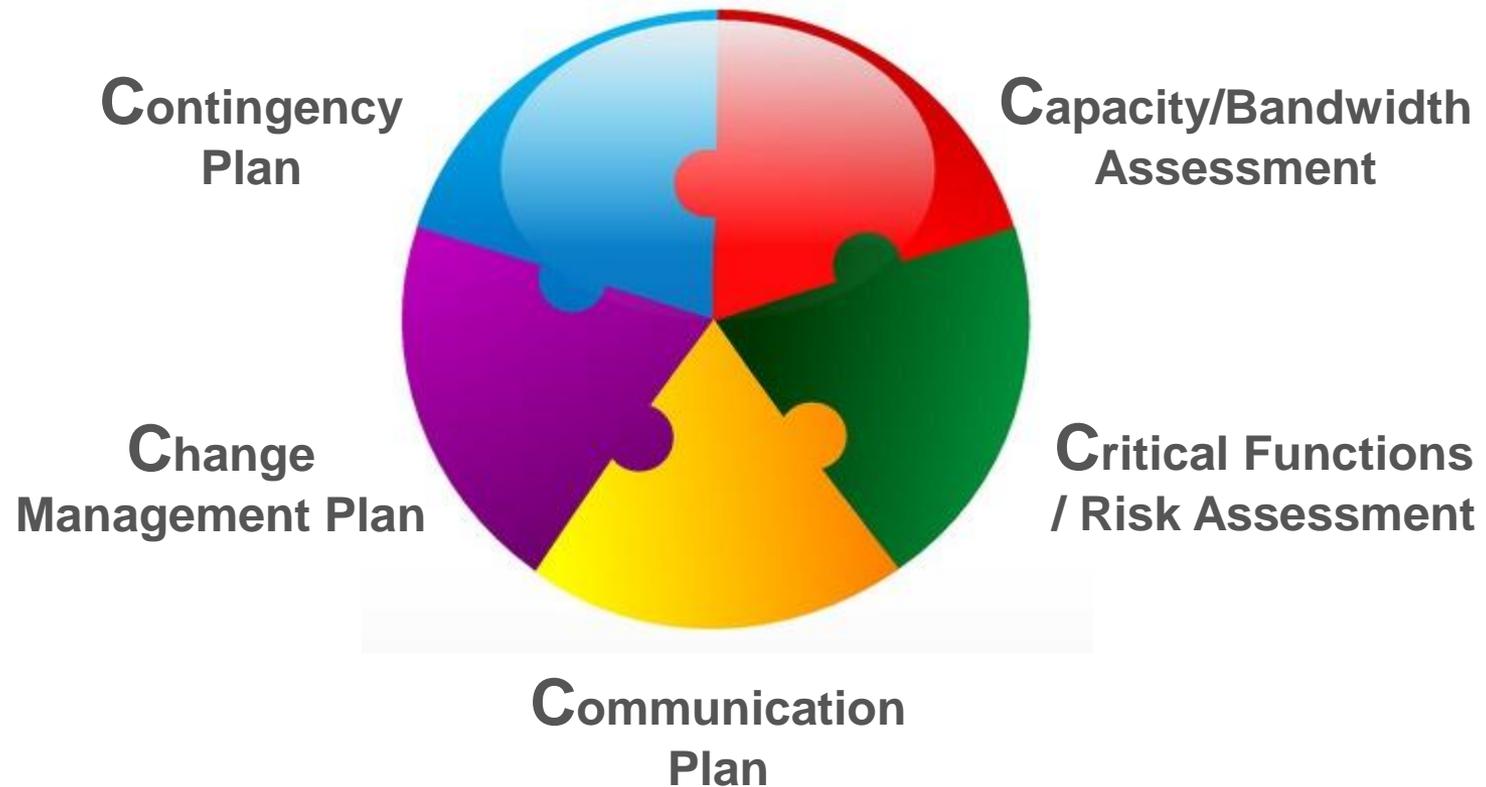


# What you must know before action

- What is the **expected outcome**
- What is the **intended timeline**
- **Who** will be **impacted**
- What **business impact** there may be
- What **resources** are available for your execution/utilization
- What is the local **legal implication**
- What is the local **financial implication**
- **Who can be privy** to the instructions and information until the official announcement date



# 5 Cs Pre restructuring Preparation



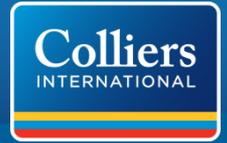
# The Communication Plan

A good communication plan could minimize the negative impact on a restructuring exercise to a very high degree.

WHY	WHAT	HOW	WHEN	WHO
<ul style="list-style-type: none"> <li>- Allow the <b>facts</b> to be considered</li> <li>- Manage <b>expectation</b></li> <li>- Manage <b>fear</b></li> <li>- Manage the <b>subculture</b></li> </ul>	<ul style="list-style-type: none"> <li>- Communicate in <b>full</b></li> <li>- <b>Be consistent</b></li> <li>- Make it <b>official</b></li> <li>- Gather <b>feedback</b> regularly</li> <li>- <b>“Ears to the ground”</b></li> </ul>	<ul style="list-style-type: none"> <li>- Townhall meetings</li> <li>- By department / function</li> <li>- One on one</li> <li>- Follow-up in writing</li> <li>- Official <b>documentation</b></li> <li>- Execute proper agreement</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate as <b>often</b> as needed</li> <li>- At the beginning to <b>set the stage</b></li> <li>- Throughout the process to <b>set / manage expectations</b></li> <li>- Checkpoints to provide <b>update &amp; transparency</b></li> </ul>	<ul style="list-style-type: none"> <li>- Everyone</li> <li>- Individual impacted</li> <li>- Individual not directly impacted</li> <li>- Relevant authorities</li> <li>- Externally               <ol style="list-style-type: none"> <li>1) <b>clients</b></li> <li>2) <b>vendors</b></li> <li>3) <b>partners</b></li> <li>4) <b>community at large</b></li> </ol> </li> </ul>



# And when you communicate...



- **Be sympathetic, not apologetic**

This is business and all decisions are properly justified. Seek to understand the rationale to better help with articulating the message.

- **Be straightforward, not confusing and complicated**

It is what it is. Don't try to give more or less explanation than should be. Everyone has a right to know what's going on as it impacts their livelihood. Essentially no one is unaffected.

- **Don't sugar coat**

If it stings, it still stings even if put nicely. Be compassionate but firm and straightforward.



You are about to disrupt a well oiled machine. You need to know under what circumstances this machine may fail your expectation and what you should prepare for when the disruption happen.

**a) Identify skill strength/gaps**

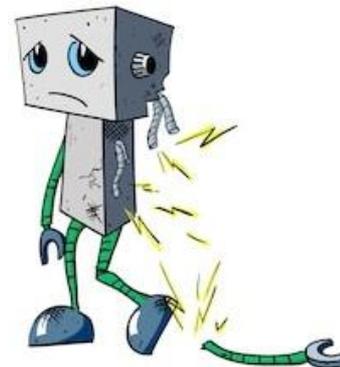
Make sure the machine will work under the circumstances

**b) Define stretched role for certain functions**

Turning an issue into an opportunity

**c) Identify outsource options and costing**

Make plan where gap can't be filled immediately



# Critical Functions / Risk Assessment

**Know your risk going into it.**

- What drives the business / function?**
- Is there an alternative way during or after the disruption?**
- Do you have any interim solution?**



# Contingency Plan

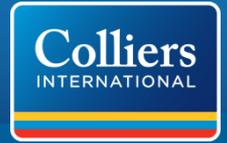
Consider the what if(s) big time

-Nothing is for your control

-Pay attention to where you are NOT restructuring



# Change Management Plan



*"It's not so much that we're afraid of **change**, or so in love with the old ways, but it's that place in between we **fear**... it's like being in between trapezes. It's Linus when his blanket is in the dryer. There's **nothing to hold on to.**"*

*M. Ferguson*

A **Change Management Plan** defines activities and roles to manage and control **change** during the execute and control stage of the project.



# Change Management Plan

A **Change Management Plan** should at least cover the following aspects

- 1) **People** – those going and those staying
- 2) **Resources** – those no longer available and others which may become available
- 3) **Budget** – money available and may not be available anymore
- 4) **Internal impact**
- 5) **External impact**
- 6) **Interim impact**
- 7) **Long term impact**



# Post Restructuring Must-Do

- **Transition support**  
Coaching & Training
- **Maintain transparency and sharing of restructuring result**  
Manage anxiety
- **Refocus on long term**  
Provide a purpose
- **Celebrate the new normal**  
Moving forward as a team



# Common Pitfalls

- **Say too little or too much**
- **Do too much at the same time**
- **Drag it out too long**
- **Start without thorough planning**
- **Not providing enough support for those who are seemingly least impacted, i.e. those who are staying**
- **Appearing to be apologetic / unsympathetic**

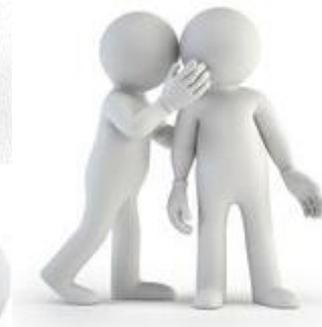


# A word of caution

- **It is never a secret**

Yes it is confidential but don't expect that

- **Yes there can be a *happy ending***



# Parting Words



*Thank you*