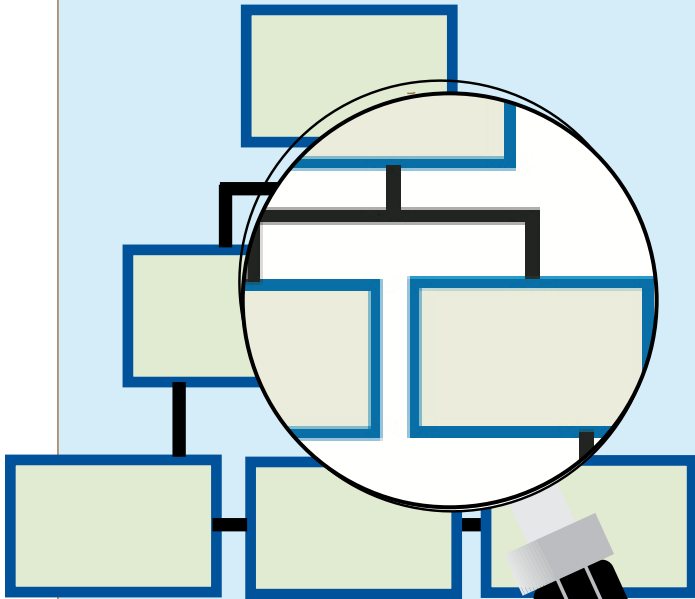


Is It Time To Restructure?

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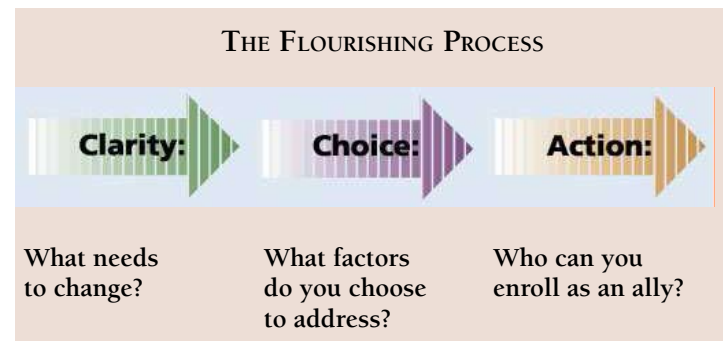
Organizational Assessment



We encourage our clients to schedule time every so often to climb out of their day-to-day activity and survey their operation from a broader perspective. Extracting themselves from daily demands, leaders invariably begin to reflect on ways to improve efficiencies and, ultimately, results.

One factor often considered is an alternate organizational structure. This consideration is driven by the obvious importance of aligning resources within a law firm to support the strategic plan and facilitate the attainment of goals. The costs, however, can be high if such a change is implemented without a well-thought-out plan; morale can become a casualty, leaders who don't have ownership for the change can actively undermine the initiative, latent value can remain untapped while diverting resources unnecessarily.

When handled effectively and for the right reasons, restructuring can strengthen the alignment of human capital with the firm's strategic plan. The result will be increased organizational effectiveness and efficiency. What is required is the examination of the complex relationships between tasks, workflow, responsibility and authority. The recommended design must align the right business controls, flexibility, incentives, people and resources.



The Flourishing Process can help you sort through the options.

Clarity—What needs to change?

It is important to be clear what you want to be different and assess whether or not creating a new or modified structure will likely resolve the identified issue(s).

What are the specific signals that have you pause and question the way work is organized in your firm? Examples of common factors affecting organizational performance are listed below. (See next page)

If the symptoms you identified are predominantly in the column indicating something else is needed, restructuring isn't likely to make those issues go away. Alternate strategies and tactics can address the issues without the time, expense and disruption of restructuring.

If you identify...

- Process-bottle necks
- Silo operations
- Under-performing units
- Absence of cross-selling
- Emerging roles
- Roles that need to be retired

Perhaps it's time to restructure

If you identify...

- Ineffective firm leadership
- Unclear firm strategy
- Poorly occupied roles
- Role confusion
- Role nausea

Perhaps something else is needed

If the symptoms identified predominantly indicate the current structure could be the source of the problem, or at least a major contributing factor, the investment in a strong restructuring plan could yield the desired changes.

Key Question - Is restructuring likely to address identified concerns?

Choice – What strategic challenges do you choose to address by restructuring?

The strategic plan for your firm will be an important tool to guide you through this step. Common strategic challenges to address via restructuring include changing market conditions, workforce preparedness and productivity.

Changing market conditions

With the anticipation of shifting business levels, restructuring can help support the necessary shift in staffing levels. Whether significant staffing increases or decreases are contemplated or parts of the organization are significantly over or under staffed, a new structure can help re-organize the staff in a new configuration.

Workforce preparedness

Restructuring can strengthen alignment of the workforce with the strategic plan. For example, expected technology and/or innovations resulting in changes in workflow and production processes can be addressed. New skills and capabilities can be developed or acquired to meet current or expected operational requirements.

Productivity

When workforce productivity is stagnant or deteriorating, restructuring can help address a number of issues including strengthening accountability for results, consistent and efficient

organizational communications, reduced turnover and increased morale. Many productivity and performance issues can be traced back to poor organization design.

The decisions you make in this step will assist in developing a set of principles to guide the redesign of the new organizational structure.

Key Decision - What strategic challenge(s) do you choose to address with a restructuring initiative?

Action—Who can you enroll as an ally?

You will know it's time to get into action when there is clarity about the factors that can be affected by restructuring and the strategic challenges have been selected to guide the re-design of the new structure.

The first step is to engage key stakeholders who will operate in the new organization. For an optimal transition, they must be part of the design process, providing options and weighing in on key decisions. Together you will develop a project plan to clarify the key criteria the future organization must meet, analyze data, generate design options and assess the respective trade-offs. Only then can you select the optimal design for the future and develop a detailed transition plan, including a process to monitor the progress of implementation.

Key Action – Who will you enroll as an ally?

Looking Ahead

As you move forward, the research conducted at McKinsey¹ provides insight into the tactics used by executives reporting successful restructuring initiatives. They are much likelier than others to say they focused on changing mind-sets along with processes, roles and behaviors, they implemented a clear communications plan and they ensured the support systems support the changes.

Taking all these factors and tactics into account what do you conclude? Is it time for your firm to restructure?

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¹ McKinsey Quarterly, December 2010,
Source: Organization Practice