



Organisational Restructures

The business environment changes frequently and so must individual organisations. Businesses and organisations need to examine their business practices and structures on an ongoing basis to ensure that they continually improve if they are to survive in a rapidly changing world.

Managers are responsible for the structural changes that take place within any business organisation. Structural change, commonly called **Restructuring**, refers to changes made in how the business is organised. Any restructure must be based on the analysis of accurate data.

Corporate restructuring has evolved from stigma to strategy over the last twenty years. Historically, corporate executives had fewer resources at their disposal to navigate troubled waters. Today, businesses leverage corporate restructuring as a strategic vehicle to lead the way to stakeholder profitability and enduring market value.

The companies that have successfully restructured have had similar principles that led them through the process.

The most obvious principle is:

- Be Smart. Get experts to help

Corporate restructuring is both an art and a science. A bungled restructuring can turn a good idea into disaster. Help should be enlisted from experienced restructuring specialists. These specialists should have experience in managing and dealing with the complexities of corporate restructuring.

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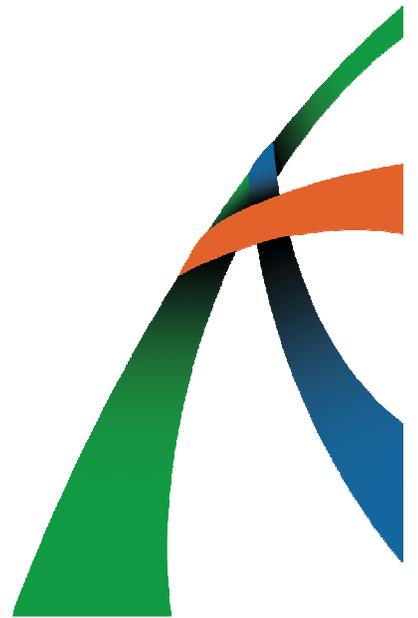
Suite 363, Postnet X033, Rivonia, 2128
Tel 082 933 4144 Fax 012 807 3765

Email info@bizmod.co.za

Web www.bizmod.co.za

Company Reg. No. CK97/54 968/23

Bill Miller | Anne-Marié Pretorius | Jessica Tandy | Seugnet van den Berg



Other principals include:

- Be Quick. Time is of essence
- Be Prepared. Organise information for efficiency
- Be Transparent. Disclosure is beneficial
- Be Sensitive. Take stakeholders' financial insecurities into consideration

Research and careful management of the change process are essential for success in any restructure. Managers need to have a clear understanding of what they wish to achieve and how they are going to achieve it prior to starting any restructure. This vision should be shared with all stakeholders to gain a sense of common purpose and understanding.

The most successful restructuring process will occur when those involved in the restructure are involved in developing the new structure and given ownership of as much of the process as possible.

Management faces three critical hurdles or challenges in any restructuring program:

1. **Design.** What type of restructuring is appropriate for dealing with the specific challenge, problem, or opportunity that the company faces?
2. **Execution.** How should the restructuring process be managed and the many barriers to restructuring overcome so that as much value is created as possible?
3. **Marketing.** How should the restructuring be explained and portrayed to investors so that value created inside the company is fully credited to its stock price?

Failure to address any one of these challenges can cause the restructuring to fail.

Bizmod has assisted companies in various implementations of organisational restructures. This entailed involvement in the design and execution phases.

They have extensive understanding and supporting methodologies on how restructures should be executed within the South African context and can propose effective restructuring strategies and practices.

Bizmod Consulting is a modern company that believes in flexibility, balance and collaboration. They specialise in services relating to:

- Business and Process Analyses
- Project Management
- Change Management

Bizmod Consulting is particularly well versed in designing and implementing solutions that are customised to meet a client's specific needs. The Bizmodian team works on a basis of trust and value creation and aim at building sustainable, long lasting relationships with their clients.

Bizmodian relationships are characterised by a project based approach, solution customisation, product independence, delivery focus and quality.

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For more information: SW van den Berg
Managing Partner
083 414 1484