

## Business case: Restructuring the company

### The situation

The company Deutsche Telekom AG is a global telecommunication company. The mother company is based in Germany, the daughter company Slovak Telecom in Slovakia. Our client is the daughter company, which has in 2006 still 3500 employees. Its biggest unit is responsible for the technical installation of the hard wire network, services delivery to the customers and new product lines like Voice over IP and TV per internet. The unit needs to reduce its head count from 1900 to 1200 people. Its unit goal asks for restructuring all business processes, otherwise the reduced work force will not be able to manage the same amount of work.

### The demand

The unit top manager asks synetz to help in this restructuring process, as he does not feel comfortable with the way how to go about it. He knew synetz from the company wide advanced leadership development program. Change Management had been one of the major topics of the program. After an intense interviewing session with the top manager and three of his directors we gave our feedback:

### synetz' analysis

- the restructuring process was so far not considered a project, but handled like personal line function responsibility
- the focus was purely put on the technical aspect of identifying the head countl which should be reduced
- possible consequences on the remaining work force were not considered
- the communication regarding the need for change, head count reduction and new business process implementation were not considered

### Consultant's proposal and implementation

- This process got a professional project structure, an internal project leader, clear goals and success criteria.
- A steering committee of 15 members was established. It consisted of all hierachical levels and reflected every months for 1,5 days every step of the change activities. It worked out arguments for the needs for change.
- The top manager and his three directors did two team building workshops together to be able to handle this change collectively. One focussed on the new strategy.
- A so-called communnication wave (like a road show) was installed: the team of four leaders went personally to all regions, presented and discussed the need for change with the work force and the way how to go about it. This wave was repeated every three months.
- All leadership positions were cancelled and people had to apply. This was considered a revolution, as it took place in total transparency regarding the wish list of an ideal competence profile, work experience and leadership behaviour.

- All employees who had to quit the company were informed by the former Head of Teams or Head of Departments within one week. For all these employees so-called fare well days were organised with a word of thanks and a small gift.
- All business processes were revisited, new ones created, useless ones cancelled. In a large group event for new Head of Teams and Head of Departments they were presented and tried out practically on the spot. Gaps and unclearities were collectively reduced.
- The new Head of Departments did two team development workshops to get to know each other and learn immediately how to cooperate effectively so as to support the new processes.
- A future forum was established, where all leaders discussed and adopted the new strategy.

### **Duration and results**

After 11 months the project was closed down very successfully. 700 people have been dismissed in an honourable way. The remaining work force appreciated this new style and kept its confidence in the company. The new business processes have started and not a single major fault has occurred – the customers have not realised any problem. The strategy was accepted by all leaders and it was highly appreciated that all leaders were involved in the discussion. The work force felt very well informed – for the first time! Especially as they could also place their concerns and ask questions about why what is happening. The top leader team of four works very well together. The steering committee was really especially happy and satisfied as they had never experienced such a participatory way of reflecting and really steering a project together as in this project.