

# THINKING OF RESTRUCTURING? WE NEED TO HAVE AN INTERVENTION

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## Thinking of Restructuring? We Need to Have an Intervention

By Cathy Cassidy, [Matrix Management Institute](#)

If your company is thinking about restructuring, I urge you to STOP and examine what you're really trying to accomplish.

You may already be aware that [restructuring is going to cause more problems for your organization](#), but perhaps you don't know what else to do.

When I talk to companies about the reason they restructured in the first place, I always ask them, "What was the problem you were trying to solve before the restructure?"

Typically, their answers are something like:

- Our leaders and team members weren't collaborating well across the organization
- We have a new strategy and need to align everyone to it
- We need to find efficiencies and cut costs

For the last response, many organizations will focus on centralizing functions to gain those efficiencies, achieve economies of scale and reduce resources. In fact, I find that a lot of restructures happen when an organization is looking to downsize and reduce resources – the two often go hand-in-hand.

The irony of a restructure is that while the company is attempting to save money, it'll end up wasting hundreds of thousands (if not millions) of dollars, not including the cost of lost opportunity and employee morale.

In reality, the [total cost of the restructure](#) isn't justified by any real return. The returns are often negative, with productivity and sales decreasing as employees wait to see what will happen, adjust after the restructure is complete, and then re-restructure when the first one didn't get it quite right.

*Think about it.*

When a restructure happens, what do you see? Employees worried that they might lose their jobs and stop pushing themselves because they feel victimized by what's going on? The fact that there are fewer people in the organization after the restructure confirms this belief.

Another issue that isn't addressed by restructuring is the "I say it, so it should happen" phenomenon. This happens when work is continually pushed into the pipeline by the functional leaders but there aren't enough resources within the company to actually get the projects done – both before and after the restructure.

So, with fewer, often confused employees and an increased workload, the already overwhelmed staff that remains now looks at the situation wondering how they're going to handle it. This isn't going to help your company culture either.

What I'm encouraging you to think about are the problems that you're ultimately trying to solve by restructuring, and to take a hard look at the way your company is operating compared to how it is aligned in your vertical dimension.

In other words:

- How are you operating horizontally across your business processes and projects? Do silos make it difficult to execute them effectively and efficiently?
- Are your leaders competing for resources because they have their own priorities to deliver?
- Do you have too many projects and initiatives that aren't getting done? Are your cross-functional processes inefficient and do they have large gaps between functions?

### **Competing Priorities Are Not Matrix**

it's interesting that many leaders I speak with believe that competing priorities are the nature of a matrix. *They're not.*

Of course, there are ways to eliminate them, but a restructure is not one of them, and here's why—Let's say you're trying to fix silos in your organization, e.g. sales and service, two departments that have a key relationship with your customers but often are misaligned in their goals and priorities.

Sales needs to get the customer in the door and buying your product or service. Service needs to deliver what is sold. The problem – the sales goals are set as if they are independent of the service delivery

goals. This results in sales focusing on creating the most sales they can – regardless of whether the organization can deliver it or not. This puts pressure on the service team who is trying to keep up.

Now, I'm not saying don't aim for high sales when selling – but if one team's goals are not aligned with the other team, you've got a situation where one end of the process is having a negative impact on the other end – and that is not a structure problem, it's an alignment and operating problem.

This problem never gets solved with a one-dimensional approach, which is what a restructure essentially is. It will just cause both departments to re-align around new silos and then have their own goals.

Ultimately, you may rethink the vertical structure to create alignments at a local level. However, getting sales, service, and all of the other areas that are part of the end-to-end process to collaborate [requires a shift in how you set up and run your organization as a matrix](#).

### **The Answer Is to Operationalize the Matrix**

[Operationalizing a matrix](#) can sometimes be a daunting consideration but it is critical to overcoming the problems listed earlier and achieving organizational strategy in the most effective and efficient way. MM 2.0™ is a highly-integrated model that addresses structure, productivity and accountability – what we call the Organizational Lever – in a way that positions everyone to work better horizontally and

overcome the challenges that lead many down the path of restructuring.

So, if you're considering a restructure (or another one), you can learn more about how operationalizing your matrix with a two-dimensional operating system can help your organization deliver the most important priorities by downloading our white paper, [Operationalizing Your Matrix](#).

You can also take our free [One-Minute Matrix Assessment](#) and visit MMI on the web at [www.matrixmanagementinstitute.com](http://www.matrixmanagementinstitute.com).

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