The restructuring plan should be linked to goals and objectives for the next 1 through 5 years. Goals should be based upon fiscal information, reductions in work, or the need to improve processes and streamline procedures; therefore, a needs analysis must be conducted.

You must identify outcomes that the new structure or process is intended to produce. This typically requires identifying:

- Which work is mission-critical, can be scaled back or should be eliminated.
- Existing role requirements, while clarifying new or modified roles.
- Key metrics and accountabilities.
- Critical information flows.
- Decision-making authority by organization level.

Key Items for Consideration:

**Know the business model.** Think about the future, not the present. Make sure the business model, which includes the organization's mission, vision, values, products and services, is clearly stated. A good test of clarity is to ask a simple question: Can it be clearly communicated to a stranger outside the industry?

**Evaluate your resources and tools.** Gather together the senior management team (inclusive of Central HR) and think through the vision and the goals of the business unit. Is change happening to respond to the economy? Is it to react to new challenges from the competition? Is it to address financial issues and save money? What are the short- and long-term gains?

Create a plan with milestones and make sure there are timelines for the information gathering process. Assign roles and responsibilities to each member of the management team.

**Conduct a function-by-function budget review.** Include the finance person to help identify exactly where "costs" can be taken out of the business. Ensure that you understand the primary sources and uses of revenue by function, activity and role. You must also understand the effectiveness of your uses and the value your customers place on them, as well as the potential gaps between them. Account for how every dollar comes in and how every dollar goes out. You will want to determine core and non-core services, paying close attention to redundancies, and evaluate the return on investment for each core service. It may also be helpful to benchmark your department against peer/comparable organizations.

**Examine business processes.** You may need to include the people who actually do the work and know where the gaps are in the business processes. Working with employees, look at the business processes and do some process mapping. Costs can be clearly taken out of the business in areas such as repetitive business interactions, duplication of efforts and ensuring the proper use of technology. Make sure the internal business processes match with the customers' needs and what your employees can provide.
Reengineer the way things are done. If processes have to change in order to continue with the reorganization, go ahead and maximize the way the work is being done. This task also can be accomplished through the efforts of people already in your organization.

Take an inventory of the organization's talent. This is another data collection point. How many people does it take to run the business without the risk of destroying customer satisfaction? Do you have the right people in position? Does the staff have the right mix of background and management skills? Have you promoted someone to his or her level of competence? These are the questions an organization has to answer before the final decisions are made.

Develop a Reorganization Proposal. In the proposal, describe your current department structure. Identify the department leadership, including managers, supervisors and team leaders. Indicate how many employees report to each person on the leadership team and the reporting structure. Illustrate your department’s current structure using a written description as well as an organizational chart for visual comparison. Also include an organization chart for the proposed structure.

Compare the current structure of the department in relationship to the overall business unit. Describe interdepartmental relationships that are present. List alternative department structures considered feasible. Describe each one explaining how reporting relationships would change, the number of employees in each area of the department and the ways employee duties might change based on the alternative structure.

Write an analysis of each alternative structure weighing the pros and cons and how department efficiency and productivity would change. Include workforce changes necessary to facilitate each alternative restructuring.

Estimate the cost for each alternative structure from the beginning, including the expense of reorganization to the cost to maintain the new structure. Calculate the return on investment in the initial cost for reorganization and departmental savings for maintaining the new structure. Ensure that your timeframe and estimates are based on the fiscal year. If your proposal for reorganization is not cost-based, demonstrate the value of reorganization and how it benefits the overall business unit.

Prepare an executive summary as a cover page for the proposal. It should contain the highlights and key points of your proposed changes.

Please refer to the “Workforce Planning Model” as a possible guide for your basic planning.