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TSI Info Source

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A newsletter of ideas, comment, and dialogue.

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Welcome...

One can hardly watch or listen to a news broadcast without hearing of another local company laying off hundreds or thousands of employees. Without a doubt, it can be disheartening. With all of the companies going through downsizings, layoffs and organizational consolidations, we at TSI would be doing a disservice to our faithful constituency if we did not offer to provide some resources that could be of value to your organization in times like these. Here are several thoughts and suggestions that may apply to your organization if a downsizing is in the works or has just occurred.

- *The Editors*

Downsizing Du Jour – A Few Thoughts From Experience.

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Some of these may seem commonsensical to you. Others, perhaps you had not thought of in the context of needing to cut costs. In either case, over the past 6 years TSI has been called in both proactively and reactively, by both large and small organizations to assist with process improvement, organizational restructuring and management consulting in the face of reorganizations and downsizings.

Here are several thoughts and suggestions that may apply to your organization if a downsizing is in the works or has just occurred.

1. Work still needs to get done. Since most organizations are comprised of departments and business units that have processes intertwined between them, it is critical to determine how work will get done when people or entire groups are forced to be terminated. Often times a mass termination will occur without having thought through how work will get done triggering significantly more chaos in an organization.

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Take a step back and proactively architect (and consider getting someone who can be objective to assist you) how the processes will work (defining what work needs to be done, how should it be completed and who should do it) for all of the most critical processes. Take the time to define how to handle specific customer, supplier and employee groups as necessary.

2. Perform a more robust outsourcing analysis. Today it seems that most organizations rely on a traditional, time-tested tool, the cost-benefit analysis (CBA) to act as the sole judge on whether to insource or outsource a set of activities. With all due respect to this fine tool, it is rather one-dimensional.

Think about expanding your analysis to include three other categories of metrics – quality, service and speed. Factually and quantitatively measure current and proposed effects of cost, quality, service and speed. Rank which metrics are the most important to you now and in the next 24 months. Make an evaluation based on these four categories, not just cost.

3. Think longer term than just this quarter. Most people would agree the economy is showing a few signs of upward mobility (NASDAQ performance today notwithstanding). Some economists are saying we are two quarters away from an upturn. If a reorganization, consolidation, downsizing is inescapable, how will you handle an upturn in the next 180 days?

Since the incremental amount of work is relatively small, take this opportunity to architect how you want business to be done. Design how you want work to occur, how people should do it and how technology should enable business while you are already making changes. Think about how should processes enable the strategic plans to come true. Then build the processes from the ground up to make this occur. Think about how you can build processes so they don't demand a linear number of people to be added to perform the work.

In closing, good luck to you and your organization during this challenging first quarter. Please keep us in mind as an objective, experienced resource that can assist you in redefining your processes, organization and service offering if necessary.

Dan Feely (dfeely@transforming.com) is the managing partner of TSI (Transforming Solutions Inc.), the best process improvement, management consulting and training firm in Chicago and Denver.

Please do not hesitate to call us at any time even if you would like to just “kick around” a few ideas over the phone. We are here to help.

TSI helps organizations dramatically improve their service-driven processes by collaboratively and cost-effectively analyzing and improving how people, processes and technology are used within the organization.

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