

## After the Layoffs: Filling the Gaps to Build a “New Normal”

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Recovering from significant restructuring, downsizing or rightsizing is never easy. However, when the dust settles, savvy business managers recognize the opportunity for transformation and rebirth that accompanies the chaos of traumatic change. In the vacuum created by the departure of familiar faces, established processes and well-understood technologies, it's easy to see that change has arrived. But, seizing and shaping emerging opportunities requires clarity of vision; and an acceptance that the business will never again be the same.

Indeed, there is no turning back! For many businesses, the culture and capabilities that were once in place have been forever altered. At a macro level, entire industries have been



reshaped by the winds of recession; some have survived and some have not! Even your local business environment may also have changed. Now more than ever, businesses must look to the future to find new ways of operating; new ways of filling the gaps that result from layoffs. And, with lessons from the past still fresh in your company's psyche, now is the time to build a new “normal”.

### Define Your New Business “Normal”

Building a new “normal” means different things to different businesses. For some, it means finding new ways to perform routine support operations in the face of lost expertise, skills or technical knowledge; for others it means finding new ways of getting product to the customer in the face of broken delivery processes. Some must retool to build new products for new industries despite the erosion of their knowledgebase; while others must rebuild employee, customer or supplier relationships in the face of dropped commitments. Whatever your focus, to establish a new normal begin with four basic steps:

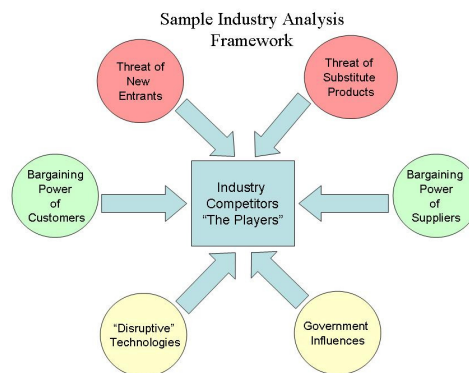
1. Revisit your business strategy. To effectively compete in the new environment may require changes to your exiting strategy.
2. Identify critical people, process and technology gaps that could impede business performance.
3. Plan and budget to fill these gaps over a defined timeframe and
4. Implement, communicate and manage change to achieve a new normal.

Each of these steps is explored in the following sections to give greater insight into how business owners and managers can work to establish a new business normal.

## 1. Revisit Your Business Strategy

Perhaps the most important step in building a new normal is to rethink your strategy for success. Be it through visioning sessions with your company's top leaders or through quiet contemplation on a deserted beach consider the following:

- Re-examine your marketplace to identify what has changed within your industry and its potential business impact. Use an analytical framework to evaluate the forces within your competitive environment.
- Perform a SWOT Analysis to gauge how your business' strengths and weaknesses can enable marketplace opportunities and deter threats.
- Refine your business strategy to reflect the new realities and develop realistic tactics and goals.



Your vision, strategy and goals provide a roadmap to your ultimate business destination. Begin that journey by assessing what operational gaps must be filled to achieve those goals.

## 2. Identify Critical Performance Gaps

Conduct a Gap Analysis to identify missing capabilities that can adversely impact the achievement of your new strategic goals. Identify the gaps, their scope and level of impact. It may help to think through gaps within three categories:

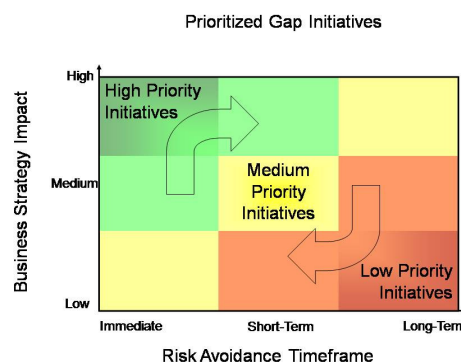
- People: Gaps in leadership, skills, competencies and knowledge.
- Process: Ineffective or broken core business processes.
- Technologies: Unsupported or non-functional mission critical technologies or tools.

Categorize each gap as an immediate, short-term or long-term need to gauge how quickly management must act to avoid a negative impact.

## 3. Plan and Budget for the New Future

Once the gaps and potentially negative impacts are well understood, develop a 1-year to 3-year plan to address them. Identify what specific investments in skills, processes and technologies are needed and take the following actions:

- Determine the scope and size of each investment.



- Prioritize gap initiatives by their importance to the business' strategic goals. Factor in the timeframe to minimize risk.
- Verify the merits of major initiatives by developing business cases with financials and alternatives analyses.
- Budget to fund the highest priority initiatives in the next fiscal year. Schedule the remainder in subsequent years.

#### 4. Implement, Communicate and Manage Change

Even in cases where the business simply needs to “fill a few capability gaps” some element of change is introduced to the operation. And change - as we all know - is accepted or rejected by people! Studies of team dynamics indicate that our response to change may include “storming” long before “norming” and “performing”.

Thus, be it new personnel, processes or technologies, the skill with which changes are introduced and managed will impact how they become “institutionalized”. For these reasons in any attempt to achieve a new normal, it is critical to:



- Communicate before, during and after changes are implemented;
- Actively manage the change once implemented; and
- Evaluate and adjust the plan as appropriate.

Realize that creating a new “normal” requires one more element - the passage of time! Moreover, filling the gaps may unintentionally alter your business culture. While recovering from significant restructuring is never easy, it

can nevertheless mark the first step on the road to a new future - one that is hopefully defined by a new and better “normal”.