

# Newsletter

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Welcome to this month's Edition of our newsletter!

Growth doesn't happen by accident, it is built through deliberate decisions about how your organisation is structured, who drives it and where capital is deployed.

This edition, we explore what it truly means to restructure with purpose.

Inside this edition:

**Strategic Restructuring: Aligning Structure, Talent, and Capital for Future Growth**

A practical guide to restructuring your organisation for resilience, agility, and long-term value creation.

Enjoy your read!



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## Strategic Restructuring: Aligning Structure, Talent, and Capital for Future Growth

In today's increasingly volatile and competitive business environment, organisations are under mounting pressure to remain agile, resilient, and growth oriented. Economic uncertainty, technological disruption, changing workforce dynamics, and evolving investor expectations have collectively redefined what sustainable growth truly requires. Traditional operating models that once delivered stability and scale are now being challenged by the need for adaptability, agility, and long-term value creation.

As a result, strategic restructuring has evolved from a reactive cost-cutting exercise into a proactive imperative. Forward-looking organisations are no longer restructuring simply to survive downturns;

they are restructuring to reposition themselves for future growth, improve operational efficiency, optimise capital allocation, and strengthen organisational resilience for sustainability.

At its core, strategic restructuring involves the deliberate realignment of organisational systems, workforce capabilities, and financial resources to support long-term objectives. When executed effectively, restructuring becomes a transformation mechanism that enables organisations to unlock performance, improve agility, and sustain competitive advantage.

However, many restructuring initiatives fail because they focus heavily on financial adjustments while

neglecting organisational design, talent alignment, governance, and execution capability. Sustainable restructuring therefore requires an integrated approach that balances holistic enterprise risk

management and adjoining structural efficiency with people transformation and strategic investment.

## The Growing Imperative for Strategic Restructuring

Modern organisations are operating in an era characterised by volatility, uncertainty, complexity, and ambiguity (VUCA). Rapid digital transformation, inflationary pressures, geopolitical instability, changing customer expectations, and increased regulatory scrutiny have significantly altered business realities.

According to Kreston Pedabo, in an article, on operating model transformation and organisational resilience, organisations that periodically reassess their structures, governance mechanisms, and resource allocation frameworks are often better positioned to respond to disruption and sustain long-term performance. Businesses that delay strategic realignment frequently experience declining productivity, inefficient cost structures, slower decision-making, and reduced organisational agility.

Several factors are currently accelerating the need for strategic restructuring:

- Increasing pressure to improve operational efficiency

- Rapid technological disruption and automation
- Shifting workforce expectations and talent shortages
- Rising investor focus on impact creation
- Evolving regulatory and governance expectations
- The need for faster decision-making and agility
- Changing customer behaviour and market demands

In this context, restructuring is no longer merely about downsizing or organisational reduction. It is about ensuring that organisational structures, workforce capabilities, and capital allocation are strategically aligned with future growth ambitions.



## Structural Transformation and Organisational Agility

Organisational structure significantly influences how effectively strategy is executed.

Many organisations continue to operate with legacy structures characterised by excessive hierarchy, fragmented reporting lines, siloed functions, and duplicated responsibilities. These inefficiencies often slow decision-making, weaken accountability and inhibit innovation.

Strategic restructuring requires organisations to critically assess whether existing operating models remain fit for purpose.

An effective organisational structure should:

- Improve responsiveness and decision-making speed
- Strengthen accountability and governance
- Eliminate operational duplication and inefficiencies
- Enhance cross-functional collaboration
- Support innovation and adaptability
- Align operational execution with enterprise strategy

As discussed in Kreston Pedabo's article, **Strategic Planning in Uncertain Times: How Businesses Can Stay Ahead**, organisations that embed flexibility, adaptability, and resilience into their strategic planning processes are better positioned to respond to disruption and sustain long-term performance.

Organisational structures must therefore be designed not only for operational efficiency, but also for the agility required to navigate changing market conditions and emerging business risks.

Structural restructuring initiatives may therefore involve:

- Business unit consolidation
- Shared services implementation
- Governance redesign
- Functional realignment
- Process optimisation
- Digital operating model transformation
- Centralisation or decentralisation of key functions

However, structural redesign alone rarely delivers sustainable transformation. Without corresponding changes in leadership capability, workforce alignment, and organisational culture, structural reforms often fail to generate meaningful long-term outcomes.

<sup>1</sup> Kreston Pedabo. (2025). Strategic Planning in Uncertain Times: How Businesses can stay ahead.

# Talent Alignment as a Strategic Growth Driver

Talent remains one of the most critical drivers of organisational performance and competitive advantage. Yet, many restructuring initiatives continue to approach workforce management primarily as a cost-reduction exercise rather than a strategic capability issue.

Strategic restructuring requires organisations to evaluate whether existing workforce capabilities align with future business needs. This includes assessing leadership capacity, succession risks, workforce productivity, critical skill gaps, and organisational culture.

As highlighted in Kreston Pedabo’s article, **Workplace Learning: How to Build a Future-Ready Workforce**, organisations that strategically invest in workforce development, continuous learning, and capability building are better positioned to support business transformation, improve performance, and sustain long-term growth. Aligning talent strategies with evolving business needs therefore remains a critical success factor in any restructuring programme.

Talent alignment within restructuring programmes typically includes:

-  Workforce capability assessments
-  Leadership restructuring and succession planning
-  Role redesign and job optimisation
-  Skills development and reskilling initiatives
-  Performance management enhancement



Workforce productivity optimisation



Employee engagement and change management

The acceleration of digital transformation has further intensified the need for workforce restructuring. Organisations increasingly require capabilities in digital operations, data analytics, sustainability, artificial intelligence, and strategic planning.

Equally important is organisational culture. As highlighted in Kreston Pedabo’s article, **Workplace Learning: How to Build a Future-Ready Workforce**, organisations that foster a culture of continuous learning, adaptability, and employee development are often better positioned to navigate change successfully.

Restructuring initiatives frequently generate uncertainty and resistance if poorly communicated or executed. Transparent leadership communication, employee engagement, and strong change management practices are therefore essential to maintaining trust, encouraging adoption, and ensuring implementation success.

<sup>2</sup> Kreston Pedabo. (2025). Workplace Learning: How to Build a Future-Ready Workforce

## Capital Optimisation and Sustainable Value Creation

Financial restructuring remains a critical component of strategic transformation. Organisations must ensure that capital allocation supports long-term strategic priorities rather than short-term operational pressures.

Capital optimisation involves evaluating how financial resources are deployed across operations, investments, assets, and strategic initiatives. This includes assessing cost structures, liquidity, funding arrangements, portfolio performance, and investment priorities.

The Organisation for Economic Co-operation and Development (OECD) emphasises that effective capital allocation is essential for organisational resilience, productivity growth, and sustainable value creation.<sup>3</sup>

Strategic capital restructuring may involve:

- ✓ Cost optimisation initiatives
- ✓ Portfolio rationalisation

- ✓ Divestment of non-core assets
- ✓ Debt restructuring or refinancing
- ✓ Working capital optimisation
- ✓ Strategic investment prioritisation
- ✓ Mergers, acquisitions, or partnerships
- ✓ Reallocation of capital towards growth-focused initiatives

Importantly, restructuring should not focus solely on cost reduction. Organisations that prioritise short-term financial savings at the expense of innovation, workforce capability, and strategic investment often weaken long-term competitiveness. Instead, effective restructuring balances operational efficiency with future-focused investment.



<sup>3</sup> Organisation for Economic Co-operation and Development (OECD). (2015). G20/OECD Principles of Corporate Governance.

## Governance, Leadership, and Execution Discipline

Successful restructuring requires strong governance oversight and leadership commitment. Boards and executive management teams play a central role in ensuring that restructuring initiatives remain strategically aligned, effectively governed, and responsibly executed.

The Financial Reporting Council of Nigeria (FRCN), through the Nigerian Code of Corporate Governance (NCCG 2018), emphasises the importance of accountability, transparency, and effective governance in organisational transformation initiatives.<sup>4</sup>

Leadership responsibilities during restructuring include:

- ✓ Defining the strategic rationale for restructuring
- ✓ Establishing transformation objectives and priorities

- ✓ Ensuring stakeholder alignment and communication
- ✓ Monitoring implementation risks and progress
- ✓ Maintaining workforce morale and culture
- ✓ Strengthening accountability structures
- ✓ Ensuring regulatory and governance compliance

Leadership visibility is particularly important during periods of uncertainty. Employees, investors, regulators, and other stakeholders often assess the credibility of restructuring efforts based on leadership consistency, communication quality, and execution capability.



<sup>4</sup> Financial Reporting Council of Nigeria. (2018). Nigerian Code of Corporate Governance 2018.

## Kreston Pedabo's GROWTH™ Framework for Strategic Restructuring

To effectively navigate complex restructuring initiatives, organisations require a practical and integrated transformation model. At Kreston Pedabo, we adopt the GROWTH Framework, a six-pillar approach designed to align structure, talent, and capital with long-term strategic growth objectives.

**G**

### **Gauge Organisational Realities**

This stage involves conducting a comprehensive assessment of the organisation's operational structure, workforce capability, governance systems, financial position, and strategic priorities. Existing inefficiencies, capability gaps, and growth constraints are identified to establish a clear transformation baseline.

**R**

### **Redesign Structures and Operating Models**

Organisational structures and operational frameworks are redesigned to improve agility, accountability, collaboration, and execution efficiency. This may involve governance restructuring, process optimisation, reporting line redesign, and operating model enhancement.

**O**

### **Optimise Talent and Workforce Capability**

Workforce strategy is aligned with future business requirements through capability assessments, leadership alignment, role redesign, succession planning, and skills development initiatives.

**W**

### **Weigh and Reallocate Capital Strategically**

Financial resources are evaluated and strategically redirected towards high-impact initiatives capable of driving operational sustainability, innovation, and long-term growth.

## Kreston Pedabo's GROWTH™ Framework for Strategic Restructuring

**T**

### **Transform Culture and Change Readiness**

Organisational culture, employee engagement, leadership communication, and change management mechanisms are strengthened to improve transformation adoption and execution effectiveness.

**H**

### **Harness Performance and Continuous Improvement**

Performance monitoring systems, governance structures, and continuous improvement mechanisms are embedded to ensure that restructuring outcomes remain sustainable and aligned with evolving business realities.

In practice, the framework operates as a continuous transformation cycle:



This integrated approach ensures that restructuring initiatives remain dynamic, measurable, and strategically aligned.

## Technology as an Enabler of Restructuring

Technology continues to play a major role in organisational restructuring and transformation. Digital tools now enable organisations to improve operational visibility, automate processes, strengthen workforce productivity, and enhance data-driven decision-making.

Technologies supporting restructuring initiatives include:

- i** Enterprise Resource Planning (ERP) systems
- ii** Workforce analytics platforms
- iii** Artificial intelligence and automation tools
- iv** Financial planning and analytics systems
- v** Business intelligence and reporting solutions

- vi** Digital workflow and collaboration platforms

As highlighted in Kreston Pedabo's article, **Navigating the Digital Landscape: Developing a Comprehensive Digital Strategy**, organisations that successfully integrate digital technologies into their operations are better positioned to improve operational efficiency, strengthen decision-making, enhance workforce capabilities, and support sustainable business growth. Digital transformation therefore remains a critical enabler of effective restructuring and long-term organisational competitiveness.

However, technology should enable strategy rather than replace it. Without strong governance, workforce readiness, and leadership alignment, digital investments may fail to generate meaningful transformation impact.







<sup>5</sup> Kreston Pedabo. (2024). Navigating the Digital Landscape: Developing a Comprehensive Digital Strategy


## Managing Change and Organisational Culture

Restructuring initiatives often succeed or fail based on how effectively organisational change is managed. Even well-designed restructuring strategies can encounter resistance if employees do not understand the rationale for change or feel excluded from the transformation process. As highlighted in Kreston Pedabo's article, **Change Management Strategies: Overcoming Resistance in Implementation**<sup>6</sup>, successful transformation initiatives require deliberate stakeholder engagement, transparent communication, leadership commitment, employee involvement, and continuous feedback mechanisms to minimise resistance and support implementation success.

Effective change management requires:

-  Transparent communication  
Leadership engagement and visibility
-  Stakeholder participation
-  Clear articulation of transformation objectives

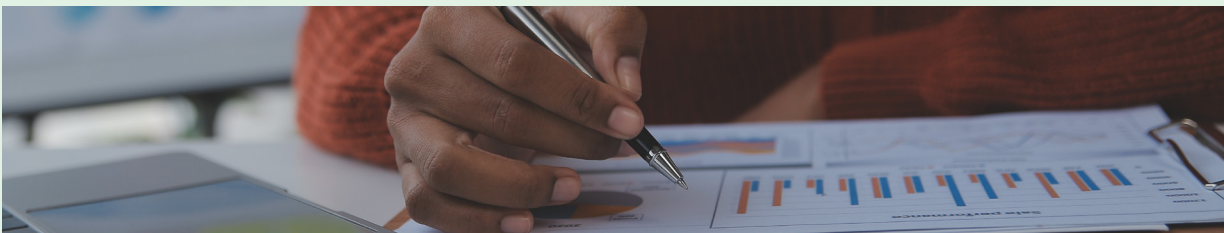
 Employee support mechanisms  
Continuous feedback and engagement

 Reinforcement of desired behaviours and culture

Organisational culture must also evolve alongside structural and operational changes. A culture that supports accountability, collaboration, innovation, adaptability, and continuous improvement is critical for sustaining restructuring outcomes.

Research in organisational behaviour indicates that employees are more likely to embrace transformation when leadership communication is consistent, expectations are clearly defined, and employees understand how restructuring contributes to organisational sustainability and future growth.

John Kotter's change leadership model further emphasises that successful transformation initiatives require a compelling vision, leadership alignment, employee buy-in, and sustained communication to overcome resistance and drive organisational change effectively<sup>7</sup>.



<sup>6</sup> Kreston Pedabo. (2024) Change Management Strategies: Overcoming Resistance in Implementation

<sup>7</sup> Kotter, J. P. (2012). Leading Change. Harvard Business Review Press.

## Conclusion

### Restructuring as a Strategic Growth Lever

Strategic restructuring is no longer a reactive exercise reserved for distressed organisations. It has become a critical tool for organisations seeking to remain competitive, resilient, and growth-oriented in an increasingly complex business environment.

By aligning organisational structures, workforce capabilities, governance systems, and capital allocation with long-term strategic priorities, organisations can improve operational efficiency, strengthen adaptability, and unlock sustainable growth opportunities.

However, successful restructuring requires more than financial adjustments or organisational redesign. It demands integrated transformation across risk management, structure, talent, leadership, culture, and capital.

Harvard Business Review also notes that organisations are more likely to achieve sustainable transformation outcomes when restructuring initiatives are treated as enterprise-wide strategic programmes rather than isolated cost-reduction exercises.

Ultimately, strategic restructuring is not simply about changing how organisations operate; it is about redefining how organisations create, sustain, and deliver value in the future.

**For independent advisory support on organisational restructuring, operating model redesign, workforce transformation, and strategic growth initiatives, please contact Kreston Pedabo Management Consulting at**

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<sup>8</sup> Harvard Business Review. (2020). The Right Way to Lead a Transformation.

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