



## Case study summary sheet : GISI

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- ✓ GISI is a good example of an SME faced with major destabilising forces - principally the major technological changes such as the rise of Internet, which has become a major vehicle for corporate classified ads, a source of turnover for the company. These changes were not sufficiently anticipated and their impact was clearly underestimated. The result has been a major deterioration in the company's performance and financial results. In the same period, Anglo-Saxon investment funds were brought in as the company's new shareholders, imposing their own standards and management methods (high and rapid profitability, use of indicators that are not commonly found in the SME environment, etc). This type of shareholder does not generally remain on a long-term basis. Finally, a totally new management team was brought in, and the system of corporate relations considerably tightened up. GISI's investment fund shareholders actually took over the operational management of the company, which is not usually the case, this type of investor generally preferring not to get involved in the daily management of the company.
- ✓ The management of GISI was clearly incapable of anticipating the situation and developing a strategy enabling it to adapt to the changing economic environment. It was therefore unable to counter the slump in its activity and results. In this context of deterioration, the preparatory phase before the decision-taking, and the diagnostic in terms of strategy and social policy, were done by outside consultants. Consequently very little time elapsed between the official announcement of the restructuring (clearly a difficult decision to take) and its implementation.
- ✓ In the absence of strategy, any form of strategic planning was clearly impossible! The logical best scenario in such a situation is "on the spot" operational planning in the context of the "method agreement" between management and unions on the modalities of the restructuring plan. Their legitimacy being challenged, it was in the interests of management and unions to find mutual territory from which to conduct the restructuring. From a starting point that was clearly unfavourable for the workforce, the operational planning actually produced reasonable results: the number of job losses was reduced from 75 to 53, and the employees were involved in the new organisation. The 23 departures outside the redundancy programme were mainly workers who wanted to leave the company but had been unable to do so within the terms of voluntary redundancy. A number of new jobs were also created.
- ✓ Finally, while the works council expert had proved unable to anticipate the situation, he clearly played a major role in the restructuring process, facilitating the social dialogue in a crisis situation in which the compromises acceptable to the various parties are by definition highly complex.
- ✓ The example of GISI highlights the question of an SME's capacity to anticipate, and the means available to it (internal or external) allowing it to move forward as its sector of activity evolves.