

# GOOD PROJECT MANAGEMENT IN RESTRUCTURING

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BEERG

June 24th and July 1st, 2020



Law . Tax

# PRESS HEADLINES Q2/2020

AUTOS

## Germany's carmakers face a 'toxic mix' of challenges as they emerge from coronavirus crisis

PUBLISHED THU, JUN 11 2020-1:25 AM EDT | UPDATED THU, JUN 11 2020-3:00 AM EDT

Malle Elcott

Mass sackings as German department store group closes up to 80 stores

11 JUNE 2020 NEWS

Covid-19: German airline Lufthansa may cut 26,000 jobs

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NEWS

## Coronavirus: 50,000 German retailers could go bust

One in six German retailers could go bankrupt during the coronavirus crisis, a trade industry has said. For most shops, rent is still due despite being forced to close their doors.

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## VW leadership dispute prepares way for massive job cuts and austerity

By Dietmar Gaisenkersting and Ulrich Rippert

# AGENDA

- **PREPARATION PHASE / D-DAY**

1. Gather BI to build story line
2. Preparation of action plan and timetable
3. Budgeting / calculation of possible services
4. Preparation of documents
5. Preparation communication
6. Prep of D-Day



JUNE 24TH, 2020

- **CONSULTATION PHASE**

- **IMPLEMENTATION PHASE**



JULY 1ST, 2020

# 1 GATHER BI TO BUILD STORY LINE

- **DETAILED PREPARATION**

- Precise argumentation re: purpose and necessity of measures
- Concentrate on products, market necessities, synergies... Not: cost aspects only
- Detailed effects on employees on site org-chart
- Timeline implementation
- Business in lead
- Start from scratch
- Narrative needs a history

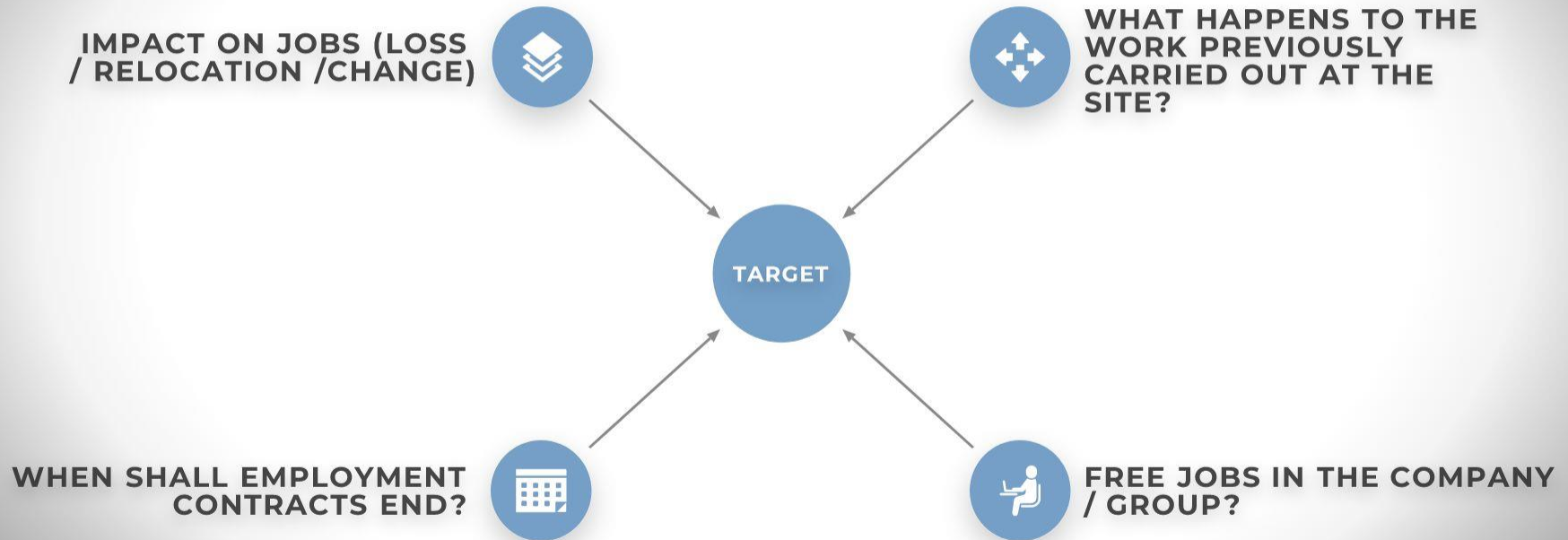
- **NEGOTIATION TACTIC**

- **COMMUNICATE OPENLY AND ACTIVELY**

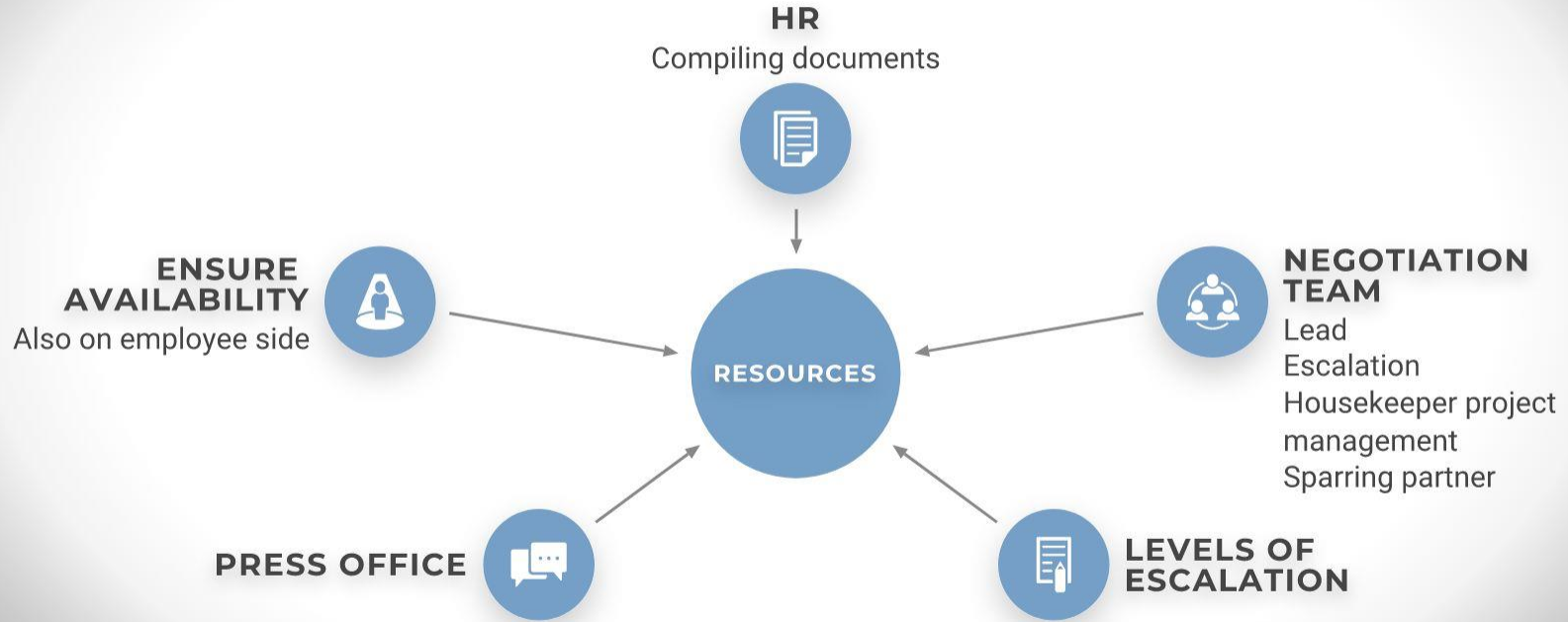
- At the right time - not too early, not too late



# 1 GATHER BI TO BUILD STORY



# 2 PREPARATION OF ACTION PLAN AND TIMETABLE



# 2 PREPARATION OF ACTION PLAN AND TIMETABLE

- **CHECKING EMPLOYMENT CONTRACTS**

- Notice periods
- Special protection against dismissal
- View on future social selection

- **EXAMINATION OF COLLECTIVE REGULATIONS RE:**

- Transfer of employees
- Restrictions on termination

- **CREATION OF PERSONNEL LIST (EXCEL)**

- Function
- Social data
- Special remarks



**BASIS FOR**

Employee rep information  
Social selection  
Budget

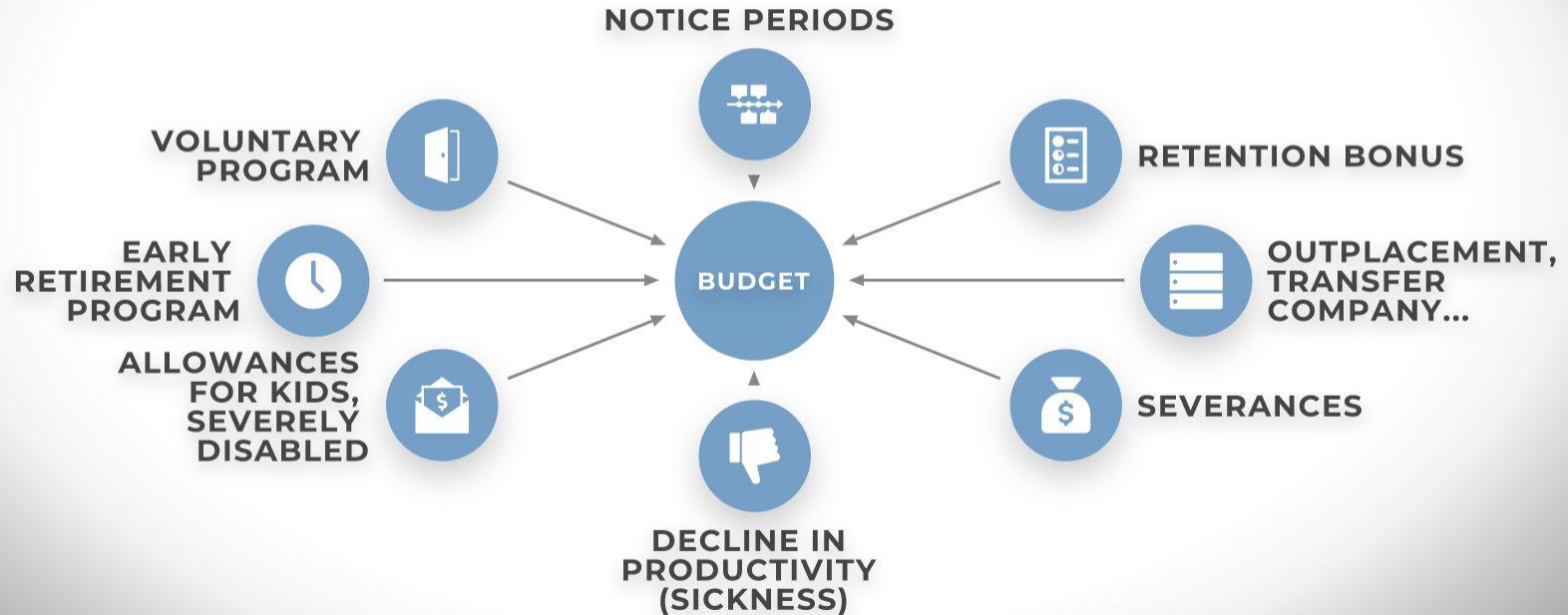


## 2 PREPARATION OF ACTION PLAN AND TIMETABLE





# 3 BUDGETING / CALCULATION OF POSSIBLE SERVICES



# 3 BUDGETING / CALCULATION OF POSSIBLE SERVICES

## • SEVERANCES •

- Employees' average age
- Average seniority
- Average salary
- Average notice period
- Number of concerned employees

SEVERANCE = MONTHLY GROSS SALARY X  
SENIORITY IN YEARS X SEVERANCE FACTOR

# 4 PREPARATION OF DOCUMENTS

- **BALANCE OF INTERESTS**

Definition of envisaged measures

- **SOCIAL PLAN**

Decision on turbo bonus, caps, supplements, factors, basis of calculation, employees close to retirement age, voluntary exits, transfer company etc.

- **POSSIBLE WORKS AGREEMENTS**

- Transfer company
- Retention bonus
- Social selection (by IT-tool)

# 5 PREPARATION OF COMMUNICATION

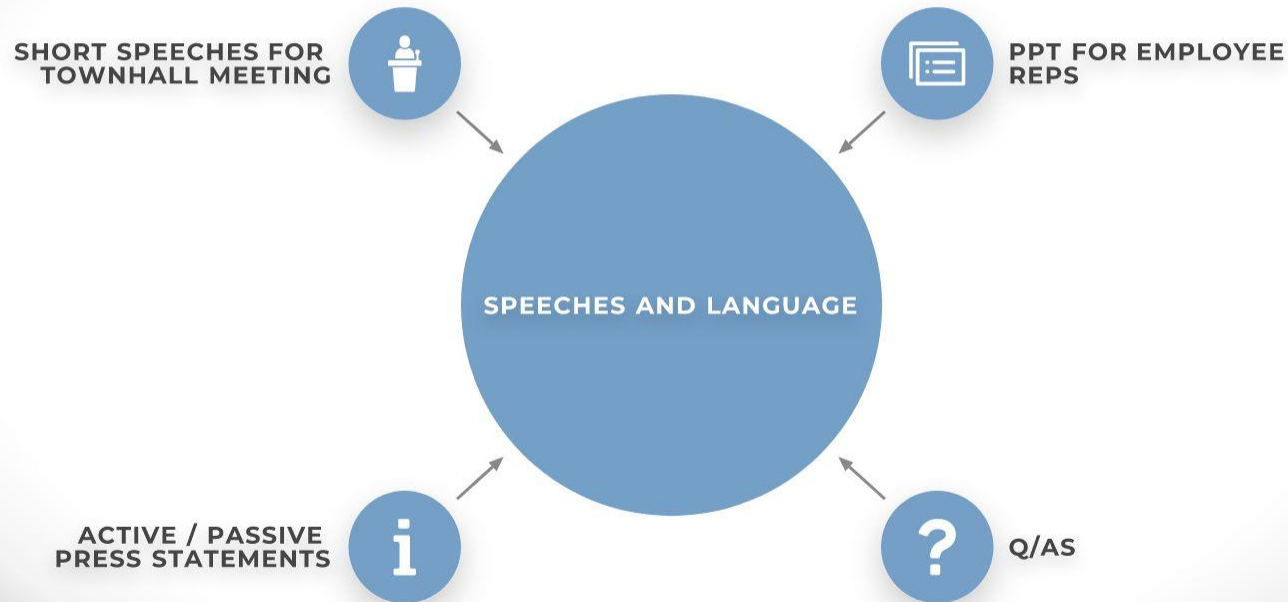
## • INTERNAL COMMUNICATION

- Announcement of measure to WoCo, supervisory board, economic committee - ideally at the same time
- If appropriate: prior communication to managers
- Do not leave communication to employees to WoCo

## • EXTERNAL COMMUNICATION

- Do not mention specific site in external announcements before D-Day
- Prepare both anticipatory and reactive press statements
- If necessary: Approach press representatives and appropriate political level actively

# 5 PREPARATION OF COMMUNICATION



# 6 PREP OF D-DAY



# OUTLOOK

## • CONSULTATION PHASE

- Timing and procedure
- Balance of interests and social plan
- Conciliation board as an option for action
- Negotiation tactic
- Signing

## • IMPLEMENTATION PHASE

- Mass dismissal notification
- Implementation of individual measures (employer's right to issue instructions / change of contract / dismissal)
- Regulatory approval
- Notice of dismissal, conclusion of termination agreements



JULY 1ST, 2020



# THANK YOU!



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