

# How Many Methods Are There For Corporate Restructuring?

Business market's continuous change requires enterprise to take appropriate steps to restructure. **Corporate restructuring** plays an important role to support enterprises in overcoming difficulties and adapt to the new environment. Nowadays, there are several methods to restructure. Regarding the areas of restructuring, **corporate restructuring** may include these following methods:

The first method to **corporate restructuring** is *restructuring of business activities*. This is the method that adjusts strategic goals, business lines, types of products and operating areas. When there are changes of business environment, enterprises should quickly understand it and prepare a plan to deal with the situation. The adjustment of short-term and long-term goals, strategies, as well as business lines and products could help enterprises to overcome the rough time and limit negative effects from the market.

Restructuring of management is also a popular method in which people restructure the functions, responsibilities and rights of departments, and titles of employees to change management hierarchy. For example, when there is a need of reducing human resource expenses to conduct other business activities, enterprises could restructure by reducing the number of staffs, rearranging the working positions, reducing number of staff's levels and then the report relationship.

Financial restructuring can be realised by several ways for **corporate restructuring**. For example, enterprises could change the equity pattern, cross-holding pattern, process of **recovering debts** and equity holding appropriately. These adjustments help to maintain profits and develop the market. It should also be noted that financial restructuring is complicated and requires a high-level of specialised knowledge. Therefore, enterprises usually take advice of **professional legal and financial firms**.

Besides, enterprises could also restructure resources, regimes, etc. to adapt to the changing environment.

The decision on the method of **corporate restructuring** depends on the factual situation of the company and the effects of the business environment. In any cases, we should take careful consideration and choose one method or combine certain methods of restructuring to help the enterprises deal with the difficulties and maintain their position in the market.

If you are having difficulty in **corporate restructuring**, please contact us: P & Associates is a **professional law firm established in Vietnam** and currently has nearly 100 members working at three offices in Ho Chi Minh City, Hanoi and Da Nang. P & Associates are also considered to be one of the **leading law firms specialising in law on business in Vietnam**, which has a number of notable practice fields in the legal market such as **Labour and Employment, Banking Law, Taxes, Purchases, Selling and Merging, Litigation**, and **IPO advisory services**. We are confident to provide clients with **legal services** optimally and effectively.