

Employee Awareness: Critical for Successful Cost Reduction!

Implementing a cost improvement program can be straight forward, as long as one focuses on the program objective and remembers a few golden rules. One key rule is the appropriate communication of the program objectives to staff and employees.

More than the other stakeholders, the employees are critical to the success of the program. The implementation of cost improvement measures is key to realising the program targets. The ability of employees to influence this implementation should not be underestimated.

There is one dilemma though. Employees can be apathetic or suspicious concerning cost improvement programs. This comes firstly, from the fact that many companies have previously tried to "cut" costs, often in a chaotic way and not achieved the target. Secondly, cost improvement, can also be interpreted as cost reduction leading to fears over job security.

Continuous Cost Improvement seeks to improve efficiencies and indeed productivity. There are many possibilities, and headcount reduction should not be at the top of the list.

Making the employees aware of the cost improvement program, and its objectives will offset fears, create an understanding of the need and inevitably lead to a better result.

About Cost Improvement

Our focus is continuous cost improvement – Our speciality is structuring cost savings programs – Our value proposition is target achievement.

We work with customers who recognize the need to implement a cost savings, cost improvement or turnaround program, and see the benefits of managing the cost saving activities under one project or program. We bring the structure – Our customers bring the savings ideas – although we can help here too, if requested.

Cost Improvement Consultants has its roots in the global Automotive Industry. Each partner has at least 15 years of hands-on operational experience. We represent many

industry sectors and business functions. We understand the importance of working in a pragmatic, no-nonsense spirit with our client's team.

As an international team, we understand the challenges faced by cross-cultural and matrixed organizations, and can therefore operate effectively both nationally or internationally. Over the years, we have seen a lot of cost-improvement activities. Some were good, but many were only marginally successful. This experience together with the events of the Financial Crisis, gave us the drive to set-up the practice, with the vision of establishing a far higher standard in the area of cost-improvement.

We hope you share our vision, and look forward to working together.