

Low Hanging Fruit Doesn't Help!

Cost Improvement Targets must excite the imagination and commitment of the organization. They should not only require the commitment of everyone, but also their participation, in order to be achieved. Targets need to be challenging and ambitious, driving towards a common organizational goal.

Insubstantial or low targets will not be received enthusiastically, and tend to coast along without any sense of urgency. Targets based on measures which are known and considered to be "a done deal" or "low hanging fruit" bring limited short term satisfaction and definitely do not represent realistic planning for the business.

Alternatively, targets should and must be realistic and achievable. Everyone likes to aim high, with a fair chance of success. Targets considered to be unachievable will not stimulate the employees, and even dampen their enthusiasm, leading to a high likelihood of failure. Again the needs of the business will not be met.

In conclusion, it is important to set ambitious and achievable targets, focused on the areas of need and always remembering that targets must be communicated effectively. The communication should be both positive and imaginative and everyone should understand his or her role in the activities. It is very important to remain upbeat and to avoid creating any sense of resignation (i.e. here-we-go-again) or insecurity.

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.