

COST OPTIMIZATION STRATEGY

Businesses should always look to optimize their cost structures. We recommend some considerations for such efforts, or a re-direction of costs into more productive areas.



UPDATING BENCHMARKS

Cost benchmarks previously used should be refreshed consistently. If a business does not have any local or other benchmarking sources already, financials from publicly-traded companies can be used as proxies.



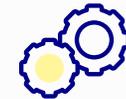
LABOR COSTS & EXPENSES

While staffing change decisions require more considerations than just regulations and costs, we suggest businesses not reduce labor expenses without considering potential re-shifting of duties. Outsourcing can also be considered if deemed appropriate for the business's needs (e.g., capability not available internally, seasonal/temporary need). Staff reductions should only be used as a last resort, as recruiting and retaining the right team is more difficult in the long run.



PROCUREMENT & MATERIAL COSTS

First, it should be known if the materials in question are supply-constrained, which would make cost optimization challenging. If supply of a given material is more readily available, discussions with new and existing vendors should be held to evaluate if improved pricing is available. Priority should be given to large inputs of course, but savings from several smaller inputs could add up noticeably.



GENERAL & ADMINISTRATIVE EXPENSES

This area should be reviewed for potential reductions in discretionary spend such as training, advertising, subscriptions, company vehicles (e.g., leases, insurance) and office supplies.

Bring in the *Professionals*

If you need support optimizing costs, 8020 Consulting can help. With a team of nearly 100 professionals headquartered in Los Angeles and capable of working remotely to serve companies across Southern California, we can quickly assess and respond to your unique requirements and mandates. Even in this unique time of business, we are ready to apply our commitment to the value of “continuous improvement” and “focus on the critical” to generate immediate results.

Contact us today to support your cost optimization efforts and strategy—**now is the time.**



For more information, *contact us:*

contactus@8020consulting.com
855.367.8020

HEADQUARTERS

6303 Owensmouth Ave, 10th Fl.
Woodland Hills, CA 91367