

Couriers, Communications, Office Supplies: Are These Some of Your Cost Traps?

How do you know you're getting the best price from your suppliers? Well, how many of these cost reduction tips do you practice?

1. Control costs not cut costs.

Your goal should be to achieve the *same or better results* at a lower cost. Anyone can cut costs and achieve lower results. You need more.

2. Align your cost reduction plan with your business plan.

A company's cost reduction efforts are at times poorly aligned with its overall strategic plan. Are yours?

3. Set clear cost reduction goals.

Many businesses haven't set clear cost reduction goals. Have you clearly identified your service requirements, surveyed internal users, and established target savings?

4. Utilize suppliers.

Customers are often unaware of their suppliers' capabilities. Customers often duplicate functions that the supplier can perform at no cost. Do you?

5. Renegotiate.

Don't be afraid to ask existing suppliers for help or to renegotiate contracts. Create win/win opportunities for your suppliers.

6. The fine print. Read the contract fine print for auto-renewals, price escalation, termination clauses, and more.

7. The only sacred cow is your sacred cow. It's natural to feel protective of programs you've developed, supplier relationships you've nurtured. It's critical that cost reduction programs be launched on an objective, positive note.

8. Implementation is the most important step. Unless you implement and monitor your programs, you won't generate the expected savings.

9. Why is your price going up? Don't accept price increases without challenging them.

10. Consolidate purchases. Combine purchasing to leverage buying volume. Don't confuse this with centralized/decentralized purchasing.

We work closely with senior management and company owners to discover painless ways to lower non-core expenses and increase bottom lines.



FOSTERING INCOME GROWTH

Chris Kubas MBA

416-482-9058

ckubas@profit-professionals.com

www.profit-professionals.com