Strategic Cost Optimization

Overview
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About Avasant
Strategic Cost Optimization

• In the GCC, the record drop in oil prices over the past 2 years has put significant pressure on companies to quickly reduce their cost structures.

• Albeit quick, layoffs are not the most effective and productive route to achieve cost savings.

• Companies can use more effective methods to identify cost cutting initiatives across the business that have a positive impact on overall performance and cost structures without jeopardizing the company’s operational performance.
Top decile companies leverage best-in-class operational capabilities and their ecosystems to drive superior cost structures across the value chain.

Cost Savings of Top Decile Companies vs. Bottom Quartile

Source: Avasant 2016
Cost reduction can be achieved with four different programs:

**Business Transformation**
- Business transformation programs seek to reduce a company's cost structure via:
  - Organizational Restructuring
  - Value Chain Optimization
  - Business Process Reengineering
  - Product & Service Portfolio Optimization

**Digital Transformation**
- A digital transformation program seeks to introduce more digital tools, processes and strategies to change the way a business operates via:
  - Application Modernization
  - Digital Transformation
  - Digital Strategy

**Ecosystem Optimization**
- An ecosystem optimization seeks to enhance a company’s ecosystem of partners, suppliers and vendors via:
  - Strategic Sourcing & Outsourcing
  - Supplier & Vendor Portfolio Optimization
  - Strategic Partnerships

**Performance Management**
- Rigorous performance management and governance initiatives can maximize the value a company derives from its efforts and prevent value leakage. Key programs include:
  - Performance Management Strategy
  - Strategic PMO
  - Strategic Governance
Avasant is a global management consulting and sourcing advisory firm
Business Transformation
Develop and execute a strategic transformation plan creating new operating model and technology footprint designed to drive business performance improvement and customer satisfaction.

Digital Strategy
Define and execute digital business strategies by structuring and managing the strategic partnerships of the digital ecosystem to create competitive differentiators.

Sourcing
Optimize IT and Business Process operations through strategic partnerships to achieve core business objectives beyond predictable and low cost services.

Global Strategy
Full range of management consulting services for private sector, governments and donor agencies to assist in the development of new market strategies, support sustainability and catalyze business acceleration.

Managed Governance Services
Manage vendor portfolios through best practice processes, automation, and state-of-the-art technology to create a simplified, structured, and cost effective way to maximize sourcing value.

Avasant Law
Expansive suite of custom tailored legal services, delivered with experienced legal team with focus, across Technology Transactions, Corporate Law, Intellectual Property, Market Expansion, Information Privacy & Startup Advisory areas.

Avasant Foundation
Our mission is to enable emerging regions to realize their potential. In partnership with leading foundations and institutional donor agencies, we provide deserving youth access to skills training and education with the goal of job creation in the digital economy.
Avasant serves leading companies in the public and private sectors, and governments.
Empowering Beyond

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