

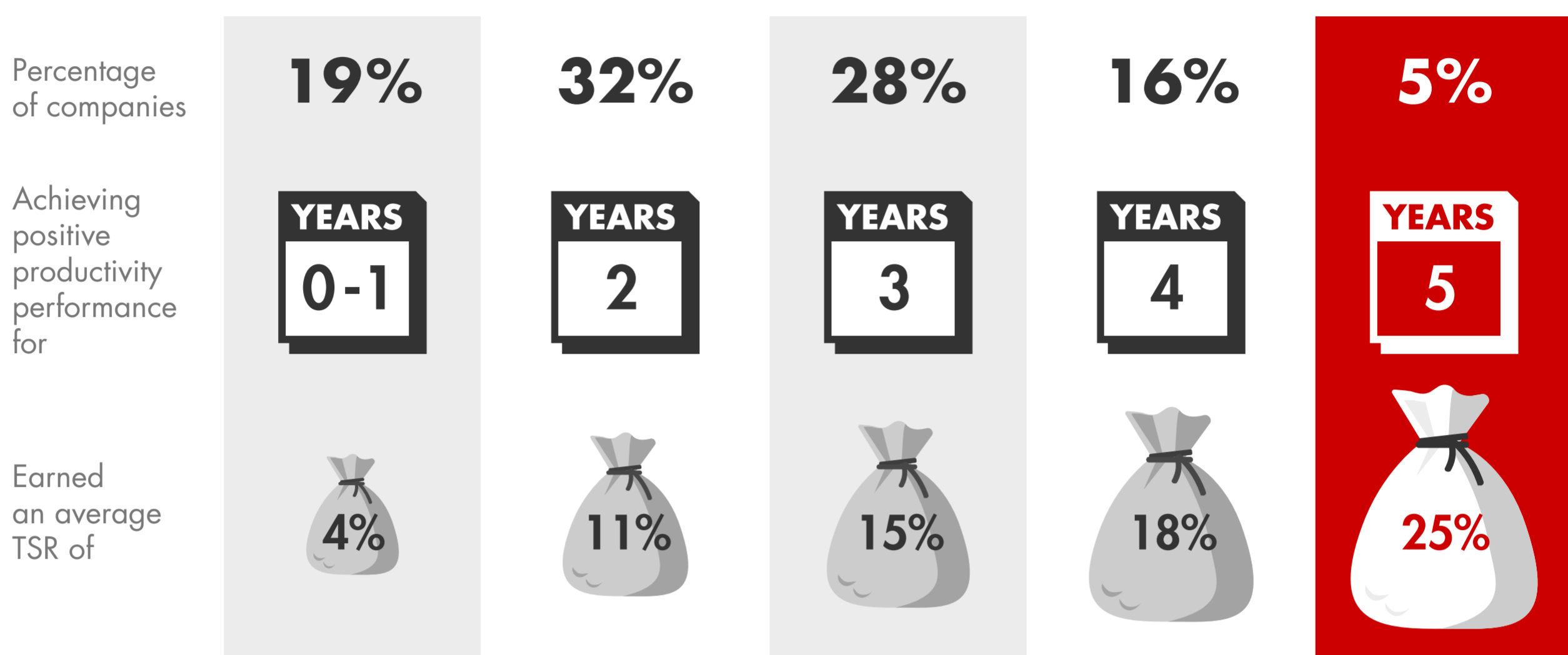
# CUTTING COSTS—AND KEEPING THEM OUT

Inside the methods of cost productivity leaders

## Cost productivity reaps big rewards

Companies with five straight years of cost productivity gains had twice as much in shareholder returns as the rest of the pack

2012–2017



## Few cost programs hit their targets



## Five principles set cost champions apart

This elite group of outperformers think boldly about transformative efforts and broadly about continuous improvement

### Know when to go “best in cost” rather than “best in class”

Decide where to invest to win and where it’s OK to be “good enough” and low cost



### Set explicit short- and long-term cost targets

Optimize current operations while also anticipating how economic models and ways of working will change in the future



### Sequence and balance the use of cost-reduction techniques

Make sure the team has the bandwidth to install, learn and adopt new ways of working



### Unleash the front line

Get buy-in from local leadership and empower them to make quick decisions



### Harness digital tools

New technologies allow companies to move faster and deeper with both continuous and step-change improvements



Read more:



**Bending the Cost Curve**  
[www.bain.com/bending-the-cost-curve](http://www.bain.com/bending-the-cost-curve)