



DIGITAL TRANSFORMATION SERVICES

Cost Optimization Services

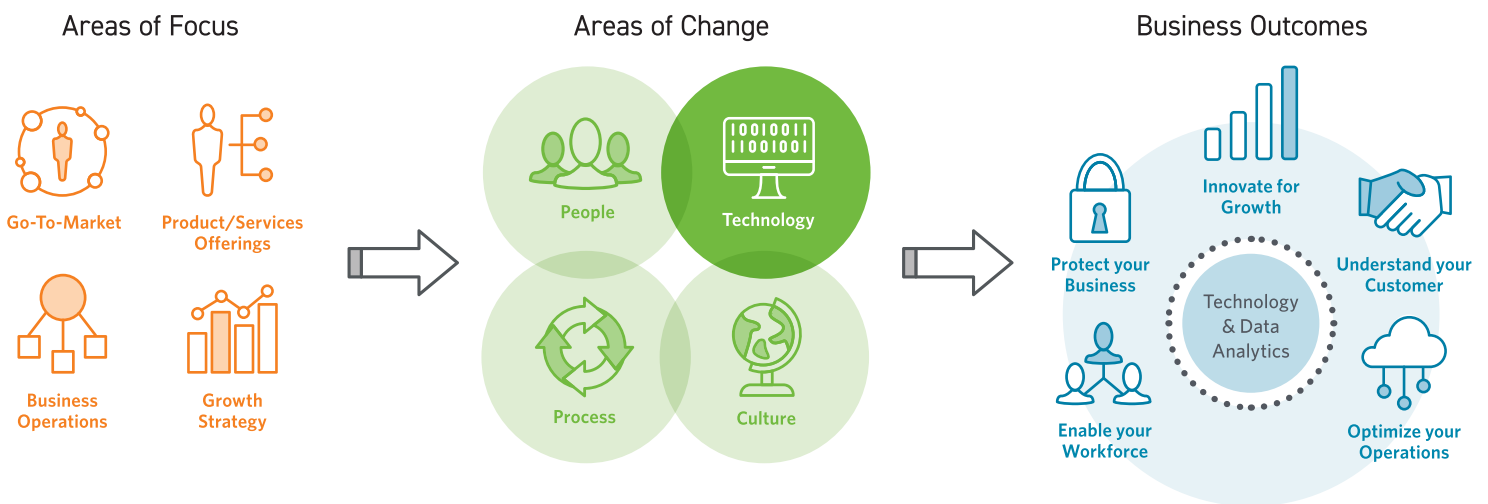
In a rapidly evolving complex and uncertain marketplace, businesses look for innovative ways to continue to meet changing customer needs and manage profitable revenue growth.

The current market conditions provide mid-tier organizations a “once-in-a-lifetime” opportunity to take strategic risks, grow profitably, and gain market share. Through digital enablement, these organizations can nimbly meet evolving customer needs, optimize their business operations, and compete more effectively with some of their larger, less agile contenders.

Cherry Bekaert Digital Advisory provides strategic and tactical support to businesses, positioning them for long-term growth. In addition, we improve performance by transforming business models – leveraging technology and data as core to their competitive advantage.

Digital Transformation Journey

A critical step in the digital transformation journey is establishing a cost optimization strategy and implementing a costing methodology to reduce, protect, and invest smartly, driving efficiency and profitability.



Cost Optimization Services

Areas of Focus

The Cost Optimization offering focuses on the following key components of the business:

- ▶ **What is spent and who spends it?** – The direct and indirect costs expended by the organization.
- ▶ **How are resources spent? What work is done?** – The work performed by the people, equipment, and systems within the organization, and the cause-and-effect consumption of resources.
- ▶ **What is produced/delivered?** – The organization's output, products, or services.

Deliverables

The Cost Optimization offering provides leadership with:

- ▶ **Activity Dictionary** – Defines the work performed in the organization, organized by high-level business processes, including primary, secondary, and sustaining/Support.
- ▶ **Process mapping for key business processes** – Visual representation of the processes performed to deliver the organization's products / services, identifying hand-offs, decision points, and responsibility segments.
- ▶ **Total cost of each activity and output / service** – Fully-burdened costs (labor/non-labor; direct/indirect) of the activities performed and the outputs / services delivered.
- ▶ **Unit cost of each output produced / service provided** – Total cost divided by the quantity produced or delivered.
- ▶ **Key Performance Indicators (KPIs)** – Performance metrics for decision-making derived from the cause-and-effect relationships established within the cost model.
- ▶ **What-if scenarios** – Ability to conduct what-if scenarios for planning and forecasting based on the cause-and-effect relationships within the cost model.
- ▶ **Capacity models** – Ability to view and determine resource capacity (labor and non-labor) based on the cause-and-effect relationships within the cost model.

About Cherry Bekaert

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Outcomes

Establishing a cost optimization strategy, organizations can benefit from the following:

- ▶ Enable all stakeholders to make more data-informed business decisions.
- ▶ Improve the ability to identify, manage, and control costs.
- ▶ Increase productivity of people and processes.
- ▶ Reduce risk.
- ▶ Maximize profitability.

The Digital Difference

Cherry Bekaert's Digital Advisory practice helps companies ignite growth by quickly assessing, transforming, and sustaining business strategies based upon priorities, strategic plans, and budget. Utilizing an agile and flexible approach, we help you to reengineer your business operations and services offered, examining each area with a focus on people, process, technology, and culture.



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