

# **Cost Efficiency Checklist**

› Consider the following short-term cost efficiency ideas as part of your organization's cost-cutting strategy.

## SHORT-TERM COST-EFFICIENCY IDEAS

### Immediate – 6 Months

- **Evaluate and Reduce Processing Errors** – Errors in payments, invoices, payroll, etc. can be costly in time and financial resources. Evaluate areas with potential risks and dedicate staff to identify errors, process corrections, identify discrepancy thresholds, and improve processes to reduce error rates.
- **Proactively Assess Capital Budgets** – Capital budgets relate to longer term investments for an organization such as new buildings, machinery, etc. Review Capital budget items to determine anticipated return on investments; reduce expenditures that are no- or low-yield capital budget items.
- **Consolidate Procurement of Major Expenditures** – Utilize strategic sourcing practices to gain efficiencies in contracts for standard expenditures such as computers, cell phones, uniforms, office supplies, etc. Organizations can look to leverage suppliers for cost savings.
- **Use Flexible Options to Minimize Impact of Space Requirements** – Develop and implement a hoteling policy to reduce the demand on limited space. Create shared workspaces for telecommuters to reduce capital investment in real estate allocation for these employees.

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## SHORT-TERM COST-EFFICIENCY IDEAS (CONT.)

### Immediate – 6 Months

- **Implement Green Facilities Strategies to Reduce Operating Expenditures** – Green technologies such as environmentally friendly T-8 lamps and photocell-based day lighting controls will reduce the environmental impact and may reduce operating expenditures related to “keeping the lights on.” Implement an ambient lighting conversion process which upgrades fluorescent light fixtures from magnetic ballasts and T-12 lamps to electronic ballasts and environmentally friendly T-8 lamps. Implement photocell-based day lighting controls in stores which selectively activate/deactivate electric lights based on lighting needs throughout the day.
- **Utilize Existing Technologies to Automate Processes** – Many organizations do not utilize existing technologies to the greatest extent available. Simple workflow and tracking tools for service requests and paperwork processing can save organizations time and money in executing transactional and procedural tasks. With improved automation, performance and overall user satisfaction can also improve.
- **Focus on Continual Process Improvement** - Create a continual process improvement team that is tasked with identifying and executing business process reengineering opportunities.
- **Improve Oversight of Travel Expenditures** – Promote a culture of “keeping travel costs down.” Redesign the travel program to provide tighter control over travel expenses and maximize volume discounts, encourage advance airfare purchases where possible, restrict airfares to a certain dollar threshold, and require (and monitor use of) advanced flights.

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## SHORT-TERM COST-EFFICIENCY IDEAS (CONT.)

### Immediate – 6 Months

- **Facilitate Virtual Meetings** – Web-based technologies can enable organizations to conduct effective virtual meetings. Teleconferences, webinars, and video conferencing can connect employees together to achieve meeting objectives in cost-effective ways.
- **Proactively Plan for Your Workforce** - Develop a Strategic Workforce Plan to proactively plan to address emerging skill gaps. Proactively meeting the skill gap needs will improve the organization's efficiency to deliver services to customers and ultimately meet the organization's mission.
- **Blend Online and In-Person Training** – To stem the rising cost of technical training, introduce a blended online/classroom-based learning approach to meet training needs.

› Consider the following longer-term cost efficiency ideas as part of your organization's cost-cutting strategy.

# LONG TERM COST-EFFICIENCY IDEAS

## 6+ Months to Implement

- **Implement Technologies that Streamline Processes** – Automating paper-based systems can improve the delivery of services, enable tracking and overall management, and expedite transactional processes. Systems aimed at automating processing such as billing, accounts payable, asset management, travel, and human resources transactions, etc., enhance management control, yield cost savings, and reduce time-to-payment for suppliers.
- **Improve Self-Service Functionality** – Many transaction-level functions can be completed through self-service technologies. Implementing, enhancing or expanding self-service functions will enable the workforce to execute individual tasks, while enabling the specialists to provide more strategic or complex operations support.
- **Consolidate Back Office Systems** – Multiple systems are costly for organizations to maintain –consolidate the number of back office Finance, Human Resources, and administrative systems to lower costs.
- **Consolidate / Centralize Functional Operations** – Consolidate and/or centralize functional operations to reduce redundancy, drive process and technology standardization, and establish more effective internal controls.
- **Minimize Future Space Needs** – Build on space flexibility options such as hoteling to reduce the overall agency space footprint. Create shared work spaces and eliminate dedicated office space to reduce capital investment in real estate allocation for teleworking employees. Reduce real estate costs through rightsizing space for user requirements.