

Six Proven Business Cost Reduction Ideas

“Cost savings exist in all companies and organizations; you just need to know where to look.” -Lisa T. Miller

- 1. Develop A Roadmap**
- 2. Analyze your data**
- 3. Additional Areas to Review**
- 4. Quick Opportunities**
- 5. Contract Management System**
- 6. Ask Your Employees**

1. Where to begin: the first steps....Develop A Roadmap:

**Run a 12 month vendor spend report
& Analyze your top 20 vendors**

A Roadmap

Your organization can begin a cost reduction process with a review of a 12 month vendor spend report from accounts payable. Segment this report by department spend areas. Then identify the top spend vendors for each area and request a copy of the contract for each of these vendors. A best practices process is to pull actual invoices for these vendors and audit the invoices to the actual contract to see if you are receiving the pricing you were promised via the contracts.

2. Analyze your data

Then review your contract for terms and conditions and begin to perform market research to see if your company has price optimization opportunities – can your organization achieve better pricing with your existing vendors or should you put together an RFP to better understand the marketplace and best pricing available?

3. Additional Areas to Review

**Service & maintenance agreements
IT and Software Licenses
Purchased service contracts (By department)**

4. Quick Opportunities

Review your leases organizational-wide to ensure none are being paid past its term as most leases have an automatic renewal clause and goes into effective if you do not provide the vendor with end of lease arrangements as detailed in your lease contract. Many companies pay unnecessary costs in lease payments that should have ended months sooner and those extra payments could have either gone into the fair market value buy-out of the lease or into new equipment.

Telecommunications, gas, electric and water audits are important to schedule every year as errors can be identified and fixed immediately and new pricing opportunities always exist.

5. Contract Management System

Organizations could realize savings that equal to 2% of total annual costs by eliminating inaccuracies and noncompliance through contract management automation. - **Pricewaterhouse Coopers**

How are you maintaining control of all your contracts?

Managing contracts effectively can save your organization substantial money each and every year. One problem that becomes a consistent issue is that buyers may not remember that their contracts or leases automatically renew as the terms of the contract will detail. However, with a contract management system, automatic reminder alerts are sent to buyers and CFO's several months in advance so that the buyer can take the necessary action and have the ability to negotiate with enough time to insure best terms and pricing for their hospital. This aspect in itself can save a company tens to hundreds of thousands of dollars annually.

6. Ask Your Employees

Ask your employees – a great way to consistently provide cost reductions to your organizations bottom line is to have a well planned and supported employee involvement program. You may not know where all the savings opportunities are in your company, but your staff does. The people in the front lines doing the work day in and day out can provide a wealth of revenue to your business.

7. **BONUS – Become an Expert Negotiator.** Have you been trained in effective procurement negotiation strategies in the past year? Your vendors have...and they use their training every day. EVERYONE in your purchasing department should be trained in how to be an expert negotiator.

What would a 10% reduction in all of your contracts and costs do for your company's bottom line?

Learn About VIE's Proprietary Training Program:

Procurement Negotiation: The Steps to Negotiation Mastery

Business Cost Reduction Ideas & Strategy Webinar

VIE Partners Announces Business Cost Reduction Webinar Filled with Proven Cost Reduction Ideas

On Monday November 22, 2010 from 3 to 4pm EST -- VIE Partners will be conducting a free online educational webinar entitled

"Best Practices in Business Cost Reduction."

You will learn how to develop a specific plan of action to reduce operating costs in your own organization & how to immediately identify these opportunities within your organization. ***"VIE Knows Where to Look."***

www.viepartners.com/businesscostreductionwebinar

Don't miss your chance to attend this FREE webinar. A power-point presentation and "LIVE" call make it a VERY interactive experience and you'll walk away with new knowledge that will save your organization money RIGHT AWAY.

**You will also learn about how to become a
Certified Cost Reduction Expert**

RECEIVE A Complimentary
Cost Reduction Strategy Session with Lisa Miller

Are you looking for a proven road map and a detailed system to learn the cost reduction strategies that consultants charge tens to hundreds of thousands of dollars for?

Are you responsible for delivering cost savings to your organization and have a large goal of achieving non-labor savings in 2011?

Do you recognize that there are opportunities in your organization for cost savings yet also want to learn the innovative, proven, effective and sustaining ways to reduce non-labor costs that will immediately achieve results your organization needs?

A single call with Lisa Miller – “The Cost Reduction Consultant” and President and Founder of VIE Partners, the world’s leading cost reduction firm, will begin to teach you the cost reduction strategies that will immediately impact your organization!

Imagine....

- ✓ Immediately having a complete roadmap of cost reduction opportunities you can follow for 2011 specific to your organization.
- ✓ Telling your company you have a plan to reduce non-labor costs by as much as 20% without hiring a consultant.
- ✓ Becoming a Certified Cost Reduction Specialist for your company and enhancing your skills to be the “go-to-person” for consistently bringing best pricing, terms and cost savings opportunities to the entire organization.

If you’re ready to discover -- The Cost Reduction SECRETS that consultants DON’T WANT YOU TO KNOW and ways to immediately Identify and Achieve Cost Savings THEN, register below to qualify for your own Complimentary Cost Reduction Strategy Session.

Register for a Cost Reduction Strategy Session:

<http://www.viepartners.com/training>



For more information:

- ✓ Schedule a Cost Reduction Strategy Session
- ✓ Enroll in the FREE Webinar on November 22, 2010
- ✓ Learn more about VIE's Negotiation Training Program
- ✓ VIE Partners Cost Reduction Programs

Call Denise Bisogno at 732-259-7546 Ext 500

We look forward to working with you.

-The VIE Team