Article Side
Gain from your peers experiences by Vantage Agora

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See how your competition and the market has cut costs and become more efficient in this endless downturn:

We are wading through the longest recession since 1930. We know it feels longer than that for you but are you interested in knowing how your peers coping with this down trend to reduce costs. What you can learn from their experiences. Find out more from the survey VA research conducted...

Since the start of the recession a year and half ago we have had everyone talking about costs. Our Vantage Agora Backoffice consulting team has during this period talked to several decision makers in different companies. Here is what they are thinking in terms of cost savings and some of the good and bad that they have seen. We thought this will help you make better decisions for your company. The entire article is in the form of a Q&A. The Q&A is a collective learning that the VA consulting team has garnered. You can think of this as the voice of your peers given the state of the market. That way you don't have to do a market survey.

VA Research Question 1: What have been you biggest cost factors in this down economy?

80% of answers: Unnecessary people cost. We have reduced all non-line (not relating to sales or delivery) functions staff down to zero. We have then reduced the operations staff down match with the demand in the market. We have also engaged off-shore staffing agencies to leverage from lower cost labor in India.

VA Research Question 2: What was the first costs that you have reduced?

95% of answers: We have done the right thing here. We have looked at our biggest costs. We cut all non-essentials first. Then we reduced the human labor cost because our number one cost is the employee direct and indirect overhead cost per employee.

VA Research Question 3: If you were to do it all over again what would you avoid doing? And what would you change?

VA Research clarification: On this question we got different type of answers from people at different levels of the organization. Because of this we have presented two different categories of answers here:

100% of answers by CEO or Presidents or Owners of the organization: We have made mistakes in letting go of our best people because we were short sighted in our cuts. Given a chance to do it all over again we will move our best operations people to help grow the business instead of just cutting them off. Then we would save costs by bringing in outsourced knowledge workers from outside when needed to help growing or catering to the market demand without dropping customer service level. Our cost savings efforts have led to more problems as we have lost more market share than we would otherwise have on the long run. In that regard our cost savings efforts have nearly killed our organization.

95% of answers by V.P. and one level below the CEOs and Presidents of the organization: We have done an incredible job. We have saved more than 15% for the company and made an impact to the organization. We would not change anything if we were to do it all over again.

VA Research Question 4: What is the best challenge you faced in cutting costs?

The entire down turn has been good for the company in many ways. While we have lost quite a bit of business we as a company have learnt from our mistakes and have come our stronger and are more charged to take on the market.

VA Research Question 5: What are your plans for the future?

100% of answers by CEO or Presidents or Owners of the organization: We have to invest into growth. We will have to make sure that we move some of our best operations and knowledge worker and start putting them in front of customer and prospects. We then have to bring in professional operations people to streamline our operations for better response. This will not only reduce our costs but will also ensure that we have a better chance of growing when the economy turns around.

95% of answers by V.P. and one level below the CEOs and Presidents of the organization: We have to continue to cut costs and push down the operating costs to drive our company to profitability.

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As a founder of Vantage Agora, Harsha has been instrumental in the growth of the company since its inception.Harsha has over 20+ years of experience in consulting, running and helping companies and their supply chains worldwide. His work with many companies, has made him a turnaround expert. Harsha has four worldwide patents in the area of supply chain management.

He holds an MBA from Southern Methodist University (SMD), Dallas, a masters in Computer Science from Louisiana State University (LSU) Baton Rogue, and a bachelors in Engineering from Bangalore University.

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