

## Are You Making 2011 a Better Year?

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**Cost Containment Specialists (CCS) partners with organizations that need to reduce operating expenses. Since 1998, CCS has helped businesses and non-profit organizations reduce and contain costs. Our expense management experts use a proven methodology to achieve meaningful cost reduction and containment across a wide range of indirect expenses. Our fees are success based, so you do not pay us until we produce the savings**

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### Summary

*How do you really know unless a “third party” performs an analysis of your suppliers? Set a benchmark for all your expense categories and you will have the confidence you are doing everything to achieve continuous improvement for company profits.*

Time and time again, colleagues, clients and suppliers speak to us of their challenges in continuous improvement of company profits. Restructuring and competition in all industries are making sales price increases almost nonexistent, with price decreases more common. Sales and volume growth are becoming more difficult. You refrain from adding staff unless there's an immediate favorable impact on the bottom line.

How, then, can you achieve profit and growth? Two words: Cost Containment. I know, you've heard and read it all before. However, I am amazed at dollars I see which can be delivered directly to the bottom line with painless changes in thinking or procedures. Here are a few tips for making 2011 more profitable:

Analyze and understand your chart of accounts. Often, small expenditures are recorded into miscellaneous accounts, and “lost forever.” Many of these expenses can either be reduced significantly or eliminated completely.

Create incentives for cost containment improvement. If your staff is adequately trained in expense reduction techniques, this can be a valuable resource for improving the bottom line.

Negotiate, Negotiate and Negotiate some more. In an environment of low inflation, price reductions from suppliers for overhead and raw materials are becoming very common. Never take for granted that an expense is too small; the old saying, “there are very few areas in which to save a million dollars, but there are a million areas in which to save a dollar” still applies.

Make sure your authorization processes designate limits you are comfortable with. I often observe blanket purchase orders which get “renewed” on an annual basis.

Bring in a contingency fee cost containment firm to validate that you are receiving the very best pricing/services mix.