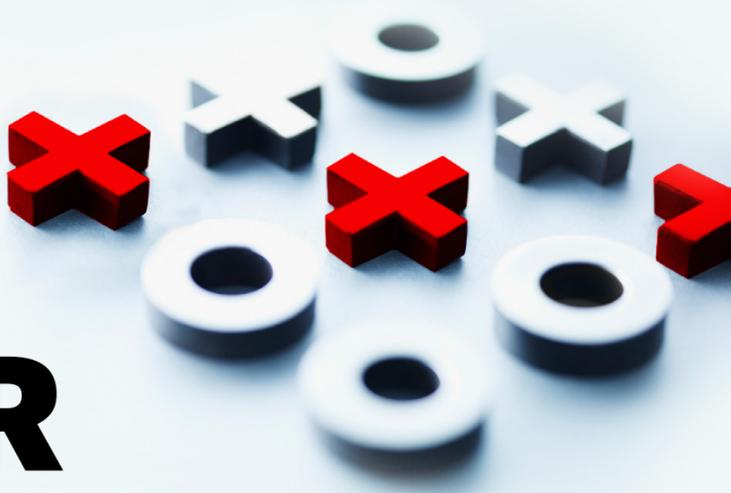


THE X FACTOR

COMPETITIVE AGILITY



80 percent of the G2000 are involved in enterprise-wide cost optimization interventions.



Yet only 17 percent of CFOs believe their company is properly organized to optimize working money.

The Problem:

Too many “look in the rear view mirror,” setting projected resource needs on past demands. It’s an approach that fails because it doesn’t account for change. **As a result, more and more companies are harnessing a new approach for cost-cutting called ZBx (a zero-based mindset).**

ZBx is about improving competitive agility by launching interventions in four areas:

ZBS **Zero-based spend** enables organizations to identify discretionary consumption of non-labor overhead expenses through a unique lens of granular cost visibility. This frees up cash that can be funneled into growth initiatives, capability improvements and improving EBITDA.

ZBO **Zero-based organization** designs the organization from a clean sheet to shift talent from work that no longer contributes to desired outcomes to the distinctive capabilities required to win in the future.

ZBC **Zero-based commercial** optimizes marketing, sales, customer service and pricing to deliver superior customer economics.

ZBSC **Zero-based supply chain** identifies the “should cost” of COGS and cost reduction opportunities across three levers—price, performance and value engineering—while optimizing product and service complexity. A closed loop process ensures results hold over time.



Zero-ing in on Agility

Companies that want to boost their competitiveness need to drive out costs and re-invest them in growth. And in the process benefit sustainability and build trust. To be sure zero-based initiatives build competitive agility, companies need to follow three tenets:



• **CEO commitment.** To drive and operationalize a ZBx mentality requires ownership by the CEO and the leadership team.



• **Focus on four macro areas (ZBS, ZBO, ZBC, and ZBSC)** to get the needed cash to reinvest for growth.



• **Hardwire ZBx into your company culture** to create a sustained commitment to should-cost mentality.

Learn more about how to build a zero-based mindset for future competitiveness with our full report:

www.accenture.com/xfactor