

Intelligent cost reduction

In a challenging economic environment, we believe success is founded upon three things: a strong focus on value, a willingness to exploit opportunities, and an ability to act with speed. A key element of the focus on value is a pragmatic and robust approach to reducing cost across your organisation.

Intelligent cost reduction is designed to help meet the needs of clients both already engaged and yet to embark on cost reduction initiatives. It focuses on designing out non-value added costs rather than 'hacking' out cost across

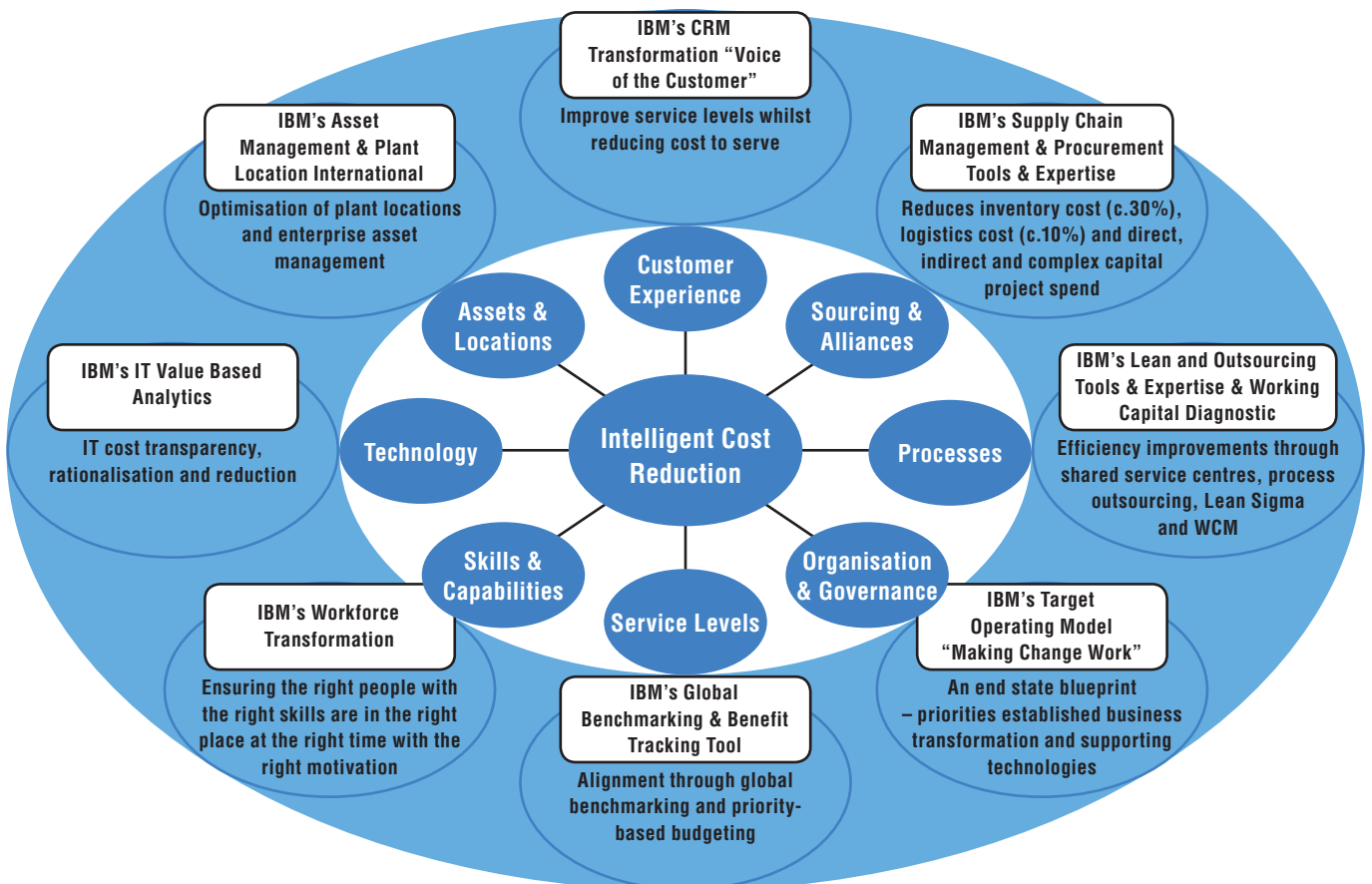
your organisation. This approach aims to reduce the risk of taking decisions which would negatively impact on your ability to recover both during and after the economic downturn. Potentially within just six weeks we can provide valuable insight and a series of specific business cases and implementation plans to help achieve the targeted cost reduction.

IBM's years of experience of aiming to deliver cost reduction, both internally and for our clients, demonstrate that significant cost reduction requires bold action and determined engagement at

executive level. Our approach helps executives get to the key issues quickly, setting the direction for deploying cross-functional capabilities including process improvement, IT efficiency, business model change and outsourcing.

The proposition

Our approach is one of evidence-based analysis. We use IBM's experience and proprietary tools to help highlight opportunities for cost reduction across your organisation **in potentially as little as three weeks.**



Cross-functional approach

IBM's approach looks across the entire organisation, focusing on specific key areas but also examining interdependencies and the impact on the organisation's clients and other stakeholders. Our areas of expertise include:

- *Advanced benchmarking capability, enabling identification of cost reduction opportunities*
- *IBM's Component Business Modeller – giving a one page, holistic view of the business, with opportunities identified and sized*
- *IBM's Target Operating Model for organisational redesign and change*
- *IBM's IT Value Based Analytics – delivering greater transparency of IT costs, aligning to business need, developing predictive capabilities and on-demand reporting.*

Delivery

The combination of our approach, experience and tools provide: valuable insight into your cost base, a series of targeted business cases, risk assessments, dependency models, and a detailed implementation roadmap to achieve the targeted cost reduction **in potentially as little as six weeks.**

Benefits realised

Our experience shows potential benefit realisation can take from three to six months, **and we can measure, track and be rewarded against delivery of these benefits.**

Why IBM?

Rapid cost reduction requires highly skilled, cross-functional experts: the IBM team is led by our most experienced partners and associate partners, who have a personal track record in cost reduction.

IBM has the experience, skills, and unique implementation capability to help deliver tangible and sustainable benefits for your organisation.

The Trinity Mirror case study summary shown here is just one of the examples of intelligent cost reduction implementation success – more details on this are available on request.

Case study: Trinity Mirror

Newspapers around the world are facing tough challenges due to the economic climate and the evolution of online media.

Trinity Mirror is one of the UK's largest newspaper publishers, with an award-winning portfolio of more than 350 media brands including five national and 150 regional newspaper titles, as well as over 200 Web sites.

Trinity Mirror viewed short-term cost-cutting to be an inadequate response to a newspaper publishing industry experiencing permanent change. In working with IBM Global Business Services, this leading UK newspaper group is undergoing a major shake-up, transforming its editorial and advertising processes and the technology it deploys to help become a leaner, smarter publishing business with a clear vision for future growth.

For further information

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