






Jabian Cost Control Self-Assessment

There are five critical elements to an effective cost control capability: cost visibility, cost drivers, cost predictability, cost reduction levers, and cost management and accountability. Working through a structured series of questions can identify key improvement opportunities for your cost control capability. Circle the number that best corresponds with your organization's current state when answering each of the questions below.

		NON-EXISTENT			
		INSUFFICIENT			EXPERT
			WORKABLE		
		1	2	3	4
 <p>COST VISIBILITY Complete management view of costs, for all cost types, across the entire enterprise, at an actionable level of detail</p>	Do I have a full management view of costs; where is every dollar being spent, by whom, and for what purpose?	1	2	3	4
	Do I know how much of my cost structure is fixed vs. variable, and how much is committed vs. uncommitted?	1	2	3	4
	For people costs, are my costs adequately broken down by organization entity, function, role?	1	2	3	4
	For vendor spend, are my costs broken down by organization entity, vendor, service provided, and value delivered?	1	2	3	4
 <p>COST DRIVERS Direct linkage of costs to the underlying drivers of those costs; active measurement and management of those drivers</p>	For each cost component, do I have full knowledge of the underlying drivers of that cost?	1	2	3	4
	Are these drivers proactively tracked, measured, and managed at an actionable level of detail?	1	2	3	4
	Is cost driver management done as part of ongoing management process, or is it done on an ad hoc basis?	1	2	3	4
 <p>COST PREDICTABILITY Reliable view of future cost trajectory, under a variety of business scenarios</p>	Do I have a robust scenario planning capability in place?	1	2	3	4
	Can I accurately predict my future costs and how they will change over time under various business scenarios, absent significant intervention?	1	2	3	4
 <p>COST LEVERS Options to drive down cost and ways to understand potential impacts and implications</p>	Has a complete list of levers available to impact the various cost elements been documented, and is it well understood by decision makers across the enterprise?	1	2	3	4
	Do I fully understand the impact of pulling each cost reduction lever over the short, mid and long-term?	1	2	3	4
	Do I fully understand potential short and long-term negative implications to my business from pulling these levers?	1	2	3	4
 <p>COST MANAGEMENT & ACCOUNTABILITY Mechanisms to manage costs over time and hold executives accountable, under all business scenarios</p>	Are mechanisms in place to ensure that costs are measured and managed most effectively, kept under control, spent in the most impactful way, and reduced when necessary without harming the business long term?	1	2	3	4
	Are executives held adequately accountable for controlling their costs? Does every cost bucket have an official owner?	1	2	3	4
	Do I know when to begin cost cutting? When to stop? How deep to cut?	1	2	3	4

By examining your answers to the questions grouped into these five categories, you can get initial visibility into the areas of greatest risk and opportunity. If you are interested in learning more about how Jabian can help you build a powerful and durable cost control capability, and/or identify specific short and long term cost savings opportunities, simply contact us at planahead@jabian.com.