What are the top internal obstacles that have so many companies falling short of their cost reduction targets?

- Challenges with technology infrastructure: 58%
- Inability to rapidly adjust cost structure: 57%
- Inability to enable digital infrastructure of margin improvement programs: 53%
- 84% of companies fell short of their cost reduction targets, a significant increase from the previous year’s 72%.
- Notably, half of these companies achieved less than 50% of their cost reduction targets, a 79% increase relative to our previous study.

What are the top internal obstacles that have so many companies falling short of their cost reduction targets?

- Rising inflation: 58%
- Slower economic activity: 54%
- Increasing labor costs: 53%
- Rising interest rates: 34%

Companies are now focusing on three strategic levers in their pursuit for margin improvement, a 57% decrease relative to our previous study, where the average company selected seven levers.

How are leaders and boards driving change in transformation strategies?

- 50% of companies are embracing GenAI technology infrastructure.
- 40% are creating separate budget for transformation initiatives.
- 30% are adding governance leadership roles.

The 2024 MarginPLUS study surveyed 300 global leaders across industries and geographies. Read the full report to elevate your margin improvements.

Learn more about Deloitte’s Restructuring and Performance Improvement Services.

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