Deloitte's 2019 global cost survey

Cost management remains a global imperative, while failure rates are up.

- 68% of leaders expect cost pressures to rise by 10% or higher over the next five years.
- 51% plan to rethink their entire global cost structure.

- 8% expect their total costs to rise by less than 10%.
- 8% plan to increase their cost management efforts.

- 71% of global leaders consider cost management a top priority.

- 86% believe that cost management is key to future growth.

Cost-to-growth ratio: 60:1

- 62% cite tech-related pressures, including digital disruption.
- 61% see pressure from tariffs and other trade-related issues.
- 51% see pressure from regulation.

- 73% see technology as a significant threat.

Digital risk tops the list of external risks.

- 62% cite cyberattacks.
- 61% see digital disruption.
- 26% foresee market and regulatory risk.
- 25% see customers and competition.

Internal competitive pressures rise.

- 36% see increased competitive pressures.
- 36% see increased cost pressures.
- 34% see increased market and regulatory pressures.
- 34% see increased talent and skillset pressures.

Growth and competition remain the primary drivers.

Top three expected drivers for cost management globally, over next 24 months:

- 68% need to grow, potentially through M&A.
- 67% need to improve overall business performance.
- 65% need to invest in new growth areas.

Digital and technology solutions applied to cost management.

- 64% use data analytics to identify cost savings.
- 63% used big data.
- 54% used AI.
- 44% used robotics automation.
- 43% used blockchain.

- 80% use automation in their operations.
- 76% use cognitive solutions.
- 66% use Internet of Things.
- 56% use big data.
- 55% use analytics.

The save-to-transform playbook.

Shifting from cost-cutting to cost-to-growth will require scale. For many, this means shifting from a strategy of cost containment to one focused on strategy and scale.

- 59% of leaders believe they can increase their cost management strategies using an average of 7% of their annual revenue.

- 52% believe they can increase their cost management strategies using an average of 8% of their annual revenue.

Deloitte's Cost Leadership Centre is available to assist companies in their cost management journey.

www.deloitte.com/us/globalcost