

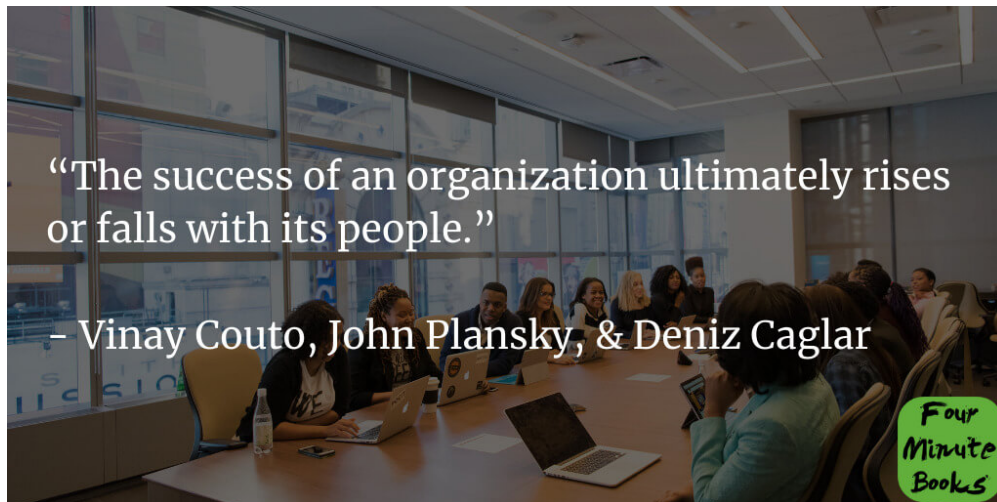
Fit For Growth Summary

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1-Sentence-Summary: *Fit For Growth* is a guide to expanding your company's influence and profits by looking for ways to cut costs in the right places, restructuring your business model, and eliminating unnecessary departments to pave the way for exponential success.

Read in: 4 minutes

Favorite quote from the author:



Have you ever known someone that goes from diet to diet trying to get fit only to fail every time? And if you're like me, every time you hear that they're on a new one it makes you want to roll your eyes into the back of your head.

There is no one-size-fits-all diet that will fix your health. Running a business is the same when it comes time to slim down your costs. But too often company owners try to restructure and make cuts without having a plan, which usually leads to mistakes, lost profits, and stagnation.

Although it might seem obvious to avoid scaling back anywhere and everywhere, a lot of business owners need to hear this advice repeatedly for it to sink in. But is there really a way to cut costs efficiently without hindering your company's growth?

If you're tired of the age-old advice to innovate when times get tough, then you'll be glad to learn that Vinay Couto's book *Fit for Growth: A Guide to Strategic Cost Cutting, Restructuring, and Renewal* goes above and beyond to prepare you and your business for even the toughest of times.

These are 3 of the best lessons the book teaches:

1. If you want your company to be successful, double down on your strengths and cut costs everywhere else.
2. Don't wait for challenges to come up to start reducing expenses, start today.
3. Look to low-wage countries with sufficient infrastructure and talent to relocate your business.

Pull up your business's books and let's learn how to cut costs effectively!

Lesson 1: Cut costs everywhere except for the areas in which your company excels.

There are many reasons why growth is hard to come by. The economy could be bad, or maybe competition is getting worse. Whatever it is, cutting costs will help. It's so important that the authors recommend putting as much effort into reducing expenses as you do into increasing your revenue.

But you have to be smart about it. You can't just go slashing budgets left and right. **You might wonder where you should start, but the better question to ask as you begin is where should you *not* cut costs?**

To answer this question, you need to find out what your differentiating capabilities are. These are any knowledge, tools, or systems that your business has that makes you better than everyone else. They differentiate you in the market.

In other words, what does your company do best? Once you know what these areas are you can begin cutting costs everywhere else.

Some companies mistakenly believe they need to be the best at everything and allocate resources equally to all departments without ever asking if it's the right decision.

Unfortunately, this only makes them mediocre at everything. It's far more productive to be the best at one thing and reduce expenses everywhere else. This is the big secret to both slimming down and maintaining growth at the same time.

Lesson 2: Begin reducing expenses today, you never know when a challenge will arise that might make you wish you'd started sooner.

The COVID-19 pandemic has been a wake-up call for many businesses. Some have restructured, and others have had to close their doors permanently. They may have been able to prevent this, however, if they had begun cutting costs before they needed to.

We often hear the old adage that we should dig our well before we're thirsty. Preparing your company for a crisis is the same way. You must start now to be prepared.

Not only is it vital that you're ready, but it can prevent you from making terrible mistakes when difficult times do come.

Most companies that are unprepared for a rainy day make hasty decisions to slim down in the areas where they're spending the most money. But this only ends up hacking away at their differentiating capabilities and leads to disaster in the long run.

It's also a good idea to perform regular checkups on your organizational model. This means reviewing the chain of command and relationships between departments to make sure they're all running efficiently.

If something's not working or could use fewer resources, that would be the perfect area to cut costs. You might reduce the number of managers, for instance, to save money and make it easier for your company to make decisions faster.

Lesson 3: Relocate your business activities to low-wage countries but make sure they have sufficient talent and infrastructure first.

What would you think of if I were to ask you what your company's footprint is? According to the authors, it means every location that your organization operates in, from service centers to research and development labs.

Understanding this and optimizing it will give you an opportunity to reduce expenses by up to 20% within just 24 months. If that sounds amazing, all that's left is to figure out how.

Start by finding out the costs of operating in your current locations. Once you have that information, it's time to begin moving away from the most expensive places and into less costly ones.

It might seem like a lot of work just to save money. But it will be worth it if you've found that you're overspending just because you're in the wrong area of the world!

Many Western companies have already outsourced some of their company activities to low-cost countries, also known as LCCs, like the Philippines. When deciding how to adjust your business footprint, you need to make sure that the people who live there can do the work you need and that the infrastructure won't pose a problem.

Spend time looking into the skills of the existing workforce in every place you're considering. Make sure they're qualified enough and will do a good job with what you need.

You also need to make sure the place has high-speed internet, reliable electricity, and good transportation networks. If not, you might end up costing yourself more money instead of saving it!

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Fit For Growth Review

I've read a lot of business books and they all seem the same. What I liked about *Fit For Growth* was that it wasn't the same old stuff I've heard before! It really hones in on one aspect of entrepreneurship that I think people too often overlook and it leaves them unprepared and strapped for money.

Who would I recommend the Fit For Growth summary to?

The 52-year-old CEO that's looking to restructure their company, the 32-year-old who is considering starting their own business and wants to budget wisely from the start, and anyone that wants to develop their management skills.