Reaching the Right Business Objective - Identifying objectives to cut costs

Business Objectives to cut costs

Business Objectives to cut costs

Costs = #manfacturers * average_products_bought * average_buying_price + inventory_cost + manpower_cost + promotional_Cost + other_operational_cost

Business Objectives to cut costs

Costs = #manfacturers * **average_products_bought** * average_buying_price + **inventory_cost** + manpower_cost + promotional_Cost + other_operational_cost

- **Prevent Overstocking**

  ○ Setting Inventory Alerts

  ○ Forecast in-store demand

Analytics Vidhya
Learn everything about analytics

Business Objectives to cut costs

Costs   =   #manfacturers * average_products_bought * **average_buying_price** + inventory_cost + manpower_cost + promotional_Cost + other_operational_cost

- **Reduce average buying price**
  - Negotiate new prices
  - Explore other manufacturers/suppliers

Business Objectives to cut costs

Costs = #manfacturers * average_products_bought * average_buying_price + inventory_cost + **manpower_cost** + promotional_Cost + other_operational_cost

- **Optimize Manpower Cost**

  - Fine-tune Schedules

  - Invest in automation

  - Organization Restructuring

Business Objectives to cut costs

Costs   =   #manfacturers * average_products_bought * average_buying_price + inventory_cost + manpower_cost + **promotional_Cost** + other_operational_cost

- **Optimize Promotion Costs**

  - Cut down spending on expensive channels

  - Explore new cost effective channels

Business Objectives to cut costs

Costs   =   #manfacturers * average_products_bought * average_buying_price + inventory_cost + manpower_cost + promotional_Cost + **other_operational_cost**

- Reduce leakage

- Optimize Logistics cost

- Increase Automation

Thank You