

Cost Savings Lightning Round

Keep the Cash



This Session Goal: ID areas to cut cash spending

Now- implement within 1 week

Soon- implement by end of month

ID areas of increasing incoming cash

After this session you will have specific target ideas for:

- Cost cutting
- Renegotiation areas
- Dead cash to be unlocked

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Fast Track To The Good Stuff

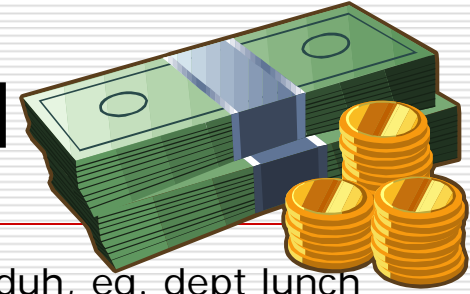
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Concert- Agave Presentation

Cost Savings Lightning Round



- ❑ Layoff people- Duh
- ❑ Stop 401K match
- ❑ **Renegotiate:** Benefits- have employees pick up a portion of cost
- ❑ Self insure for benefits (with limits of course – be careful)
- ❑ Work 6 paid for 5
- ❑ Reduce pay, eliminate bonus, offer stock options in lieu
- ❑ 4 day work week or ½ time: Use unemployment benefits
- ❑ Increase Corp Insurance Deductibles
- ❑ Cut insurance coverages
- ❑ **Renegotiate:** rent on facility; eliminate facility- eliminate offsite storage
- ❑ **Renegotiate:** phone, DSL
- ❑ Eliminate Fed Ex- move to regular mail
- ❑ Cut Live mtg & WebEx use Skype
- ❑ Cut the donuts and coffee-set example
- ❑ Travel & Expenses –duh, eg. dept lunch
- ❑ Double up in hotel rooms on travel
- ❑ Office Supply reclaim/recycle
- ❑ **Outsource** some processes-eg. AP
- ❑ Eliminate 409A audit (if value obviously not going up)
- ❑ Review instead of Audit
- ❑ **Renegotiate:** Attorney and Auditors fee
- ❑ Look hard at service and maintenance make sure billing up to date-collect
- ❑ Turn over bad debts to collection agent
- ❑ Fire sale obsolete/excess inventory and office equipment. Clean up, sell
- ❑ Gently encourage stock option exercise
- ❑ Cut board fees, and board travel (conference call meetings)
- ❑ Cut, Clubs, dues, subscriptions, Red Carpet airline etc etc
- ❑ Review workers comp insurance codes for rate reductions
- ❑ Early tax filing for tax loss carry back refund
- ❑ Kill Marginal projects, products
- ❑ Go Green, lights out, recycle etc

But wait there's more!



- ❑ Renegotiate any offshore contracts- request 50% cut.
- ❑ Renegotiate any consulting contract more than \$50 hr.
- ❑ Eliminate pilots/trials = use reference customers
 - Short customer video's so as not to burn out references
- ❑ Shoot the Analysts
 - 100's of 3 min video's at trade show = good market feedback
- ❑ Commissions tied to cash collections not bookings
- ❑ **Hard Decision** = Cut staff and keep "A" plays vs. Cut pay and keep more people. **My opinion:** Keep the A's
- ❑ Rules to live by:
 - Pull the band-aide off quickly
 - If you have to eat #@&* (bad medicine)- Don't Nibble



Contacts and References

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How can we help you?

➤ Process outsourcing

➤ Part time Financial consulting

➤ Payroll and Benefits outsourcing

➤ Restructuring and cost cutting bad guys

