Category

Strategy

Strategic Cost Transformation Playbook

Zero-based and design-to-value methods for cutting cost without cutting strategic capacity

- Executive
- Advanced
- Template Included

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- 4 minute(s)

Overview

A framework combining zero-based budgeting and design-to-value analysis to reduce cost structurally, protecting the capabilities that drive competitive advantage instead of cutting evenly across the board.

How is this different from an across-the-board cost-cutting exercise?

Across-the-board cuts (e.g. "reduce every department's budget by 10%") treat all spending as equally dispensable. This playbook rebuilds the budget from zero against strategic priority, so cuts land disproportionately on low-value spend and protect what drives competitive advantage.

Does zero-based budgeting mean redoing the entire budget from scratch

every year? Not necessarily every year — many organizations run a full zero-based exercise every 2–3 years and use lighter incremental reviews in between.

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