

Financial Discipline Is Never out of Fashion

Executives understandably focus on costs in lean times, but financial discipline is—or at least should be—a management practice for all seasons.

Greater efficiency provides a buffer to economic uncertainty, and there is plenty of uncertainty to go around these days. It can also be the mechanism that frees up resources to pursue growth, and there are plenty of growth opportunities today, too.

In a recent BCG survey of more than 570 executives from around the world, [cost management remained the top priority](#) for the third consecutive year, rising 8 points from 25% in 2024 to 33% in 2025. The second and third priorities were growth and revenue management.

These findings roughly parallel my own experience talking with hundreds of executives a year. They view managing costs and improving efficiency as ways to improve their P&L and to reinvest—at least partially—in the future.

But while executives recognize the importance of controlling costs, companies struggle to achieve it. On average, companies reach only 48% of their cost-saving goals. An even greater percentage struggle to lock in whatever savings they achieve, becoming victims of “cost creep.” Companies that fail to meet their stated cost-reduction targets generate 9 percentage points lower TSR than their peers

that meet their targets.

Cost control is about awareness and acceptance. Cost-conscious companies are in it for the long haul. They are continually evaluating costs against priorities, and they are on the lookout for organizational resistance. In fact, 69% of executives said that such resistance was a major challenge in their cost-control efforts, compared with only 37% who cited a lack of skill and expertise as major challenges.

Cost control is rigorous. Cost-conscious companies have proven tools and methodologies to detect early signs of spiraling costs. They share these findings throughout the organization. In the survey, 79% of executives cited the importance of transparency in such metrics as fiscal-year targets and gaps, specific cost-saving achievements and initiatives, and market trends and economic forecasts.

Leaders lead by example. In the survey, 62% of executives said leadership communication was vital to cost-control efforts. The most effective communication methods are leaders modeling cost-conscious behavior, regular executive-led town halls, and written updates from executives. Senior leaders foster an accountable “ownership culture” for line leaders.

Cost savings can be reinvested for growth. Nearly 67% of executives plan to do so. Reinvesting the savings into the future has a hidden benefit: employees are more likely to buy into cost control if they believe it will lead to a better, stronger organization.

And that’s what we are all trying to achieve.

Until next time,



Christoph Schweizer
Chief Executive Officer

Further Insights



Cost Management Remains an Executive Priority in 2025

Cost management takes center stage as executives navigate uncertainty and seek growth in 2025.

LEAD BY EXAMPLE



Effective Cost Management Can Fuel Growth

A holistic, outcome-based cost management approach that's part of an enterprise-wide transformation can change an organization's business for the long term and allow it to operate at its full potential.

WHAT NEEDS TO CHANGE



Five Dynamics That Will Test CEOs in 2025

Trade and AI, growth and climate imperatives, and workplace unity will define the CEO agenda in the year ahead. Here's a closer look at each dynamic.

UNDERSTAND WHAT'S AHEAD