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## **Bitesize GCSE BUSINESS STUDIES**

### **QUALITIES VS COST CUTTING**

#### **DR PAUL THOMAS- TRUFFLE ENTREPRENEUR**

In terms of cost cutting, whenever we're buying a product or a service, we always get a range of quotes. But because of the way our company is marketed because we always aim for very high quality, that what we place more emphasis on. So costs are important but quality more so.

#### **HUGH PYM- BBC CHIEF ECONOMICS CORRESPONDENT**

It's a very difficult balance because quality is all important. Particularly if you're providing a service to customers or you're making something, you want them to feel that it's high quality. That's it's not shoddy.

#### **NICOLA VANE- PHONE SOCK ENTREPRENEUR**

We don't look to cut costs in production. Quality is really important to us and it's what sets us apart from our competitors. For example we use diamante stones in our designs as opposed to studs. We have our products manufactured in the UK which gives us better quality.

#### **BEN WALLACE- MARKETING, GOOGLE UK**

Cost cutting is something which is incredibly difficult to manage for a business. We as a business always encourage streamlining the work that we do. And optimising rather than bulk cutting off like large products, or large initiative, or large services we're working on. Because we wouldn't want to emerge kind of near the other side really missing integral parts of our business, or things which really hurt us afterwards.

#### **HUGH PYM - BBC CHIEF ECONOMICS CORRESPONDENT**

You can become inefficient as a business. You can start spending money on extra things like making your office look nicer and having more pot plants. Or something like that. And often the best businesses cut back on all that sort of thing they don't sacrifice quality. They investing in the product or the service, but they cut back on all the unnecessary things. So it is possible to cut costs, keep them under control and provide quality. But it's always a big challenge

#### **LORD ALAN SUGAR- ENTREPRENEUR**

There are times in business when things get a little bit tough and perhaps you have let things run away. Where you have to sit down and reflect and look at some of the costs, which you're incurring. Which perhaps are not necessary. It's very important to be ruthless when those times are around and cut the additional frills that actually don't really bring anything to the party.

#### **SAIRA KHAN- SKINCARE ENTRPRENUER**

Cost cutting takes place in a business for two reasons. First because they may be operating in an economic down turn and the demand for their product and service has declined. Or because the business is not just, just not performing and it's no good having lots of different people doing lots of different jobs if people aren't buying the product or service. So it's not a nice thing to do but for most businesses in order to survive they're gonna have to reduce staff to stay, to stay afloat. And actually to be profitable.

**DEBORAH MEADEN- ENTREPRENEUR**

I actually have a slightly different take on this. I am probably the most waste averse person that I know. But I certainly know that in every single business that I'm involved in, we will be wasting something. So think less about cost cutting and think about stopping the waste. Now that won't just mean are we, are we throwing away too much paper? Are we using too much paper? You know are we switching the lights off when we should be switching the lights off? It isn't just about the physical; it's also about the processes. Are we doing unnecessary things? Are they all relevant? Can we actually lose some of those? So I think we should focus less on cost cutting and think more about stopping the waste. Because if you do that, quality doesn't suffer at all. In fact it probably improves

**WITH THANKS TO OUR CONTRIBUTORS  
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