



Efficiency & Cost Optimisation Offering

Helping organisations make better spending
decisions under pressure. Spend right, not less



April, 2026

Building efficient and value-driven organisations for sustainable performance



In today's volatile environment, sustaining performance requires more than cost control. Rising cost pressures, demand volatility and increasing operational complexity are driving the need for more disciplined resource allocation and a stronger focus on spending efficiency.

At PwC, we support organisations across the Middle East in optimising their cost base and enhancing how resources are allocated across the business.

By designing and implementing structured cost optimisation strategies and decision frameworks, we help improve cost visibility, identify efficiency opportunities and redirect investments toward high-impact priorities while strengthening governance and financial decision-making.

We have supported leading organisations across the region in delivering spending efficiency and cost optimisation programmes. Across these engagements, we have assessed and optimised large cost bases, enabled the reallocation of resources toward strategic initiatives and strengthened financial discipline, helping organisations improve performance while enhancing the value delivered to customers.

With our expertise in spending efficiency and cost optimisation, we help organisations build more efficient, value-driven operating models that sustain performance in an increasingly complex environment.

Cost pressures and demand volatility are exposing inefficiencies and misallocation of resources, making disciplined spending and prioritisation critical to sustaining performance

Geopolitical instability is increasing spending pressure and competing priorities

A structured and practical approach to spending decisions is required



Rising costs in labour, materials, energy and services are increasing baseline spending across operations



Organisations **are investing more in supply chain resilience**, security, compliance and contingency measures



Changes in customer demand and market conditions are driving **reallocation of spend across products, services and markets**



Organisations are making **rapid cost-cutting decisions without understanding their impact on operations**, value delivery and long-term performance



Prioritise high-impact and business-critical activities while deferring or rescope non-essential spend



Reallocate resources toward areas of highest value, emerging demand and evolving business models



Optimise cost structures through procurement efficiency, external spend management and supply chain and inventory optimisation



Improve operational efficiency through automation, controls and elimination of duplication and cost leakage



Enable faster, data-driven spending decisions through **stronger governance and cost visibility**

A structured approach enables organisations to assess spending, reprioritise resources and optimise cost structures while maintaining performance under evolving conditions

01 Quality of spend

Relevance

Ensuring spending is aligned with strategic priorities and evolving business needs

+

Effectiveness

Focusing resources on activities that deliver measurable outcomes and value

+

Efficiency

Optimising cost structures to maximise productivity and minimise waste

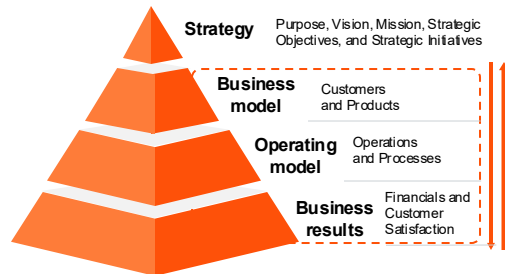
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Optimised resource allocation

Embedding operational efficiency and simplification

02 Business/operating model optimisation

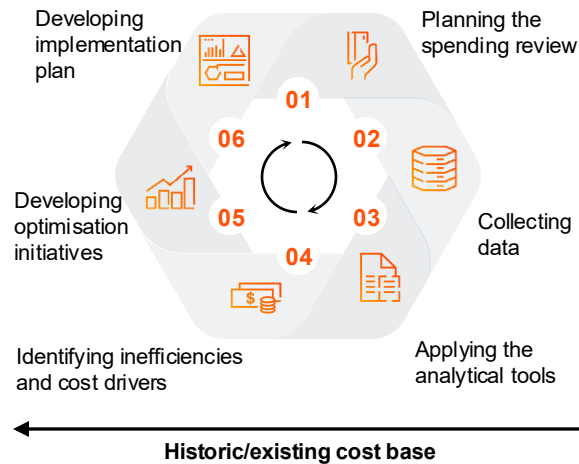
Alignment and execution start with the operating model, as sustainable performance depends on it. Business outcomes reflect how well the operating model is designed and executed



Cost optimisation and resource allocation

03 Efficiency and cost optimisation reviews

Targeted assessment of cost base to identify inefficiencies and opportunities for optimisation and reprioritisation



04 Investment prioritisation framework

Assessment of ongoing and planned initiatives to prioritise high-impact investments, defer non-essential spend, and ensure value creation



Embedding sustainable spend management

05 Cost optimisation and efficiency governance

Governance structures that coordinate cost decisions, align with business priorities and ensure consistent execution across the organisation

Illustrative

Key stakeholders

CEO, CFO, Procurement and Operations

Efficiency decisions

- De-prioritise infrastructure initiatives
- Standardise product specifications
- Accelerate line products
- Cap headcount
- Set cost efficiency targets

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Enablers

Change management

Ensuring cost initiatives are executed by enforcing accountability, embedding cost controls into daily operations and driving behavior change across teams

Digital transformation

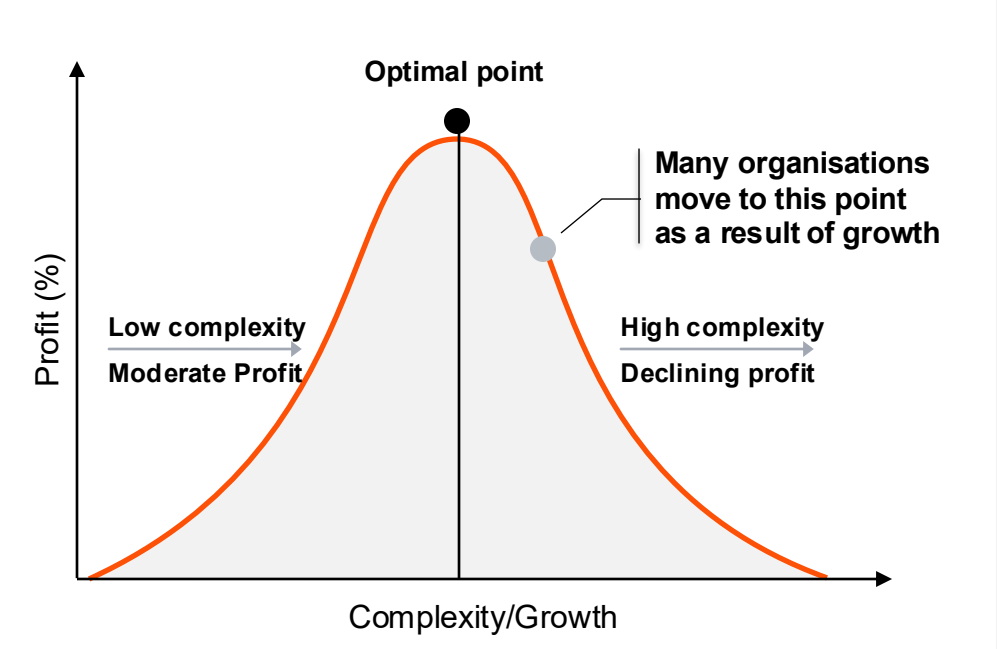
Providing real-time visibility on cost and spending through dashboards, spend analytics and automated reporting to identify inefficiencies and enable faster decisions

Performance management

Breaking down cost targets into initiatives, tracks savings against baselines and monitors performance through clear KPIs and financial impact reporting

Because inefficiencies are often rooted in complexity, organisations must simplify and optimise their business and operating model

Business/operating model optimisation



Illustrative

As organisations expand, their structures, offerings and operations inevitably become more complex and excessive complexity becomes a direct threat to profitability



Because operational effectiveness flows from the business model, understanding and reducing complexity is essential to improving performance and unlocking sustainable profit

The methodology includes the following three steps



1. Baseline
Analyse sales, costs, customers and operational complexity to identify key gaps, inefficiencies and improvement areas.



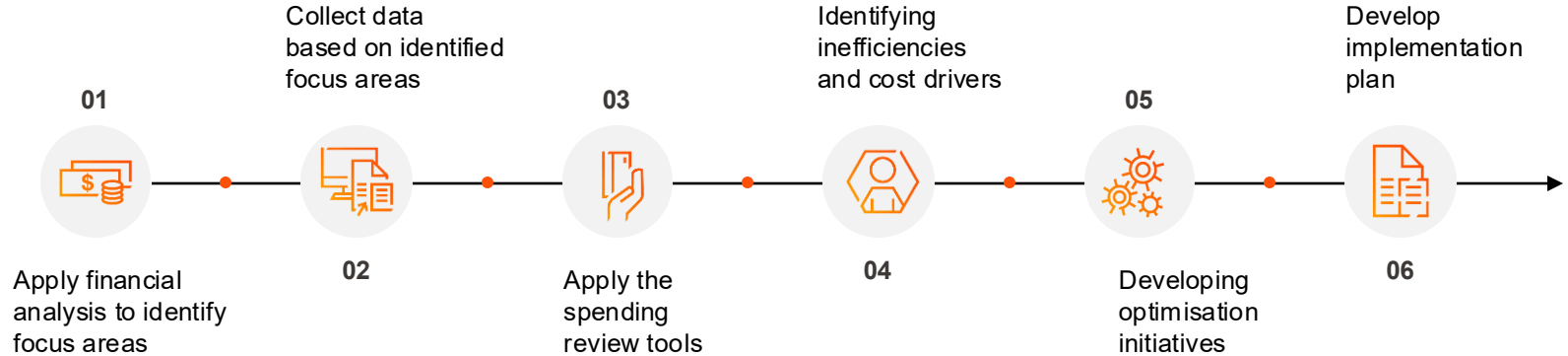
2. Design
Define targeted initiatives including detailed opportunities, segment strategies and resource alignment with clear impact and timelines.



3. Implement
Execute prioritised initiatives across areas such as inventory, demand planning, workforce and vendors, with tracking of impact and progress

To enable this, cost optimisation reviews identify inefficiencies, unlock value and free resources for reallocation

Efficiency & Cost Optimisation reviews



Illustrative

The methodology includes the following nine analytical tools

- 01 Programme logic analysis
- 02 Intervention appraisal
- 03 Meta-studies

- 04 Business process review
- 05 Duplication analysis

- 06 Contractual OPEX analysis
- 07 Non-contractual OPEX analysis
- 08 Workforce analysis
- 09 CAPEX analysis

The methodology assesses the expenditure from

03 Perspective

Relevance



Alignment of spending with strategic priorities and evolving business needs

Effectiveness



Extent to which spending delivers intended outcomes and value

Efficiency



Ability to deliver outcomes with optimal use of resources

● Effectiveness ● Process efficiency ● Input efficiency




Investment prioritisation framework ensures resources are then prioritised and reinvested in initiatives that deliver the greatest strategic value

Investment prioritisation framework: A structured framework to support capital allocation, cost optimisation, and business model decisions

Investment prioritisation framework: Ensures resources are prioritised and allocated to the highest-value initiatives



This enables organisations to unlock immediate efficiency gains while driving structural optimisation and sustainable value creation over time

Line items	 Immediate efficiency gains	 Medium-term efficiency gains	 Long-term efficiency gains
Workforce	<ul style="list-style-type: none"> • Cap headcount; freeze non-critical hiring • Cut allowances, overtime and non-core benefits • Centralise approval for hires and temp staffing 	<ul style="list-style-type: none"> • Right-size workforce and spans of control • Redeploy staff to fill gaps and limit hiring 	<ul style="list-style-type: none"> • Accelerate nationalisation in high-cost roles • Shift to productivity-based workforce models • Use automation to reduce admin roles • Create shared services for support functions
Contractual OPEX	<ul style="list-style-type: none"> • Tighten controls on non-essential spend • Pause non-essential service contracts • Reduce utility consumption • Strengthen OPEX approvals and justification 	<ul style="list-style-type: none"> • Review and rationalise recurring OPEX contracts • Align service levels to demand • Consolidate vendors and streamline contracts 	<ul style="list-style-type: none"> • Digitise services to reduce recurring costs • Centralise procurement platforms • Shift to outcome-based contracts • Link spending to goals and KPIs
Small-value assets	<ul style="list-style-type: none"> • Defer low-priority asset purchases • Maximise use of existing assets • Tighten control of fragmented, low-value buys 	<ul style="list-style-type: none"> • Standardise specs to lower unit costs • Use bulk buying and framework agreements • Extend asset life through maintenance • Align procurement with medium-term fiscal ceilings 	<ul style="list-style-type: none"> • Implement an asset management system • Pool assets across departments/functions • Improve asset demand planning and allocation
Major capital projects	<ul style="list-style-type: none"> • Prioritise strategic, approved projects within budget • Defer low-priority or early-stage projects • Rephase timelines to smooth cash outflows 	<ul style="list-style-type: none"> • Reprioritise projects by impact priorities • Re-scope projects through value engineering and phasing • Reduce delivery costs through value engineering • Re-tender or renegotiate contracts 	<ul style="list-style-type: none"> • Expand alternative financing models • Optimise the portfolio by merging or cancelling low-impact projects • Strengthen CAPEX governance and prioritisation

Our experience demonstrates the ability to identify optimisation opportunities, defer non-critical spending and reallocate resources toward high-impact priorities while maintaining performance

	Government-wide spending optimisation and resource allocation programme	Workforce and cost optimisation in a large organisation	Targeted spending review and cost optimisation programme
Our role	<ul style="list-style-type: none">Reviewed strategies, programs, and projects to identify optimisation and reprioritisation opportunitiesAssessed baseline spending and identified areas for resource reallocation toward priority initiativesEstablished governance and tools to enable ongoing spending decisions	<ul style="list-style-type: none">Assessed cost structure and operational model under rising cost pressuresIdentified opportunities to optimise workforce and operating costs while maintaining core capabilitiesSupported reallocation of resources toward strategic priorities	<ul style="list-style-type: none">Conducted targeted spending reviews across OPEX categoriesIdentified deferrable, non-critical, and optimisation opportunitiesAssessed organisational maturity and defined prioritised improvement actions
Impact	<ul style="list-style-type: none">Reviewed SAR1.4tm+ in government spendingIdentified SAR400bn+ optimisation and reallocation opportunitiesEnabled long-term fiscal sustainability and prioritisation discipline	<ul style="list-style-type: none">Reduced cost growth trajectory and improved financial sustainabilityDelivered US\$350m+ validated savingsImplemented 110+ initiatives across business units over two years	<ul style="list-style-type: none">Assessed SAR5.3bn+ in spendIdentified SAR1.1bn in savings (~20% of reviewed spend)Supported in implementation resulting in SAR661m of savings realisation to date (~56% of identified savings)

To optimise spending and strengthen resource allocation, we have developed a structured roadmap that enables rapid impact while driving sustainable value over time



Roadmap

01

Establish governance and baseline the cost structure

02

Align on strategic priorities and resource allocation focus

03

Define and prioritise efficiency gains options

04

Execute decisions and embed sustained value realisation



Activities

- Establish governance with clear roles and decision right
- Assess the current cost base and spending patterns across functions and categories
- Identify key cost drivers, inefficiencies, and areas of cost leakage
- Establish baseline visibility and define priority focus areas

- Align on strategic priorities, business objectives and key value drivers
- Define clear spending priorities and trade-offs across business units and cost categories
- Identify areas where resources should be protected, optimised, or reallocated

- Evaluate spending across relevance, effectiveness and efficiency dimensions
- Identify optimisation and reallocation opportunities across key cost categories
- Prioritise opportunities based on impact, feasibility and value creation

- Execute prioritised opportunities and embed cost discipline into operations
- Monitor performance, track value realisation and adjust decisions as needed
- Strengthen governance, controls, and accountability mechanisms
- Enable continuous optimisation through digital tools and performance tracking



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Thank you

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About PwC

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