

8 TIPS TO REDUCE YOUR LABOR COSTS



Optimizing production while keeping costs under control is a constant struggle. Here are some tips on ways to reduce labor costs.



1. PROVIDE EXCELLENT TRAINING

A well-trained workforce enhances productivity and reduces re-work. Establish a training plan for employees that includes both initial training to ensure they quickly get up to speed, and ongoing training to ensure employees stay current.



2. INVEST IN INNOVATIVE, EFFICIENT TECHNOLOGY

We live in a world with constant change. Invest in new equipment that increases your employees' efficiency. Innovative new technology and equipment can simplify and streamline manufacturing processes, and provide a quick return on investment.



3. CONSOLIDATE PRODUCTS

Consolidating products used in the manufacturing process can simplify employee training, improve overall productivity and reduce labor costs. Buying larger quantities from a single supplier can also result in quantity discounts.



4. CHANGE YOUR PROCESS OR LAYOUT

When was the last time you reviewed your manufacturing process or layout to maximize productivity? Advances in technology and workforce skills might enable modifications that can boost productivity, optimize manufacturing space and reduce labor costs.



5. USE THE RIGHT MATERIALS

Using the lowest price inputs might be costing you money. Substituting higher cost or higher quality raw materials may reduce manufacturing steps and increase line speed, justifying the higher cost.



6. STANDARDIZE PRODUCT OFFERINGS

Offering customers multiple product options can drive sales, but are likely expensive and could be slowing down your entire operation. Standardizing and simplifying your product offerings can reduce expensive custom work and the labor-intensive steps they require.



7. ENHANCE SAFETY

Your employees are valued assets. Make sure you're providing them a clean, healthy and safe work environment. Implementing best-in-class safety protocols can reduce the chance of accidents and costly workers compensation claims.



8. REDUCE OVERTIME

When you're feeling pressure to quickly increase production, paying overtime seems like a no-brainer, but overtime costs can quickly eat into profits. Reduce reliance on overtime by adding another line, temporary workers or new technology to increase your outputs while controlling costs.