Deloitte.

Together makes progress

Enterprise Cost Transformation Survey 2026 Report

Deloitte Performance Improvement & Restructuring

There has never been more cost transformation work underway across the world's largest enterprises: **96% of the organizations** we surveyed are pursuing one.

However, there has never been less value delivered: **Only 14%** achieved their savings target for their top value lever.

State of cost *transformation* in 2026

In early 2026, Deloitte surveyed 500 senior leaders across 15 countries, 60% at the C-suite or vice president or above levels, 62% at organizations with revenues greater than $5 billion.

96% of the participating organizations have completed a cost transformation, have one underway, or are planning one.
And the number of US public companies announcing cost programs rose 26% in 2025 over 2024.

76% either have made the commitment public or plan to.
Cost transformation has moved from an operational item to an investor narrative. In the United States alone, more than 1,100 public companies announced cost programs to their investors last year. **Cost transformations are no longer private. The shortfall, if it comes, will not be private either.**

Only 14% of programs are delivering expected value for their biggest priority at this time.
67% of leaders expect to meet or exceed their overall program targets this year. The record shows otherwise: Last year, only 14% achieved their target. The gap between what leaders are promising and what their organizations have delivered has not yet been priced into earnings calls or board presentations.

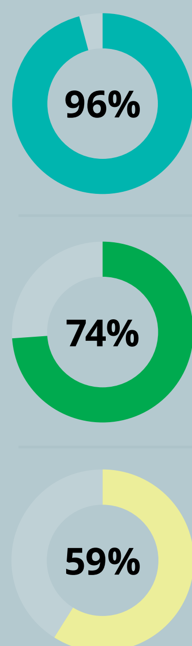
This report is about the **14% club**: The organizations that promise what they can defend and deliver what they promise. What follows is how they do it, drawn from the survey and our work alongside them, and how to join them.

Act I: The *new* reality

Finding 1: Cost transformation is now the expectation

The question is no longer whether to transform. It is whether you are transforming fast enough. With so many organizations committed to cost transformation at various stages, the process has shifted from episodic restructuring to a standing management discipline, embedded alongside capital allocation, talent strategy, and strategic planning. And leaders are not slowing down: 40% plan to expand the scope of their programs, and 34% plan to accelerate their pace.

Nearly ***every major organization*** is undergoing a cost transformation and the targets are ***bigger than ever.***



Completed, underway, or planning a cost transformation

Currently in execution

Enterprise-wide in scope

And they are not slowing down

40% plan to **expand scope**

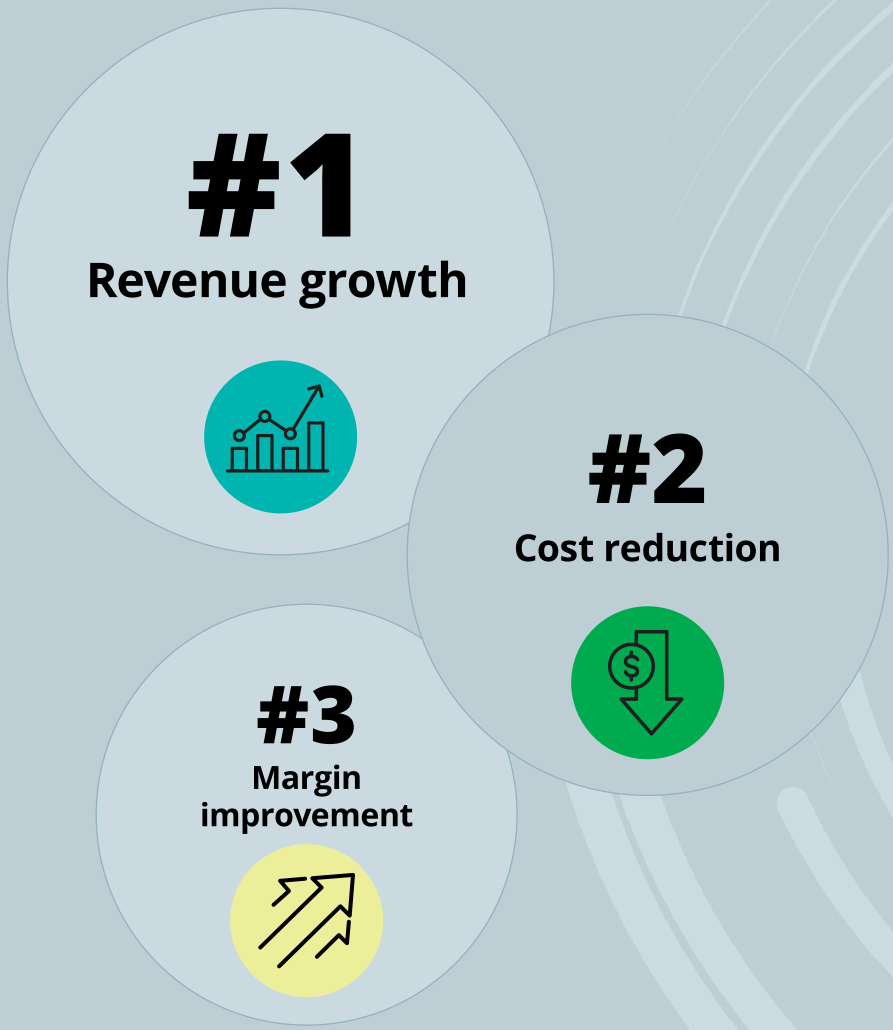
34% plan to **accelerate pace**

Finding 2: Leaders are pursuing cost transformation to fund growth, not manage decline

Funding revenue growth objectives rank as the number-one trigger for cost transformation, ahead of cost reduction (second) and margin improvement (third). Leaders are not restructuring to manage decline. They are creating investment capacity for technology, talent, and market expansion. Any company still positioning its cost program as a defensive exercise is underselling its own strategy.

This reframing raises the stakes for delivery. When cost transformation becomes a tool for investing in future growth rather than a defensive cost-cutting exercise, it can reshape the investor narrative, the talent pitch, and the board agenda. Achieving savings is no longer the standard for success, deploying it toward growth is.

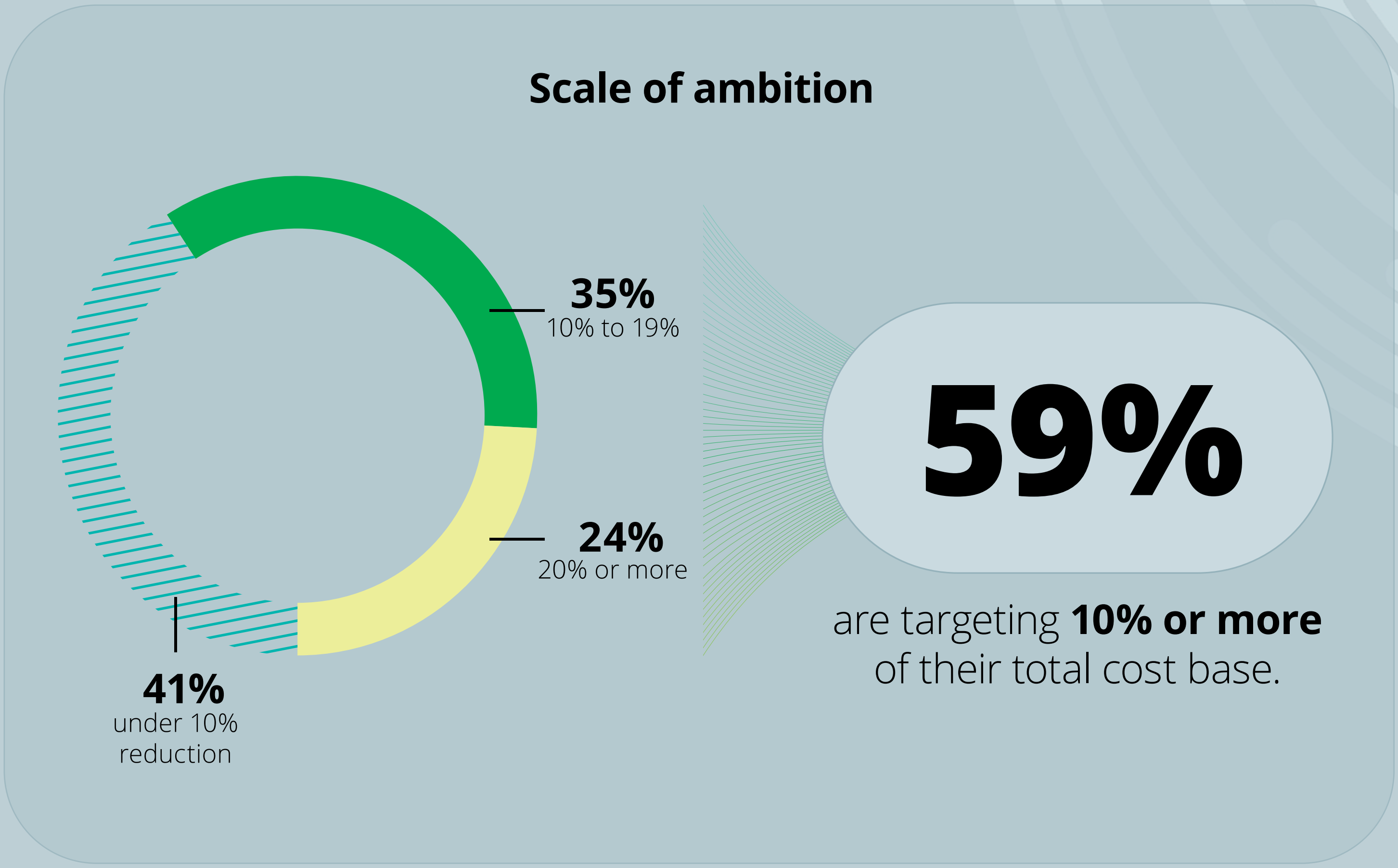
The ***#1 reason*** companies are restructuring isn't to cut costs. It's to ***fund growth.***



Finding 3: Targets are structural, not incremental

The scale of ambition matches the urgency: 59% of organizations are targeting 10% or more of their total cost base, and 24% are targeting reductions of 20% or more. These are not annual budget haircuts. A 10% to 20% cost base reduction requires rethinking the way the organization operates at a foundational level including its technology architecture, workforce model, vendor relationships, and decision-making structure.

The era of incremental and organic transformation is behind us.



Act II: The *paradox*

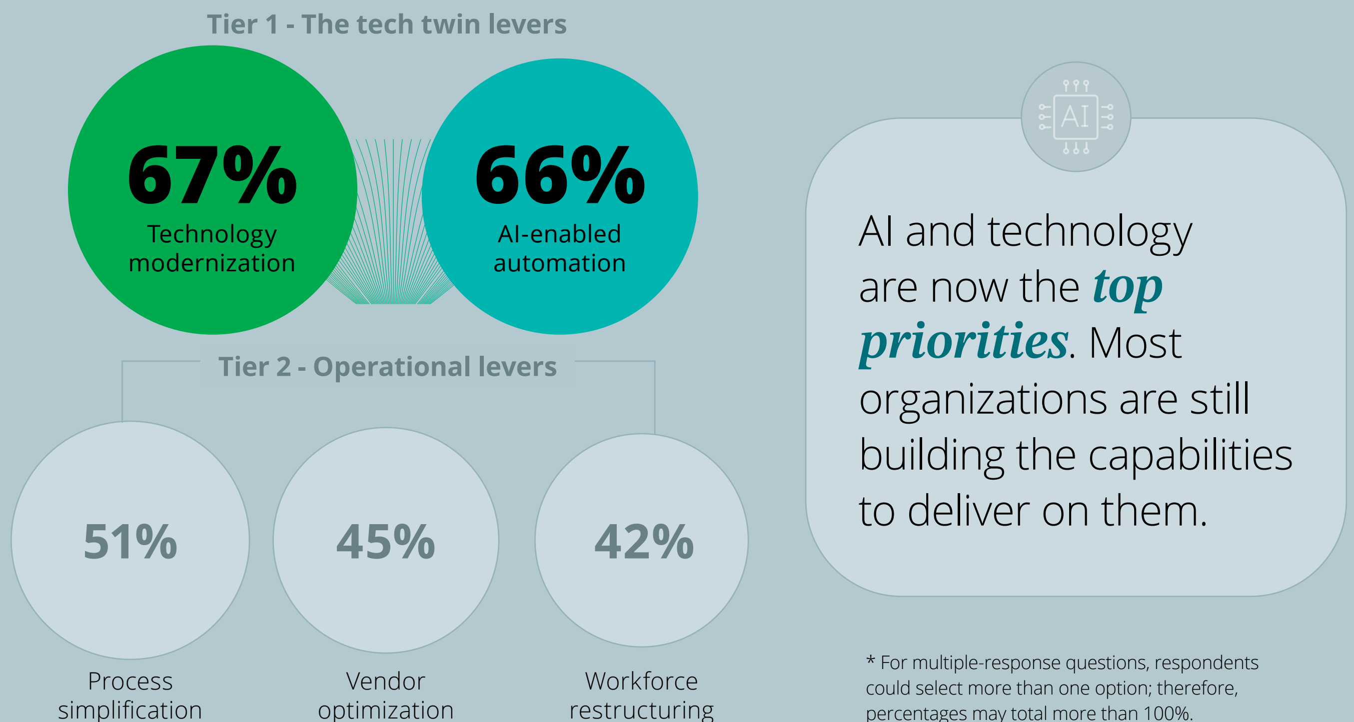
Finding 4: AI and technology modernization are the two largest transformation priorities

When leaders ranked their top five cost transformation levers, technology modernization came first: 67% ranked it in their top five, driven by the need to reduce complexity, rationalize applications and infrastructure, and eliminate technical debt. AI-enabled automation ranked second, cited by 66% for its potential to eliminate manual work, accelerate decisions, and improve productivity. Only 51% cited the next closest lever, process simplification.

AI and digital tools are no longer being justified as innovation investments. Organizations now expect them to deliver specific, measurable cost savings—with their own timelines and executive accountability.

Technology has moved from the CTO's domain to the CFO's. Savings targets tied to AI and technology modernization now appear in earnings calls and annual reports, not just internal roadmaps.

Top five cost transformation levers



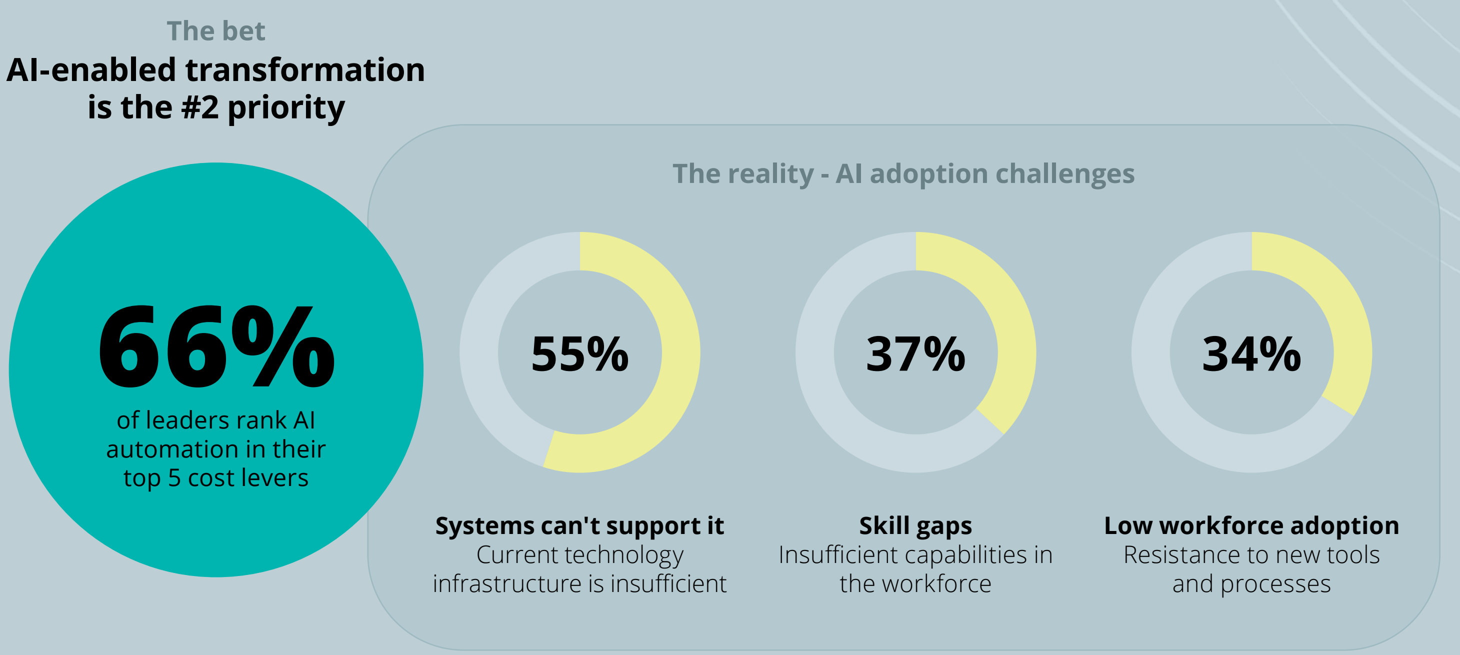
* For multiple-response questions, respondents could select more than one option; therefore, percentages may total more than 100%.

Finding 5: Companies are betting their transformation agendas on AI... while admitting their AI capabilities aren't ready

Here is the central paradox: 55% of leaders pursuing AI-enabled transformation say their current technology systems cannot support it, 37% cite insufficient skills and capabilities, and 34% cite low workforce adoption. The pattern holds for technology modernization as well: System shortfalls (data inconsistencies, platform redundancy), skills gaps, and insufficient funding top the list of constraints.

The strategy has outrun the operating capacity. Organizations are pursuing significant savings targets on the strength of capabilities they are still building—and that, in many cases, are still being funded. The gap between ambition and readiness is not a reason to slow down; it is the critical execution challenge that separates organizations that will deliver from those that will fall short.

Here is the problem no one in the earnings call is explaining.

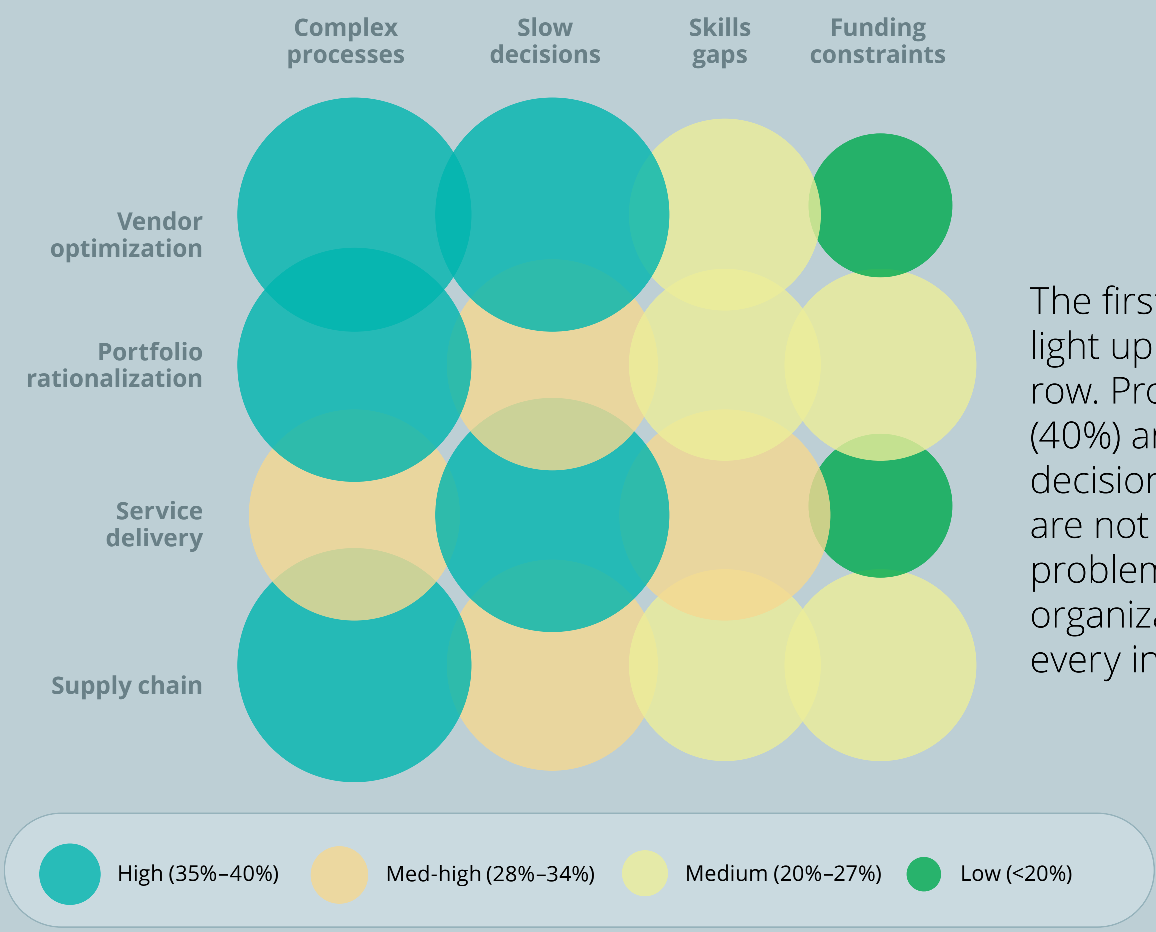


Finding 6: Organizational complexity and slow decision-making are limiting returns across every initiative

While the AI readiness gap is the most visible execution barrier, it is not the only one. 40% of leaders cite overly complex processes as their top transformation barrier, and 38% cite slow decision-making. What makes these findings notable is not their size, but their consistency. The same two barriers recur across every major lever: vendor optimization, portfolio rationalization, service delivery simplification, and supply chain restructuring.

The primary barrier to value capture is not just strategic clarity, but also organizational velocity. The ability to move fast enough, decide clearly enough, and hold the right people accountable determines whether identified savings are actually realized. These are solvable problems, but they require the same leadership attention as the transformation strategy itself.

Top transformation barriers



The first two columns light up across every row. Process complexity (40%) and slow decision-making (38%) are not lever-specific problems—they are organizational-wide for every initiative.

Act III: The *delivery* gap

Program-level confidence is high. A closer look at actual delivery tells a more complicated story.

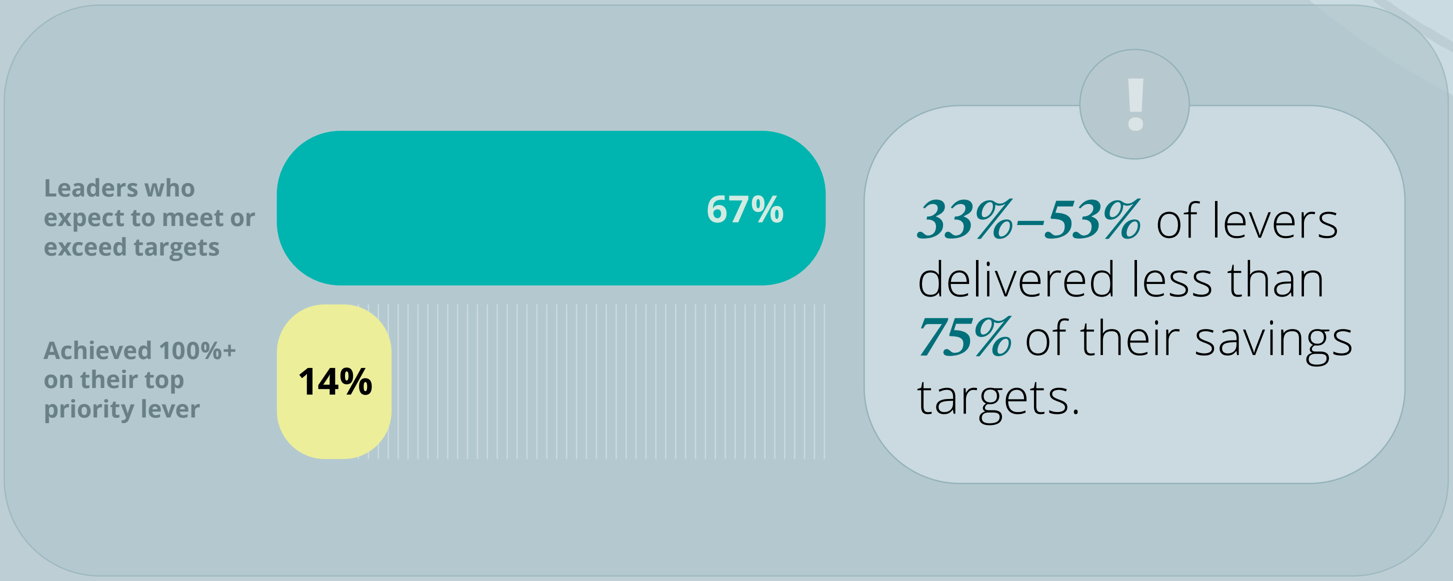
Finding 7: Leadership confidence is outpacing delivery realities

67% of leaders expect to meet or exceed their overall program targets. At the program level, confidence is high.

Drill to a lever within the program and the picture shifts. For the lever each organization considered its top priority, only 14% achieved 100% or more of their savings target for their top lever last year. Between 33% and 53% delivered less than 75% of the target across all levers.

Program-level confidence is high. Lever-level delivery is not. Until organizations stress-test their optimism against granular performance data, this gap will persist.

The optimism is real. So is the underperformance.



Finding 8: Generating savings requires significant up-front investment that most organizations are not accounting for

Cost transformation imposes its own costs: 77% of organizations expect to invest between $0.20 and $0.90 for every dollar of savings targeted. These ratios are manageable—but only if planned for. Only 24% of organizations account for value leakage in their targeting.

The rest are comparing gross savings to net investment and potentially producing headline numbers that may not withstand scrutiny. 44% have already publicly announced their programs to investors. When investment costs are high, leakage is unplanned, and lever performance is below target, the net realized value may be significantly lower than the number on the press release. Deloitte experience suggests 20% to 25% of the target value will be lost.

Value leakage

For every $1 in targeted savings, organizations should plan for:

Total target savings

-

$0.20–$0.90 invested
Implementation cost

-

~20%–25% leakage
Unplanned

=

Net realized
Actual value captured

77%
of organizations invest $0.20-$0.90 per $1 saved

44%
of organizations have publicly announced programs

Only 24% account for value leakage in their targeting. The rest are comparing gross savings to net investment—producing headline numbers that may not withstand scrutiny.

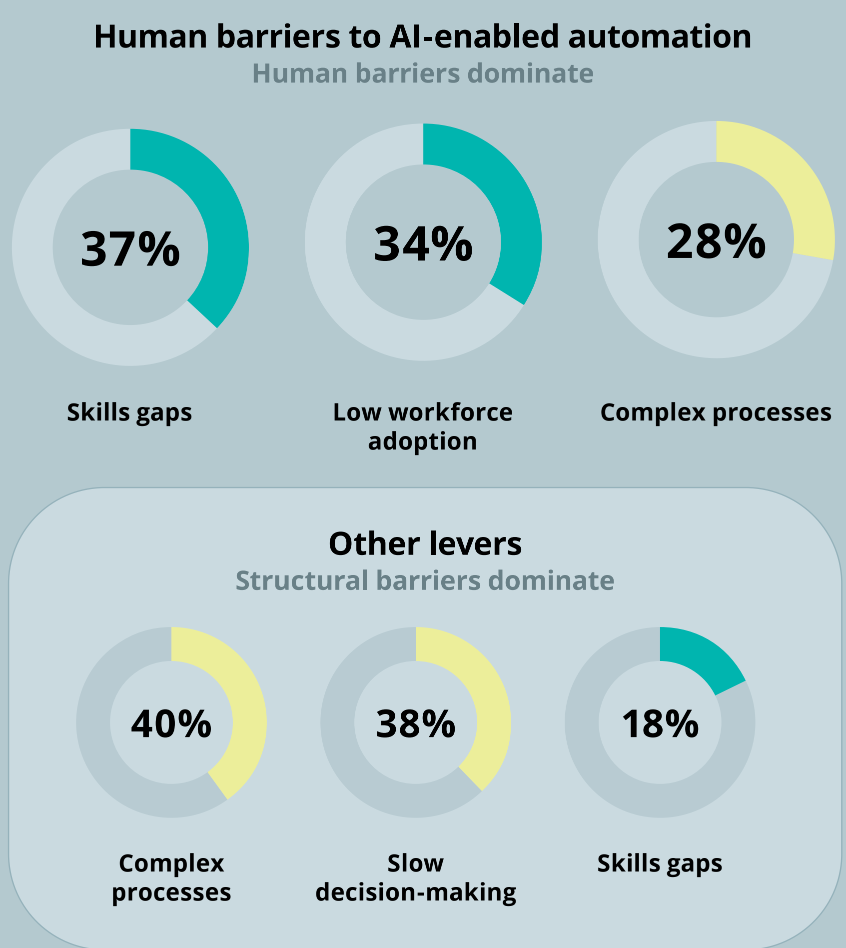
!

Finding 9: AI has a distinctive people and process problem that technology cannot solve

AI is the only major transformation lever in which significant human barriers top the list in addition to insufficient infrastructure. Skills gaps and workforce resistance are stalling AI-enabled savings. These human barriers are far less prominent in more established levers such as working capital or supply chain optimization, in which the constraints are primarily structural and process-driven.

AI is not a technology deployment problem that happens to involve people. It is a people transformation problem that happens to require technology. The bottleneck is not the model. It is the organization's capacity to absorb it.

Organizations that miss this distinction will over-invest in tools and under-invest in change management, training, process redesign, data integrity improvement, and workforce transition, narrowing the transformation bottleneck instead of opening it.



AI is not a technology deployment problem that happens to involve people. It is a people transformation problem that happens to require technology.

Human barriers

Structural barriers

Finding 10: Markets are beginning to price the gap between value aspiration and attainment

Cost transformation is no longer a back-office program and has become an investor signaling strategy and a tool for senior leaders at the world's largest organizations to explain their strategy to the market. **That said, not all announcements land with the same market reaction.**

A Deloitte analysis of 21 Fortune 100 restructuring announcements between 2023 and 2025 found that proactive transformations, those framed around growth, efficiency, or strategic positioning, drove stock-price gains of 5% to 20% within three trading days. Reactive announcements, those triggered by missed earnings, margin pressure, or competitive distress, met declines of 3% to 26% in the same window.

The market is pricing the credibility of the program, not the announcement itself. For the 76% of organizations that have made cost transformation a public commitment or want to, the question is no longer whether the work will be visible. It is whether the work, when visible, will read as preparation or as a reaction to their situation.

Market responses

Proactive transformations

Framed around growth, efficiency, or strategic positioning

+5% to +20%

Stock-price gain within three trading days of announcement

Reactive announcements

Triggered by missed earnings, margin pressure, or competitive distress

–3% to –26%

Stock-price decline within three trading days of announcement

The market is pricing the credibility of the program, not the announcement itself.

Based on every Fortune 100 restructuring announcement between 2023 and 2025 (21 in total) sourced from earnings calls, investor presentations, and SEC filings. Stock movement measured within a three-trading-day window. Multiple factors influence share price; the announcement is isolated as the primary driver for this analysis. This sample is US-only. The pattern likely holds elsewhere, but that has not been tested.

What separates leaders who *deliver*

The 14% club is not made of luckier organizations or those with better resources. It is made of organizations that have adopted five disciplines, all of them visible in the survey data and all of them reproducible.

1	**Account for leakage**	Deloitte experience suggests that 20% to 25% of targeted value will be lost to scope creep, organizational inertia, and lack of investment capital. Build that leakage into the forecast at the outset. Only 24% of the organizations we surveyed are doing this today.
2	**Fund the transformation before announcing it**	Generating one dollar of savings costs between $0.20 and $0.90 to implement. The 14% club budgets for this from the outset, often establishing a restructuring reserve before execution begins. The rest publish headline savings against an implementation cost that has not yet been reserved.
3	**Build a defensible baseline**	A three- to five-year spend trendline grounds every target in operational reality and makes quarterly reporting back to the board and the street consistent over time. Without it, the same number means different things in different quarters and does not have a consistent starting point.
4	**One goal, one owner**	A single empowered leader. A single definition of delivered value. No competing scorecards. Programs without a single executive sponsor/owner are programs without accountability.
5	**Announce what you can deliver**	Go to the street only when the work is architected, funded, sequenced, and owned. The 14% never make a public commitment they cannot defend in private.

The 14% do not just announce transformation. They architect it, fund it, govern it, defend it, and deliver it. That is what separates them. And it is what makes their work, when it reaches the market, read as preparation rather than response.

About the survey

In early 2026, Deloitte's Performance Improvement & Restructuring practice surveyed 500+ senior enterprise leaders in collaboration with Potloc across 15 countries in North America, Europe, and Asia Pacific. Seventy-one percent of respondents are based in North America, with the remainder in Europe (16%) and Asia Pacific (13%).

Sixty percent hold C-suite or vice president or above roles; 81% are senior management level or above.

Respondents were screened for direct involvement in enterprise cost transformation.

Fifty-seven percent represent publicly traded organizations, and 62% report annual revenues greater than $5 billion.

Industry sectors are life sciences and health care (27%), financial services (23%), consumer and retail (18%), technology, media, and telecommunications (18%), and energy, resources, and industrials (14%). All percentages are based on the full sample of 500+ respondents unless otherwise noted.

Authors

Karthik R. Krishnamoorthy
Principal, North America
Deloitte Consulting LLP
kakrishnamoorthy@deloitte.com

Traci Prevost
Principal, North America
Deloitte Consulting LLP
tprevost@deloitte.com

Ion Skillrud
Principal, North America
Deloitte Consulting LLP
iskillrud@deloitte.com

Sal Algeri
Partner, Australia
Deloitte Touche Tohmatsu
saalgeri@deloitte.com.au

Massimiliano Franco Maria Tiana
Partner, Italy
Deloitte Advisory S.r.l. S.B.
mtiana@deloitte.it

With appreciation to Jason Clough (Senior Manager), Boh Kim (Senior Manager), and Jordan Yang (Manager) for their thoughtful contributions and invaluable research support.

Deloitte.