



TALENT, ORGANIZATION, & PEOPLE SOLUTIONS

# How Linchpin Leaders Unlock Successful Cost Optimization

**Cost optimization is rarely pursued out of choice. More often, it's a response to urgent pressures that force organizations to act quickly: activist investors, declining stock performance, reallocation of costs to fund growth, or market volatility, to name a few. In these moments, the success of the company's transformation depends not just on strategy, but also on how leaders mobilize their people, sustain urgency, and embed new ways of working long after the initiative ends.**

The executive leadership team typically sets cost optimization targets. However, it is the leaders who sit just below them, but above middle management—the VP/Director tier—who ultimately determine whether cost goals are met and sustained. This layer holds real budget authority and strategic influence, unlike middle management who primarily execute and enforce the work set by the leaders above them. We call this VP/Director tier the “linchpin leaders”—they are the connective tissue through transformation. These leaders play a crucial role when it comes to achieving lasting results.



## Translating Strategy into Realized Cost Savings

At A&M, we often help our clients identify and execute cost takeout efforts that simplify operations and improve performance. In nearly every case, external pressures mean speed matters when driving cost-saving goals. Most cost optimization programs are born out of necessity, triggered by:

- Declining performance
- Investor pressure
- Need to reallocate capital toward growth

In one engagement, our client, a multinational pharmaceuticals company, set out to restore profitability with 150 targeted initiatives to deliver \$900 million in savings—and the linchpin leaders were central to the client successfully delivering on these ambitious objectives.

Brad Hullsiek, a Managing Director with A&M who served as the talent and change lead on the engagement, asserts: **“The sheer size and scale of the transformation meant that success hinged on leaders worldwide who embraced the business imperative and championed rapid, complex change—bringing clarity and urgency to their teams.”** The \$900 million in cost savings didn't realize itself. It took linchpin leaders aligning every layer of the organization to make it happen.

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Middle managers and employees at the base of the organization feel the effects of change most directly.

### The Crucial Leadership Challenge

Unfortunately, for many organizations, cost optimization efforts don't always go to plan. For executives, alignment comes quickly—often because they are incentivized to achieve savings goals. Change in the rest of the organization starts off with good intentions, determination, and optimism: The strategy is clear, the case for change is compelling, and the first wave of actions creates energy. Yet within months, momentum stalls and resistance emerges—most often because linchpin leaders are tied to the status quo and hesitant to disrupt the teams and processes they previously built. This leaves employees feeling uncertain about their roles and skeptical about whether this transformation will outlast the latest corporate slogan.

Notably, middle managers and employees at the base of the organization feel the effects of change most directly but understand the rationale behind it the least; they need linchpin leaders to guide them through the transformation. Meanwhile, executives are fully aware of the reasons behind the change and, impatient for results, find themselves frustrated by the lack of visible progress.

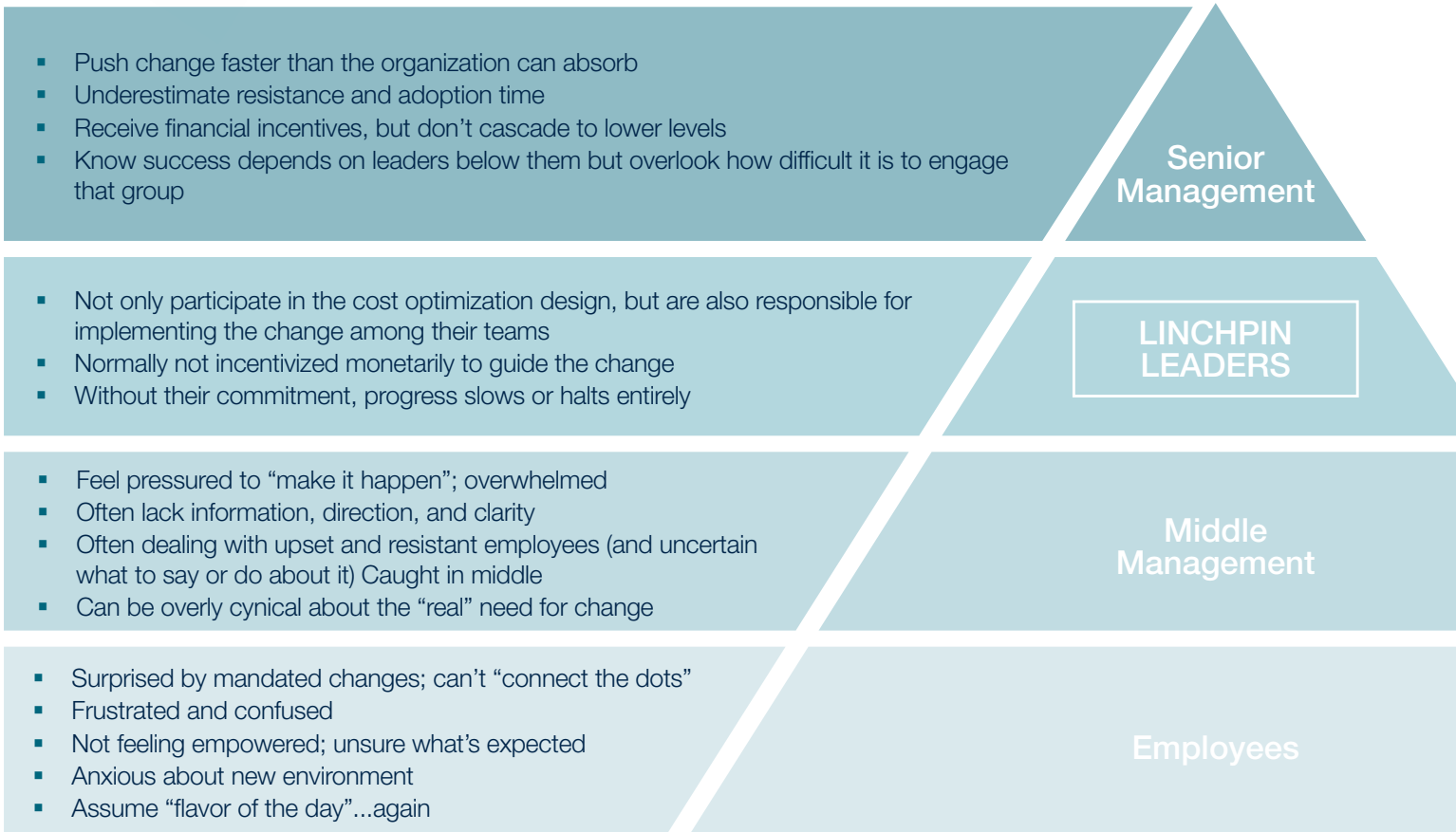
The larger the organization, the greater the complexity, and the harder it is to align the entire company. The gap between the urgency at the top and the pace of adoption below defines the leadership challenge at the heart of cost optimization. The critical question, therefore, is: How can organizations equip and empower their linchpin leaders to translate strategy into sustained cost savings?



### Where Change Lives or Dies

At A&M, we find it helpful to think about organizations across four tiers, rather than the three-tier model most executives and consultants use. In doing so, we emphasize the importance of linchpin leaders. The model in Figure 1 highlights how different organizational levels react to change: Executives are typically motivated by a sense of urgency and the need to drive enterprise-level metrics such as EBITDA and shareholder value. On the flip side, middle managers and frontline employees may experience change as a threat to job security and feel uncertain about operational expectations. Linchpin leaders sit between these groups and often have a bias toward maintaining team continuity and operational stability, which can make cost optimization efforts challenging for them.

Figure 1: Reactions to Change by Level



## HOW LINCHPIN LEADERS UNLOCK SUCCESSFUL COST OPTIMIZATION



Executives must set the enterprise agenda, not just a list of targets and initiatives.

For effective cost optimization, leadership cannot be confined to the executive suite. It must play out across the different leadership layers, each of which has distinct responsibilities.

First, executives must set the enterprise agenda, not just a list of targets and initiatives, and then remain visibly committed throughout the journey, not just at the launch. They need to create forums for candid dialogue, invite bold ideas, and align incentives so that transformation behaviors are reinforced.

For the next layer of leadership, the linchpin leaders, the mandate is different but quite possibly more critical. In our experience, this layer is where strategy either translates into action or grinds to a halt, because this crucial band of leaders controls both resources and the narratives that shape how the teams below them respond to change. Without visible leadership and commitment from them, execution stalls, skepticism grows, and progress slows to a crawl.

As such, they must:

- Translate strategy into operational reality
- Manage competing priorities—simultaneously run and change the business
- Coach their teams through ambiguity, inspire change, and surface resistance rather than allowing it to fester



The role of linchpin leaders is to embody both stability and change, showing their teams that it is possible to deliver today's results while shaping tomorrow's future. After all, the layer below them, comprising middle managers, is often described as the "frozen middle." If the linchpin leaders above cannot drive and sustain momentum, change fatigue and resistance naturally grows within this group, and transformation execution stalls.

Linchpin leaders can take practical steps to promote change (see Figure 2). At this level, it will be visible to others when it's working and even more obvious when it isn't.

Figure 2: Practical Steps for Linchpin Leaders

Actions to Take	Watch Out For
<p><b>Champion the Change</b></p> <ul style="list-style-type: none"> <li>Communicate the "why" consistently and with conviction</li> <li>Connect the change to team goals and individual impact</li> <li>Defend the change when questioned</li> </ul>	<p><b>Passive Leadership or Abdicating to Others</b></p> <ul style="list-style-type: none"> <li>Cascading messages without adding your own context</li> <li>Being unavailable during critical transition periods</li> <li>Waiting for the team to "figure it out" alone</li> </ul>
<p><b>Create Clarity</b></p> <ul style="list-style-type: none"> <li>Break down complex plans into actionable steps</li> <li>Show what success looks like with specific examples</li> <li>Set clear priorities and talk about the trade-offs</li> <li>Translate activities into measurable cost outcomes</li> </ul>	<p><b>Mixed or Undermining Messaging</b></p> <ul style="list-style-type: none"> <li>Publicly supporting but privately doubting the change</li> <li>Undermining suggested action with phrases like "I know this is a pain, but..."</li> <li>Continuing old behaviors while asking for new ones</li> </ul>
<p><b>Drive the Urgency</b></p> <ul style="list-style-type: none"> <li>Split the plan into small milestones and execute fast</li> <li>Remove barriers and escalate blockers quickly</li> <li>Celebrate early wins publicly</li> </ul>	<p><b>Avoiding the Tough Conversations</b></p> <ul style="list-style-type: none"> <li>Ignoring resistance or performance issues</li> <li>Sugarcoating challenges or overpromising outcomes</li> <li>Not addressing who's struggling and why</li> </ul>
<p><b>Model the Behavior</b></p> <ul style="list-style-type: none"> <li>Adopt new ways of working first and visibly</li> <li>Share your own learning journey, including your struggles</li> <li>Show up consistently when things get difficult</li> </ul>	<p><b>More Talk than Action</b></p> <ul style="list-style-type: none"> <li>Talking about change without taking action</li> <li>Not following up on progress, not showing accountability when it comes to achieving results</li> <li>Assuming emails equal effective leadership</li> </ul>
<p><b>Engage the Team</b></p> <ul style="list-style-type: none"> <li>Listen to concerns and adapt your approach</li> <li>Empower and recognize the change champions in your team</li> <li>Create space for honest dialogue</li> </ul>	<p><b>Losing Sight of the Team</b></p> <ul style="list-style-type: none"> <li>Ignoring signs of burnout or change fatigue</li> <li>Focusing only on deliverables at the expense of morale</li> <li>Failing to recognize effort during difficult periods</li> </ul>



Executives need to empower and incentivize linchpin leaders, remove systemic barriers, and create the operating conditions.

### Creating Lasting Results with Executive Support

As much as they represent the key to implementing effective cost optimization programs, linchpin leaders cannot do it on their own; they need the full support of executives to accomplish goals. In Figure 1, we show the motivation gap across the four tiers. To turn strategic intent into operational change, executives need to empower and incentivize linchpin leaders, remove systemic barriers, and create the operating conditions—including resources, authority, and prioritization—that allow linchpin leaders to deliver cost outcomes without friction. Executives can accomplish this by:

- Bringing in linchpin leaders as co-architects of the cost optimization agenda
- Communicating—with transparency—why the transformation is critical for business survival and/or success
- Being a role model for change leadership and holding the linchpin leaders accountable for this too
- Backing the tough “no” decisions made by linchpin leaders to ensure consistency
- Aligning incentives and rewards so priorities and urgency are clear

A&M Managing Directors in Transformation Rebecca Stockley and David Podolsky elaborate on the psychological courage required of executives in a piece titled [“Getting Past Denial to Embracing Transformation.”](#)



This is the point where cost optimization moves from strategy to sustained reality. Across each stage of transformation (see Figure 3), the formula for success—and risk—becomes clear.

Each phase builds on the one before it. When leaders stay disciplined across all four phases—shaping, mobilizing, executing, and embedding—cost optimization delivers results that last.

**Figure 3: Stages of Transformation**

	Shape	Mobilize	Execute	Embed
Key Activities for Success	<ul style="list-style-type: none"> <li>Executives align on vision, purpose, and urgency</li> <li>Translate the “why” into clear, compelling messaging</li> <li>Foster cross-functional alignment early</li> <li>Demonstrate urgency and set visible quick wins</li> </ul>	<ul style="list-style-type: none"> <li>Executives visibly engaged and reinforcing outcomes</li> <li>Balance day-to-day delivery with transformation goals</li> <li>Equip linchpin leaders and middle managers to address resistance and fatigue</li> <li>Re-anchor teams as priorities compete</li> </ul>	<ul style="list-style-type: none"> <li>Celebrate wins to reinforce progress</li> <li>Emphasize the “why” and stay the course</li> <li>Normalize new routines in daily operations</li> <li>Invest in capabilities to sustain new behaviors</li> </ul>	<ul style="list-style-type: none"> <li>Measure how outcomes are achieved, not just results</li> <li>Build leadership capability for ongoing adaptation</li> <li>Embed agility to respond to future disruptions</li> <li>Reinforce transformation as continuous, not episodic</li> </ul>
If you don't....				
Risks	<ul style="list-style-type: none"> <li>Skepticism hardens at lower levels</li> <li>Alignment lags and slows progress</li> <li>Early momentum fizzles out</li> </ul>	<ul style="list-style-type: none"> <li>Initial enthusiasm fades into fatigue</li> <li>Resistance grows louder</li> <li>Leadership credibility erodes</li> <li>Organization slips back into old patterns</li> </ul>	<ul style="list-style-type: none"> <li>Changes remain superficial and temporary</li> <li>Old habits quickly resurface</li> <li>Financial gains evaporate</li> </ul>	<ul style="list-style-type: none"> <li>Transformation stalls at one initiative</li> <li>Organization reverts to reactive mode</li> <li>Long-term resilience is never built</li> </ul>



The most successful companies don't just manage change, they lead through it.

### Linchpin Leaders in Action

“Cost optimization is never just about numbers on a spreadsheet. It is about how leaders mobilize people, disrupt the status quo, and sustain belief in a better future throughout the journey. Strategy sets the direction, but leadership determines the outcome,” says Rob Koczo, a seasoned transformational change leader and Managing Director in A&M’s Talent, Organization & People practice.

By empowering linchpin leaders and aligning executive support, companies can achieve sustainable results. They must recognize that the leadership layer below executive is not a barrier to overcome but the key tool to utilize. For a smooth cost-optimization process, these are your next steps: Assess your leadership layers, clarify roles and cost-optimization expectations, and launch targeted initiatives to drive change.

The most successful companies don't just manage change, they lead through it. The cost optimization battle isn't won in spreadsheets—it's made or broken by effective leadership. Plans and targets set ambition, but linchpin leaders turn this into action by mobilizing teams, challenging entrenched habits, and keeping belief alive when change gets hard.

The difference between stalled savings and sustained transformation lies in this leadership layer. When executives actively empower linchpin leaders, cost optimization programs become embedded, not imposed. This group isn't a hurdle to manage; it's the multiplier that makes strategy stick.

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