



## **Introduction to Purchasing Solutions**

One of the most effective ways any business can improve its profitability is to lower its costs - and very often, the most fundamental area of cost reduction is to be found in the way it purchases its supplies. Cost reduction including operational efficiency is a very important element in increasing earnings.

Sometimes, however, it is not always easy to identify weaknesses or opportunities from within and it requires specialist expertise to undertake independent, critically professional analysis of the situation in order to implement strategic change.

### **Welcome to the specialist services of Purchasing Solutions.**

Please do not hesitate to contact us if you would like further information on any of our services, or to discuss how your own business could benefit from our extensive experience in purchasing and supply chain management for the Hospitality Industry,



## About Us

In hospitality purchasing and supply chain management there is no such thing as a standard package. Every project we embark on is a bespoke challenge and as a truly independent company which operates exclusively in the food and drink industry, no one is better placed to provide the personal attention and confidential service you demand.

Because no two company's requirements are alike, our own service is also totally flexible. From the catalogue of facilities we offer, you can select as few or as many as you wish. We always tailor our methods to meet our client's individual operating needs:

- An outsourced specialist consultancy
- Part of your in-house purchasing team
- Working with your management

Whichever approach you decide on, we will help you identify strengths and opportunities. We will highlight areas for improvement. We will also carefully manage the necessary change on your behalf, or help you implement the agreed procedures

- Our service does not conflict with other business interests
- We have expert negotiating skills across all product areas
- We guarantee no compromise in quality to achieve cost savings
- We do not seek to recover income from suppliers or a percentage of savings

Our service is customer focused, fiercely competitive and discretely confidential.

### **A history of success.**

Purchasing Solutions was established in January 1996 with a clearly identified mission to assist businesses within the hospitality and food service industry generate a valuable competitive advantage by optimising the efficiency of their purchasing and supply chain operation.

Since then our client base has grown to include an impressive portfolio of companies from small privately owned enterprises to high-profile international organisations:- including hotel groups, pubcos, business and industry contract caterers, breweries, healthcare and leisure operators.

Whoever they are, whatever their size and irrespective of their requirements; each and every client enjoys our unique brand of personal, high quality service from our experienced team of professionals who are dedicated to creating sustainable purchasing arrangements with the emphasis on longevity without complacency.

With mutually beneficial arrangements, suppliers too can often look forward to improved consistency of tenure and enhanced management control.

Principal and Managing Director, John Sullivan has an outstanding history of achievement within the hospitality and food service industry. His former corporate career included the following highly respected organisations:

The Savoy Group  
Gleneagles Hotels  
J Lyons Catering  
Town & County  
Allied Lyons  
The Boddington Group



## Sectors

OUR SPECIALITY IS WHAT YOU SPECIALISE IN

As a highly experienced and specialist purchasing management service, that is dedicated to the hospitality and food service industry, we are in a unique position to provide the customer focused, bespoke, truly independent and strictly confidential service that organisations such as yours demand.

Through our many years of experience within this specialist market sector we have gained extensive knowledge and professional connections with the key industry suppliers in all the following areas:

- Food - fresh, frozen, chilled, ambient
- Licensed drinks - beers, wines, spirits
- Soft drinks
- Consumables
- Catering equipment
- Cleaning and hygiene products
- Service contracts - linen hire, laundry, cleaning
- Utilities
- Agency Staff
- Cleaning and Housekeeping
- Waste Management
- Fixtures, fittings, furnishings
- Supply chain logistics
- Electronic Trading

Our experience has been used and approved by companies with all these sectors:

- Airline catering
- Brewers
- Consulting associates
- Contract caterers
- Food manufacturers
- Wholesalers and distributors
- General business consultants
- Healthcare operations
- Hotel groups
- Independent restaurants
- Leisure
- Pub companies



## Support

WHEN YOU REQUIRE ADDITIONAL SUPPORT WE KNOW EXACTLY WHERE TO LOCATE IT

Sometimes the plans we recommend require additional specialist services which are beyond the boundaries of our own expertise.

For instance:

- We might suggest a review of I.T. and systems.
- We could urge improvements in warehousing, or food manufacturing and operating procedures.
- We might even recommend that you recruit additional specialist personnel.
- We could advise on E-procurement, online auctions or internet ordering.
- Or you might require independent assessment and certified approval of existing or new suppliers.

Where situations such as these occur and where you do not have an existing suitable provider, we are quite happy to take on responsibility ourselves in either of two ways:

- As a facilitator who will source and manage the appropriate project supplier.
- By recommending one of our approved partner organisations and referring them to you in order that you can implement your own requirements.

Either way, we will be delighted to be of service.



## Consultancy

### WORKING WITH YOU TO INCREASE THAT COMPETITIVE EDGE

Our consultancy service can take many forms depending on a company's individual requirements and can include long term partnerships, short term programmes, expert advice, or category specific projects.

These can include:

- Analytical assessment of current business activities, including purchasing process and resources
- Benchmarking existing terms and agreements
- Contract re-tendering and negotiation
- Supply chain rationalisation
- Cost reduction projects
- Access to new markets
- Change management
- Feasibility studies

Expertly and efficiently we would fully research current procedures across all categories of expenditure, obtaining data from both ends of the supply chain to identify strengths, weaknesses and make recommendations.

Our analysis phase would include:

- Assessment of food, beverage and non-food purchasing terms and procedures
- Supplier selection and nomination policies
- Current purchasing strategy
- Summary of annualised purchases by product and value

It would also focus on:

- Supplier capabilities
- Order process
- Purchasing compliance
- Quality of goods and service provided
- Price control
- Stock holding
- Invoice processing
- Payment terms

A detailed report of our findings would then be provided together with recommendations for a proposed strategy of change and improvement.

Only after discussions and agreement with you would we undertake specific phased activity within confirmed areas of responsibility and timescale. Each phase to be concluded with a formal report and summary of actions taken and benefits secured.

Fee base

Charges for consultancy and implementation of recommendations would be based on an agreed day-rate or contract management fee. We do not charge commissions on suppliers or expect percentages of your savings.



## Outsourcing

### REDUCE YOUR COSTS WITHOUT REDUCING STANDARDS

Outsourcing those skills not available in-house, or to reduce internal costs is a sensible strategy for any organisation to consider.

Outsourcing can also be a valuable tactic when you wish to undertake a specific project that is beyond internal competence or would overload or jeopardise the efficiency of the existing purchasing operation.

The clever part is to identify the best outsource partner who can provide the skills and experience you require at a viable commercial rate.

With our extensive background and experience within the hospitality and food service industry we can provide exactly the service you require.

We operate discretely and professionally on your behalf to match agreed objectives, budgets and timeframes across a range of specified activities:

- \* Market access and intelligence
- \* Product sourcing and supplier assessment
- \* Price negotiation
- \* Collaborative buying
- \* Monitoring and management of suppliers in service, quality, expenditure and cost-control
- \* Administration and management reporting

### Agreed parameters

An outsourcing agreement would be governed by pre-identified and agreed disciplines in terms of scope, timeframe, cost and benefit objectives.

Progress, updates and management reports keep clients clearly up-to-date on all aspects of this activity.

Fee base

Outsourcing is undertaken on an agreed retained or project management fee basis.



## Project Management

### INTERIM SUPPORT RIGHT WHERE YOU NEED IT

When clients are considering a new project, they often recognise that an experienced interim manager would provide more efficient and more cost effective results, either because the necessary in-house skills are just not available, the additional workload would overburden existing resources, or they would prefer it to be handled by an external acknowledged specialist who is unencumbered by the day-to-day business demands.

Utilising the experience and skills attained over many years involvement within the industry, we have successfully accomplished many project management challenges for our clients - either leading in-house teams or operating on a solus independent basis.

Our functions have included not only planning and initiating new developments, but also implementing the subsequent strategic changes required to both agreed timeframe and budget.

The implementation of any new supply arrangements will, where required, be backed by a full support package which could include:

- Communications to operational personnel
- Monitoring of the new supplier terms
- Promotional planning and implementation

### Fee base

Project management contracts are charged on a fixed fee contract assignment basis.



### **Management Contract Support**

Increasingly Owners and Investors of Hotel and Leisure facilities are appointing management companies to manage the entire day to day business on their behalf, producing an increase in earnings when capital asset growth is difficult to achieve in the current market. These management companies are best positioned to offer an appropriate range of services to deal with the complexities of the Hospitality Industry.

One of the best ways to increase earnings is through effective purchasing management. Maximizing purchasing spend, increasing compliance, improving operations & business process will add value & deliver significant benefits for the client.

We have a successful track record of delivering these benefits to a number of Owners and Investors in Hospitality through our outsourced management contract support.

If you are a Hotel or Leisure Management Company, an Owner or Investor, we would be delighted to discuss our services with you.



### **Audit and Rebate management services**

ARE YOU SURE YOU ARE ON THE RIGHT TERMS?

A great deal of time and considerable skill is taken to negotiate commercial supply terms and agreements. What often happens however is that those terms are not always implemented in full or correctly. Auditing actual invoices against agreed pricing is often overlooked or not carried out by the people responsible. From our external auditing we have found that potentially a company can be paying up to 3.0% extra per year through inaccurate supplier invoices. We have been successful in recovering significant credits on behalf of our clients due to overcharging.

Similarly rebate reconciliation when managed effectively will ensure that all rebates are paid and can be accounted for.

If you would like to discuss our auditing and rebate management services please contact me.



## Temporary Staff

### A PERMANENT SOLUTION FOR TEMPORARY MEASURES

A significant and potentially untapped opportunity lies in the area of Temporary Staff and Contract Labour recruitment. Often falling outside the remit of purchasing, our recent experience confirms that the majority of arrangements for sourcing "Agency" staff are local and informal. This puts business at risk from recent changes in employment and immigration legislation. The process of hiring Temporary Staff under formal contractual agreements can often appear daunting; but our success in delivering robust purchasing solutions in this area will bring cost reduction and additional associated benefits including:

- Rationalisation of Suppliers- cost and process savings
- Increased risk management; improve due diligence
- Eliminate rogue supplier sourcing
- Transparent costs in service
- Improved service, quality and performance
- Flexible supply arrangements
- Increase savings potential from improved consolidated terms

We have a proven track record in delivering these benefits through strategic project management activity in this specialised area.

This activity typically involves:

- Analysis of client expenditure- by outlet and Group business
- Comparison of Budgeted to actual expenditure within category
- Analysis of Supplier usage and expenditure- by outlet and Group
- Category of staff analysis- by type and grade of staff, by rates for staff supplied
- Commercial Terms assessment
- Employment Business (Agency)- business operation assessment, compliance to legislation

Following the assessment phase we would provide a potential benefits assessment with our recommendations for change. Once agreed a strategic sourcing initiative would be carried out including a pre-qualification process, contract terms negotiation and concluding with the full implementation and communication of the new agreements, formalising contractual and service level agreements.

This is a major un-tapped opportunity for any business within the Industry that has not got formal agreements in place. It allows for Operations, H.R. and Purchasing to combine effectively whilst maximising the group's expenditure and focus on a non core activity.

### Fee Base

We make no charge for an initial consultation at which time we will explain the process in full detail. Our professional fees are agreed in advance of each phase of the project. We do not charge commissions on suppliers nor expect to recover any of your negotiated savings.

If you think that this could be of interest to your business I would be delighted to hear from you.



## Utilities and Waste Management

### EXPERIENCED ASSISTANCE FOR ESSENTIAL SERVICES

De-regulation in the electricity and gas supply markets initially provided significant cost-saving opportunities for businesses. In more recent times uncertainty in maintaining supplies and significant increases in Oil prices have created significant cost increases. Likewise efficient waste management has become an increasing issue to Hospitality businesses.

Our procurement services now extend into providing clients with competitive commercial supply arrangements for these essential services.

A simple analysis of your utility/waste bills will enable us to quickly evaluate the benefits obtainable by re-negotiation.

Further detailed information on the type of service we can provide, including the on-going management of your utility contracts, is available on request.

As part of our service we can also:

- Develop internal communications to suit your company needs
- Agree an appropriate marketing strategy with suppliers
- Provide a management service which will audit bills and usage data
- Recommend further opportunities to increase efficiency in energy use and cost-reduction opportunities

### Fee basis

Charges for Utility and Waste Management consultancy, including the negotiation and implementation of new supply contracts are entirely client transparent. Various management fee arrangements are available to meet your specific requirements.



## Electronic Trading

### THE FUTURE HAS ARRIVED

The Hospitality Industry is now reaping the benefits from Internet based technology. Electronic Trading solutions developed to manage all purchasing and invoice management is finally a reality. Working with ABS Ltd the company behind Tradesimple, the market leading provider of purchase to pay solutions; we are able to provide the complete end-to-end purchasing and supply chain management solution for your company providing:

Cost reduction, products, overheads, business process

Increased Compliance of product usage and approved supplier agreements

Transparency & Control of operational purchasing transactions

Online validation and payment of supplier invoices



## Introduction to Advanced Purchasing Solutions

Purchasing Solutions (UK) Ltd provides strategic purchasing services to clients in the Hospitality Industry.

Now in conjunction with ABS using Tradesimple the proven electronic trading solution for Hospitality business advanced purchasing solutions can further improve control and reduce total costs in purchasing process.

Key Benefits:

<b>Transparency &amp; Control</b>	<b>Cost Reduction</b>
Full transparency of procurement spend, at individual site and corporate level	Improved buying opportunities, increased leverage of group purchase volumes
Complete control & visibility of all operational purchasing transactions	On line validation of supplier invoices via managed invoice service
Elimination of rogue purchasing & increased compliance in use of appointed suppliers	Low cost of entry, no hardware, software or infrastructure cost.
Reduced manual intervention and overhead costs in invoice process & payment	Reduced supplier overhead costs leading to improved supply terms for clients

If you want the joint benefit of truly independent cost effective purchasing and an integrated business solution to transact it contact us, we can deliver this for your business.

To learn more about Tradesimple and Purchasing Solutions visit:

<http://www.purchasingsolutions.co.uk>

<http://www.abs-ltd.com/hospitality>