



Foodbuy's Negotiated Improvements with Distributor Deliver 9.4% Reduction in Markup and 4.4% Increase in Rebates

Member Profile

This member is a regional hotel management company specializing in two to four star properties that purchase several million in products and services per year. The customer operates mainly in the southeastern US with some locations in the Midwest.

The Challenge

The goals were to review and lower the inbound Cost of Goods (COGS) as well as assess current operations for opportunities to improve efficiency. A consultation with Foodbuy's Culinary experts can help to increase your operational efficiency!

Foodbuy Culinary Solutions, in conjunction with the management company, conducted a consulting review of the Convention Center Property by request of the property's Executive Leadership.

The Solution

Using the customer compliance report, Foodbuy Culinary Solutions worked directly with the property's executive chef and food and beverage director to obtain local spend invoices. Local spend was optimized by the primary local supplier while the Foodbuy team optimized broadline spend.

After extensive analysis of purchases, all outlets, menu mixes, marketing as well as operations, Foodbuy Culinary Solutions was able to identify \$120k in annualized savings while on property with another \$20k+ proposed.

The Results

Foodbuy fulfilled all service requests with a single source broadline solution and an agreement that featured:



3-year term with 2 one-year options



60-day no-fault exit clause



Tiered Brand & Drop incentives



9.4% reduction in distributor markup



4.4% improvement in rebate