

IMPROVING STOCK AVAILABILITY: AN OPPORTUNITY FOR THE HOSPITALITY INDUSTRY



Imagine sitting down in a restaurant with your family or friends; everyone browses the menu and when the waiter arrives, you order, only to find several items are not available. The mood at the table quickly changes. You are disappointed that your choice is not available and have to make a quick decision for an alternative meal. How likely are you to return to this restaurant? And in the current social media environment, how damaging will your negative experience be for the business?

A high standard of service is not possible if restaurant managers are unable to guarantee stock levels while waiters are left to manage the backlash from disappointed customers.

Opportunity within Supply Chain Advancements

Recent advancements in technology and industry expertise have combined to enable the supply chain to positively and practically impact menu availability. Many businesses have already started to take advantage of these tools, ensuring the right product is in the right place at the right time and allowing the restaurant team to focus on excellent customer service.

With extensive experience across the hospitality industry, Alvarez & Marsal (A&M) has identified the following key trends driving global restaurant markets:

1. **Digital customer** ordering via handheld terminals or electronic point of sale (EPOS) till systems is allowing the electronic capture of sales information.
2. **Sophisticated forecasting and planning systems** capable of managing the complexity of menu ingredients through algorithms are being used to analyse the data.
3. **External data sources** are being used to anticipate demand based on local weather and events and to inform marketing and promotion plans.
4. **Skilled supply chain teams** are being centralised to pool and apply skills and knowledge across the breadth of outlets.
5. **Mastering data management** through the chain from suppliers to distributors and customers to easily capture accurate, timely data.
6. **Enabling supplier collaboration**, from shared spreadsheets to integrated planning tools providing dynamic data and intelligence, allowing supply activity to flex.



Adapting your Supply chain for Success

Through new advancements in industry tools and technology, restaurant owners can adapt their supply chain process to achieve the following:

- Increased sales and profits through improved menu availability.
- Food waste reduction by maximising product life and eradicating overstocks.
- Enhanced customer satisfaction and loyalty with consistent stock availability.
- Restaurant resources refocused on employees' service skills rather than providing training in supply chain skills.
- Centralised, expert supply chain skills to manage the flow of stock, proactively respond to emerging needs and consistently apply stock across all restaurants.

The case for change can be significant. A&M will work with you to measure current activity and quantify gaps to create your business case.

It should be noted that trust is critical. We will engage a variety of your stakeholders, from executives to franchisees, suppliers, restaurant managers and staff, to support your end-to-end supply chain activity.

To measure the success of your supply chain process, we monitor these four factors:

- 1. Stakeholder engagement and support.** As changes involve a full mix of function across the business, a tailored stakeholder engagement plan is crucial.
- 2. Systems implementation.** Using proven systems, and ensuring these are adapted to your business to make use of the plethora of rich data. With the introduction of cloud-based systems, the investment and implementation costs have become more feasible.
- 3. Data capture and quality.** Ensuring the data is captured and/or created to visualise the end-to-end supply chain, including strategies to capture information which is not currently digitalised.
- 4. Measure and communicate the results.** In a dynamic environment, there is continuous change providing plenty of challenges. Ensuring those involved see progress and understand the benefits will ensure those involved stay committed to the cause.

To find out how our experts can support your business, please get in touch.



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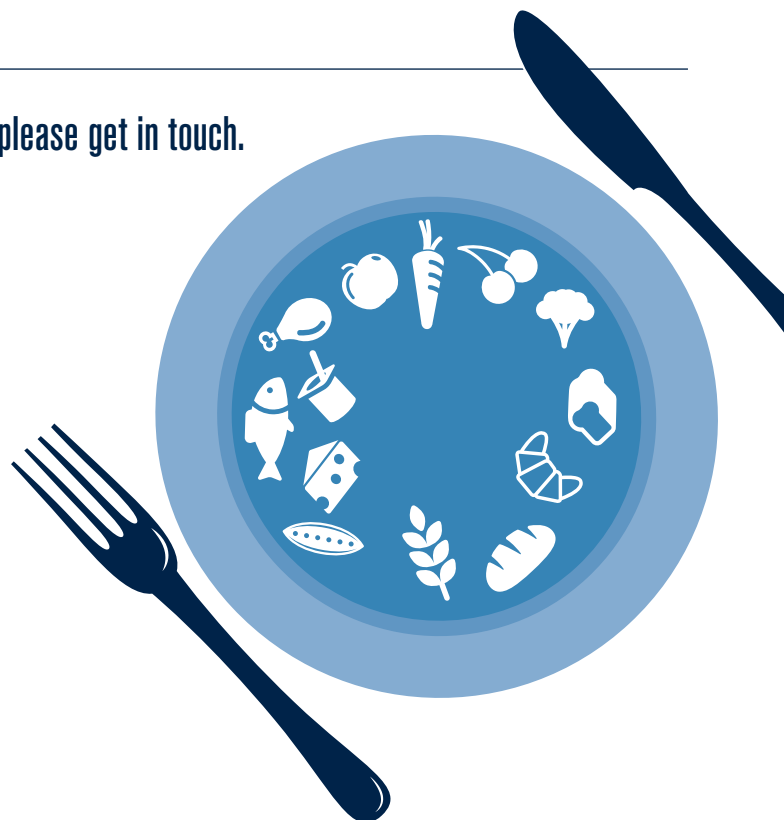
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