

Rick Stein

Case Study



About

Rick Stein OBE is an English celebrity chef, restaurateur and television presenter.

He started in hospitality with his ex-wife Jill in 1975, and their company now includes 12 restaurants, four retail shops, a bar, an online shop, a cookery school, 40 bedrooms and self-catering accommodation. All of which are supported by a sophisticated food production and distribution operation.

A true family business, Rick and Jill still are still hands-on, and their three sons have taken a role within the business and work alongside the senior management team.

Martin Glinski, Head of Operations, rejected a career in accountancy to join Rick Stein's growing organisation in 2005. He is responsible for all purchasing, food production, inventory control, supply chain and IT.



It was challenging to make good decisions when the stock data is unreliable."



Procurement & Inventory Challenges

Since 2010, the Rick Stein Group has enjoyed significant growth, diversifying far beyond the original restaurant in Padstow.

"We had written our own inventory programme – but we realised that it would not be able to keep up with the pace of our business (and stock) expansion. We couldn't be sure of stock levels, and across a mixed estate of shops, restaurants, a bar and hotel rooms.

"We had a big store, originally holding the wine imported from Rick's vineyard in Australia, but as we grew, also all the other stock that used to be delivered daily to the individual outlets", explained Glinski. "Keeping track of both stock holding and in-site usage became increasingly difficult.

"Procurement was manual, and tracking and reconciling the spend and the products was difficult."

The customer is always at the heart of what the Rick Stein Group does, and they are proud both of their site teams' service and their consistent menu availability.

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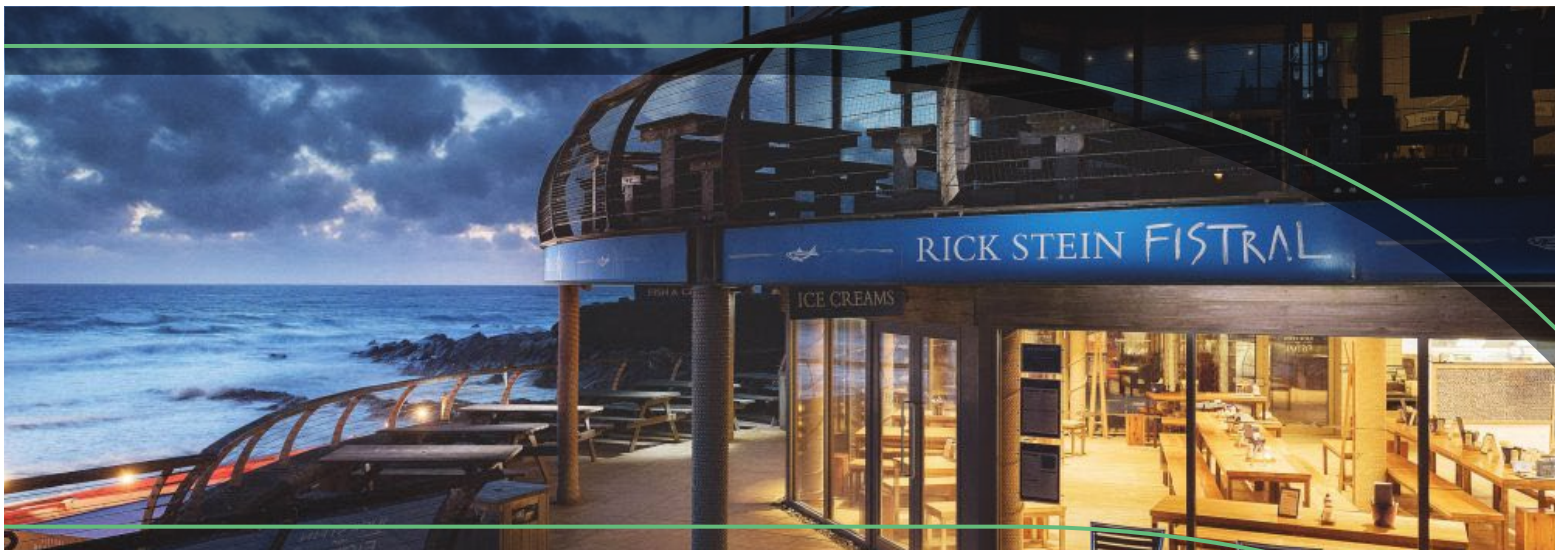
Procurement & Inventory Challenges

“We were all too aware of the risk of our internal systems to the customer experience” continues Glinski.

“The production kitchens, which make fresh food like tartare sauce, bread and patisserie items for the shops and restaurants each day, were also working inefficiently.

“By not having proper demand planning, our shops and restaurants were ordering too much from the production kitchen. This was doubly painful both in terms of wastage and in terms of needless production and the associated impact on margin.

“As we prepared for growth we identified that we needed a more robust procurement and stock management system. For example, during a stocktake, I came across no fewer than 14 types of sugar packages - at as many price points.”



Reporting

Glinski knew that the weekly and monthly reports generated from their existing system were inaccurate, showing big swings in profitability despite stable trading conditions.

The Journey

“We knew we needed to continue to focus all our attention on the customer experience, and we needed a hospitality-specific solution to get our house in order to continue to deliver that. Reliable procurement and stock management and accurate management reporting were key. We reviewed several procurement and inventory systems due to the complexity of our business” says Glinski.

The Solution

“We chose Fourth primarily because we felt their Purchase-to-Pay & Inventory solution could cope with our complexity. In addition we felt their team understood our challenges. They are hospitality people offering tech solutions, rather than the other way round.”

There was some work to be done by the Rick Stein team to prepare their data for implementation.

“The system forced us to streamline and sort our information” says Glinski.

Implementation took 6 months.

Procurement & Inventory Results

- **Missing stock** is immediately identified, reported and managed.
- **Accurate transfers and requisitions.** Logging and reporting improved dramatically.
- **Electronic Data Interchange (EDI).** Orders and deliveries are accurately tracked, which:
 - **Increases supplier compliance;** and
 - **Reduced invoice queries** and the associated accounts time; suppliers paid more promptly.
- **Reduced costs** through reduced numbers of suppliers and elimination of overpayments via 3-way invoice matching.
- **Wastage reduced by 5%.** Management can see the stock levels required to maintain full menu availability, and tailor procurement and food production accordingly
- **Managers spend more time where it matters.** The new processes frees them up for their teams and customers
- **Good disciplines** instilled in the managers, empowering them to take responsibility for, and use, the Fourth system for good purchasing and stock management, enabled them to see the immediate results of best practice.
- **A best practice framework.** Managers can see their daily and weekly tasks. How well they perform in this forms part of the monthly management reporting.
- The need and desire to use systems well has become embedded in the company culture

Glinski: “Fourth has given us what our manual systems couldn’t - transparency, visibility, assurance – we now have confidence that what we are looking at is right. We can see how sites and managers are performing, and can make better decisions. We celebrate good performance and can easily identify and address underperformance”.

Workforce Management Challenges

As staff numbers climbed steadily, so did the difficulty of continuing with the previous Excel system of time keeping, HR records, payroll and pensions.

Spreadsheets ruled on payroll, subject to the double challenge of inaccurate pay due to human error and unreliable T&A reports.



Workforce Management Challenges

The group knew that if they empowered their site managers further by adding technology to manage staff records, pay and rotas as well as inventory, it would free them to focus even more attention on their teams and customers. This in turn would help the group meet its growth strategy.

Now:

- Employees are recruited and their records registered via the HR module
- Their pay, tips and pensions calculated automatically
- Employees clock in and out via a biometric T&A system



The Results

- Margins of error from manual clocking in/out procedures are eliminated.
- Payroll is accurate as a result – the staff is paid accurately for the hours actually worked, holiday allowance adherence and unauthorised absences.
- Pension contributions are calculated automatically, irrespective of pay periods.
- Tronc is allocated fairly and accurately in a timely fashion.
- The business is confident it is compliant with Working Time Directives.
- Managers can spend even more time with customers and team.
- No risk of recruiting applicants without appropriate eligibility to work.
- All HR information is in the cloud, accurate – one version of the truth –no errors or duplications.

Overall Impact of Fourth

- It has increased profitability – and improved margins.
- It has increased our confidence because we can trust the numbers.
- It helps us to forecast with a far higher degree of accuracy.
- Improved margins have also helped us expand the business.
- We can map out future scenarios with confidence.
- We are markedly more operationally efficient.
- We feel in total control of our margins – the system tells us where our margins are too low or wastage too high.
- We are able to deal with rising food costs without compromising profitability because Fourth helps us eliminate unnecessary cost.
- All our information is in one place in the cloud.
- The Fourth team are nice people to deal with, they are honest with us and they genuinely understand our challenges.

Want to learn more about simplifying your back-office?

Call us at +44 (0) 8450 571 234

www.fourth.com