

PSL MAXIMISES SAVINGS AND CREATES GREATER AWARENESS AT THE MERRION

Background

The Merrion Hotel, Dublin, opened its doors in early 1997. Since then it has become the benchmark for 5 star standards in Ireland, receiving no less than 45 individual awards and accolades. These range from “Best hotel room in Dublin” and “Best new city hotel” in 1997 & 1998 through to the Conde Nast Traveler “No1 Hotel in Dublin” for 2010. In 2004 The Merrion was awarded overall winner of the global Commitment to Quality Awards by Leading Hotels of the World, as well as the Award for the ‘Best hotel in Europe’. This was an outstanding achievement considering over 400 luxury hotels across 79 countries were inspected. In 2008 The Merrion won the “Gold Medal Award for Excellence”, becoming the only establishment to win the Award twice.



The hotel’s drive to achieve and maintain the highest quality standards included reviewing the foodservice operations and suppliers they dealt with. Ed Cooney, Executive Chef for The Merrion commented, “We recognised there was an opportunity to improve our cost control function and achieve cost savings, whilst maintaining exceptional quality levels which our customers expect. I felt that by working with an external specialist in this field it would help us – thankfully I’m right!”

With over 80 foodservice staff preparing and serving over 180,000 covers a year, The Merrion felt PSL could introduce the necessary controls to increase their efficiency, reduce waste and improve profitability. In December 2003 they commenced their working partnership with PSL.

Purchasing Power

Many of The Merrion’s suppliers had been working with them for five or six years and The Merrion believed they had always been given the best possible price. However PSL’s purchasing power and dedicated team of 12 people all focusing on the cost of food enables them to gain better pricing on their clients’ behalf.

PSL recognised The Merrion’s desire to continue working with many of their existing suppliers and so gave them the opportunity to become an approved PSL supplier. This resulted in improved terms without detriment to quality and, in turn, those suppliers who remained faithful now have the opportunity to grow their businesses with the ever growing portfolio of PSL clients.

Creating Awareness

With the right suppliers in place, PSL then looked into working practices at The Merrion to see where further savings and improvements in efficiency could be made.

Ed explained, "I recognised that we could and needed to improve our controls and processes and the focus to achieve our goals needed to be on both purchasing and the end user i.e. my chefs and kitchen team.

PSL continually educate my team and help in keeping the controls in place, including minimising waste and checking incoming deliveries thoroughly. We only pay for what we receive. If suppliers send goods that are even a few grams short, it can add up to a significant amount over a year. PSL and I work together to review all menus prior to implementation, ensuring that pricing reflects both value for money for our customers and achieves a good margin.

Prior to working with PSL we would sometimes prepare a menu which, three months later, could have increased in cost significantly because we didn't take seasonality into account. PSL are so aware of market changes that they recommend what is good and at which time. Maximising their expertise, PSL assist us in planning and making decisions as to what we include on our menus which has an immediate impact on our profitability.

In our first year of working with PSL we saved 10%, which represents a considerable amount of money. PSL are experts at reviewing the way we operate and are constantly looking at ways of improving our savings."



PSL had assisted us in reducing the food cost of sale and within a year became an integral part of helping us to maintain our margins producing results that we would not have previously dreamed of. Our working relationship since 2003, 7 years in with PSL and the working relationship is as strong as ever. Instead of waiting for monthly reports to see how The Merrion is performing, PSL have introduced shorter, daily flash reports so that as soon as they see a problem they can help us rectify it immediately. Again it has forced The Merrion to not only review their performance, but act on it.

An On-going Partnership

Ed summarised, "In short, PSL is an extra pair of hands to help us. For us it is a no-risk situation as they don't get paid unless they do it! We have found their staff to be very helpful and if we carry out their recommendations we always achieve what they anticipate. They've proved they can do it and work 'with' us; they never bully us into making decisions.

We are looking forward to continuing to work with PSL, we couldn't achieve the savings without them. It has to be an on-going partnership, because staff change is quite high in this industry and you can't expect new staff to instinctively know what to do, they need guidance. Equally, existing staff are kept on their toes as PSL quickly highlight any areas that are not performing correctly."