

**Maintaining supply &  
profitability while  
inflation rates  
continue to rise.**



# It's tough out there.

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UK inflation is set to reach a 13 year high...



**Food &  
Drink**  
8-12%



**Fuel &  
Utilities**  
50%



**Labour &  
Wages**  
13%

And there's a myriad of further challenges...



**Supply  
chain  
disruption**



**Severe  
staffing  
shortages**



**Return of  
20% VAT  
(Apr-22)**

# It's time to take control.

The hospitality industry is making a robust recovery and the Autumn Budget presented some further support, particularly for smaller, independent operators.

However, widespread supply issues and increased consumer demand continue to push up prices, and these price increases threaten to stall momentum.

As staff, logistics and import costs continue to rise, continued inflation is predicted for the remainder of 2021 and well into 2022.

Add to this the rise in National Living Wage and the return of 20% VAT in April next year, and the industry is faced with persistent inflationary pressures.

So with Christmas just around the corner, operators need to be doing all they can to control supply chains in advance of what is undoubtedly going to be an extremely challenging period - in terms of both costs and availability of product.

We've highlighted a number of ways you can maintain supply and profitability during the most critical trading period of the year...





# Sales first

By improving your sales, you can often offset the inflationary impact of increasing food and drink costs.

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## **Menu layout**

Consider changing your menu layout and/or design to prioritise and highlight high margin dishes and menu items.

## **Added value**

Create meal deals and/or loyalty schemes driving customers to purchase higher margin items, increasing average spend per head.

## **Simple upsells**

Invest time training your team to identify simple upsell opportunities - for example, extra side dishes, 'go large', additional toppings.

## **Cheapest isn't always best**

Be sure to focus on product quality as well as price - consumers expect good value for money and the cheapest products don't always deliver this.



# Menu engineering

Balance your high and low food cost items and make strategic menu adjustments to help control your costs and maintain your target GPs.

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## **Streamline offering**

Shift your focus to your core, best selling dishes to improve kitchen efficiency and reduce service times.

## **Seasonal focus**

Plan your menus to feature dishes using seasonal ingredients to ensure better product price and availability.

## **Portion sizes**

Review and strictly control portion sizes to control cost and waste.

## **Flexible menus**

Ensure your menus can be quickly and easily adjusted with back-up replacement dishes ready to be swapped in. Consider less-specific menu descriptions to allow for product changes, i.e. 'seasonal vegetables'.

## **Act quickly**

If the price of a core menu item increases, act quickly by either adjusting your sale price or removing the item from the menu.



# Supplier management

Adjusting your ordering patterns, stockholding and creating a robust contingency plan will reduce the impact of supply chain disruption.

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## **Identify your key volume lines**

When possible, hold extra stock of key product lines to always maintain your core menu.

## **Order well in advance**

This will give you more time to source alternatives if required.

## **Consolidate orders**

Plan ahead as much as possible to reduce the number of deliveries to help alleviate driver shortage issues.

## **Identify like-for-like products**

Create a list of alternative products (with product codes) for all core and 'risk' products to speed up ordering. Always check for ingredient / allergen changes to maintain compliance.

## **Identify 'back-up' suppliers**

Open accounts with other trusted local, regional or national suppliers. In the current climate, changing supplier should be a last resort.

# We're here to help

By leveraging our collective purchasing power via our extension network of local and national suppliers, our team will work with you to protect your bottom line from current inflationary pressures.

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## What we do:



## How we do it:

- Forecasting price movements
- Market change notifications
- Controlled stockholding recommendations
- Priority ordering
- Market benchmarking
- Negotiating price holds
- Negotiating delivery schedules
- Supplier relationship management
- Exclusive supplier / brand owner promotions and free stock deals
- Continuous advice and support.



**Cost reduction and inflation mitigation is part of our day job; our team will find solutions for you and your business.**

**Get in touch:**

**[info@regencypurchasing.co.uk](mailto:info@regencypurchasing.co.uk)**

**+44 (0) 1934 646 135**

**[www.regencypurchasing.co.uk](http://www.regencypurchasing.co.uk)**