

Primary Sourcing - Insights from a Nation's Restaurant News Study

I came across a great article recently in the June 11 issue of *Nation's Restaurant News*, "Primary Sourcing" by Caroline Perkins," that is worth reading. The publication commissioned a study of restaurant purchasing decision-makers and influencers recently and found that eight in ten restaurant operators purchase more than half of their products from a single source distributor.

The survey detailed the factors that were most important to foodservice operators with improved food cost being first and foremost, along with quality and service. They found that established primary supplier partnerships delivered more consistently.

Also, the survey revealed that primary suppliers are better able to plan, forecast, and perform better when fulfilling orders. Distributors are now allocating their field resources, including distributor sales representatives, to focus on customers in committed primary supplier relationships. That's something that may not be quantifiable in the costs of your product, but it's very important because it plays a vital role in a strong partnership.

True supplier partnership is illustrated by activities such as finding solutions for improving menu mix and profitability, continued help in reducing costs and quarterly business reviews to target future opportunities. This appears to be where suppliers are spending their time and energy. Be sure to check out my <u>April 2012 newsletter</u> for more details about true supplier partnerships.

Read the full article in <u>Nation's Restaurant News</u> for a greater understanding about what foodservice operators are looking for and how primary supplier partnerships are successfully addressing their needs!

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