



SURVIVING WINTER

2024



LYNX
PURCHASING

Saving your business time and money every day

**A Lynx Purchasing guide to managing
seasonal challenges and costs for
hospitality operators.**



Disciplined purchasing is a hospitality operator's best weapon in fight for profit

It's another tough winter for hospitality operators trying to keep their businesses ticking over - but our industry isn't alone in the struggle. Economists estimate that up to 30,000 UK businesses could fail this year and almost half a million are in a critical financial position. In hospitality, several high-profile restaurants have recently closed including Michelin-star properties with many claiming that high costs have made continuing operations impossible.

Whilst inflation rates have slowed, inflation is still having a significant impact; costs in many areas remain unpredictable and continue to rise. Food, beverage, energy and staffing costs are up and many hospitality businesses are servicing expensive debts as higher interest rates have been applied to monies borrowed during the crippling Covid-crisis. Weak consumer confidence and ongoing threats of recession and global instability make for a challenging operating environment, especially for independents and small chains.

Trying to keep margins as high as the business needs requires resilience, flexibility, purchasing discipline and some good old-fashioned housekeeping skill in all departments. To help, the team at Lynx Purchasing along with our key supply partners have compiled this guide to give you some survival tools, practical advice and insights. These are practical actions you can take that will make an immediate and positive difference to your business and your bottom line this winter - and all year round.

KEY WINTER STATS

Inflation 4.2%*

Exchange rates
£1 = \$1.27 = €1.16**

Weekly road fuel prices
Petrol £139.72***
Diesel £148.21***

*ONS, Dec 2023
**BoE, Spot Rates, Jan 10 2024
***Gov.UK Jan 8 2024

TOP 3 UK BUSINESS CONCERNS

Rising costs+
87.6%

Labour shortage+
38.4%

Energy costs+
35.8%

What will make the **difference** this season?



PURCHASING DISCIPLINE

With smart planning and disciplined purchasing, costs can be curbed without it affecting competitiveness or customers. Make sure you buy the right products from the right suppliers for better prices and better quality. Buy the right pack sizes for your business - buying in bulk works for some products but can lead to waste in other areas. Consider delivery costs: you pay for every delivery so think about frequencies. Cutting down deliveries cuts costs.



OPERATING HOURS

Reduce your overheads in this typically quieter season by changing or reducing your operating hours - but study your marketplace before you do it and don't just close when everyone else does. There may be an advantage to being the only outlet open on a Monday evening for example when all others close. And make sure you explain to customers and staff why you are making any changes to keep them all onboard.



USE YOUR SUPPLIERS

Good suppliers are experts - and can help you get the most out of your budget. Suppliers know what's happening in the market in terms of both price and availability and can help you plan for now and in the medium term. They can help develop dishes with maximum margins around best value products, advise on optimum portion sizes and help with portion control. If your suppliers can't do this - find better ones.



SAVE ENERGY

It's all about the detail. Take advantage of a slow day and take a slow walk around your operation. Make detailed notes of where you could be wasting energy. Switch off everything that doesn't need to be on all the time - especially big power guzzlers such as ovens, water heaters or unused appliances. Keep exterior doors closed when possible and fit them with auto close devices. Review insulation. Check timers and adjust temperatures on thermostats if necessary to get better rates or limit consumption. Replace all bulbs with energy-efficient LED lights and consider motion sensor lights in rooms where lights don't need to be on 24-7 such as toilets, storerooms, staff corridors, function rooms.



EXPAND PRE PREP

There's much more to the pre-prep offer than carrot batons and with acute staff shortages your kitchen and bar teams need all the help you can give them. In addition to prepped fresh produce, ask your suppliers about other areas where they can save you time without impacting on quality - such as stocks, sauces, marinades, pickles, dressings and pre- or part-made drinks - and rethink frozen too. It may seem expensive but once labour, yield, wastage, energy and consistency is factored in, this option may be more cost effective.



SIMPLIFY MENUS

Simplifying your menu as much as you can will ensure you're making the most out of every ingredient that comes into the kitchen. By cutting the menu down you'll be cutting down on ingredient costs, food waste and even prep time. It will also make your proposition clearer to customers by focussing on your strengths and what works best for your business - the most popular dishes and those that deliver the highest profit margins. Identify products and ingredients that can be used across multiple dishes to minimise waste, increase efficiency and maximise yield.



REVIEW ALL BUDGETS

It's easy to focus on the big ticket costs - staff, energy, rent, food and beverages - and ignore smaller budgets. So get every department involved and look at all budgets from cleaning products to stationery. There's savings to be made everywhere - and any that won't impact on front of house are even more critical to your bottom line. Invite and encourage suggestions from your team to reduce costs in every area of the business across all budgets.



THE BIG TRENDS FOR 2024

Customers - like businesses - have been battered by so many challenges over the past few years, it's hardly a surprise to discover that comfort food is one of this year's top trends.

Diners will be looking for good-value, traditional dishes as the reliable and familiar become a top priority. This is good news for smart operators as many of these dishes are ones which can be produced more cheaply with consistent quality.

British classics will be popular but quality expectations are high with operators having nowhere to hide with these well-known dishes. To satisfy more adventurous diners, British fusion is also expected to be a big trend so serve classics with a twist - Roast Chicken with five spices and Asian greens for Sunday lunch, pot pies with meat or veg curries as a mid-week special or Mexican-style fish-and-chip tacos with pea guacamole.

Traditional flavours rule in desserts and beverages too: custard, caramel, toffee

and ginger are cheaper flavours to produce and very versatile. Top 3 dessert flavours for 2024 will be chocolate, strawberry and caramel.

Diners are also looking for authenticity - and a return to real flavours. More than ever, they want to know what they are eating - for value, for health and for environmental reasons. This translates into more natural ingredients, less fake flavours and meat substitutes, and vegetarian options that actually make vegetables the star. This could be fueling the rise in Middle Eastern foods that rely heavily on ancient grains, legumes and vegetables as well as being comforting to eat.

An advantage of being an independent or a small chain is flexibility and the ability to respond quickly to new fads and fashions. This could help you attract and keep new customers in 2024 as viral food trends become even more powerful. If you can get a dish or flavour on your menu as soon as it starts trending on TikTok - and promote it on your social media - you could boost your margins and your profile.



Energy Update

Energy costs remain a big concern for hospitality operators but good news is on the horizon. Energy bills are expected to fall this spring after a drop in wholesale gas prices. Cornwall Insight, a respected industry consultant, is forecasting that average bills will fall by 16% on the previous quarter as the price cap falls in April, and could reach their lowest since the invasion of Ukraine by Russia. Cornwall Insight expects prices to remain relatively low throughout 2024 compared with the previous two years.

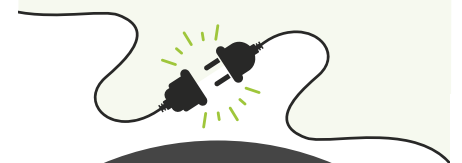
Hospitality operators should contact their supplier or broker as soon as possible to obtain current pricing. We can also help. Our specialist utilities partner can save you time with up to the minute advice on which suppliers will accept hospitality accounts, and what a good price looks like in this current market.

Our partners can also help you secure new rates 12 months in advance, taking advantage of market dips. Get in touch for more information.

NO COST SAVINGS

You can cut your OPERATING COSTS now without any investment by simply doing the following:

- Set hot water temperatures lower
- Check fridge/freezer thermostats
- Don't overfill fridges/cold rooms
- Use seasonal products – best quality and best price
- Get advice from your suppliers
- Cut dish numbers - do you need 20 mains?
- Taste tests - Branded v Own label
- Fix and agree portion sizes
- Agree minimum acceptable shelf life on fresh products
- Garnishes – do you really need Them?
- Ditch sachets and use bulk dispensers
- Check and weigh every fresh delivery
- Check yields to get size/price right for your business
- Cut waste - buy the right tin/ pack size
- Try and use ingredients across multiple dishes
- Get regular supplier price lists - do comparisons
- Cost dishes properly – use the Lynx Purchasing GP calculator app



Lynx Purchasing creates bespoke purchasing solutions for independent hospitality businesses and care homes. We work with more than 2,200 accounts in the hospitality and catering sector, on a no-membership and no-contract basis that offers like-for-like products at lower prices and often better quality than operators could obtain by negotiating alone.

Get in touch

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