

Procure4's Cost Base Reductions Yield 18% Cost Improvements Across All Categories

CLIENT PROFILE

Come Back Shack is a family owned and operated burger joint with restaurants in Boone, NC and the South Carolina Low Country. The business offers a unique fast casual dining experience with a focus on using fresh ingredients prepared directly in the store.

THE RESULTS



18% Cost Based Reduction



Improved Cost Control



National Supplier Expansion for Continued Growth



Increased Efficiency and Profitability

CHALLENGE

In seeking to grow the business, Come Back Shack needed to both transition its purchasing activity onto a greater scale, and also deliver improved supplier pricing deriving from the planned higher volumes of the business. To do this they enlisted the help of Procure4 to benefit from Procure4's market-based knowledge, expertise in managing and conducting RFP's, and ability to deliver optimal sourcing solutions with tangible financial benefits.

APPROACH

In the first instance Procure4 conducted an 'Opportunity Assessment' of the Come Back Shack business looking at total spend, locations, and number of Suppliers, Categories, and Sku's, and factoring in the future plans for growth. From this it was possible to develop individual 'Approach Strategies' by category with a forecast range of cost-saving opportunities.

The next step was to implement the Approach Strategies which in the majority of cases involved some form of market-based assessment taking into consideration the projected higher volumes of the business. This also included Come Back Shack's relationship with their Distribution partner through which all product deliveries were made. For potential new suppliers, sample testing days were held at the Distributor Test Kitchen to validate product specifications and obtain Client approval through a product tasting exercise. The goal of this activity was to find the best fit of Manufacturers and Distributor to meet Come Back Shack's future business needs, and to facilitate direct contractual relationships between the parties where possible. Regular updates were provided to the Come Back Shack management team throughout this process in the form of a monthly 'Steering Committee' meeting where all key decisions were taken.

RESULTS

The outcome of the study was that a Cost Base Reduction of 18% was achieved across all categories when compared to the 'Baseline' spend number developed as part of the Opportunity Assessment exercise. This involved some significant changes to the business including transitioning to a new Distribution partner as well as critical ingredients including the Beef Patty, Bun, Bacon, Cheese, and Seafood where Come Back Shack established direct commercial agreements with new supplier partners. Overall, the input from the Procure4 team delivered not only a significantly improved cost base and financial results, but also a platform for future growth partnering with market leading vendors to build upon this.