

# PSL REDUCE THE FOUR SEASONS HOTEL'S FOOD COSTS BY 25%



## *Background*

To the man on the street, staying at a Four Seasons Hotel means luxuriating in first class service, finest cuisine, and unreserved pampering. To the staff at Four Seasons it means supplying a sumptuous environment, utilising first class produce, and providing meticulous attention to detail and quality in everything they do.

To maintain their five star rating, Four Seasons Hotels have to sustain or exceed stringent measures set by corporate standards. Gaining the same attention to detail from suppliers is critical to their achieving these standards consistently.

Back in 1993, Four Seasons Hotel London looked to PSL to assist them in the supply of top quality produce and on-going food-related consultancy. They were one of PSL's first customers and, seeing them as an innovative company with considerable benefits to offer, Four Seasons decided to enter into a working partnership with them.

Howard Atkinson, former Finance Director for Four Seasons Hotel London and Area Director of the London Region commented, *"Prior to engaging PSL, Four Seasons had on its own attempted to put together a 'cost plus' programme which is a purchasing system based on loyalty, exclusivity etc, but without success. When PSL approached us we were impressed by their sense of professionalism in setting up as an independent, without being related to any one supplier or brand. This gave them a 'pedigree factor', providing the ability to work with the best suppliers in each product sector.*

*Although we had to go through a cultural change in the way we worked because our chef, purchasing team and food and beverage management had always had the freedom to choose suppliers themselves, the steering committee we formed to manage the change brought us through the emotional side and into the service and quality driven focus we now have.*

*Initially we invited our existing suppliers to give the PSL system a fair hearing, some remained, others changed. By re-defining our specification for every product to ensure that suppliers could meet our needs precisely, we ensure that all internal produce-related teams are satisfied."*

## *More than £250,000 Savings in First Year*

The supply of first class produce to their kitchens, without exception, is a basic requirement for Four Seasons. PSL's offer was to not only utilise, match or better their existing food suppliers but also to create significant savings in this area, without impacting guest perception of the service they receive.

With a business/pleasure ratio of around 70/30, Four Seasons' customers span a wide variety of expectations and needs. Their food cost of sale when PSL started working with them was in excess of 35% due to the superior quality and choice provided by their foodservice operation of around 50 staff. In the first year of working with PSL, the Four Seasons Hotel London achieved savings in excess of £250,000. Purchasing through PSL's suppliers, coupled with PSL's operational consultancy, including advice on menu costings and engineering, administrative and procedural-based issues, and the introduction of best practices, enable Four Seasons Hotels to sustain their higher profitability whilst maintaining quality and service.

Four Seasons Hotel London's food cost of sale is now consistently below 25%.

## *Sister Hotels on Board*

Following the success demonstrated and maintained at Four Seasons Hotel London, when Four Seasons Hotel Canary Wharf opened, their decision to employ PSL to work with them from the outset was an easy one to make.

Although a smaller hotel in terms of daily food revenue - £4,000 compared with Four Seasons Hotel London's £10,000 - food quality and consultancy advice were equally important. They were able to adopt some of the costing formats used at Four Seasons Hotel London immediately, maximising profitability from the outset.

In early 2003 Four Seasons Hotel Dublin also contracted PSL to assist with their purchasing and consultancy. The latest Four Seasons' hotel to commence working with PSL is their new hotel in Hampshire which opened in 2005. After a successful first year they have since signed a three year contract to continue working with PSL for both food procurement and operational support.

Howard Atkinson summarised, *"People can become complacent in the system, but we try not to, we remain both the customer and the decision maker. We do not have a closed vision, and neither does PSL. They have been particularly supportive to us during crises, such as when storms crashed the fish market, PSL ensured a continual source of fish for us, maintaining our standards. We have great confidence in them."*

*"We have remained a long term customer of PSL's because we believe in their system and have great confidence and trust in them. We continually check prices and markets ourselves to ensure that their supplier base constantly remains the best we could use."*