



## Retirement Group Reduces Costs on Food

### 11% Savings Over Current Supplier and GPO

#### Not All GPO Relationships Yield the Same Savings

GPOs are for profit organizations that try to maximize their profit by providing lower cost. Just as not all clients pay the same price for food from a distributor, so not all contracts with GPO's will provide the same savings.

#### Taking the Food Service Spend to Market Yields 11% Savings

When the food service was bid out there were two new suppliers that provided close 11% savings. One used a GPO and one did not use a GPO. Sometimes the GPO is not the best alternative and sometimes GPOs can be motivated to dig deeper and provided a higher tier or savings.

#### One-Size-Fits-All GPOs Do Not Fit All

GPOs provide savings through Contracted Manufacturer Agreements. The products selected may not be the best of an individual customers goals for quality. This causes the customer to either lower quality or choose a higher cost alternative.

#### Cuttings and product trials arranged

While savings are important, quality and consistency are critical to the stakeholders who produce and consume meals at the organization. Consistent with the specialized services ERA offers its clients, Consultants arranged cuttings and product tastings to ensure client satisfaction with the recommended suppliers.



#### Project Information

- Category — **Food Services**
- Annual Savings — **11%**
- Suppliers — **New**

**Management was sure they had the best prices until they saw the results of a competitive bid.**