



Expense Reduction Analysts

Country club lowers food costs by 16.5%

Savings beat national GPO prices while remaining with current broadline supplier; new produce provider optimizes savings

Challenge to maintain high standards as cost and member retention pressures intensify

Like many country clubs operating in the current economy, costs for the East Coast client are increasing even as membership is decreasing. Efforts to cut costs while maintaining high-quality member services is a tough balancing act.

On one hand, members may leave if dues, fees and prices increase to offset financial pressures in other areas. On the other hand, if costs are not addressed, quality and service can suffer, putting services and member retention at further risk.

The country club's General Manager and Executive Chef turned to Expense Reduction Analysts (ERA) to help find ways to cut costs without sacrificing service or quality – a hallmark of ERA's consulting expertise.

The many amenities of the high-end country club include golf, tennis, swimming and fitness as well as casual and formal dining and catering for private events.

How ERA analyzes, evaluates information

The first expense ERA evaluated was food services. Using ERA methodology and a proprietary suite of RFP tools, Consultants created a market basket with the top 80% of the client's spend. The market basket contained dry groceries; dairy products; refrigerated goods; frozen goods; beverages, meats and seafood; non-food items; and produce.

ERA evaluated suppliers on more than price. Also used were criteria important to the client, including product and service quality, payment terms, incentives and online ordering.

Bottom line: The incumbent cut costs nearly 12% and a new provider reduced expenses for produce by more than 27% for overall savings of close to 16.5%.

Next up: Reducing costs for uniforms, linens and waste.



Project Information

Expense:	Food Services
Industry:	Country Club
Client ROI:	\$15,000/hour
Suppliers:	Incumbent & New
Savings:	16.5%

In response to the competitive environment ERA created, the incumbent "sharpened its pencil" and provided savings beyond what the GPO offered.

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