

HOTEL CAFÉ ROYAL

Case Study



About

Hotel Café Royal, London is part of The Set hotels, a group of luxury hotels which also includes the Conservatorium Hotel in Amsterdam and the Lutetia in Paris.

In the last 150 years, the Hotel Café Royal has welcomed guests as diverse as Oscar Wilde and Muhammad Ali, Winston Churchill and David Bowie.

Omer Aharonovich joined in 2015 from the Ritz Carlton chain where he held the post of Pre-Opening and Post-Opening Purchasing Manager; at Hotel Café Royal he is Regional Purchasing Manager.

The Challenge

Aharonovich explains: “When I arrived at the Hotel Café Royal in 2015, the business was in the middle of implementing a new purchasing system. It became clear to me very quickly that it did not have the capacity and functionality to really optimize the whole purchase-to-pay and inventory process. We halted the process there and then to seek out an alternative solution.

“While we were investigating other options, we were running Purchase Orders for beverage and non-food items on a legacy system, food on the aborted system and everything else was manual!

“Clearly this system was inefficient to say the least.”



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The Solution

Aharonovich researched the technology landscape for purchasing solutions. It needed to be:

- In the cloud
- Robust enough to be able to handle complex purchasing
- Link seamlessly to accounts
- Hold recipes
- Deliver accurate reports on demand.

To ensure wholesale adoption across each department, it also had to be easy to use.

“The one that stood out to me was Fourth’s Purchase-to pay solution. Many cloud offerings have breadth, but this one also had depth – and was highly configurable to exactly what we needed.

“The fact it was designed specifically to meet the 24/7 needs of the complex hospitality sector was also very compelling”, says Aharonovich.

He also took references about Fourth from a number of his peers at other hotels including the Dorchester and the Royal Garden Hotel – and the system was given the green light.



Implementation

“This was the fourth implementation I had run in the hotels and restaurants sector, and I was determined that we would start as we meant to go on”.

There were to be no transfers of bulk items.

“Each item my team input was current – and properly tagged. For example, we have five types of tomatoes – if we wanted granular and accurate reporting we were going to have to make sure the items were input in a way that would help that process.

Implementing the platform took about three months, with Aharonovich and his team working closely with Fourth implementation experts to ensure that the solution was configured to Hotel Café Royal’s exact requirements, and staff were properly trained.

Further, to ensure the system was correctly used across the property, Aharonovich trained up and placed Fourth ‘Champions’ in each department.



We felt the impact almost immediately ... we moved from a clunky, time-intensive manual system to a totally transparent one which gave us 100% accurate reports. The whole purchase to pay and inventory process is now automated, streamlined and totally compliant.”

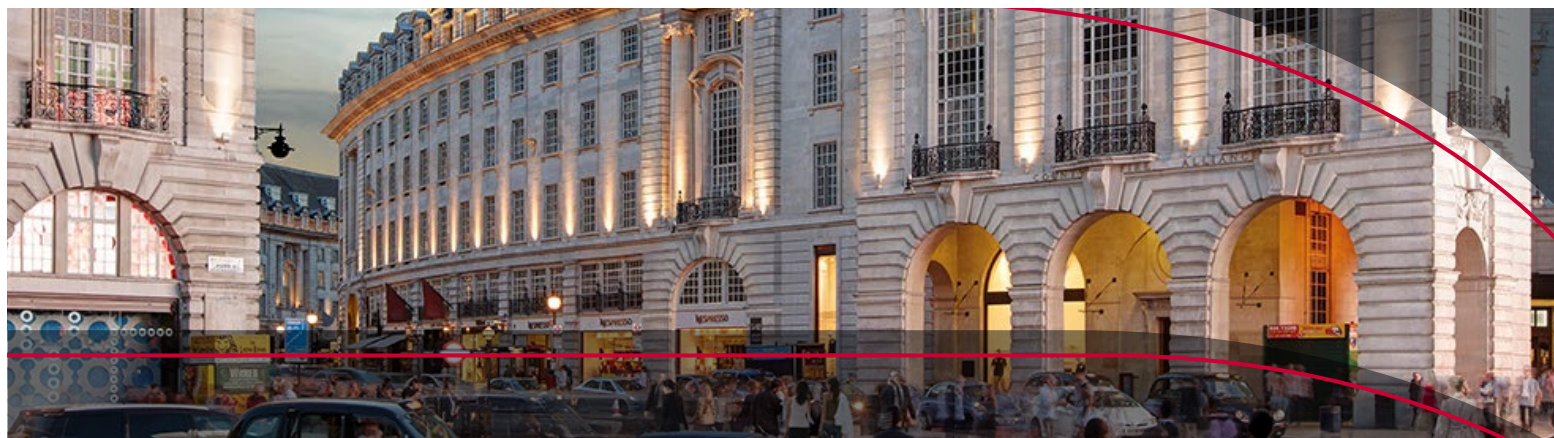
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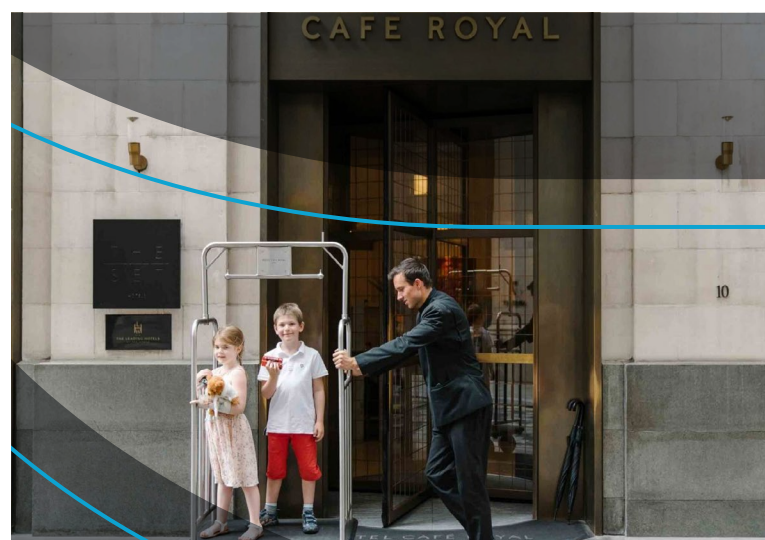
The Results

1. **Improved cash flow:** No cash tied up in unnecessary stockholding, which has been reduced by 50%
2. **20% reduction in wastage** through accurate stock reports – no more over-ordering
3. **The Accounts Payable headcount was reduced by half:** “The Fourth solution literally does the work of two employees in one department alone”
4. **Fast, accurate stock takes:** “What used to take us three days now takes three hours with the solution’s mobile stock check device”
5. **Freedom:** Staff can place orders whenever they need to and wherever they are and whatever department they are in - Maintenance, HR, F&B, and Sales & Marketing...
6. **Inventory Control:** Gone are the days where departments help themselves to stock and requisitions are not tracked and costed. The gap between actual and theoretical profit dramatically reduced.
7. **Ease of use:** Staff can be trained to use the solution in 30 minutes, so the system is used consistently well even in times of high staff turnover
8. **Purchasing control:** Everything purchased goes through the Fourth solution, from cocktail sticks to cookers, beef to beds, and travel to tomatoes. 100% trackable and auditable.
9. **Improved brand standards:** Each department has its own list of items permitted for purchase, so brand standards are maintained, supplier numbers are reduced and better volume agreements struck
10. **Time savings:** Now orders can be aggregated into one order a week at the touch of a button, not hundreds of individual ones via a manual process.
11. **Streamlined processes:** Procurement, accounts payable 3-way match automation and inventory and recipe control is all one place, so the right products are in the right place at the right price and time.
12. **Further cost savings through Slow Movement Reports:** It’s easy to see what inventory is moving more slowly than anticipated so the kitchens and bars can create specials to ensure nothing is wasted.
13. **Total integration with accounts and POS** means that the system can provide a 360-degree view of the operation.



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I would certainly recommend Fourth to any hotel group seeking to eliminate unnecessary costs, streamline processes and cut out timewasting manual process.

“We have been so impressed with Fourth’s solution that we are also implementing it in our other properties.

“I consider Fourth a partner. They have provided us with the tools, facts and best practice framework so we all can do a much better job.”

Omer Aharonovich, Regional Purchasing Manager, The Set Hotels (Hotel Café Royal)

Want to learn more about outsourcing your purchase-to-pay processes?

Call us at +44 (0) 8450 571 234
www.fourth.com

