



Listening to a global restaurant chain results in leveraging a supply chain to create unassailable value

Key outcomes:

- Revenue growth by a factor of 3 to \$30M.
- EBIT growth from zero to 7%.
- Completed over 400 QSR sites without losing a single contract to a competitor.
- An ongoing real cost reduction to the QSR client in the cost of the items supplied.
- Access to the QSR's other international growth markets.

The business challenge

When the worlds biggest Quick Service Restaurant (QSR) chain has repeatedly communicated dissatisfaction with a key suppliers performance, the supplier had better radically improve and fast!

The business had grown as demand from the QSR chain accelerated but its management lacked the skills to develop the relationship and create profits.

The business imported a tailor made range of fabricated items from a related overseas company. It then combined these items with some minor locally built fabrication for delivery and installation in each new QSR.

The business challenge was to;

- Quickly restore the relationship with the QSR chain.
- Make the business profitable.

The solution

When a crisis of confidence exists between a client and a supplier, the way back to a trusting business relationship comes from listening, understanding, successfully completing one small commitment after another and agreeing a framework for success into the future.

A meeting was held with the QSR chains management to which none of the incumbent supplier team was invited.

We wanted to know from the client;

- What the problems were.
- What performance was required and how would it be measured.
- What the immediate issues were.
- If we could have one month in which to interact and agree a broader framework for success into the future.

Our team agreed between ourselves that no solutions would be offered at this meeting, no matter how apparently obvious.

To listen is to be enlightened!

The key issue was;

- Shortages and quality defects in the package of items supplied was delaying each new QSR start up.

The required performance was;

- Complete delivery and installation of all items, within four days, anywhere in Australia in line with the QSR building program.

The supplier business had been built and skilled on the basis that the business focus was the manufacture of custom fabrication.

To meet the required performance, rebuild the relationship and grow profits, the supplier needed to refocus on and leverage it's supply chain. This involved;

- Resourcing and skilling the purchasing, warehousing, shipping and installation activities.
- Growing a project management culture, with implementation skills and performance metrics at it's heart.
- Managing and leveraging a new set of opportunities and risks.

The result

In addition to achieving the required performance standards, the opportunity presented itself to provide a unique value proposition for the client, the cornerstones of which were;

- Sourcing additional items directly from overseas manufacturers, bypassing local distributor costs and margins.
- All overseas purchased items were costed individually based on the exact exchange rate at the time of payment, minimising price to each QSR.
- We agreed gross profit margins on every package item and opened our books for review at any time.