



# The Ultimate Guide to Working with Restaurant Suppliers



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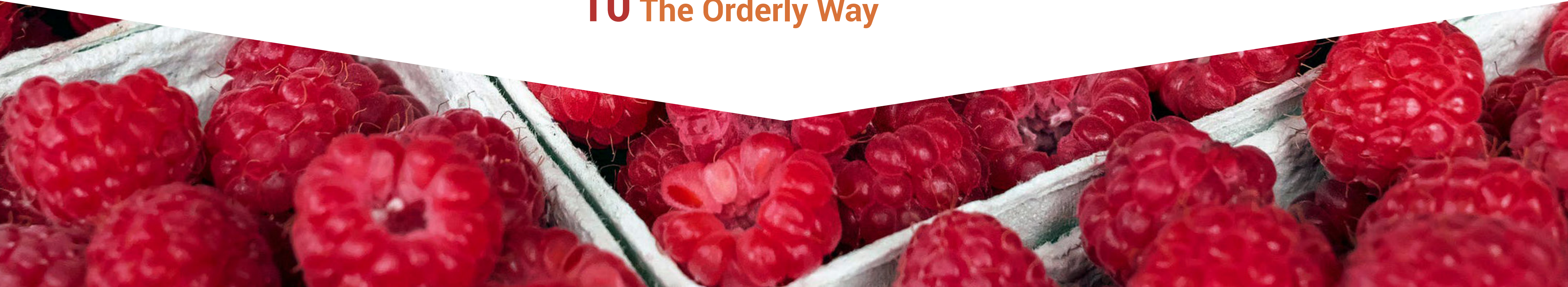
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# Intro

## The Importance of Vendors

As a restaurant owner, suppliers can be the bane of your existence.

But they're necessary.

Without them, you'd be making daily runs to the grocery store.

...If you're currently doing that, please check out your ordering processes ASAP.

You're constantly in contact with your suppliers. You have phone calls, meetings, deliveries...

There are probably weeks where you talk to your vendors more than you talk to your spouse.

But unlike your husband or wife, your suppliers aren't there to have and to hold you.

They're there to make money.

And while their intent may not be malicious, they sure as heck aren't going to go out of their way to help you save.

Because that means less cash for them.

With this guide, you'll have all the tools you need to find, vet, and establish strong relationships with suppliers.

It's time to take back the control. Or you'll be letting others run your business.

**Stop letting others run your business. It's time to take back control.**





# 1

## Picking the Right Supplier for You

Your neighbors may have a vendor they love.

Or you could remember a few you liked working with when you were a GM at your last job.

But it's important to take the time to ensure you're choosing suppliers that work for your restaurant *right now*.

If your business has been running for years and you've got vendors you happily work with, don't skip this. It's a good exercise to follow.

After all, you never know when you're going to want or need to add a new supplier.

Or when you'll need to replace one.

If you're selecting a supplier without thinking, you'll inevitably run into issues in the long run.

Here's are some tips to keep in mind:

### Shop Around

Don't just go with the first supplier that comes across your plate. There are hundreds out there.

The first one you see *could* be perfect, or they may not be.

But if you pull the trigger too fast, you won't have even given yourself the opportunity to find the perfect match.

### Read Reviews

It's easy to find reviews of various suppliers by just doing a little research.

Check out respected sites – like the Better Business Bureau – and ensure it's going to be a vendor you can trust.

If you can't find online reviews, it's worth reaching out to fellow restaurant owners to see if they have any advice or thoughts. This can be especially helpful if you've chosen to order from any smaller, local vendors.

You want to get a good feel for the vibe of the supplier before you make a decision. And, yes, it's true – you won't fully know until you actually work with them. But, you can get the best idea possible.



## 2 Build And Maintain A Strong Relationship

Outside of your staff, your vendors are going to be the people you interact with most frequently while running your business.

So, you don't want to find yourself in a situation where you can't get along with your suppliers at all.

You want them to become people you welcome into your restaurant with open arms, not with a hostile attitude.

As you're establishing these relationships, here are some things to watch for.

### TRUST

Trust goes both ways.

For your supplier, it's simple: They want to trust that you'll continue to order from them, and will be upfront if you ever decide to go another direction.

For you, the trust is a bit more layered.

Suppliers tend to look out for themselves, not for you. And, to an extent, that's understandable.

But you need to trust that your vendor isn't purposely stacking the deck against you.

They shouldn't feel like that shady ex from back in college.

You shouldn't always be questioning their motives – you should be comfortable. You've already got enough on your mind, don't add worrying about your supplier to that list.





## RESPECT

The foundation of your trust with your supplier needs to be rooted in a place of basic respect.

On your end, you should keep realistic expectations with your suppliers.

Constantly having ridiculous requests or rude phone calls shows a lack of care for your vendors' time or for them in general.

For your vendor, treating you with respect boils down to treating you like an equal. Too often, vendors see their customers as blood in the water.

Yeah, they're not as blindly malicious as Jaws, but they simply can't resist the opportunity to squeeze a few extra bucks out of you.

However, if they're treating you with respect, those random price spikes will become a thing of the past.

## OPEN DISCUSSION

If you've established respect between you and your suppliers, then you should be comfortable with an open flow of conversation between you.

In a successful supplier relationship, they feel obligated to notify you of price increases. Or you feel comfortable and empowered to negotiate pricing.

If you don't feel okay having a conversation with your supplier – even if it's not business-related – you shouldn't be ready to do business with them.

## ALIGNMENT

Throughout your time working with a vendor, you want to ensure you're always on the same page. From knowing what cut of meat you prefer to understanding which price ranges work for you, it's important to have basic, understood parameters in place.

Without them, your supplier may feel empowered to make bigger decisions without your help. And these decisions may not be in your best interest.

But being on the same page (which requires the trust, respect, and open discussion we've gone over), can take a huge load off your back.





# 3 Pay Attention

Once you've found a solid group of suppliers and have established great personal and working relationships with each of them, it may feel like the hard part is done.

In many ways, you're correct.

Making that initial supplier decision is a time-consuming process, and building a new relationship takes a lot of energy and effort.

But there's still more for you to do.

With your suppliers selected and chugging along, or even with suppliers you've used for years, it's easy to feel like you can go on autopilot.

You tell yourself that they'll let you know if prices change or if deals appear.

You start to focus more on your broken dishwasher or your hostess that's skipped her last two shifts. You let the invoices pile up, ignored.

You [place the same orders](#) week after week.

And all of a sudden, you're thousands of dollars in debt.

Even if you've built a great relationship with your suppliers, you are still the only one who fully has your best interest in mind.

And when you start to ignore what's going on, you can fall victim to huge losses.





Most of these losses come at the hands of what we refer to as the **Four Dirtiest Words in Supplier Pricing:**

**PRICE CREEP** The regular and consistent rise of a price – in small quantities – over time.

Price creep happens when a supplier promises you a low price, and then slowly, over time, lets it rise back up to where you started, if not higher.

To avoid this, you need to find a way to keep a pulse on the average local and national prices for your ingredients.

You can do this yourself with hours of research, or find a technology solution to help you out.

**PRICE SPIKES** When a food cost unexpectedly jumps up then drops back down, with seemingly no explanation.

While it's difficult to catch price spikes before they happen, what you do after is vital.

If you ignore it, your supplier will know that these seemingly random happenings can happen more often without any repercussions.

But if you're watching your invoices – or employing a software that watches for you – you'll catch them as soon as they happen.

Then, you can have the conversation with your supplier to put an end to it.

And maybe get a refund as well.

**OVERMARKET** Paying more than the average restaurant pays for the same ingredients.

While it can be easy to figure out your food costs, it's not as easy to figure out what you *should* be paying for your ingredients.

Your suppliers aren't going to look up local and national price averages to tell you if you're paying the correct amount.

They're also not going to tell you if one of your restaurant locations is paying more than another. Which surprisingly, happens pretty often.

But if you stay informed – whether on your own or with the help of technology – you can keep your suppliers honest.

**PACK SIZE & EFFICIENCY** Saving money by purchasing commonly used items in bulk.

As you place the same orders over and over, you may forget to take a step back and re-evaluate.

There may be deals you're missing out on, especially when it comes to buying in bulk.

Do your research.

Find out which items are cheaper when bought in larger quantities, and modify accordingly.

Paying attention and doing the proper monitoring sounds like a lot of work. And it can be.

But, with the right technology, it can also be incredibly simple.

Find yourself software that not only pays attention to changing prices for you, but shows you all the ways you can be saving extra cash.



# 4

## Don't Lose the Power

When you've done your research, you'll be able to start having conversations with your suppliers. And they'll know you mean business.

But, you can't let up. You have to stay active.

Your relationship with your supplier is a delicate balance. You don't want to give up any of the power you have, or it's back to square one.

There are lots of ways to maintain control in your supplier relationships, but there are two that, when executed properly, can make the biggest difference.

### **HOLDING QUARTERLY BUSINESS REVIEWS**

Held four times a year (as most quarterly things are), a QBR is a great time for you to sit and have a thorough conversation with your supplier.

[Running a QBR](#) allows you to keep tabs on your standing with each supplier in regard to total spend, customer service, and price increases.





It consists of 9 specific steps:

**1. Put it on the Calendar**

- a. Ideally, these meetings take place every 3 months. And for each one, it's necessary that every supplier participates. Set a time with the reps you work with, and get it on the calendar.

**2. Do the Math**

- a. To begin your QBR prep, you need to add up your total spend with each supplier since the last time you met. Then, you'll want to calculate what percentage of your total food spend each one represents.

**3. Find What's Changed**

- a. Take the time to compare your total food spend and each supplier's individual food spend numbers with the same numbers from the previous period.

**4. Focus on the Top 20**

- a. Build a list of your top 20 items by spend. These are what you'll focus on with your suppliers. Compare your spend between this quarter and last quarter.
- b. With that done, create two more lists:
  - i. Top 10 items by price increase
  - ii. Top 10 items you purchased the most

**5. Get a Price Check**

- a. **This is the most important step.** Before you meet with your suppliers, find out what other suppliers are charging for those items you just listed.

**6. Look Beyond the Money**

- a. It's time to reflect. Make a list of positives, problems, and anything else you experienced with your supplier over the last 3 months. Be specific, so you can ensure everything is covered.

**7. It's Meeting Time**

- a. Have the formal, face-to-face review. Don't arrive disorganized. Show respect, and demand respect. And with all your information properly organized, this meeting should go perfectly.

**8. Reduce Your Costs**

- a. Then, swing the hammer. With the stats in front of you, you'll know exactly where you need to ask for price relief. Focus on your top 20 items, but also on the ones that had the highest percentage of increase.

**9. Check the Results**

- a. After your meeting, it's important to send over a detailed recap. Or, you can print it out during the meeting, so you can get your supplier's signature on it. That's the way to truly ensure changes happen.

A QBR sounds complex, but it's completely worth it. Plus, we've created a [handy review process and template](#) to make preparing for it a whole lot easier.







### **PLACING SMARTER ORDERS**

Restaurant ordering can be stressful.

Your suppliers are (literally) banking on you ignoring your orders and just placing the same ones week after week.

But when you pay better attention, it stops your suppliers from having all the power.

So, here are 5 ways you can start paying better attention to your restaurant orders:

**1. Avoid Over- or Under- Ordering at all costs**

- a. Purchasing the same quantities week after week is detrimental. Every week is different, so each one is going to require a different order. You never want to be left with a surplus or a deficit.

**2. Make Sure the Price is Always Right**

- a. Stay organized, and keep tabs on what you're paying each week so you can avoid overpaying. It's a lot of work, so we suggest looking into tech that can monitor it for you.

**3. Order Against Your Budget**

- a. A detailed, weekly budget is a must. That way, you can always know exactly how much you have left to spend.

**4. Hold Supplier Reviews**

- a. Take the time to review all your recent purchases with your suppliers, so you can ensure you're getting the best prices.

**5. Use Restaurant Technology**

- a. Nowadays, all that work it seems like we just told you to do... Well, it can be done for you with the right software.

When you start paying attention to your orders, your suppliers will know you're watching. It won't be easy to pull a fast one over on you. You'll see your prices drop and your profits start to rise.



# 5 The Orderly Way

Finding suppliers and maintaining good relationships is important.

But it can also be a lot of work.

And while Orderly can't tell you if your personality jives with the staff at Steve's Seafood Supplier, we can give you all the tools you'll need to keep your prices down.

With our revolutionary Restaurant Food Index (RFI), you'll always be able to see how your ingredient prices are comparing to local and national averages. You'll then be able to take that information directly to your suppliers.

Even in these crazy times, it's tough to dispute cold, hard facts when they're right in front of you.

And you don't even have to remember to check the RFI. Our dedicated staff will send you recommendations each time they see you're overpaying for an ingredient. They'll let you know which ingredient it is, and what you should be paying.

If you want to see all of your prices all at once, look no further than our new Supplier Review Tool.

With it, you can choose to get a report on any of your vendors. You can modify the report to only focus on certain products, or can get a full overview of everything you order.

All you do is click "download" and you get a fully organized spreadsheet.

You'll have your most recent purchase information – prices, dates, quantity, etc. – on all of your chosen ingredients.

You'll also have the ability to see how your ingredient prices compare to the market prices (so you don't even have to go to the RFI).

And, most importantly, you'll finally have an easy way to have a productive negotiation with your vendors.

Orderly is designed to help you run a smarter restaurant. And it can provide everything you need to maintain a successful relationship with your suppliers.

Why are you letting yourself do the hard work?

Let Orderly do it for you. And rake in the profits.

[Download Orderly](#)







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