

# Sourcing suppliers and getting the right price

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2009

Thinking of opening a sandwich bar or revising your working practices? Who better to ask than successful sandwich and coffee bar owner Jill Willis, who's achievements include a book recently published on the subject. In this extract she spells out some advice on the all-important area of product sourcing and pricing

**Y**ou'll have realised a few months back, while undertaking your research, that there are literally thousands of suppliers in the sandwich bar marketplace.

During your trade show visits you'll have collected many brochures and product lists, and you'll have made notes of which products are stocked by the many sandwich bars you've visited. Now you need to start distilling this information, creating a list of suppliers that could provide you with the products you need at the right price.

We use 15 different suppliers, who provide us with everything from our fresh bread to our toilet rolls. Over the past three years we've changed some of them, but most we're happy with and have been using from the start. I'm so glad that I spent time thoroughly researching the suppliers available to us before we opened. As a busy café owner I know I would now struggle to find the time to revisit this lengthy process again.

## CREATING YOUR SHOPPING LIST

First you need to create your shopping list. This should, of course, be based on the draft menu you've created, but will also include items that would not appear on your menu, such as snacks, store cupboard ingredients and cleaning materials. Let's consider the kind of foods and produce you could require:

- Breads – Traditional white, wholemeal and granary sliced breads, rolls and baguettes. Crusty bloomer breads, Italian ciabatta and focaccia, gluten-free bread, pitta bread, organic loaves, rye bread, deep-fill baps and subs, flat

bread, stone-baked breads, walnut loaves, etc.

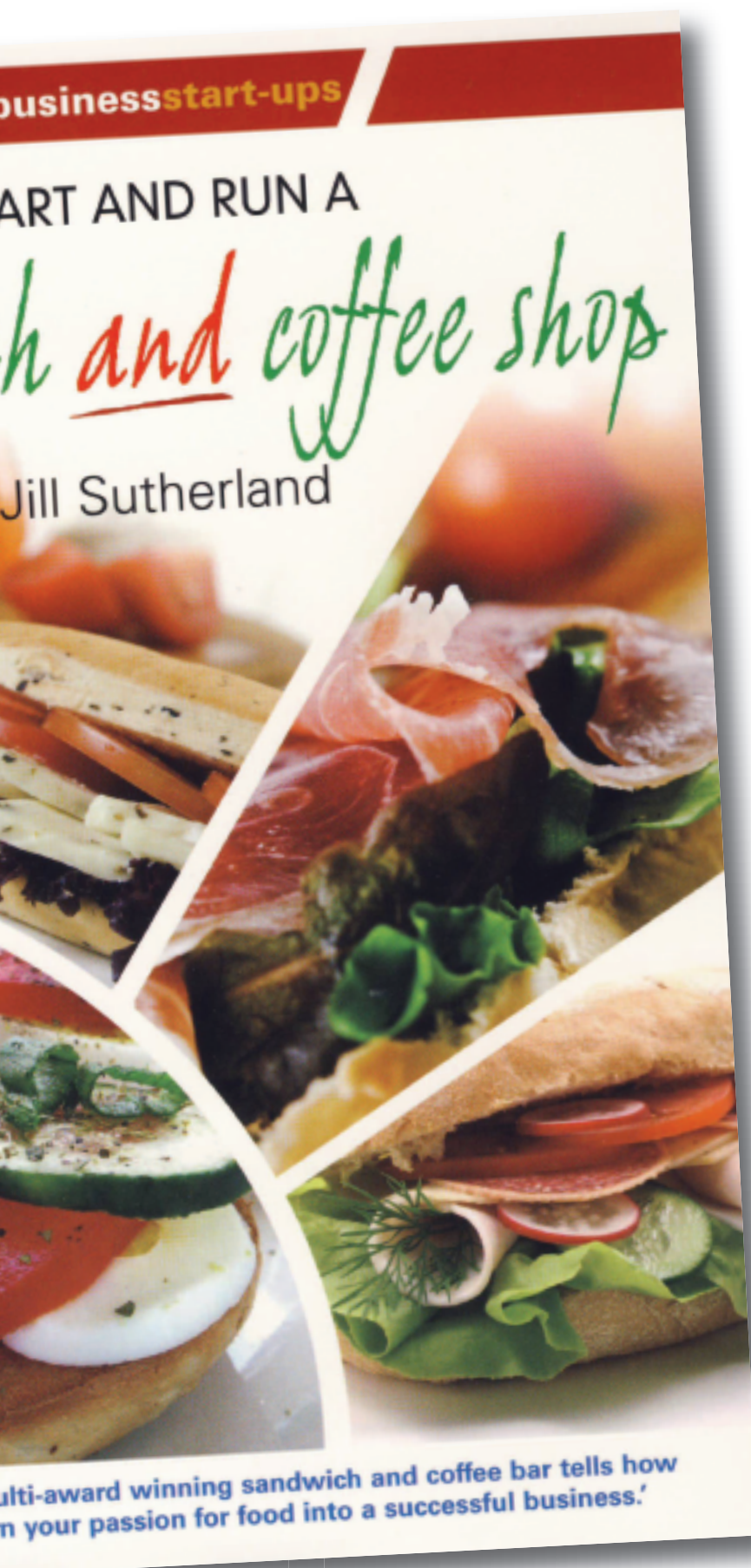
- Cakes – Carrot cake, banana loaf, chocolate cake, Victoria sandwich, teacakes, scones, muffins, biscotti, cookies, tray bakes, flapjacks, brownies etc.
- Store cupboard staples – Sauces, jams, marmalades, dressings, marinades, mustards, mayonnaises, pickles, dry herbs.
- Delicatessen produce – Cold meats, cheeses, eggs, seafood, coleslaw, potato salad, olives, sun-dried tomatoes, minted lamb mix, coronation chicken mix, tuna mayo mix.
- Fruit and veg – Lettuce, tomato, cucumber, onion, apples, bananas, grapes, fresh herbs, baking potatoes, strawberries.
- Milk – Full-fat, semi and skimmed, cream, soya, goat's milk.
- Packaging – takeaway coffee cups and lids, straws, greaseproof paper, takeaway carrier bags, napkins.
- Drinks – Tea, coffee, hot chocolate, herbal teas, frappe, chai, iced tea, decaffeinated coffee.
- Snacks – Crisps, rice cakes, seeds, nuts, dried fruit, chocolate, organic chocolate, canned drinks, bottled water, bottled juices, cartons.
- Hygiene – Latex gloves, antibacterial spray, cleaning gels and liquids, hand-wash and paper towels, mop heads.

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# START AND RUN A SANDWICH AND COFFEE SHOP



## CONTACTING SUPPLIERS

Next, you need to begin contacting a range of suppliers and requesting free samples and price lists. Don't just stick to one type of supplier, mix it up a little with national firms, smaller regional specialists and local independents.

Suppliers will naturally be very keen to talk to you. Take advantage of this, ask to visit their premises, seek advice as to what new trends in food and drink are increasingly popular and find out if they are offering any free training. You should also ask them the following questions:

- How often they make deliveries in your area and on what days.
- What time they make the deliveries (early deliveries may demand that the driver has a key and you won't want deliveries between 12 and 2pm).
- How orders should be placed (many have a set day of the week for ordering and the sales team will call you at an agreed time from a call list).
- Whether there is a minimum order level (some order levels can be prohibitively high).
- Whether you'll be able to set up an account (it's a far better way for you to manage cash flow).
- Whether they supply any other sandwich bars or cafés in the area (it's better to stock produce that is unique to your locality).
- Whether deliveries are made in temperature-controlled vans (they must be if the goods are perishable).
- If they'll negotiate on price. As a general rule you should be able to negotiate some discount from the list price. After all, you're giving them regular business and they want to sign you up as a new account.

## PRICE CHECKING

Next, begin to price check the food and produce the suppliers are offering. Your aim is to find out whether the price you'll buy the produce at will enable you to make the profit levels your business plan requires.

This activity is not an exact science, especially at this stage of the process when you're yet to open and your calculations are based on estimates. However, it's vital that you do these sums – after all, there's no point in deciding to use a particular supplier and then three months in you realise that you're paying way more than you can afford for the produce. Here are some pointers:

- Decide on 'set' portions for sandwich, baguette, bagel, jacket potato fillings, etc. For example, you could decide that your sliced sandwiches will all contain two tablespoons of filling.
- Calculate the weight of these set portions. For example, two tablespoons of egg mayo could weigh around 90g. Do this by weighing some of the samples you've received.

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- Develop a comprehensive list (we used an Excel spreadsheet) of the suppliers you are considering for each produce item. List the weight they sell the produce in and how much that weight would cost you.
- From these figures you'll be able to calculate how much each supplier's filling will cost you to sell as an individual sandwich. For example, if a supplier sells their egg mayo filling in 1kg tubs and you use 90g of filling per sandwich, then you'll get 11 sandwiches out of each tub. If they price 1kg of egg mayo at £4.30 then you'll know that each sandwich will require 39p worth of filling.

Now add in the cost of two slices of bread and a set figure for additional salad stuffs such as lettuce and tomato, plus greaseproof paper, napkins and takeaway bags and you'll have a good idea of how much each of your menu items will cost you to make.

- Compare the total cost of producing the food item with the price you intend to sell it for. Are you left with a 65% margin? If not, then you should perhaps look for an alternative supplier for the produce, or reconsider your menu.

To be thorough, you need to repeat this exercise for everything you intend to produce and sell. It is absolutely vital that you know exactly how much each item costs you and that you make the right level of profit from its sale.

Remember, it's not simply about getting the lowest price. You need a supplier that can provide you with the quality or produce you want, for the price that suits your bottom line, and with a reliable service.

The suppliers you choose are important because their reliability and the safety and quality of the food they supply, could affect your own business. It's especially important that the products you buy have been stored, processed and handled safely.

## ESTABLISH SUPPLY AND DELIVERY PROCEDURES

Finally, before your café opens and you begin receiving your first deliveries, you need to do the following:

- Create a list to be mounted on the wall in easy view of all the suppliers you'll be using, their order days, delivery days, and contact telephone numbers.

- Buy a clipboard and develop your own template order sheet for each supplier. This should list the produce you have decided to source from each supplier. Every time you place an order, fill in a new sheet, ticking the boxes next to each produce item and noting the expected delivery day.

Then keep the sheet on the clipboard until the delivery arrives and has been checked off against the list. This is a particularly useful system if you're working with a partner, as each of you can see who's ordered what and when it is expected in, avoiding confusion.

- Send a letter to all your chosen suppliers asking them to confirm in writing that their business complies with all relevant food hygiene regulations and that they have in place an appropriate system of Hazard Analysis Critical Control Point (HACCP).

This is simply a way to ensure that they are working within the law, and the environmental health officer would applaud your professionalism. In addition, such letters may well prove helpful in the unlikely event of a claim being made against you.

- Have a clear 'delivery' procedure, so that all staff know what to do when a delivery arrives. You should use a thermometer to check that chilled and frozen food is cold enough. You should check that packaging is not damaged, that the 'use by' date is acceptable and finally, that it's what you ordered.

### Alarm bell

Traceability is all-important. You must keep written records of all the suppliers that provide you with food, or food ingredients.

The records should include the name and address of the supplier, the type and quantity of products and dates when you take delivery. You may also choose to record the batch number or the 'use by' or 'best before' date. Often this information can be found on the invoice or delivery note, but you should double-check to make sure.

You must also keep the invoices and receipts for all the food products you buy from any supplier, including food you've purchased at the local supermarket or cash and carry. This is so that if there is a problem with the food you've sold, you or an enforcement officer can check the information relating to it.

Jill Willis runs Taste (UK) sandwich and coffee bar in Romford, with husband Richard.

### Start and Run a Sandwich and Coffee Shop Jill Sutherland

ISBN: 978-1-84528-333-9

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