

 Supply Direct

Supply Direct

Corporate Profile

A leading UK contact caterer

Supply Direct is a contract caterer, supplying the NHS and schools with a comprehensive 'one stop shop' solution to often complex and demanding catering requirements.

The company today has a customer base of around 65 institutions—mainly UK hospitals and schools, but also some staff restaurants and contract caterers. The company's mission is to manage catering costs in large establishments such as hospitals and schools while, at the same time, improving the standard of food for patients, children and staff.

Business Challenge

Delivering a range of customer benefits

This is a highly competitive business, operating in a sector where budgets are often tight and under fierce scrutiny. The company's business objective is to offer a cost effective management system that reflects the growing trend towards controlling the entire catering process in-house. The challenge the company faced was how to achieve this effectively and efficiently.

In the words of managing director Damian Bell: "Supply Direct is committed to providing wholesome meals and healthy diets within the customer's defined budget. Our system means chefs are freed up to do what they are best at, which is preparing food. Meanwhile, financial directors, trust board directors, headmasters and bursars have much more accountability over an area where it has historically been tricky to manage and track costs."

Supply Direct's services both place a premium on tracking and tightly managing the supply chain, including orders and invoices. A customer enjoys access to a web-based management system linked to the customer's own current or planned menu cycle. This includes menu planning, automatic calculation of daily production requirements, supply ordering, stock management and 'once weekly' invoice on a fixed price per dish (or 'per day, per person') basis. Alternatively, the customer can deploy Supply Direct's system as its own catering management system but continue to use its existing suppliers.

In both cases, an over-arching goal is to deliver a range of benefits that will impact the customer's bottom line, as well as favourably impacting service quality and productivity.

In particular, the vision was to provide the customer with one order – thus eliminating the hassle and paperwork involved in multiple orders—and one invoice. In this scenario, the customer would enjoy substantially reduced labour costs since fewer staff are required to process invoices. Dynamic stock control was to be another advantage, so that the customer would know exactly what supplies are already in stock.

The Supply Direct approach would also mean that the customer could stay on budget using Supply Direct's precise portion management parameters. There would be less wastage, and the customer could avoid throwing away expensive food by using a 'portion-based' ordering system that can be easily linked to POS sales systems for real-time reporting accuracy.

The Solution

Streamlining business processes with GXS B2B software

Institutions such as hospitals and schools often have especially challenging catering needs, and not simply because such institutions have stringent budgets. In terms of catering, they typically have large and sometimes transient populations with a complex set of nutritional demands. This complexity means that it is relatively easy for costs to spiral quickly out of control, especially if the institution is dealing with a large number of national suppliers (for frozen and dry foodstuffs) and local ones (for fresh produce).

As part of its drive towards maximum efficiency, Supply Direct has adopted B2B software from GXS, putting in place a flexible and easy-to-use system that enables a company to accomplish XML, EDI and any-to-any data transformation and rapidly set up trading and other business partners to participate in today's e-commerce marketplace. This has allowed Supply Direct to automate the process of product ordering and invoicing, and integrate both with Supply Direct's core database.

Supply Direct is using GXS Application Integrator, a powerful any-to-any mapping and translation software application that can be licensed to run behind the firewall. Application Integrator (AI) provides a graphic user interface for analysts to design and develop maps, which convert electronic documents from the data structures of ERP applications, into XML, proprietary application structure or EDI formats.

Working with GXS, the key benefit Supply Direct brings to customers is that they are able to not only manage this complexity but fix the price of catering and, critically, track those costs more effectively. GXS solutions are playing a critical role in streamlining Supply Direct's business processes and helping achieve these improvements. One of the keys is being able to set up new trading partners quickly and easily.

In this way, GXS is helping Supply Direct become an Active Business that services each customer uniquely via a customer-facing supply chain supported by uninterrupted, continuous flow of sales, shipment and payment information. The company can send and receive information in any format and via any method preferred by the customer—but without creating a technology challenge or support burden for the business.

The Results

Bringing control back to catering

Powered by GXS, Supply Direct's tools are helping catering managers in NHS trusts, care homes, schools, universities and other volume catering environments to bring control back into catering. With help from GXS, Supply Direct is allowing its customers to take the guesswork out of catering.

Some 80 percent of supplies are now invoiced electronically, rather than manually—making a key contribution to the drive to streamline business processes. The end result is

that schools and hospitals can confidently plan, manage and control catering budgets—although these budgets have historically often been characterised by waste, over-spend and non-accountability.

Typically, Supply Direct can shave at least 10% off its customers' existing catering costs. Once the cost of catering is fixed, it becomes both predictable and transparent. With Supply Direct's system in place, customers order against menus, which can be immediately managed as cost centres, allowing the institution to allocate income against catering expenditure much more precisely than ever before.

Customer feedback is very positive. One Supply Direct customer, for example, is Northampton General Hospital NHS Trust which has sought to revolutionise its patient catering in recent years and has earned an 'Excellence in Hospital Catering' award in the process. The Director of Facilities at the Northampton General, Charles Abolins, notes that: "Supply Direct's attention to detail and determination to provide high quality service and products are second to none. Supply Direct was able to develop the system so that it was completely customised to suit our needs."



About GXS

GXS is a leading B2B integration services provider and operates the world's largest integration cloud, GXS Trading Grid®. Our software and services help more than 550,000 businesses, including 22 of the top 25 supply chains, extend their partner networks, automate receiving processes, manage electronic payments, and improve supply chain visibility. GXS Managed Services, our unique approach to improving B2B integration operations, combines GXS Trading Grid® with our process orchestration services and global team to manage a company's multi-enterprise processes. Based in Gaithersburg, Maryland, GXS has direct operations in 20 countries, employing more than 2,800 professionals. To learn more, see <http://www.gxs.co.uk>, read our blog at <http://www.gxsblogs.com> and follow us on Twitter at <http://twitter.com/gxs>. You can also access our public filings with the Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

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