

## Use Your Supplier's Buying Power

The next steps for lowering delivered pricing ... once you have the right distributor in place and feel comfortable with their mark ups/margins, work with them to identify **cost reduction opportunities**.

Distributors will have much greater buying power than growing restaurant companies ... so enlist their help as a partner to key in on high volume items, and take advantage of things like **upfront manufacturer allowances**, which will lower your delivered cost of goods, and the **review of their inventory for similar quality products** that can be utilized at a cost reduction without affecting quality. Your distributor can go back to its manufacturers in a much stronger position to negotiate deals on your behalf.

Also, it may be worthwhile to schedule a quarterly business review to go over the performance of these deals as well as targeting key areas for review and product cuttings. Meeting regularly with the appropriate distributor personnel (manager or director level) ensures that the distributor continues to work in your best interest, plays an active role in reducing your food cost and keeps the partnership strong.

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