

Get a deal on everything

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Wine

“There’s a sea of well-priced wine available from expected and unexpected regions,” says Michael Green, president of Liquid Assets consulting group in New York City. Certain regions are delivering especially good value. He cites rosés and Albarinos from Spain, Sauvignon Blancs from New Zealand, Cabernet-based wines from Chile, German Reislings, French Chenin Blanc from the Loire Valley and medium- to full-bodied reds from Puglia and Campania in Italy. Research and a willingness to experiment can yield the best bargains. But if you don’t have the time or resources, tap your importer or distributor for ideas. “Think of them as true marketing partners— not just vendors who can provide case discounts,” Green says.

At Quartino, a Chicago wine bar and restaurant, executive chef/managing partner John Coletta follows that advice with his distributor, Blue Star. “We go to regions that aren’t well known for producing stellar wines, like Sicily and Campania,” he says. “The varietal is known but the winery may not be.” When they discover a fresh, food-friendly wine with character, they purchase it by the container load.

Other ways to save?

“I’m a big fan of alternate closures,” says Green. “Screw tops and boxed wines— especially from Australia— can be good buys and look hip and cool.”

Looking for tech deals?

Whatever technology item might be on your to-buy list, chances are you can dredge up a killer deal at one of these sites: Spoofee.com highlights the best bargains of the day on its main page. Venture around a bit and you’ll find helpful deal forums, a one-stop spot for weekly ads from major retailers and a collection of current coupons. CNet Shopper at shopper.cnet.com combines in-depth technology reviews with a price comparison search engine. Pick your product and then find the best offer. NexTag.com is already a popular shopping search site, but you might not know about the Price Drop feature. For example, the “Price Drops” link within the Computers category clues you into the biggest recent savings on notebooks, printers, desktops and more.

Knives

Sure, you can buy your own knives, charge employees with keeping them sharp and replace them periodically. But depending on your market, you can also check out back-door cutlery service. It's essentially a rental program: You specify which types and how many knives you need, and the service provider drops off professionally sharpened knives each week (or however frequently you want), picking up those used the prior week for re-sharpening and re-conditioning. Depending on the number of knives they're using, a typical 60- to 80-seat full-service restaurant pays around \$15 per week, says Robert Ambrosi, who operates Ambrosi Cutlery in Mahopac, New York, (www.ambrosicutlery.com).

Such mobile services exist around the country, including The Knife Guys (www.theknifeguys.com) in Denver, which, through a national franchise division called Rolling Sharpening Stone, also offers on-site knife and smallwares sales from 18-foot mobile "showrooms." Prices are competitive, says owner Darryl Hoffman, but the real deal is always having professionally sharpened knives—and one less thing to hassle with.

Disposables

Look east—Far East—for your paper and plastic plates, containers and utensils. "China is emerging as a major player in disposables," reports Russ Cipolla, principal in Team Four Foodservice, a group purchasing organization. "And the products coming in from there are 15 to 20 percent cheaper." While quality varies considerably, large American disposable distributors, such as Bunzl, now station employees overseas to supervise production and packaging.

The result: improved, more durable products. Cipolla also advises operators to source from lesser-known manufacturers that have good market penetration. "Most operators fall in love with a brand, but it's smarter to fall in love with performance," he claims. For more competitive pricing, go through a disposables distributor rather than a broadliner. Eastern Bag and Paper, for example, imports its own house brand from Asia.

Uniforms

To make the most of your uniform-buying dollars, focus on the pieces that are most visible to customers. "Put your money into the shirt and apron," suggests Janice Henry, VP of design for Superior Uniform Group in Seminole, Florida. "And buy from the company's stock line instead of going for custom-made apparel";

Renting is a viable option if staff turnover is on the high side, says Brian Garry, director of segment marketing for Cintas, a national company with a local presence in most markets. "We charge a flat fee for each employee, so you basically pay for what you use," he says. Uniform rentals average \$5 to \$7 a week per employee, including laundering. The drawback? Choices are narrower when you rent.

Marketing

The age of the one-stop marketing shop is over, right? Now it's de rigueur to split your business up, with one contract for PR, another for outdoor advertising and still another for marketing. Not so, says Doug Reifschneider, director of marketing for Jacksonville, Florida-based Firehouse Subs, which has more than 250 units across the southeast. The 13-year-old company does its marketing the old-fashioned way, paying a retainer to Erwin-Penland (www.erwinpenland.com), a South Carolina advertising, marketing and branding firm that is a division of Hill Holliday, the big advertising agency. The arrangement means that Erwin-Penland handles everything from point-of-purchase materials to print fulfillment to good old-fashioned PR for Firehouse.

Not only does the arrangement save Reifschneider time—“When we’re working on developing a new product, it means the world to be able to call one or two contacts at Erwin-Penland and get them to run with it,” he says—but it’s surprisingly cost-effective, too.

“We had a third party consultant review the contract, and we found out that Erwin-Penland is giving us a great deal for our money,” Reifschneider says.

Insurance

The best way to save money on insurance premiums is to pay attention at renewal time. It’s a well-kept secret that much insurance pricing is subjective. So let your insurance agent know that you’ll be asking the agent around the corner for a bid, too, and you’ll likely save 20 percent to 30 percent on your premium. Don’t know how to compare one policy to the next? Look for an independent insurance consultant, many of whom are retired insurance brokers. (Check with your state’s office of insurance or search online under “insurance consultant.”) The best consultants are those who don’t sell insurance themselves. Yeah, you’ll have to shell out the dough for their fee, but in return you’ll be getting unbiased advice—which means lower premiums and, just as importantly, a policy that’s right for your business.

Menu R&D

Partnering with a food manufacturer is the cheapest way to research and develop menu items. Big companies are staffed with trained research chefs who develop proprietary products for foodservice customers free of charge. Often they partner with other vendors to come up with a comprehensive solution. Say you’re looking for a new burger variation; a meat supplier can enlist manufacturers of sauces, buns and even equipment and arrange a vendor panel—which often includes an independent consultant who specializes in R&D. Robin Schempp, president of Right Stuff Enterprises in Waterbury, Vermont, who takes part in these preferred vendor panels, is asked to do everything from ideation to recipe development to marketing. But, she cautions, “you’re beholden to using the manufacturers’ products.”

Coffee

Rick Kowalski, operations VP for It’s a Grind, a Long Beach, California-based coffee chain, recommends keeping tabs on the price of green coffee beans in the open market. That way, if your supplier increases prices, but you know the price of beans hasn’t increased, you’ve got ammo at the negotiating table.

“Coffee is the second most traded commodity and prices fluctuate daily,” he says. By going to a financial company’s Website or the CNN Money site, you can track prices and compare them to what your supplier or roaster is charging.

New technologies are bringing labor-saving coffee products to foodservice that may also save you money. Liquid coffee concentrate costs the same as ground coffee, yet it takes the guesswork out of brewing and storage—a plus for many operations.

Web design & hosting

You don't have to spend a fortune to get a Website. You don't have to spend anything at all. With Microsoft Office Live Basics (officelive.microsoft.com) you get a domain name, Web hosting, design tools, 25 email addresses and 500 MB of Website storage space, all for free. An inexpensive offering can be found with SiteKreator.com's \$19.95 per month business Website package. Yahoo! (webhosting.yahoo.com) has an \$11.95 per month starter plan with nice extras like 24-hour, toll-free phone support and a free domain name.

Linens

Committing to a primary supplier can save you money. "As soon as it's a split job, with one company doing tablecloths and napkins and another chef's coats, mop heads and towels, for instance, prices go up on both sides," says Matt Schlosberg, VP of business development at White Plains Linens, Peekskill, New York. Another penny-pinching tactic: Switch from 100-percent cotton to new synthetic blends, which Schlosberg says have come a long way from the rough and unabsorbent versions common a few years ago. "Today, you can't tell the difference between synthetics and 100 percent cotton. They hold up a lot better and they're much less expensive—from 25 percent for standard cotton up to 150 percent less than top-quality Egyptian cotton," he says. Or, if you're committed to cotton, you might try using a blend for tablecloths and cotton for napkins. Finally, check the fine print on your contract so you understand how you'll be billed (i.e., for actual use versus standard weekly minimum), what constitutes damage and how damaged items are charged for, and how adjustments can be made if your inventory needs change.

Stereos & TVs

Televisions and stereo systems can be tricky beasts to bargain hunt for. If you're shopping online and find a good deal, check with competing retailers. Most of them offer price matching and many will undercut the other guy's price if you take the time to ask. Visit DealCatcher.com for a one-stop roundup of both online and printable in-store coupons. If you hit up the large chain retailers, check out their open stock and floor models for unadvertised deals. Don't overlook independent electronics retailers. They often have more room for negotiating prices, especially if you need several stereos or TVs to stock more than one restaurant location.

Trash pickup

Here, it's all about volume and frequency, both of which can be impacted by separating out recyclables, says Kenny Lark, national accounts director at Waste Management, Inc., the country's largest disposal service. "Separating allows for less frequent pickups on regular trash. And recyclables, which comprise about half of the total tonnage at typical restaurants, cost significantly less to pick up because vendors get rebates on those materials."

If you're an existing operation and can install a second container to start recycling, work with your service provider to either "right size" your regular trash dumpster or to adjust pick-up frequency to compensate for lower volume.

If you can't separate, you can still save. In particular, make sure employees break down packaging materials. "We routinely see 25 to 60 percent of the volume in restaurant dumpsters taken up by air—mostly boxes not broken down," Lark says. If you have enough space and volume, consider buying or leasing a trash

compactor. It'll reduce your volume, and theoretically the transportation portion of your waste-pickup service, by up to two-thirds. Instituting any of these tips can cut your garbage bill by 10 to 20 percent.

Accounting

For the best deal, ditch the pricey big accounting firms and sign up with a smaller local or regional firm that has other restaurant clients. (Your state's association of CPAs is a good place to look for leads.) Once you've found a firm you like, don't be afraid to talk about how much, exactly, the work is going to cost. "When I had an accounting practice, if a person asked about the fee I would be more careful and the fees would be lower," says Ed Hynes, a CPA who now runs the Restaurant Seminar Institute in Edmonds, Washington.

Dinnerware

In your hunt for plates, glasses and flatware, comparison shopping pays off. "If you don't have time to do your own legwork, restaurant supply houses that specialize in front of the house can do the research and direct you to the best products for your concept," says Barry Goldberg, VP of Corby Hall, a dinnerware company in Randolph, New Jersey.

A couple of examples: Edward Don and Company (www.don.com) and Tri-Mark (www.trimarkusa.com). But don't be shy about negotiating directly with manufacturers—they want your business and "list price" is just a number.

Up to 50 percent off list is not unusual for an opening order and you should try to lock in discounts on re-supplying at the same time.

Credit card processing fees

There's nothing simple about these fees; the merchant services industry is laden with jargon, mumbo jumbo and an impenetrable thicket of hidden charges and unsavory providers. The best way to cut through it? Get bids from at least three reputable providers, and make sure they're complete. Most importantly, don't just accept the fee structure you're offered.

"Restaurants have the volume to negotiate on the per-transaction fee, which is the single biggest cost you'll face here," says Jeremy Sacco of BuyerZone (www.buyerzone.com), an online quote request service that vets the providers with which it works. Competition in the industry means you should be able to avoid long-term contracts; termination fees of more than a few hundred bucks are too high.

Office supplies

When it comes to office supplies, the biggest expenses are usually ink, toner and paper for your printers. Refill kits are available for many inkjet printers, but beware of the potential mess of doing it yourself. Check out online discounters like 123inkjets.com and InkSell.com. To save on miscellaneous office supplies, sign up for a loyalty rewards program like Staples offers. Theirs gets you 10 percent back on ink, paper and copying and printing services.

Equipment

Auction sites and online companies offering discount prices on new and used equipment abound, and they can save you a bundle.

If buying straight out isn't an option, check out financing, offered by some major manufacturers, which can get you low monthly payments. One example is Enodis, the umbrella company for a number of foodservice equipment brands (www.enodisusa.com). Like leasing, you may pay more for the ability to spread the cost of big-ticket purchases out over time, but having relatively low, fixed monthly payments can be easier to swallow than writing a check for the full amount.

Also, check out used equipment. Lots of dealers carry refurbished used items that work just fine, come with limited guarantees and can dramatically cut your purchase price. Auctions, classifieds and Websites are other good sources for finding used equipment on the cheap. One site to check out: www.acemart.com, where a used DoughPro countertop pizza dough press with a list price of \$1,990 recently sold for \$500. Another is www.acitydiscount.com, where a Grindmaster/Crathco frozen margarita machine listing for \$6,314 was posted for \$1,500.

Grease removal

Instead of paying for spent fryer oil to be hauled away, look for oil recyclers that will pick it up for free. Some will even pay you for it, so shop around.

One that does is Sanimax (www.sanimax.com). Nick Manzke, procurement manager for the national company's Deforest, Wisconsin, facility, says the payments depend on the re-sale market—mostly to animal feed manufacturers—and can range from \$10 to “a couple hundred,” depending on volume.

As for keeping the lid on costs related to grease trap pumping, start by training staff to reduce the amount of grease going down the drain. You also might eliminate pumping costs with products that promise to keep pipes and grease traps clean. “It's a liquid that gets poured down the drain once a week for about \$240 for a year's supply. By comparison, pump-out service, which is usually done quarterly and often more frequently, depending on volume, typically runs \$100 to \$300 per visit,” says Wyatt Magnum, chief engineer at EnviroLogics Laboratories, Ocala, Florida. The company makes a product that eats away at anything biodegradable in the plumbing system. “Solids are broken down to a liquid before they ever reach the grease trap. No pumping required,” he says.

Staffing

You can save time and money on the front end of the hiring process by using an online job board that screens candidates for you. JobsintheUS.com, which runs local job sites in 18 states, allows employers to ask applicants up to three yes or no pre-screening questions before submitting their application online. Candidates' ratings, which are based on their answers to the questions, are included in the subject line of each new application notification email you receive. The site also tracks statistics including the number of times your job posting was viewed and the total number of applications you received, meaning you can tweak future ads to be more effective. The end result is less time weeding through inappropriate resumes. Even better: JobsintheUS's rates, which range from \$260 to \$5,000, depending on company size, for 90 days of unlimited ads, often beat those of national job boards and daily newspapers.

Real estate

Real estate is a risky business. That's why the best way to get lower lease rates is to demonstrate to the landlord that signing a deal with you is less risky than going with another potential tenant. Marty Kotis, president of the Council of International Restaurant Real Estate Brokers and of Kotis Properties in Greensboro, North Carolina, recommends a few ways to do so. First, take advantage of the buzz about your business. "Demonstrate that you'll be a good draw, that you being there will help them lease out the center and make it more high profile," Kotis says.

Second, ask to get the space in shell condition. This way, the landlord doesn't have to lay out tenant improvement dollars; the cost of fitting out the space is on you, and in return you get a lower lease rate. Third, prove that you're solid financially. This may mean putting up a personal guarantee, but remember: less risk for the landlord means lower costs for you.

Finally, don't forget the value of market intelligence. Know what competing spaces are leasing for, and what other deals your landlord has done in the same center.

Equipment leasing

Denise Vecera's First Vision Financial (www.firstvisionfinancial.com), is a Bellaire, Texas, equipment leasing firm that works with operators across the country. The firm finances the purchase of equipment ranging from TVs for your bar to patio furniture to fryers and cash registers—any type of equipment that goes into a restaurant," says Vecera.

The deals are structured as lease-to-own agreements, with the entire cost of the equipment—sometimes including the cost of installation and maintenance—financed. At the end of the lease term, which is typically 36 months, the equipment is yours for one dollar. As for rates, they depend on your credit rating, but Vecera says they typically run 9 percent to 14 percent—a far sight better than what your credit card company will offer.

Commercial cleaning service

Hit the Yellow Pages, ask other operators for referrals or shop online through services like BuyerZone (www.buyerzone.com).

The latter, an e-marketplace, provides customized price quotes for many business products and services. You complete a short "request for quote" survey describing your business and your needs, and they deliver multiple bids from local and national commercial cleaning services directly to your inbox.

The service also includes tips for hiring a cleaning service. For example, "Meet with several companies at your facility to see what they offer. Have each company do a complete walkthrough to see what cleaning package and special services they recommend. They'll submit proposals detailing what they would do and at what cost. Examine documentation, including insurance and bond certificates, as well as proof of background checks and results of drug tests they may require of their employees. Review contracts carefully to ensure that everything agreed

upon—and nothing else—is in writing.”

(August 15, 2007)