

Case Studies Archive

NEW 2007

SECURE IN THE KNOWLEDGE

In the age of CCTV, sophisticated alarm systems, security door staff and hi-tech EPOS systems it is worth remembering the fundamentals. One of the reports produced for our clients includes a section designed to report on Security. Recently a stock auditor arriving at a nightclub to carry out an audit noticed the chains securing the front door were lying on the floor, assuming that a member of management had arrived on site early, he entered the club. Alarms started sounding and then the assistant manager arrived. It transpired that the chains had not been secured the night before. Needless to say, whenever we have returned to this site to carry out stocks since, we have always found the site to be totally secure!

PICK A RESULT, ANY RESULT

A new client where they previously conducted their own weekly stocks with an external stocktaker visiting monthly was baffled by our initial results. The first result we produced recorded a £21,000 deficit, followed by a £15,000 deficit at the next stock. Up went the cry "... but we do not get bad results." An in depth investigation by the Venners auditor discovered that the internal recording of deliveries was non-existent; strangely the previous stocktaker never queried any missing delivery notes. Further digging uncovered all manner of other poor disciplines. We now do monthly stocktaking and the results are good with a much improved gross profit. It will be a long time before the money we have saved this client will be spent in stocktaking costs, if ever.

PICK A RESULT, ANY RESULT (2)

A new customer where we only produce results on their own EPOS system appeared perfectly happy with their previous stock results and systems. At the first Venners audit we pointed out the missing selling prices on their reports which were generating false surpluses. No longer quite so happy they at least now have the comfort of knowing the results are right.

PULL THE OTHER ONE

It's late at night in an Event catering cellar where an event is due to get underway the next day, no cellar staff left on site, just two stocktakers and four enormous draught beer cellars to count. How can you tell which keg serves which bar? What do you do give up and go home, or find a solution? This is exactly the situation recently faced by two auditors. They of course found a solution. One auditor accompanied by security visited each bar and started to draw through a small amount of beer. The other auditor stayed in the cellar and checked where the beer was being dispensed from. Staying in touch by mobile phone they quickly identified every keg in the cellar and apportioned the stock accordingly, ensuring the Event results got off to an accurate start the next day.

THE UNSAFE SAFE

One of our Auditors recently arrived at a client's premises to carry out a Compliance Audit on their behalf. Imagine his surprise when after getting through the various security checks to gain access he found a note on the office wall that read "If the Manager is late arriving the keys to the safe are in the second drawer down". Needless to say he had plenty to report about security at this site and proof that the client needed our Compliance Audit Services.

PROFESSIONALISM PAYS

A small Pub Group recently appointed us to start stocktaking. We instigated our usual procedures asking to see all original paperwork, including takings returns.

Arriving at a pub for our first stocktake the Manager presented us with revenue as he always did for the previous stocktakers, unaware that we had already been given the information by the Owner. The Manager had inflated his records and if we had used his figures the result would have been OK but using the official data meant the result was over £1,500 short.

A few days later the Owner, alerted by us to this problem, reported that on investigation the Manager had repeatedly supplied erroneous figures to the previous stocktakers and had defrauded the company by more than £12,000.

NEW 2006

WHAT A LOAD OF DUMMIES!

On doing our initial stocktake at a hotel that completed them internally before, the Stocktaker queried a high consumption of Moët & Chandon champagne with the Manageress. The Manageress said "Have you got the 18 bottles over there on display?" the Stocktaker replied "You mean all those dummy bottles?" The Manageress looked aghast and said "Oh dear, we have been counting them for years!"

CONSULT FOR A BETTER RESULT

Following a recent presentation to a group of hotel managers a Venners Area Manager was approached by the GM of a hotel with a history of poor results. He visited the hotel and spent some time investigating all aspects of the business. From observations made he provided a report with recommendations covering security, tills, staff training and revenue posting. Using the report the Manager drew up an action plan and instigated most of the recommendations immediately with others under consideration. On the next stocktake there was a dramatic turn around in results, the Liquor result improved by 10% and the gross profit increased by 4%. The Food gross margin also benefited rising by just over 10%. It cost the hotel nothing!

CHAMPAGNE SERVICE

A new client who operates a substantial portfolio of Hotels in the UK recently telephoned and asked if we could tell him how many bottles of Moët & Chandon champagne each hotel had in stock and if we could, how quickly could we give him the data. 15 minutes later the information was sent via e-mail, proving that Vision 21 helps us to provide a sparkling service.

TACKLE STOCK HOLDING

Employed by a well known football club to provide monthly stocktaking we were horrified to find the condition of the stock, not only was much of the wine de-listed but the way it was stored meant that more and more over-ordering was occurring, exacerbating the problem. After receiving our recommendations the caterers installed a bin end wine list and instructed a major tidy up of the cellars. The result - most of the old wines were sold, over ordering stopped and the stockholding was reduced from 43 to 28 days, a reduction in stock of over £10,000. Not all good results are on the pitch.

SALES MIX POINTS TO MIXED GRILL

How does a major food house without an EPoS system assess if its budgeted margins on food are being achieved, particularly as without EPoS you have no sales mix data. This was a question recently asked of us by one of our customers. To give them the data they wanted we analysed the till PLU sales information and created a dummy sales mix report for them. We could also tell them, for the first time, which of their menu items was selling well, but more importantly what the sales were of their best and worst margin items. Much to their surprise a mixed grill was the third best selling item and the worst margin item - a quick increase in selling price ensued. It was a question that they are glad they asked.

NEW 2005

THE RIGHT TRACK

One of the UK's premier transport providers recently asked Venners to conduct spot audits on their travelling operations. Within two weeks of regularly undertaking this work the operator reports revenues have increased by between £3K and £5K - per day and the cost of purchases had reduced significantly!

LESS LOSS, MORE MARGIN,

A National Leisure operator appointed Venners to complete stocktaking throughout their estate in 2004. At this time stock results were showing alarming deficits of up to 3.5% of revenue. After 6 months those losses were reduced and whilst still in deficit they averaged 1.4% of revenue. This represented a saving of in excess of £1.25M. At the same time the Gross Profit margin increased by 1.1% adding another £150K to the bottom line. Well over £1M added to the bottom line in six months - a good result?

CELLAR CONTROL IS KEY TO GOOD STOCK RESULTS

Recently appointed to provide stocktaking services to a large Hotel with very poor stock results we suggested after the first visit that they should install our computerised cellar ledger system as cellar control was a major weakness making it impossible to pinpoint where the shortages were occurring. The Hotel now has proper control of stock distribution, which in turn has produced more meaningful results. Their Operations Manager recently commented that "The system is user friendly and one of the biggest selling points was we could do weekly or even daily stock checks in the cellar to help us control stock movement. We have since identified our problem areas and our stock results have dramatically improved. We couldn't have done it without Venners."



EPoS WOE

A very exclusive Hotel using Venners recently introduced a new brandy that cost them over £950 per bottle to buy; they set their selling price correspondingly high at £95 a measure. On investigation by our stocktaking team it was spotted that the selling price had been erroneously entered onto the EPoS system at £3.50 a measure! A mistake that if not spotted could have cost the Hotel over £2,500 per bottle, but may have kept the customers happy - very happy.

NEW 2004

MUST STOCK, WILL STOCK

A Senior Manager of a large pub group using Venners as Stocktakers recently asked his Ops team if all of the pubs within the group were adhering to the Groups purchasing policy, a policy which had been specifically designed to promote the products with the best margins. By utilising Vision 21, Venners database management system, the Operational Manager instantly identified which pubs were and which pubs were not stocking the correct products. The culprits who were not adhering to the correct purchasing policy were quickly identified and the best profit products introduced.

CREDIBLE? IT IS NOW

Asked by a client to carry out stocktakes in a sister companies hotels we produced horrendous shortages of which the worst was £8,000 short in a month, with a gross profit of 70%. The Manager did not believe us as he had always had good results. We examined the previous Stocktakers figures and discovered that he had erroneous selling prices on his results, possibly designed to produce a surplus. A review of control procedures was made and an action plan was produced by Venners which included the installation of a Venners computerised cellar control system. Within six months the results were showing surpluses and the margin had improved by 8%. Proof that employing Venners can add thousands to the bottom line.

ANYWHERE, ANYTIME

We were recently asked by a major holiday operator if we could carry out a stock valuation at five sites that they were selling. Only problem was that the sites were at all points of the compass in Devon, Dorset, Norfolk, West Wales and Scotland and we only had three days notice We were required to value food, liquor, novelty retail shops and the site supermarkets. We were able to meet this request fielding teams of between six and ten strong by utilising Venners Retail and Venners Stock Audit teams - a unique combination. Without doubt a truly responsive and national service.

WAYNES WORLD

Venners were recently appointed to represent an ingoing tenant in respect of the valuation of the inventory of fixtures and fittings at his pub. The pub company offering the tenancy informed him that he would need £45,000 to take over this particular pub, the bulk of which was for the inventory valued by them at £30,000. One of our valuers Wayne Chalk, who is a Fellow of the Association of Valuers of Licensed Trade Property, valued the inventory at £23,000 thus saving his client a whopping £7,000. Needless to say the tenant was delighted.

NEW 2003

SIX HOURS TO FIND A PROBLEM SIX MONTHS OLD

An Hotelier new to Venners was shocked when his first stock result showed a deficit of over £3,000. He remonstrated that we had to be wrong as he did not usually get deficits. The Venners Auditor volunteered to check his previous stocktake data and found that all selling prices in the report were wrong. They had not been updated by the previous Stocktaker for 6 months, thus the Hotelier had been trading mistakenly in the belief that all was well with his business. A costly error engineered by previous cost consciousness.

WHY DIDN'T WE DO IT YEARS AGO

A brewery company that outsourced its stocktaking to Venners in 2002 recently told us that they had enjoyed a major boost within the business as confidence had soared in the stocktaking function after the removal of the "in-house" stocktaking team. Even though the staff were transferred to Venners our client told us that the professional day to day management of the team provided by Venners had improved their skill set markedly and had improved the product above all expectations.



LEFT RIGHT, LEFT RIGHT

An added value report was recently requested by one of Venners High Street Retailers listing all of the single shoes found at a round of stocktakes. As a result of the information provided they were able to pair missing lefts with missing rights and make pairs available for sale rather than incurring costly right offs to the balance sheet.

SORRY WE ARE OUT OF STOCK

Words no High street Retailer ever wants to utter. One such client of Venners recently instructed a round of stocktakes focusing on key "must stock" products to make sure they were both in store and available to the customer. The consequence if they were not in store was a missed sale and probably loss of customer loyalty. The stocktakes helped to make sure the products were in place by making all parties concentrate on the supply line chain and Inventory accuracy. We couldn't put it on the shelf physically, but in essence we made sure it got there.

DEFICITS KICKED INTO TOUCH

A new service to be officially launched by Venners in 2004 will be Stock Management Audits. The need for this service was identified when an Hotelier contacted us and complained bitterly of repeat stock shortages of in excess of £5,000 per month. A specialist Venners Auditor spent time working in the Hotel looking at the operation from top to bottom. He introduced radical changes all with Management approval and the stock results after two weeks were in surplus. Unfortunately a number of staff left the employee of the Hotel of their own accord very quickly.

A TICKET TO SELL

Asked by a Retailer if we could supply a list of all stock within their stores without a point of sale ticket Venners duly obliged. As a consequence Head Office supplied tickets to the stores to replace lost ones making the price more visible to the customer and increasing the chance of a successful sale. It also stopped that lengthy process at the till when no ticket is attached and staff have to search catalogues for barcode information. "We couldn't quantify the success of the process" the customer told us, "but it had to have a positive effect on sales. We will certainly be doing it again".

BOWLED OVER

Recently commissioned to conduct some external checks on a Bowling Sites liquor stocks Venners produced an alarming stock shortage of over £1,300. Of course the usual internal stocktakes never produced poor results. Venners were asked to attend the site for weekly stocktakes and over a seven week period the shortages had been eliminated and over 5% was added to the Gross Profit percentage. Another successful strike by the Venners team!

FROM VILLAIN TO HERO

A major International Hotel was recently told to discontinue internal stocktaking and to use Venners instead; they were not happy and continued to resist their Head Office directive. Eventually they capitulated and Venners have now been stocktaking for 5 months. The Hotel Gross Profit margins were previously around 76%, these have already been increased to over 78% and Venners have proven that 80% should be achievable. With internal stocktaking nobody knew what the potential for the business was and now the Hotel welcome the Stock Auditor each month.