



How do I: Supply fine dining?

Think the fine dining sector may be a valuable business opportunity but don't know where to start? This guide outlines the areas you should consider and the elements your business will require to successfully supply this exciting segment of foodservice.

Fine dining is a unique segment of the foodservice industry. In many ways it epitomises the sacred principles of foodservice i.e. product quality and customer service. This segment, with less than 10,000 outlets nationwide, represents an exciting and fruitful business opportunity if you have a suitably attractive mindset, business model and product. Fine dining is particularly appropriate for many of Scotland's small to medium sized companies. Many successful companies have developed their company ethos and branded product range through their experience in supplying the fine dining sector. However, to be successful, there are some clear principles which the business needs to adopt. It is a segment driven by people passionate about food and the whole eating experience. It is critical to understand, and beneficial to share, the emotion of the segment, as much as its physical make-up, if you want to develop your business in this area.

BENEFITS

Supplying the fine dining sector can provide many business benefits, including:

- Operating in a sector where quality and service are the most important business drivers.
- Developing a profitable distribution channel.
- Mutually dependant buyer/supplier relationships with highly creative, experienced chefs.

GETTING STARTED

Is there a match? Before embarking on developing your business in this sector, it is critical to understand the sector dynamics and requirements. You should then assess your own business and be confident that you can supply this sector with an attractive product, and for a profit. The initial questions you should ask include:

1. Business structure: is your business structured to meet high volume, large orders or low volume, specific orders which can be placed at very short notice? Is cost efficiency a key driver in the business in order to protect margin in a highly competitive marketplace or is product quality the dominant factor, almost at all costs? In order to successfully supply the fine dining sector, you should be able to answer positively to the latter parts of these questions. It is not necessary to exclusively demonstrate one set of characteristics but it is key to differentiate between different types of distribution sectors and service them according to their individual needs.

2. Product: does your product represent an attractive proposition to the fine dining sector? Elements which will particularly appeal include high quality, premium, provenance (story to tell?), natural, innovative and niche products. In your approach to this sector you will have to demonstrate why the outlet should deal buy from you versus another supplier. Your product range will initially be the most potent tool you have in your approach and you should be very clear about its appeal and how it could add value and interest to their menus.

3. Capabilities: does your business have the key capabilities to service this sector? This will include the company's quality and service ethos and practices. It should be demonstrated throughout the business mindset; if the customer wants it, the customer gets it – that is the attitude that distinguishes the really successful fine dining suppliers. Your business will be passionate about food, sharing the enthusiasm of the chefs you deal with and using this mutual respect to develop your product offerings.

Assessing your business on these critical criteria will provide an important foundation with which to develop your fine dining strategy and plan.

KEY CHARACTERISTICS OF FINE DINING

As the foodservice industry continues to grow, many of the characteristics of the retail multiple trade are being adopted. Fine dining remains remarkably isolated from this general trend. The chefs and proprietors that dominate it insulate this sector. Their over-riding passion is food and delivering an enjoyable, memorable eating experience. As such the key characteristics of this sector include:

1. Quality: it is a well-known mantra that the key to a successful recipe is consistently high quality raw ingredients. Top chefs and proprietors constantly seek the best ingredients that money can buy.

2. Service: if a particular dish has sold out over lunchtime and the chef needs more product by 5pm then it has to be delivered. This type of request is not unheard of in the fine dining sector. The chef will be ultimately focussed on producing his or her menu for the consumer; the supplier has to do everything in their power to facilitate this. Chef's need for frequent, often fairly small, deliveries can make distribution a real problem for companies wishing to supply fine dining. As a result, many suppliers opt to sell through specialist catering wholesalers such as [Braehead Foods](#) and [Clarks Speciality Foods](#). For help on this, see our [How Do I Identify the right Foodservice Wholesaler?](#) Guide.

3. Creativity: food in this sector is the ultimate sensory pleasure and chefs are constantly striving to surpass and surprise. Suppliers need to support a chef's creativity and provide as much product information as possible. Where are the raw materials from? Special features? How to get the most from them? Unusual ways to use the product, etc. Underpinning all this is the need for suppliers to understand specific client's needs, how their kitchens operate and their menu style/s.

DEVELOPING YOUR STRATEGY AND PLAN

Once you have established that fine dining is a potentially attractive sector, which your business can service, the next thing is to develop your plan. The key elements will include:

1. Targeting: identify your priority outlets. These might include those geographically nearest or fit easily into a cost effective delivery run route; those where you already have some experience; outlets where your product would be particularly appropriate (e.g. because of the menu or clientele); etc. Once you have prioritised your target outlets, gather as much information as possible on the outlet, its chef, proprietor, etc. Also visit the area to understand their competition, gain an understanding of likely clientele, have a look at the menu and, if marketing budget allows, dine in the outlet to really get a feel for its entire dining experience.

2. Forecasting: you should develop a forecast of the potential business to ensure that you have the capacity to supply. Service is a key characteristic and you will not want to encounter supply problems, particularly with new distribution.

3. Product: develop your product sales pitch i.e. what makes your product special, what are its key attributes (e.g. hand-smoked, tender, method of hanging, etc.). Can you provide supporting product data for kitchen or front of house staff e.g. tasting notes, serving suggestions, etc? At this point you have the opportunity to demonstrate your food knowledge, skills and passion. This will be a critical element of your initial approach.

4. People: More so than any other type of buyer, chefs and fine dining operators buy from 'personalities' they know they can rely on, demonstrate sound product knowledge and exhibit the same passion for food as them. In very small companies this is generally best done by the owner. If budget allows a sales/marketing contact then an increasing number of food processors are recruiting ex-chefs to sell into this sector.

5. Supply: develop your supply plan i.e. how often will you need to speak to the outlet, who will you speak to, how regularly will you need to deliver, how will you cope with the inevitable emergency supply requests? Also, consider suitable quality wholesalers as the drive to reduce paperwork is pushing fine dining operators towards reliable wholesalers that can offer range on one invoice.

6. Financial: the potential profitability of this sector will be determined by the price you command for your products and the cost of servicing the outlets. Careful forecasting should be done at this stage. Given the key characteristics of the sector, do not under-estimate the cost of service (as this could prove fatal to

your profit margin). When setting the price, get an understanding of competitive pricing or benchmark against similar product offerings. For more information see the **How do I: Determine the right price?** and **How do I: Forecast sales and profitability?** guides.

MAKING YOUR APPROACH

Within your plan you should have gathered a good deal of information about the outlet. Before making your initial approach, try to find appropriate “openings” to the outlet. For example, you may know someone who currently supplies the outlet. In which case, seek their advice and possibly an introduction. There may be advice or potential introductory events via Scotland Food & Drink, local forums, trade associations, etc. Whether your initial approach is a formal meeting or an informal introduction, focus the following information:

1. Product: what is it, what makes it different/better? Have samples for the chef to try, as this will be most critical to their decision.

2. Service: what is your company ethos, systems, and experience? You will need to ensure the chef is clear about your commitment and ability to provide a superlative service.

3. Market understanding: demonstrate that you understand their specific outlet. Drop into conversation that you heard they won a recent award, comment that you have studied their menu, discuss recent product/sector trends that you have read in recent trade press, etc.

If you have caught their attention with these three elements then the discussions on price, delivery schedules etc. should flow more easily.

DEVELOPING THE BUSINESS

The fine dining sector offers an opportunity to develop really valuable relationships with key sector influencers. Never lose sight of the need to build and develop your customer relationships. This includes having the right personnel in place to deal with the chef and other outlet staff. Often, the business founder or managing director of a small to medium sized business will deal directly with the chef or proprietor. In this way the outlet understands how close the whole business is to ensuring superlative supply. Each person who deals with the customer’s staff should demonstrate this same service ethos.

Many good working relationships have helped grow businesses either through increased distribution (as chefs recommend suppliers to others or change establishment) or product development (as chefs suggest a particular area for development, or you identify a specific opportunity). Fine dining can also lead to other distribution opportunities, either in different foodservice sectors or, within, retail. As a means of future business development, building your credentials in fine dining is excellent support to a premium product range, either branded or as an own label supplier.

HOW DO I? SUMMARY

1. Understand the key characteristics of this sector.
2. Assess how appropriate and potentially valuable the sector is to your business.
3. Develop your sales plan.
4. Approach your target outlets either formally or informally.
5. Use your contacts and the help available via the sources below
6. Work hard to build and develop your customer relationship.
7. Use your fine dining experience to develop future distribution and channel opportunities.

OTHER USEFUL SOURCES OF INFORMATION

Visit www.scotlandfoodanddrink.org

INSIGHTS gives information on markets, research reports and much more information

- There are many other How Do I? Guides which can help you grow your business

The Institute of Grocery Distribution	www.igd.com
Caterer & Hotelkeeper:	www.caterer.com
Masterchefs of Great Britain:	www.masterchefs.co.uk
Federation of Chefs Scotland:	www.scottishchefs.com

Trade Guides: A staggering amount of data on specific outlets can be found in the many good food/eating guides now available. These are generally indexed geographically and by menu style making it easy to plot possible sales/distribution routes. Examples include: Good Food Guide, AA, The Which? Good Food Guide, etc.

Trade Press: Not only are trade magazines such as Catering in Scotland and Caterer & Hotelkeeper useful for tracking recent trade news and identifying target customers, but they can also help stimulate new product development ideas.

The Internet: An increasing number of quality caterers now publish sample menus on their websites to sell their dining experience to potential consumers. This can also be an invaluable source of market information for potential suppliers.

www.scotlandfoodanddrink.org - The information service tailored to the food and drink industry. Contact the Scotland Food & Drink Helpline on **0845 601 3752**.