



Case Study

Britannia Hotels Group

Set up in 1976, Britannia Hotels is the UK's largest national, independent hotel group owning 35 properties with a total of 7,000 rooms. Britannia has an IT team of five, trying to manage a sizable six-figure yearly IT budget.

The Challenge

As Britannia relies heavily on IT to do business, the IT team must regularly purchase various infrastructure elements ranging from PCs to printers. IT procurement has traditionally been unstructured, with each member purchasing equipment after allocating a job through the service desk. The process consisted of undertaking online searches, a manual process that took time and was considered unacceptable. Audit team members would routinely cross-check pricing to ensure invoice fees were in line with market rates.

Andrew Ryan, the company's purchasing manager, explained: *"Concern was raised that best value was not being qualified or achieved on every purchase. We wanted reassurance that we were paying fair prices. We're in the hotel business, not the business of IT, and we lacked expertise on what determines the best price."*

To tackle this thorny issue, spring saw Britannia Hotels introduce KnowledgeBus - a simple online tool that advises IT buyers of trade guide prices and stock levels on products. This CIPS-accredited technology empowers IT buyers with market knowledge, so they can rapidly negotiate the price of IT products with contracted suppliers.

The Solution

Buyers can input supplier product lists or perform spot checks online for an automated comparison with trade guide prices and stock on over 150,000 live products from over 2,500 manufacturers.

The user discovers what margin their supplier is proposing and receives daily alerts about their Product Lists, stating whether the price or stock has moved. Management functionality provides insight and validation of current purchasing ability and expenditure levels. Plus, the tool can automatically generate Request for Quotations (RFQs) to speed up the buying process.

KnowledgeBus enables purchasers to:

- ✓ Identify fair price and qualify agreed margins
- ✓ Monitor and track price fluctuations
- ✓ Generate automated Request for Quotations to speed-up buying
- ✓ Stay on top of market developments
- ✓ Plot key market trends to forecast price and stock

"KnowledgeBus is saving us money and hours in time"

Andrew Ryan, Group Purchasing Manager. Britannia Hotels Group.



"KnowledgeBus is saving us money and hours in time. It has reduced duplication of effort as the audit team can now see we are achieving the best value on every purchase. This efficiency has released the business to focus on more strategic tasks," Ryan explains.

"We routinely use the solution daily as part of a best-practice approach to procurement that delivers complete confidence that suppliers aren't actively ripping us off on price. It has meant a more open and transparent relationship with our supplier base and sustained the best value on purchases.

The team has discovered that in some instances, the equipment has been more expensive than it should be, especially on smaller items of lesser value, such as cables. For example, there may be a 30 percent markup on a £5 cable but only a couple of percent on a £400 printer. The lower the value of the kit, the higher the markup generally. This has proved to educate our buying.

Access to a daily updated catalogue online allows us to browse detailed product specifications and prices rather than going to suppliers for product information. As we also see UK channel stock levels on each product, it saves us time previously wasted inviting suppliers to quote on out-of-stock items.

KnowledgeBus is fully auditable and records all quotes. We can quickly check item purchase dates, a particularly efficient method of checking for warranty coverage.

The tool provides an intuitive interface and self-help training tools, making it easy to learn and use."



" With awareness of the channel price, we can trust our suppliers when they say they can't go any lower. We are negotiating from a position of knowledge-based strength and validating to business managers that we're getting value for money on IT. "

Andrew Ryan, Group Purchasing Manager. Britannia Hotels Group.

The UK's only fully Certified IT Price Benchmarking Solution – Find out more at www.knowledgebus.co.uk

