

International Bank, London

With over 2,000 staff in London, this international bank provides a range of financial services to clients in 40 countries.

As well as this, it also provides employee catering and hospitality services, with the original catering contract put in place a number of years ago when the Bank moved to new offices. It wanted to ensure it was receiving value for money from the outsourced catering services provider and so decided to conduct a review.

A new contract was developed by Litmus with the client and their legal advisors, and subsequently with the contractor. The service standards vastly improved and, as a result, a significant financial return from the contractor to the Bank was seen.

Background

The employee catering and hospitality services provided by the Bank were impressive and included a large, modern staff restaurant as well as beverage and vending services. There was also a suite of purpose built hospitality dining rooms used for client entertaining and meetings.

Brief

The initial brief to Litmus was to:

- ▶ Undertake an independent operational and financial review of the services including benchmarking against the marketplace.

This addressed but was not limited to:

- ▶ Service standards; management and labour structures; financial performance; purchasing; and health, safety & hygiene.

Approach

Chris Durant, the Litmus Partnership, said: "To fully understand the current services, a lot of time was spent on-site reviewing all aspects including both front and back of house; analysis of financial performance and identification of any issues; a review of purchasing efficiency versus benchmarking; and a review of contract terms, including the basis on which the contractor earned their income.

"This identified significant opportunities to raise service levels and led to recommendations around how the contract was structured including the development of KPIs and a fee structure linked to both financial and operational performance.

“Once the plan of action was agreed with the Bank, we met with the incumbent caterer to provide feedback on our review and to verify our findings in relation to contractor income and purchasing. We also went on structured visits with the client to other contractor sites to benchmark standards and industry trends.

“The opportunity to improve performance was given and a structured action plan was agreed including a major “refresh” of the services. At the same time, contract terms were re-negotiated with the contractor and timescales agreed to meet the new standards with the option being in place for the Bank to go to market if unsuccessful.”

Outcomes

A new contract was developed by Litmus with the client and their legal advisors, and subsequently with the contractor. The service standards vastly improved and, as a result, a significant financial return from the contractor to the Bank was seen.

Litmus was retained to undertake operational reviews of the service against agreed service levels and monthly account monitoring.

▶▶ *We were pleased to be able to help the Bank make substantial savings through the review process. Our relationship with them hasn't ended; we continue to undertake regular reviews and account monitoring together with general advice on the contract, budgets as well as providing ad hoc guidance.* ◀◀

Chris Durant, Litmus Partnership



For more information about Litmus get in touch:

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