

# Buying for the clubhouse

*Keep the element of competition among your suppliers and you'll get the most value for your purchasing dollar.*

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Along with his other duties, the club manager has the responsibility of spending tens, and many times, hundreds, of thousands of dollars of someone else's money. It goes without saying the wiser he buys, receives and stores these goods, the more valuable he will be to his employer, "The Club Member." Also, it is important that this Club Member *know* that he is buying, receiving and storing these goods wisely.

One of the problems, however, is that a manager, like any buyer, can become lethargic. He becomes married to one supplier through habit, and this supplier, when raising his prices, simply passes them on to the club manager without mentioning it. The alert manager must avoid this possibility by making certain he does not overlook another supplier of the same item(s), who, by reason of more efficient business methods, will NOT pass on the extra cost, but absorb it himself in order to offer the manager a better price.

Therefore, a manager must establish a buying system. Establishing this system is no great accomplishment, and there are many ways to do this. We here at Dellwood use a system of getting at least two bids on all items purchased daily. This two-bid system applies to china, glass-

ware, flatware, paper napkins, office supplies, lockerroom supplies, and swimming pool supplies. On those items whose prices fluctuate with market conditions, such as foodstuffs, we ask for bids each time we buy them. Then we contact our current supplier for his bid, sometimes we give the whole contract to one supplier, sometimes we split it between two suppliers. Linen, we handle a little differently in that it is a three-year contract which is reviewed toward the end of the contract where we again employ the two-bid system.

When we first established our system, conferences were held with the chef, steward and myself setting down specifications in detail on all the food items that we purchase. Once these 'specs' were established, we called in the suppliers of these items and explained what it was we were talking about when we first called requesting quotations. In this way, each time we called a dealer, we did not have to go into detail about the quality of the items we were purchasing.

All that remained now was to print a form on which all the commonly used supplies were listed with columns in which to enter these suppliers' bids—the most commonly used forms being those



for produce, meat, fish, and dairy products, and frozen foods.

It was then a simple matter for the steward to make his call or receive one from the supplier and then ask the prices on the items he wished to purchase. After employing a two-bid system, the steward would then call the supplier who submitted the lowest bid and ask him to ship the required items. Keep in mind that each time we discuss an item with a supplier, he is aware of the specifications we require and the system which we employ.

The buying of liquor, is, of course, of prime interest to any club manager. Five years ago, I got together with the steward and wrote up a tentative inventory list, by brand and quantity, of everything we would stock. I then submitted this list to the House Committee which they approved, and this formed the basis of a permanent list.

This permanent list serves another valuable function. Everyone has a favorite liquor. This list enables me to say to the member who asks, "Why don't you stock my favorite, Red Eye?" My answer (and my staff has been told to refer all such inquires to me) is to say, "Well, we don't carry that brand; it's not on our list. I will take it up with the House Committee

and see if they'll substitute your brand for the one on the list."

In practice, the list has been so refined by the popularity of the brands that practically of these requests are turned down—about 60 such requests have been rejected by the House Committee in this fashion *since* the system was inaugurated.

Our current stock of liquor is reviewed as necessary by the steward and the head bartender, and orders are made based on the forecast for the month of the parties and other functions planned. Here, at Dellwood, we only stock premium liquors—there's no demand for lesser priced liquors. When available, of course, we do take advantage of post-downs.

There are some items which a bid cannot be called for each time they need purchasing. An outstanding example of this at our club is the fuel oil purchase. Each year, we buy 80,000 gallons of No. 2 Oil. However, at the beginning of each year, we call a competitor to the current supplier, and also ask for a closed bid from our current supplier.

These bids, in a way, are informal contracts by which the price is set for a year. The oil market is like many others in that it rises and falls with the season. Our price is based on a set amount of

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cents below the posted prices with a top figure set—no matter which way the market goes. This has worked out especially well for us over the past seven years. Checking these prices is simply done by looking at the newspaper occasionally and comparing it with our invoices.

An important part of the follow-up on our system is the *involvement* of "The Member." Each year, a member of every committee spending funds is appointed to supervise purchases for which his committee is responsible. The member is involved in just about every purchase except those that are insignificant. Rather than a hindrance, as many people might suspect, I have found this a big aid to management.

A manager often has to spend a great deal of time convincing a committee that he has bought wisely. However, a member, who has personally investigated the spending, even if only on a spot check basis, can assure the committee that the purchase was properly handled in far less time. In addition, any other member who might question a purchase can be referred to this committeeman. His explanation of the purchase will be far more effective than your own.

To get the member *involved* is, of course, not always easy. When we first tried to get the member to participate in this program, he was shy because he felt that his inquiry might be offensive to me. After he was assured that anyone involved in purchasing, (be it the steward, the chef, the housekeeper or other departmental head) had been advised that the member's inquiry was sought after and not to be avoided, the member was willing to be involved in the program.

I don't mean to suggest that this member should be at the receiving door all day checking on everything that is shipped to the club, but, rather, invited occasionally to witness the bidding, receiving and storage of shipments.

This member involvement has been so effective since we started it five years ago (a new member is appointed each year) that now there is practically no discussion at all about any of our purchasing.

The political aspects of the membership involvement cannot be measured, but I would say that it has definitely made for a better understanding between the employer (The Member) and the employee (The Manager).

A big advantage in purchasing is enjoyed by many club managers who have members who own or operate many different businesses. On practically all big purchases or projects of the "one-of-a-kind" nature, I consult with those members in the business directly involved. The member is not asked to bid on the project or materials (it can be very embarrassing to ask a member to bid on an item), but rather he is asked for his knowledge and advice on the subject.

On the occasion when there is no member with a business about which you seek information, a few calls to fellow club managers might prove helpful.

In one case, we were installing a large central air-conditioning unit and the calls to some fellow club managers resulted in finding one who had a member who was the manufacturer of air-conditioning units. On my behalf, this manager asked the advice of his member on how we might outline our specifications and what pitfalls to look for. This manager's member was so gracious and helpful that it was estimated that this phone call saved us from five to eight thousand dollars and cut many weeks off the installation and inconvenience to our members. I have found there is a lot of help to be had along these lines, and it is there simply for the asking.

Summing up, I have found that the best way to get the most value for your purchasing dollars is to keep the element of *competition* among your suppliers constantly in the picture. This requires a little more effort, perhaps, but the savings make it well worth the effort. ●