

Cost Reduction

Case Study

Restaurant Group Improves Profitability—Reduces Waste and Telecom by 21%

Client

Restaurant investment group with over 160 quick-serve restaurants under management including Burger King, Jimmy John's, KFC, and IHOP.

Challenge

MBN Brands was growing rapidly through acquisition. As a result, each of the newly acquired restaurant operators had their own service providers and independent billing and invoice processes.

MBN was focused on successful post-closing integrations and supporting their operating teams but lacked the spend-area expertise to identify, achieve, and sustain cost reductions.

According to Michael Mulcahy, Partner, MBN Brands, "We focus on our teams, growing our businesses, and delivering an excellent customer experience." However, we're not experts in these spend areas that were taking a bite out of profitability.



"It made more sense to outsource that expertise to SIB so that we could focus on our investments, growing the company, and driving EBITDA while they (SIB) secured long-term saving improvements for us in expense categories with inefficiencies."

Michael Mulcahy

Partner, MBN Brands

It made more sense to outsource that expertise to SIB so that we could focus on our investments, growing the company, and driving EBITDA while they (SIB) secured long-term savings improvements for us in expense categories with inefficiencies.”

Solution

SIB conducted an initial scoping analysis with assistance from an industry partner, InfoSync, a provider of accounting, payroll, and reporting services for the restaurant industry. According to Christian Johnson, VP of Business Development at SIB, using an Automation AP system takes 99% the burden off the client for the invoice collection phase of our work.

With MBN’s authorization, InfoSync granted SIB online access to all the invoices through a comprehensive vendor transaction report with 12 months of spending. Then, our team of subject matter experts went to work to identify the areas of addressable annual spend that would make the biggest impact on our client’s EBITDA.

Once the spend analysis was completed, SIB identified three key areas of addressable spend and ruled out other areas where MBN Brands already had optimized pricing.

We identified two spend categories with the greatest opportunity for cost reduction.

36% annual savings in waste management (solid waste + recycling)

14% annual savings in telecom spend for phone and internet



InfoSync and SIB work together to serve and support restaurant owners and operators.

Multi-unit companies often find Accounting, Payroll, and Benefits Administration to be frustrating and expensive. InfoSync provides the people, processes, and technology so leaders can focus on their core business. InfoSync works with operators of more than 10,000 locations across 90 brands trust to reduce costs, provide access to enterprise systems and technology, and deliver industry expertise so leaders can shift their focus to leading their company toward success.

Visit www.issvc.com to learn more.

Results

MBN Brands accepted SIB's recommendation for cost reduction in the areas with the greatest addressable spend representing an annual savings of \$375,000.

Over the next three years, SIB will continuously monitor spending and remain vigilant in sustaining the low rates achieved. MBN is expected to save nearly \$1.125 million over a three-year period.

Highlights include telecom vendor consolidation and optimizing waste removal spend.

- **Telecom:** Given MBN's request to minimize the number of vendors, SIB recommended and implemented a full vendor consolidation. Our experts have worked in the field for 25+ years and know the carriers and the industry very well. Telecom vendor consolidation at this scale is challenging and resource intensive--something most companies would not attempt to manage on their own.
- **Waste Management:** Our team found a wide variety of rate reductions, made some vendor changes, and service standardizations. As a result, MBN now has optimized service levels, pick-up frequency, and rightsized waste containers.

About SIB

SIB reduces your company's costs by 11-34% in the 15 spend categories we oversee, typically without changing your vendors or service levels. We leverage data from 500,000+ pricing benchmarks, deep industry expertise in each spend category, and ongoing spend management discipline to find, capture, validate, and sustain savings that dramatically improve your bottom line. Learn more about SIB and our family of brands with deep expertise and additional services in the categories we oversee: [Cost Control Associates](#), [Vector](#), [Shipware](#), and [Sage Management](#).

