

# Produce, Provenance and Sourcing

## BMGM4005

### Week 3

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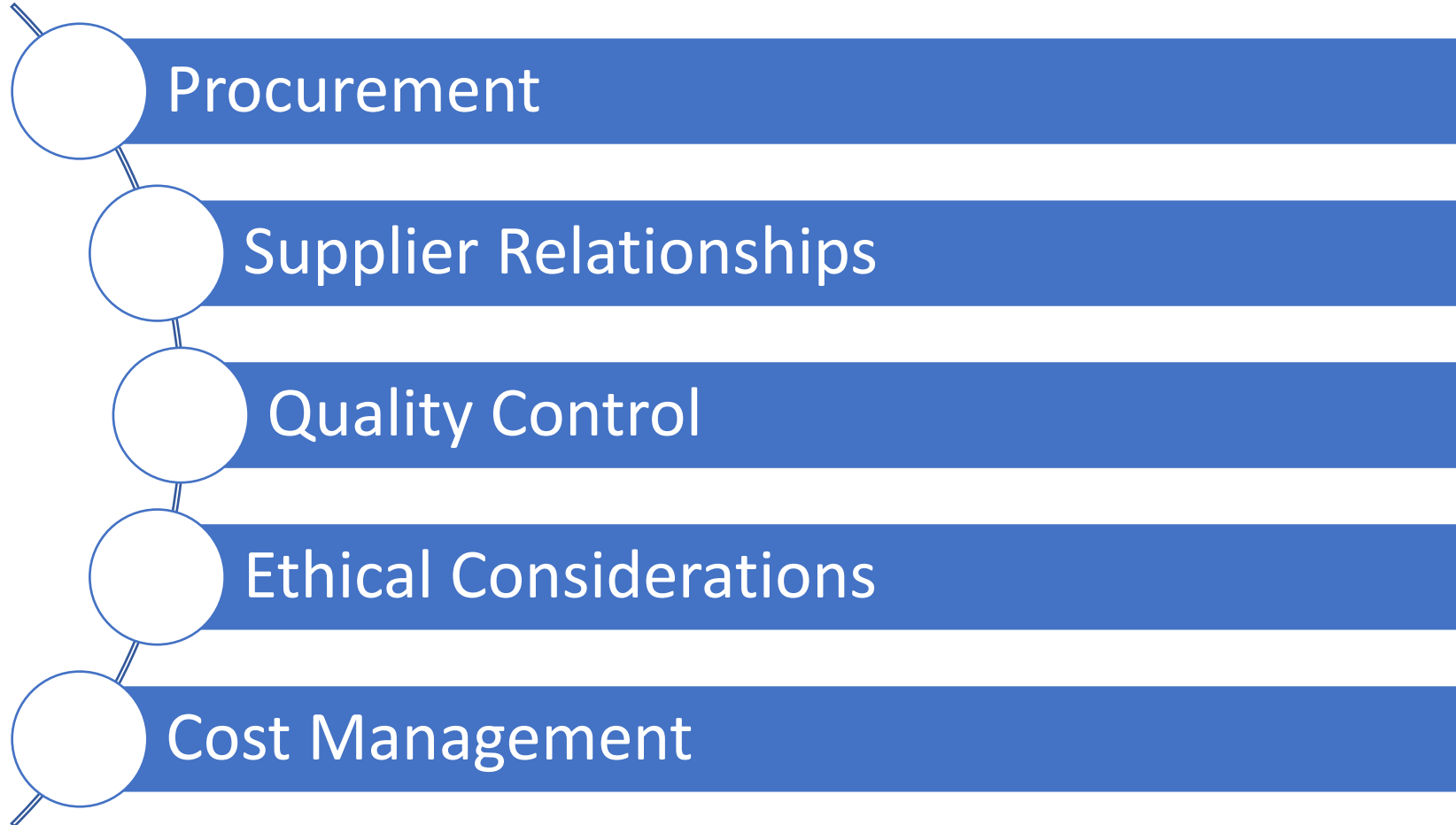
# What did we discuss last week?

- What is produce?
- What is provenance?
- What is sourcing?
- Why are relationships with suppliers important?

# Week 3 - Table of Contents

1. The relationship between supplier and restaurant
2. Legal and ethical consideration in sourcing
3. Sector of the food service industry and their role in sourcing
4. Assignment 1

# The Nature of Product Sourcing



# Relationship between supplier and restaurant

- Buyer – Supplier
- Supplier – Supplier



# The Scope of Product Sourcing



# Influences of Product Sourcing

- Cost and Budget
- Quality and Freshness
- Supplier Reputation
- Sustainability
- Local Sourcing
- Seasonality
- Menu Concept
- Ethical Considerations
- Consumer Preferences
- Food Safety and Regulations
- Supply Chain Reliability
- Competition
- Cultural and Regional Influences
- Economic Factors
- Technology and Innovation
- Waste Reduction and Sustainability Goals
- Allergen and Dietary Restrictions
- Long-Term Relationships
- Menu Flexibility

# Buyer - Supplier



## Transactional versus Collaborative

# Transactional Relationship

- Price minimisation
- Short term contract
- Massive suppliers



(Fossas-Olalla, *et.al*, 2013)

# Collaborative Relationship

- Fewer Suppliers
- Long Term Orientation
- Information Exchange
- Mutual Dependence

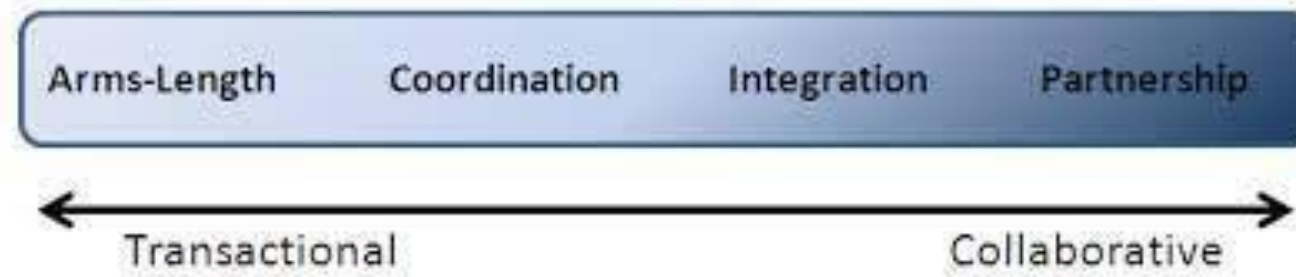


(Fossas-Olalla, *et.al*, 2013)

|                                          | <b>Transactional View<br/>of Supply Chain<br/>(Market)</b> | <b>The<br/>Supply<br/>Chain<br/>Management<br/>Spectrum</b><br><br> | <b>Collaborative View<br/>of Supply Chain<br/>(Network)</b> |
|------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Number of Suppliers</b>               | Multiple                                                   |                                                                                                                                                          | Consolidated                                                |
| <b>Partner Evaluations</b>               | Efficiency Focused                                         |                                                                                                                                                          | Effectiveness and Efficiency Focussed                       |
| <b>Inter-relationship Classification</b> | Adversarial                                                |                                                                                                                                                          | Partnering                                                  |
| <b>Contract Length / Type</b>            | Short / Open Book                                          |                                                                                                                                                          | Long / Closed Book                                          |
| <b>Orientation</b>                       | Production Orientated                                      |                                                                                                                                                          | Customer Orientated                                         |
| <b>Focus</b>                             | Functional Optimisation                                    |                                                                                                                                                          | Process Optimisation                                        |
| <b>Culture</b>                           | Suspicious                                                 |                                                                                                                                                          | Trusting                                                    |

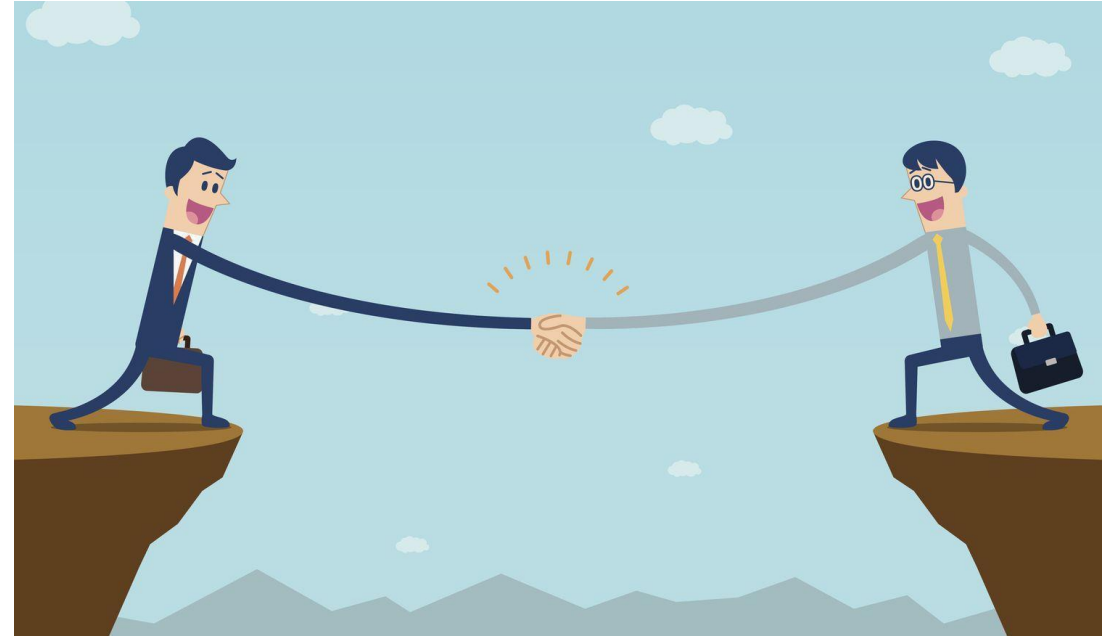
(Mason, 2009)





# Arm's Length

- Low Involvement
- Low level of communication
- Less Trust
- Higher independency between buyer and supplier
- Limited information shared



# Coordination

- Sharing information and knowledge
- Higher transparency and visibility
  - to lower the uncertainty and risks



# Integration

- Strong intra-organisational integration
- High Level of Trust
- Commitment
- Customization
- Delayed differentiation



# Partnership

- High frequency of communication
- Interaction
- Economic Exchanges
- Exchanged Information



# Activity: KFC Chicken Shortage of 2018!



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1. What caused the chicken shortage?
2. What could the suppliers have done differently to avoid/manage this?
3. What could KFC have done to avoid/manage this?



# Legal and Ethical Considerations

Legal and ethical considerations in food sourcing are critical aspects of the food industry that impact not only the well-being of consumers but also the sustainability of the environment and the welfare of workers.

- Food Safety and Quality Regulations
- Sustainable Sourcing
- Fair Labor Practices
- Animal Welfare
- Transparency and Labelling
- Genetically Modified Organisms (GMOs)
- Local Sourcing and Community Impact
- Food Waste Reduction



# Beef

## Restructured Meat





# Restructure Meat

# Technique Term: Transglutaminase



Special Ingredients Meat Glue /  
Transglutaminase 200g Premium  
Quality

★★★★☆ ~ 140

£15<sup>95</sup> (£79.75/kg) RRP: £19.95

£15.15 with Subscribe & Save discount

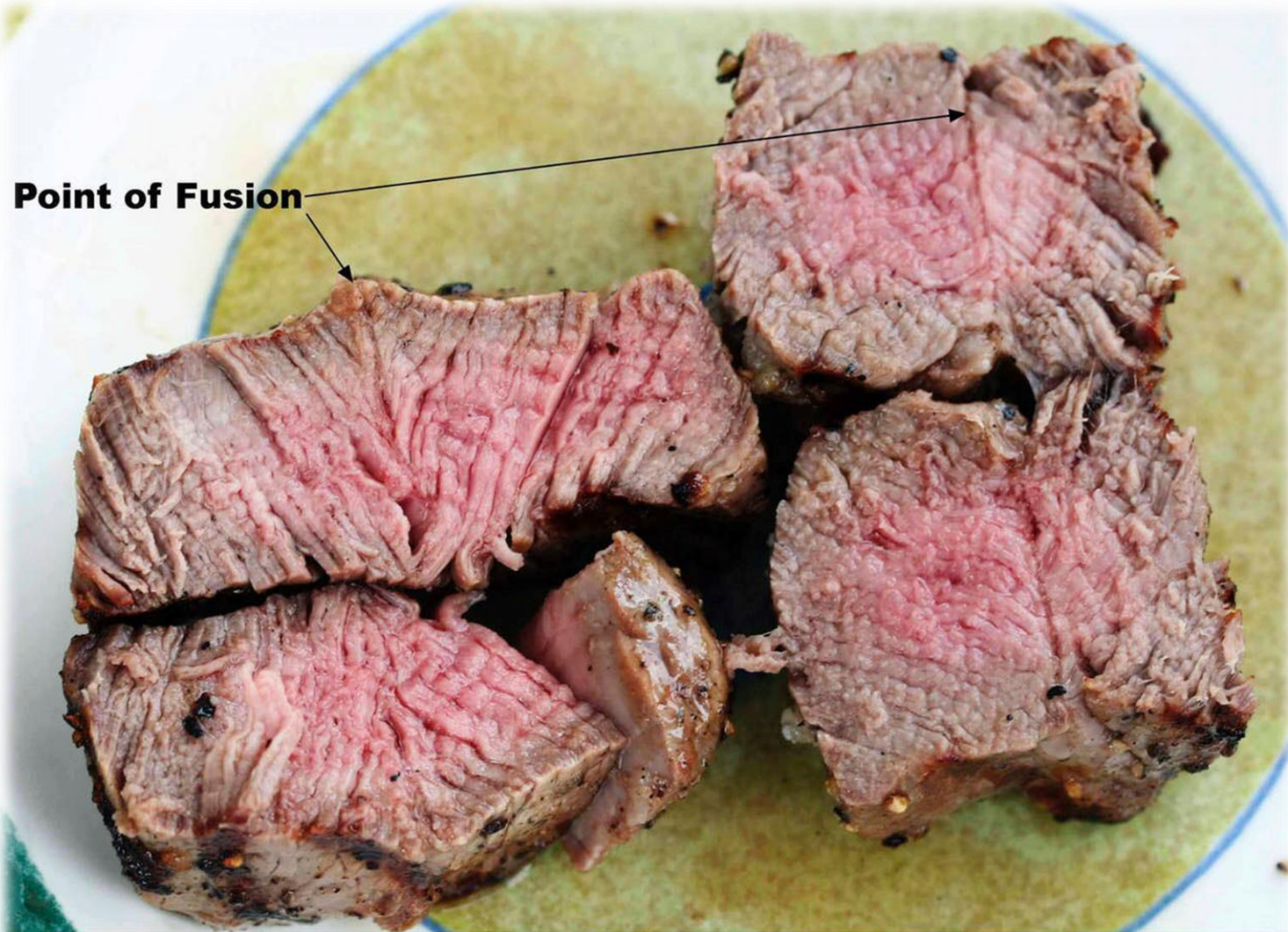
Get it **tomorrow, 20 Sept**  
FREE Delivery by Amazon

Options: 6 sizes

 Small Business ▾

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# Activity – Right or Wrong?

- Are they legal?
- Are they ethical?

Ethical refers to principles, values, and behaviors that are considered morally right, just, and acceptable within a given society or context.



# What are the sectors in food service industry?

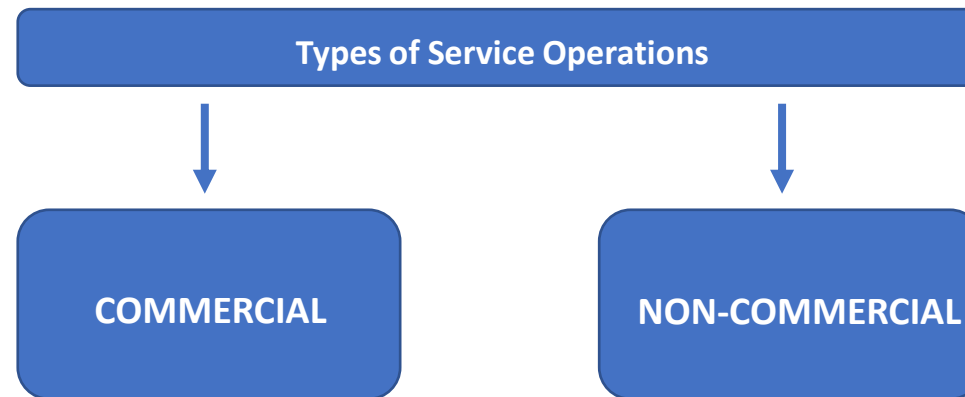
# Sectors in the Food Industry

- Restaurants
- Takeaway
- Hotels
- Retail
- Industrial Catering
- Events/Banqueting
- Motorway Services
- Fast Food Outlets
- Leisure Attractions
- Transport Catering
- Welfare Catering

# Food & Beverage Operations

The food and beverage services sector contributes a great deal to the profits in the hospitality industry. Food and beverage professionals work tirelessly to intensify customers' experience through their service.

**Food and Beverage (F&B) Services** can be broadly defined as the process of preparing, presenting and serving food and beverages to customers / guests.



# Types of Food & Beverage Operations

## Full Service

- **Moderate** (e.g. Denny's, Steak 'n Shake) Economical foods are prepared to order in a family-friendly, utilitarian setting.
- **Midscale** (e.g. Applebee's, TGI Friday's, Ask Italian) These restaurants focus on casual dining with mainstream dishes and often feature a bar area and serve alcoholic beverages.
- **Upscale** (e.g. Bonefish Grill, Ruth's Chris Steak House) These restaurants serve superior quality foods with innovative approaches in a relaxed atmosphere and offer higher-end alcoholic beverage menus that include wine, spirits and beer.
- **Fine dining** (e.g. Cedar Tree, Pentonbridge Inn, French Laundry) These restaurants serve only the finest quality foods, often farm-to-table, are frequently chef-owned, and create unique menu fare that is visually attractive.

## Limited Service

- **Fast-food** (e.g. McDonalds, KFC) These restaurants prepare economical foods, in quantity, by a standardised method that can be dispensed quickly for consumption on the premises or for takeout.
- **Café/snack bar** (e.g. Starbucks, Costa) These businesses sell coffee drinks and other snack foods and beverages for consumption on the premises or for takeout.
- **Fast-casual** (e.g. Panera Bread, Wagamama) Food is prepared to order with fresh (or perceived as fresh) ingredients; units serve innovative food suited to more sophisticated tastes, in an upscale interior design.
- **Cafeteria** (e.g. Pillars Restaurant, Cosmo, Old Country Buffet) Units are primarily engaged in preparing and serving meals for immediate consumption using cafeteria-style or buffet serving equipment such as steam tables, refrigerated areas, display grills and self-service non-alcoholic beverage dispensing equipment.

(Canziani, 2016)

# Assignment 1

## Essay Title – Local vs. Global Sourcing

Research and write an essay that investigates the differences between local and global sourcing of produce, focusing on their effects on produce quality and sustainability.

Compare the quality and freshness of locally sourced and globally sourced produce. Use examples to illustrate the differences.

Analyse the environmental impact of local and global sourcing, considering factors like carbon footprint and sustainability. Discuss the concept of "food miles."

Explore how consumer preferences influence the choice between local and global produce.

Include two or three case studies of businesses or regions that have successfully embraced either local or global sourcing. Highlight their strategies and outcomes.

# List of Reference

Fossas-Olalla, M., Minguela-Rata, B., Escot-Mangas, L. and Sanduli, F, D. (2013) Cooperation strategy in buyer-supplier relationship and its effect on buyer performance. *Paper presented at 35<sup>th</sup> DRUID Celebration Conference 2013*, Barcelona, Spain, June 17-19.

Stange, R., Schiele, H. and Henseler, J. (2022) 'Advancing purchasing as a design science: Publication guidelines to shift towards more relevant purchasing research', *Journal of purchasing and supply management*, 28(1), p. 100750–. Available at: <https://doi.org/10.1016/j.pursup.2022.100750>.