

## fact sheet Musgrave Group

### e-Tendering and Cost Management

The Musgrave Group was founded in Cork in 1876 and has grown to become Ireland's biggest grocery distributor with annual sales in 2006 of €4.4 billion. Its mission is to be the number one supporter of independent retailers in the main markets in which it operates.

Musgrave Group has operations across the Republic of Ireland, Northern Ireland, Britain and Spain and its well-known grocery brands include such names as SuperValu, Centra, Budgens, Londis, and Dialsur in Spain.

#### Key Information

- To extend market leadership, Musgrave Group, Ireland's largest grocery distributor, continues to invest in the refurbishment of 706 SuperValu and Centra stores.
- With cost control paramount to the ongoing success of the refurbishment projects, the company recognised the need to move away from traditional communication methods such as email.
- In 2006 they implemented an e-tendering and cost tracking solution by Business Collaborator Ltd to streamline existing tendering processes and automate cost tracking across projects.
- Retail Project Managers benefit from a centralised document management system for tender documents plus greater visibility of forecast and actual costs across their projects.

#### Background

Musgrave Retail Project Managers co-ordinate ongoing store refurbishment projects with 706 retailers in SuperValu and Centra stores. In the past, a large proportion of the Retail Project Manager's time involved administration tasks such as putting together a bill of quantities and detailing, sending and then following up tender documents.



image courtesy of Musgrave Group

This left little time for tracking project costs or assessing best value across similar projects. Much of the activity was managed using traditional communication methods such as email. In order to increase the number of store refurbishments each year, utilise more of the teams' skills, and maximise buying power, the company recognised the need to improve procurement and cost tracking methods.

The company scoured the market for a suitable solution before finally deciding on Business Collaborator Ltd due to our expertise in delivering successful customer-focused collaboration solutions within the retail sector together with the high degree of configurability.

## BC Solution

After discussing requirements and examining existing tendering policies and procedures, the cost tracking and tender management system was implemented within three months.

The system provides a secure central document repository for all the tender documents with full version control and audit history of every action. It automatically notifies relevant suppliers when a new tender is available, and sends reminders as deadlines draw near. Suppliers can securely download and read bid-related documentation and submit their bid responses online. Once completed, the document is locked and cannot be changed, allowing only the Retail Project Managers to review the tenders and carry out a cost comparison of the inputted data on an item by item or project-wide basis.

Cost tracking is a powerful element of the system. Project information is reviewed on an item-by-item basis, comparing the purchase price, as well as the lowest and average price secured. Estimates for installation and ongoing maintenance costs are also compared to provide an overview of best value for each store.

Essentially, the system has allowed Musgrave to reduce administration costs by streamlining their tender processes, improve their management of their supply chain in relation to their store refurbishment projects, and recognise opportunities to leverage buying power across projects.

| Item   | Budgeted Cost | Lowest In FR | Avg In FR | Minimum Price |      |         |         | Maximum Price |         |     |      |         |         |        |         |
|--|---------------|--------------|-----------|---------------|------|---------|---------|---------------|---------|-----|------|---------|---------|--------|---------|
|  |               |              |           | Qty           | Type | € Item  | Install | % Est.        | Est €   | Qty | Type | € Item  | Install | % Est. | Est €   |
| <b>Prepack Provisions - Remote Cabinets (3.18k€)</b> |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.05m Mobile   | 0.00          |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.5m Mobile  | 0.00          | 8273.00      | 8273.00   |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.75m Mobile   | 8354.00       | 8354.00      | 8354.00   | 1             |      | 8354.00 | 0       | 0             | 8354.00 | 1   |      | 8328.00 | 0       | 0      | 8328.00 |
| Total length of cabinets (m)                         |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| Revered Cabinets                                     | 450.00        | 450.00       | 450.00    | 1             |      | 390.00  | 0       | 0             | 390.00  | 1   |      | 420.00  | 0       | 0      | 420.00  |
| Blazed Cabinets                                      | 562.00        | 355.00       | 355.00    | 1             |      | 530.00  | 0       | 0             | 530.00  | 1   |      | 550.00  | 0       | 0      | 550.00  |
| Solid Cabinets                                       | 0.00          | 355.00       | 355.00    |               |      |         |         |               |         |     |      |         |         |        |         |
| <b>Vegetables Remote Cabinets (3.18k€)</b>           |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.05m Mobile   | 0.00          | 5280.00      | 5280.00   |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.5m Mobile  | 6273.00       | 6273.00      | 6273.00   | 1             |      | 7100.00 | 0       | 0             | 7100.00 | 1   |      | 6520.00 | 0       | 0      | 6520.00 |
| 1.75m Mobile   | 8354.00       | 8354.00      | 8354.00   | 1             |      | 8795.00 | 0       | 0             | 8795.00 | 1   |      | 9218.00 | 0       | 0      | 9218.00 |
| Total length of cabinets (m)                         |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| Revered Cabinets                                     | 450.00        | 450.00       | 450.00    | 1             |      | 390.00  | 0       | 0             | 390.00  | 1   |      | 420.00  | 0       | 0      | 420.00  |
| Solid Cabinets                                       | 0.00          | 355.00       | 355.00    |               |      |         |         |               |         |     |      |         |         |        |         |
| Blazed cabinets                                      | 562.00        | 355.00       | 355.00    | 1             |      | 530.00  | 0       | 0             | 530.00  | 1   |      | 550.00  | 0       | 0      | 550.00  |
| <b>Prepared Vegetables Remote Cabinets (3.18k€)</b>  |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.05m Mobile   | 0.00          | 5280.00      | 5280.00   |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.5m Mobile  | 0.00          | 6273.00      | 6273.00   |               |      |         |         |               |         |     |      |         |         |        |         |
| 1.75m Mobile   | 0.00          | 8354.00      | 8354.00   |               |      |         |         |               |         |     |      |         |         |        |         |
| Total length of cabinets (m)                         |               |              |           |               |      |         |         |               |         |     |      |         |         |        |         |
| Revered Cabinets                                     | 0.00          | 450.00       | 450.00    |               |      |         |         |               |         |     |      |         |         |        |         |
| Solid Cabinets                                       | 0.00          | 355.00       | 355.00    |               |      |         |         |               |         |     |      |         |         |        |         |
| Blazed cabinets                                      | 0.00          | 562.00       | 562.00    |               |      |         |         |               |         |     |      |         |         |        |         |

Above: Costs are reviewed on an item by item basis, highlighting lowest and average prices

## Key Features

- Web-access allows Retail Project Managers to compare detailed information on items across dozens of projects from any location.
- Ability to create realistic budgets based on high visibility of costs on similar projects and recognise opportunities to leverage the Group's buying power.
- Enables the price tracking of thousands of items in the system with the comparison of average price and lowest price, based on the last 12 months of purchases.
- Streamlined tendering process enables a high level of automation on routine tasks such as sending out latest tender documents.

## Key Benefits

- Realistic budgets can now be created for stores based on individual requirements, cost, and availability of items.
- Suppliers have immediate notification and secure access to latest tender documentation and can submit more accurate bids.
- Reduced costs in the production and distribution of tender documentation.
- Accelerates store refurbishments projects by simplifying the tendering process, and promoting best practice in procurement.
- Enables Retail Project Managers to focus on building strong relationships across their supply chain rather than being overrun with administrative tasks.