

BEETROOT BLUE

Heritage Portfolio is an office, retail and events catering company in Edinburgh. Establishing the office catering side of the business as an e-commerce company, under the name of Beetroot Blue, has resulted in significant company growth and dramatic cost reductions for Heritage Portfolio.

OBJECTIVES

Heritage Portfolio was formed in 2002 to provide catering services for private and corporate events, offices and boardrooms, many of which are located in the historic buildings around Edinburgh. However it found that boardroom catering often required a disproportionate effort for little revenue. In practice, responding to a booking for two to three people almost required the same effort as an event for 500!

In order to continue to service this market but reduce the damaging overheads, Beetroot Blue was created. The Beetroot Blue website would allow customers to place orders online while reducing the amount of time Heritage Portfolio staff needed to spend on these orders. At the same time Heritage Portfolio wanted to widen its appeal and bring in more customers.

Analysis of its competitor's offerings confirmed that while many others offered limited online ordering, none of them offered the range of sandwich and finger buffet choices that Heritage Portfolio could provide with the ability to place orders and make payments. However, this needed to be achieved through the use of straightforward, established low cost technologies rather than developing a potentially expensive bespoke solution.

It also recognised that it was important to retain direct customer contact for those customers that wanted it and to ensure that customers accepted the new Beetroot Blue brand.

SOLUTION

The company opted for a straightforward web solution to generate the website, with a database to hold the order and customer data. Its solution is based on Open Source Software, and it uses a secure third-party service to handle credit card payments.

The website provides a quick and easy to navigate display of the range of products from Beetroot Blue. Good quality images allow the prospective customer to see exactly what they are ordering and quantities of all items in a mixed order can be easily varied. Availability for particular dates can be checked in order to avoid customer disappointment.

Best practice in:
Start-up

Sector:
Hotels/catering

Size of firm:
88 employees
(Heritage & Beetroot blue)

Location:
Edinburgh, Scotland

Website:
www.beetrootblue.com



“We believe we will save £13,000 in the first year of trading by conducting this element of our business on the internet”

MARK MILLER – BEETROOT BLUE’S EXECUTIVE DIRECTOR

Once the order is placed, the site provides confirmation and, through a user-login system, allows the customer to track the order. Beetroot Blue also provide fine touches to its site such as a pop-up window that reminds customers of the availability of extra items such as napkins, plates and glasses, all of which can be ordered through the site.

Once an order is placed, the database automatically generates a consolidated production schedule, which saves administration time in the kitchen, as well as packing reports, thus reducing human error. The delivery side of the operation receives a computer-generated delivery schedule and delivery note which improves their efficiency. Management information is available at the click of a button so that managers can view up-to-date and precise reports on sales and other measures.

As Gillian, the Company’s Events Coordinator, says, “Because customers place the orders themselves, we can spend our time focusing on clients who are looking to spend £60-£70 per person on a dinner for 400. The smaller orders now take care of themselves. What a relief!”

RESULTS


Mark Miller, Beetroot Blue’s Executive Director sums up the results: “We believe we will save £13,000 in the first year of trading by conducting this element of our business on the internet. This is a conservative estimate, but we are delighted with this figure and we feel this business will go from strength to strength.” The current flow of orders suggests a sales increase of 29% annually.

Because each product now has a detailed specification sheet, both staff and customers know exactly what to expect. As a result, the company is now delivering its most consistent service ever. Of its former clients, only one has insisted on staying with Heritage Portfolio rather than moving to the Beetroot Blue brand.

The simple, efficient process that enables customers to place their own orders has also cut errors and simplified the process of instructing the kitchens and delivery vans. Beetroot Blue calculates that these savings amount to 19 minutes per booking or, in cash terms, £2.86 per booking – a significant saving on small orders.

These savings have meant that the minimum order value could be cut to just £35. “Now the customer places the order, and the back end systems take care of all the rest. We just ask the chefs to do what they do best, prepare food, while the system





generates the invoice and tells the drivers where to deliver it. It couldn't be simpler," says Mark.

Beetroot Blue is also the winner of the national category for e-business in the DTI and InterForum Awards for E-commerce.

CHALLENGES

The website relies on the use of high-quality images to describe the food on offer. This use of large images means that the website is less suitable for anyone using a dial-up connection. However, the company made a strategic decision to keep the quality images and calculated that its target business market would almost certainly have high-speed broadband.

The use of the third-party credit card processing service also poses a challenge as the payment area cannot be customised to match the rest of the site. While this is a cosmetic problem, it does highlight another issue – Mark admits that some customers are still unsure about the security of paying online. "Although internet shopping is growing in popularity, being one of the first to offer this particular service online meets with some market uncertainty and resistance," he says. Some customers still prefer to deal directly over the phone, a task that is handled by the website manager. "We are aware that just because the Beetroot Blue brand is web-based, we mustn't cut all lines of communication to the customer," he says.

Top tips:

- Plan, plan and plan some more. You need to think of every possible eventuality to make the most of a website through which you're going to conduct your business.
- During your site design, consider how search engines will index your site. This can have a dramatic effect on your ranking during searches, which in turn will affect how many people will visit your site.
- Get as many people as possible to test your site before going live. You need impartial 'customers' to try to ask for things you may not have considered.



THE LAST WORD

In time the company plans to begin deliveries in Glasgow. “We feel there is real mileage in this concept, and are already gathering information about how the Beetroot Blue concept could become a franchise for Heritage Portfolio in future,” says Mark. “But local market dominance is our first and foremost goal.”

“We should have done this two years ago. The benefits of putting this business division online have been dramatic,” says Mark Miller, Executive Director of Beetroot Blue. “We know there is a sizeable market for this service and the greater our sales, the greater our savings will be.”

For more information on *Achieving best practice in your business*:

- Visit our website at www.dti.gov.uk/bestpractice
- Call us on **0845 015 0010** to order from our range of free best practice publications or visit www.dti.gov.uk/publications
- Contact your local Business Link advisor by visiting the website at www.businesslink.gov.uk or calling **0845 600 9 006**