



Case study: Multiple pub operator

Beds and Bars Ltd continue to thrive, even in hard economic times. Learn how Pelican assists them by providing a contract managed account ...



In a tough marketplace, one way to thrive is to identify a niche and become leaders in that market by excelling at understanding the needs of your customers. Another option is to diversify and spread your interests across certain key areas. By carefully selecting sites that suit your specific brand of operation, profits shouldn't be too far behind. Beds and Bars Ltd is a group that has managed simultaneously to do both of these things, and their success is demonstrated by growth in the recession - estimated to be four times ahead of the market.

Retail Development Manager Iain Dempster explains how they've managed to pull this particular rabbit out of the hat, and how Pelican have helped them to stay competitive.

A History of Success

Beds and Bars Ltd is the aptly titled group name for a collection of operations in seven countries across Europe including St Christopher's Inns backpacker hostels, Belushi's bars the Bauhaus in Belgium and the Flying Pig backpacker hostels in Amsterdam. The company dates back to 1964 when R.C. Knowles - father of Group Managing Director Keith Knowles - took over the tenancy of the Queen of England pub on Goldhawk Road, West London. Keith joined his father in 1977 and the pair began a four pub business - R.C. Knowles & Sons Ltd. The first Belushi's bar opened

in 1993 in London's Covent Garden, followed two years later by the first St Christopher's Inn - a backpackers' hostel near London Bridge.

By 2000 they had six bars and youth hostels with 350 beds in London, and in 2001 the first hostel and bar combo outside London opened in Edinburgh. Their growth ever since has been swift and dramatic.

"We've been around a while," says Iain Dempster, "and we're still growing. This year, at a time when most are protecting their interests, we're continuing to expand. We have hostels throughout Europe and we've just opened a new one in Prague. We're also finishing work on a huge restaurant in Paris, and we'll be opening a second hostel there too," he says. Collectively the hostels offer more than 2,900 beds.

The Beds and Bars Ltd portfolio also includes 156 Belushi's bars and 4 traditional pubs, with a combined annual turnover in excess of £30 million.

The company is clearly ahead of the game and unafraid to invest further in its winning formula. "Our food growth this year was four times ahead of the market," says Dempster. "We'll be opening in Barcelona soon, we're expanding in London and we're looking at many potential sites throughout Europe," he says.



The Balance

Beds and Bars Ltd have clearly struck on the perfect balance to create success. On the one hand they are market leaders in the hostel business and yet they're not afraid to partner with other companies to further a successful launch. The Prague hostel for example represents a partnership with the Bohemian hostel group, based in the Czech Republic. Beds and Bars Ltd has a longstanding family-orientated history, complimented by a forward thinking approach to staff and customers - using technology



to make connections on many levels. But what about their policy of diversifying and consolidating at the same time?

“We have 17 backpacker hostels across northern Europe under the St Christopher’s Inn and Flying Pig brands.” says Dempster. “We’re the market leader providing thousands of value for money beds in safe, secure, value and fun locations. We serve good quality, fresh food in a variety of upbeat bars and more traditional pub settings. Often they’re paired with the hostels, offering guests a vibrant social hub to enjoy, rather than a sterile hotel-style bar.

We have a chain of energetic bars called Belushi’s, which sit well alongside our hostels and traditional pubs.”

There’s no sign of the company putting the brakes on during the recession either. We’re looking at many more locations throughout Europe, we’re constantly upgrading our product and we’re pursuing regular refurbishments. We’re always looking at ways to improve our bars and make our product better. For example in Bruges we’re excited to have launched a pod-bed hostel with dormitories where you can have your own space and privacy, within a shared environment.” he explains. “Every bed

has a privacy curtain, a power point, a reading light a security locker.”

Pelican Partnering

Helping to keep Beds and Bars Ltd competitive is their relationship with Pelican. Contract Manager Stuart Chapman handles the account, working across the company’s UK based hostel and bar operations. “I manage their food development and procurement, their non-food procurement and ancillary dairy contract.” he says. “We’ve created a restricted purchase list that covers all of their UK needs and requirements.

When we ran it as a paper exercise I came back with a £30k saving for them, so we went to tender.” “It’s only really since working with Stuart that I’ve realised Pelican’s true worth,” says Dempster.

The company was buying a few products through Pelican, but the real savings came when they switched to a contract managed account. “Pelican are very proactive,” says Dempster. “We’ve built a good working relationship and I’ve come to appreciate exactly what they can do for us. We’ve just tendered for food supply and they’ve come back with a huge saving for the company. We’re a large group, but quite simply, Pelican’s buying power is better than ours.”

For Dempster, one of the benefits is knowing that Pelican are always working on behalf of Beds and Bars Ltd to ensure they constantly get good value for money and that everything runs smoothly where suppliers are concerned. “If we have any problems with existing suppliers, they can come in and mediate. Stuart just takes the headache away. He knows what I need and he’s always there checking on things for me. I can rely on him to keep me informed.”

The purchasing requirements of Beds and Bars Ltd are extensive and diverse. “Through Pelican we’ll buy all our consumables, kitchen supplies and equipment – everything you need for hospitality,” says Dempster. They’ve got great deals and help us keep an eye on the market. Plus it’s knowing there’s somebody on the end of the phone who I can rely on for whatever we need.

Also it’s good for the supplier. Their route into the market is helped by having someone at Pelican asking me if I’ve seen their latest product.”

During a recent tender process Pelican introduced a number of new suppliers into the mix that Dempster admits he might not have considered otherwise. “Stuart put a few people in front of us who I probably wouldn’t have gone to,” he says. “I knew of them in the marketplace but I would never have thought they were a better fit for our company than our previous supplier. Stuart made the introduction and allowed me to see if it would work.”

With their expansion plans in full swing Dempster also knows that Pelican will play a vital part in ensuring good value and high standards. “We recently launched a whole new menu at Belushi’s and Pelican have helped with that.” he says.

“Time and again I find Pelican can help me with things I need and that means I can concentrate on my part in ensuring that the business stays a success.”

For more information on how Pelican can support your business and reduce supplier costs call Pelican’s Customer Service team on 01252 705 222