

Wilderness at the Smokies Discovers Value Beyond Savings with Source1 Purchasing

Challenge

Wilderness at the Smokies is Tennessee's largest waterpark resort, a complex that includes pools and rides, a 234-room hotel, 479 condominium units, restaurants, snack bars and retail stores. Guests stay at the resort year-round, with visits of up to two weeks or more.

The resort's purchasing manager, Dennis Mullins, singlehandedly oversees purchasing of all the waterpark's products—a huge responsibility. In 2013, Dennis joined the company as an Accounting Manager. In 2017, he stepped into his role as Purchasing Manager and wanted above all to make a positive impact on the bottom line, especially since the resort had never before evaluated its vendors or their pricing.

"I'm basically going in several different directions at the same time," he says. "We have more than 10 departments, so I'm always getting quotes for products—including for construction projects—and working with 20 to 30 vendors to try to improve pricing."

Dennis' overall goal was to obtain the best product at the best price possible for the resort and its guests, while cultivating solid relationships with vendors. Fortunately, he got some help.





Solution

Impressed not only with the rebates available through Source1 Purchasing, Dennis contacted the company for vendor price comparisons. Working with Program Development Manager Santiago Arango, Dennis discovered that he could save money on items he was already purchasing from vendors he was already using. Purchasing through Source1 Purchasing also allowed him to consolidate his product sourcing efforts and save time when getting price quotes.

"Santiago made it very easy for us," says Dennis. "He provided guidance on how to compare products in Source1 Purchasing's online customer portal. If I didn't find a solution in the vendor catalogue, all I had to do was contact Santiago. He always answered quickly and helped any way he could. Good service is hard to find, and I do appreciate him."

Dennis says the portal is easy to navigate, and offers supplier lists, product descriptions and commodity reports. He was delighted to gain access to nationally known vendor PTL, for example, and to obtain new, competitive pricing on pantry items the resort currently sells.

Dennis communicates with Source1 Purchasing a few times a month via email or phone. His food and beverage, housekeeping, retail and maintenance departments are all using products sourced by Source1 Purchasing. "They are generally surprised at the savings they are getting," he says.

For a one-man band like Dennis, Source1 Purchasing's services are akin to having an extra trusted employee, a purchasing manager "clone," helping behind-the-scenes to negotiate competitive and accurate prices. In addition to Santiago, who is his primary contact, he receives back-up support from the customer service, supplier relations, and the data analytics teams.

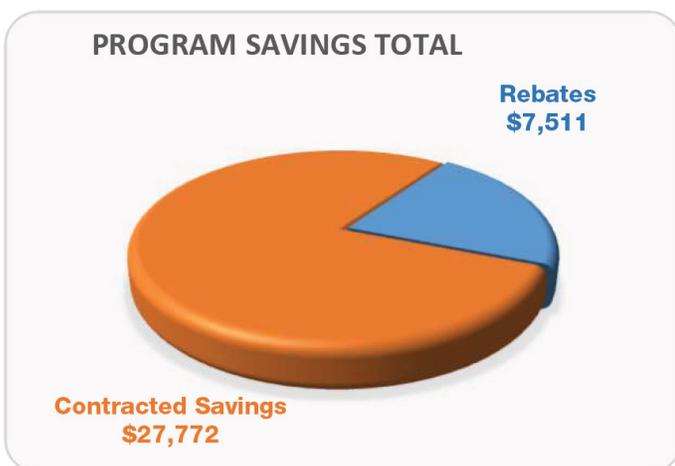
"Deli operations have shown savings of around 10% and with new products being offered, he anticipates a 3%-4% increase in sales in the coming year. "

Result

Between Q3 to Q4 of 2017, the resort increased overall savings by over 7%. Dennis says deli operations have shown savings of around 10% and with new products being offered, he also anticipates a 3%-4% increase in sales in the coming year. He says he values having greater control over his inventory and the number of vendors he is using.

Going forward, Dennis plans to continue his review of current and new products and to switch current vendors over to Source1 Purchasing wherever possible. He is also working with Santiago to increase his Program Utilization Rate, which is a measure of spend of contracted items compared to total purchases from suppliers in the Source1 Purchasing Program. The higher the Program Utilization Rate, the higher the potential program savings.

Dennis added, "The rebates are great. With Source1's Purchasing's help and Santiago's expertise, I keep finding new ways to save money."



Program Savings represents savings through Source1 Purchasing Rebates (\$7,511) and Contracted Savings (\$27,772), which represents a total savings of \$35,283 (7.75%) over a six-month period.



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