

HORECA Procurement

Market Disruption Emergency Preparedness Toolkit

Resource: Industry Talking Points Series

by HORECA Africa



Critical Item Identification

Essential Items for Smooth Continuity In Operations

Identifying critical items is crucial for **uninterrupted operations**. By focusing on essential items that are hard to replace quickly, businesses can ensure service continuity during disruptions.

Operators should maintain a priority list of the top 20 critical items required to maintain smooth uninterrupted service

Identifying Critical Items

Category	***Critical Items***	***Risk Level***
Proteins	Chicken breast, beef cuts	High
Fresh Produce	Lettuce, herbs, tomatoes	High
Dairy	Cream, butter, cheese	High
Dry Goods	Flour, rice, pasta	Medium
Beverages	House wines, beer	Medium
Cleaning Chemicals	Sanitizers, detergents	High
Packaging	Takeaway containers	Medium....



Backup Supplier Network

Importance of Multiple Vetted Suppliers

Maintaining a diverse network of vetted suppliers ensures rapid delivery within **24-48 hours**, allowing for quick responses to critical shortages and minimizing operational disruptions.

General rule is to always be prepared with atleast 3-4 pre-approved suppliers.

Identifying Primary & Backup Suppliers

Category	***Primary Supplier***	***Backup Supplier 1***	***Backup Supplier 2***
Meat	Supplier A	Supplier B	Supplier C
Dairy	Supplier A	Supplier B	Supplier C
Produce	Supplier A	Supplier B	Supplier C
Dry Goods	Supplier A	Supplier B	Supplier C
Beverages	Supplier A	Supplier B	Supplier C



Import Dependency

Assessing reliance on global supply chains

Understanding **import dependency** is crucial, as it highlights vulnerabilities and encourages diversification of local alternatives to enhance resilience in supply chains during disruptions.

Many hospitality businesses rely heavily on imported products, which are vulnerable to geopolitical disruptions.

Reducing single-origin dependency improves operational resilience

Product Category	***Import Dependency***	***Risk Level***	***Local Alternative***
Salmon	High	High	Better Local Supplier
Cheese	Medium	Medium	Local Dairy Producers
Wine	High	High	Regional Distributor
Specialty ingredients	High	High	Menu Substitutions



Strategic Stock Planning

Buffers for normal and crisis scenarios

Maintaining adequate stock buffers is essential for **operational resilience**; ensure that non-perishable items are prioritized to withstand fluctuations and disruptions during emergencies.

During geopolitical or economic instability, *increase buffer stock for non-perishable essentials.*

Prioritize Stock Buffers To Withstand Fluctuations e.g.

Category	***Normal Stock Buffer***	***Crisis Stock Buffer***
Dry Goods	7–14 days	30 days
Frozen Proteins	7 days	14–21 days
Cleaning Chemicals	14 days	30 days
Packaging	14 days	30 days



Menu Substitution Strategy

Pre-approved substitutions for seamless service

To ensure **uninterrupted service**, it's essential to prepare for ingredient shortages by having a list of pre-approved menu substitutions. This enables quick adaptation to supply challenges.

Create pre-approved substitution options so kitchens can adapt without interrupting service.

Examples on substitutions

Menu Item	***Substitute***
Salmon	Seabass or Tilapia
Ribeye	Striploin
Rocket Leaves	Baby Spinach
Imported Cheeses	Local Artisinal Cheeses



Risk Monitoring

Key Indicators for Economic Resilience

Monitoring vital risk indicators is essential for anticipating disruptions and ensuring operational stability in the HORECA sector, enabling proactive responses to potential challenges.

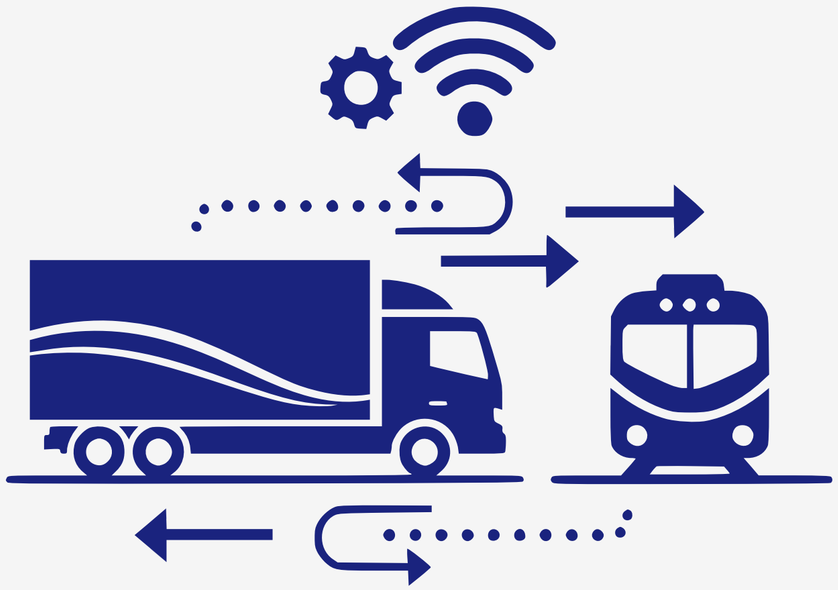
Procurement teams should monitor indicators that signal potential disruptions.

Monitoring these signals allows operators to anticipate disruptions rather than react to them.

Risk Indicator	***Operational Impact***	***Response***
Fuel price spikes	Higher transport costs	Increase local sourcing
Currency depreciation	Import price increases	Secure supplier contracts
Regional conflict / war	Trade route disruptions	Identify alternative origins
Shipping delays	Ingredient shortages	Increase safety stock
Inflation spikes	Supplier price volatility	Renegotiate pricing terms
Risk Indicator	Operational Impact	Response
Fuel price spikes	Higher transport costs	Increase local sourcing

Logistics & Fuel Strategy

Mitigating transport instability risks effectively



Supplier Deliveries

Consolidate deliveries to improve efficiency and reduce costs.

Local Suppliers

Prioritize local suppliers to enhance supply reliability and speed.

Ordering Lead Times

Increase lead times to buffer against unexpected delays.

Distributor Relationships

Maintain multiple distributors to ensure consistent product availability.

Procurement Response Plan

01

Confirm Shortage

Assess stock levels and supplier issues.

02

Activate Backup Suppliers

Place urgent orders with alternative sources.

03

Adjust Kitchen Operations

Implement pre-approved menu substitutions quickly.

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