



26 July 2007

Compass UK & Ireland to increase its operational and client focus

Compass Group UK & Ireland, part of Compass Group PLC, has unveiled its top-line strategy for growth within its business & industry, and health, education, defence & government (HEDG) sectors.

The key focus for the Compass senior teams will be providing greater client and consumer focus, ensuring simplicity of approach and driving operational excellence.

The process is being underpinned by the company's Management and Performance framework, known internally as "MAP". This is already helping the drive for a simplified global Compass business structure, along with a focus on delivering the highest quality and performance to clients, whilst relentlessly driving to be the most efficient provider. It focuses on five key areas, client sales and marketing, customer sales and marketing, food cost, unit costs and above unit costs.*

To drive this activity further in B&I and HEDG, Compass has announced new roles and responsibilities for the top teams who will play a key role in developing and implementing the new strategic direction.

This current activity follows a similar and successful refocus of the company's fine dining sector under one brand as 'Restaurant Associates' earlier this year, which similarly built on the MAP principles.

m/f

The moves within B&I and HEDG will include a new range of marketing activities focusing more closely on meeting customer demands; greater behind the scenes support for operating teams and a drive to further hone the company's reputation for excellence in key areas such as health & safety and purchasing. More information on marketing activities will be made available in the autumn.

Ian El-Mokadem, UK group managing director, said: "This is a good business, but has clearly got overly complicated in various areas in recent times. Over the coming months we'll be introducing new ways of working to ensure more time for our operational teams to focus on their customer. In addition there will be new marketing programmes and client offers to ensure we stay ahead of the market.

"The changes we are making are designed to support our drive to become more flexible in meeting customer needs and reflect the new competition which the sector faces from the high street.

"As a first step, it is critical that we have the right senior managers in place to develop the best strategies for their particular area of business."

The senior B&I management team, reporting into sector MD, Graham Sims, will include five business directors and a newly created role of business excellence director. There will also be three direct reports to HEDG MD Ian Sarson. These include a business director to manage Compass' education and government services operations (both businesses will retain their current, distinct client facing teams and brands, whilst benefiting from a stronger, more focused and centralised back office support function). In addition, there will be a business director for care and healthcare business and a director for retail sales, enabling the business to develop its activities in this area in line with current market, client and customer demands.

All of the new roles will be decided by early August.

- ends -

Press enquiries

For further information, contact Clare Maxwell, Head of Communications at Compass Group UK & Ireland on 01895 554366.

Notes to editors:

Activities which have already been delivered into the business include the development of a fully managed supply chain, which ensures full traceability of products and response to our consumer demands in the sectors; the recent appointment of a director to bring greater strategic emphasis to the effective management of productivity; the addition of John Pain to the UK executive team as marketing director, with a focus on developing new customer oriented offers to rival the high street and the appointment of a UK executive chef to further develop Compass' culinary offer.

* MAP focuses on the five key drivers in our business. These are:

Client Sales and Marketing: winning new business is, and will continue to be, a clear strength for Compass. However, as we improve discipline and focus on unit margins, organic growth rates may, for a period, slow a little before increasing back to trend rates. We will work harder with our existing clients to deliver like for like revenue growth, seeking to balance the needs of value for money, efficiency and a fair reward for a job well done. In the medium to long term, we will work harder to demonstrate the benefits of outsourcing to potential clients.

Consumer Sales and Marketing: we will seek a more innovative approach to our consumers by improving the quality of our offering, restaurant designs and point of sale displays. Like for like volume growth will be a key area of focus and where we face inflationary cost pressures, we will seek reasonable price increases.

Food Cost: Our objective must be to procure the optimal quality and range of food to meet the needs of our customers at the lowest cost. This means having an efficient supply chain that leverages our scale and being much more disciplined about rationalising our supplier and product base. Driving in-unit compliance with approved purchasing lists and a much more systematic approach to menu planning will be critical.

Unit Costs: We will work closely with clients and employees to improve labour scheduling and efficiency, contain wage and ancillary cost inflation and to reduce unit overheads.

Above Unit Overheads: we spend too much of our unit profit on overheads. We need a simpler structure with fewer layers of management and less bureaucracy. Going forward, the drive for overhead efficiency will continue.