Melville Castle, Edinburgh

With records dating back as far as 1155, Melville Castle near Edinburgh has an extremely rich and varied history. The current building that we see on the site today, which is an impressive castellated mansion, was rebuilt by renowned Scottish architect of the time, James Playfair in 1786.

It was commissioned by the first Viscount Melville who was looking to create a building specifically for ‘entertaining guests on a grand scale’. With a spacious pillared entrance hall, elegant staircase and fine reception rooms, it has become a real landmark building in the area. Today, Melville Castle continues to meet the original brief for entertaining guests, as it is now a unique, family-run hotel, restaurant and event venue, which offers charming accommodation and enchanting surroundings for weddings and corporate events.

In late 2013, Melville Castle was at the time operating solely as an event venue. A decision was made by the owners to expand its operations to become a fully operating hotel, restaurant and venue. With this in mind, Lorenzo Menghini, a director of Hospitality Asset Management, was appointed to oversee the transformation and manage the subsequent operations once completed.

Lorenzo explains the process he went through to transform Melville Castle from a hired venue to a 24/7 hotel operation:

“I have many, many years’ experience in managing hotels, and more recently my focus has been on overseeing ‘turnaround’ projects with private owners and asset management companies. I was appointed by Melville Castle to manage the shift from it being just a venue, to an all-encompassing 32-bedroom hotel, with a restaurant, two bar areas in addition to retaining and expanding the weddings, corporate events and private parties business. It was an exciting project and so I quickly got to work laying the foundations for making this a success.”

In-House Catering Function

One of the fundamental areas was to introduce its own in-house catering function; previously all catering requirements for events would be managed by external providers, however Lorenzo was tasked with bringing this in-house, as he confirms:

“With a requirement to serve breakfast, lunch, afternoon tea, dinner and service events, catering was a key priority. At the top

“I often hear hotel managers who are unsure of the benefits of a procurement partner. They say “introducing a middle man will surely add extra costs or I will lose control?” – this is a myth! It was at the top of my agenda when joining Melville Castle and Pelican has come in and saved me time, money plus our chefs can still order what they want!”

Lorenzo Menghini, Director of Hospitality Asset Management.
of my agenda was to secure a procurement agent who would help me manage this process, as well as help me appoint the best suppliers and manage the overall supply chain. In my experience, procurement experts save you a lot of money and time, therefore in my view it really should be the first thing you look to do when reviewing anything to do with your catering function.”

Lorenzo started to research the market and came across Pelican Procurement, as he confirms: “I was very impressed with the initial conversations I had with Pelican and after meeting the team to discuss just how they could help me, I decided to appoint them to initially review the purchasing and supply chain related to key lines, including Grocery, Fruit and Vegetables, Meat, Coffee, Beer Gas, Stationery, Waste Disposal and Laundry.”

The Tendering Process

A tender process was carried out for Melville Castle, whereby the team went to the market to identify the right suppliers who could provide their key lines for the right price, meeting agreed quality and service levels. Adds Lorenzo: “The tender process was fully managed by the procurement partner; this not only saves time, but Pelican’s expertise and relationship with the market means we were able to utilise their strength to get the products and services we need, at a good price and also adhering to set quality and service standards.

Doing this on your own would be a huge task and I believe you wouldn’t be able to negotiate the same savings and advantages if you were to try and do this yourself.”

Another advantage of the support received from a procurement partner that Lorenzo is quick to point out is the purchasing technology available, which helps to provide complete transparency of expenditure, budgets, ordering, stock and more:

“I am a believer that excellent results are often achieved simply by utilising available resources differently and implementing technology,” says Lorenzo. “In this case, the Pelican Pi software is a real USP. I’m a technology-oriented person and could quickly see that using an online service like Pi would give me an immediate view of everything. You can produce management reports breaking down daily, weekly, monthly spend - the system puts me in complete control.”

Lorenzo Menghini, Director of Hospitality Asset Management.

“T’m a technology-oriented person and could quickly see that using an online service like Pi would give me an immediate view of everything. You can produce management reports breaking down daily, weekly, monthly spend - the system puts me in complete control.”

Lorenzo Menghini, Director of Hospitality Asset Management.

Case study

Melville Castle, Edinburgh

Lorenzo Menghini, Director of Hospitality Asset Management.
Case study

Melville Castle, Edinburgh

Strength of a Procurement Partner

In December 2013, Melville Castle officially launched as a fully-operating hotel, restaurant and venue, and the launch has been well received. Around 30 people are employed on a full time basis, and the in-house catering team is made up of between 15 and 20 staff, who offer a 24/7 operation. Reflecting on the past years since launch, Lorenzo said:

“They have been two great years. We’ve seen many guests returning, our restaurant is receiving great reviews for the range of dishes being served and we have wedding and event bookings well into next two years. From a supply point of view, it’s been great to have support from our procurement partner. We had an issue with one of our main suppliers last year and Pelican were there to manage this for me. They carry a lot of influence and so having them there when an issue occurs is a blessing; it meant that this particular issue was resolved in a manner that I wouldn’t have been able to achieve if I were handling this by myself – it resulted in £4,500 compensation being paid back to the Melville Castle, which we were happy with.”

As part of the ongoing price reviews, Pelican has been able to save Melville Castle over £20,000 against original forecasts and is also supporting the team with three-monthly price freeze agreements, as well as handling ongoing supplier relations, including discrepancies or issues that arise.

Continues Lorenzo: “I often hear hotel managers who are unsure of the benefits of a procurement partner. They say “introducing a middle man will surely add extra costs or I will lose control?” – this is a myth! It was at the top of my agenda when joining Melville Castle and Pelican has come in and saved me time, money plus our chefs can still order what they want. Their knowledge of the market and relationship with suppliers puts us in a strong position, and to me I class them as an indispensable member of the team. They understand what we are trying to achieve as a business.”

Concludes Lorenzo: “As a hotel’s general manager, why waste valuable time on troubleshooting with suppliers when instead you can focus on generating more income streams for the business and importantly in working to deliver a quality service that our customers have come to expect.”

Lorenzo is the director of Hospitality Asset Management, specialising in turnaround projects, new acquisitions and ongoing support for Hospitality Businesses. He can be contacted at lorenzo@hamanagement.co.uk

Get in touch

tel 01252 705 222  
eml info@pelicanprocurement.co.uk  
web www.pelicanprocurement.co.uk

Web Links

www.melvillecastle.com  
www.hamanagement.co.uk  
www.pelicanprocurement.co.uk