

A large cruise ship is shown from a low angle, silhouetted against a vibrant sunset sky. The ship's upper decks and funnel are visible. The water in the foreground is calm, reflecting the colors of the sky. A checklist with four items is overlaid on the ship's hull.

POTENTIAL
 CRUISE LINE
 SUPPLIER
 CHECKLIST

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Mission Statement

Driven by quality, competitive pricing and the need for transparency, the Florida-Caribbean Cruise Association (FCCA) and its Member Lines seek to open the lines of communication in order to effectively enhance local purchasing and achieve long-term partnership with local suppliers in the Caribbean and Latin America.

Basic Cruise Line Sourcing Requirements

Any business wishing to supply the cruise industry must fully understand its unique and crucial requirements. The cruise business is market-driven; its success is directly linked with its ability to provide the goods and services that the market demands. Cruise lines discovered this successful formula long ago, and companies seeking business in this arena must learn to position their products to meet the market needs. This standard principle of business cannot be stressed enough.

Before products can be sourced by and delivered to cruise lines, current and potential suppliers must adhere to the following criteria:

- Specification
- Quality
- Pricing
- Availability
- Delivery Requirements
- Invoicing

Specification: This is established by culinary operations prior to sourcing the product. It is important to comply with product specification in order to deliver consistency to guests. Cruise lines perform audits to ensure the agreed specification is delivered. These audits take place in various forms—by the vessel, third party or commodity buyer—and may be done at time of delivery, supplier facility or onboard the vessel.

Quality: Products must be of superior/export quality, especially perishable items like fresh produce, as poor-quality products will negatively affect guest experience. Shelf life is also crucial on products such as fresh milk because products should last for the duration of the cruise.

Pricing: Should be competitive and fixed for a period of time through a written agreement between both parties. (The cruise line usually generates this document.) Local pricing is typically compared to mainland cost, freight and local taxes.

Availability: Products must be available from suppliers in the agreed quantities during the term of the agreement. Failure to do so will result in a shortage and, thus, affect guest satisfaction.

Delivery: Cruise ships are constantly moving; therefore it is important that suppliers are reliable and comply with delivery instructions. A missed delivery can be very costly, and suppliers that fail to adhere to delivery instructions will incur the expense of flying the product or sourcing in another port of call. Orders must be filled 100% at all times.

Invoicing: It is important to invoice accurately, ensuring that suppliers get paid based on the agreed terms without delay.

Factors for Long-Term Success of Potential Suppliers:

Building strong partnerships with the supplier base is important to the cruise industry, as their success depends on this. It is also crucial for suppliers to understand the cruise industry and, in particular, the supply chain process.

Cruise lines operate year round; therefore suppliers may be required to deliver products on the weekends

and public holidays. In addition, occasionally there are last-minute add-on orders by the vessel. Suppliers are expected to fulfill these.

Establishing trust and confidence is the foundation for long-term partnership, and this is built through understanding and meeting all required obligations.

FCCA's Purchasing & Sourcing Information

The FCCA's Sourcing Program has provided many valuable and practical lessons regarding the cruise industry's unique needs and Caribbean/Latin American suppliers' abilities to meet them.

These lessons include:

- Any supplier to the cruise industry must meet the requirements for quality, price and reliability.
- To have competitive pricing, most Caribbean and Latin American suppliers should look to supply individual cruise vessels while in port or through a broad line distributor, mainly due to transportation costs associated with shipping products to cruise line homeports in Florida.
- Caribbean and Latin American suppliers should look to add value to products (e.g. price, service, reliability and quality).
- Cruise lines look to build long-term partnerships with the supply base, it is important for both parties to work hard to maintain this relationship.
- Strong partnerships require time, patience, understanding and trust to develop; this takes a long-term commitment to service, along with hard work, dedication, perseverance and a strong desire to do business in this sector.

Based on data collected from cruise lines for Business Research & Economic Advisers' (BREA) 2012 study, *Economic Contribution of Cruise Tourism to the Destination Economies*, cruise lines spent approximately \$247 million in the 21 participating Caribbean and Latin American destinations in the 2011/2012 cruise year for local goods and services, including port fees and taxes, utilities, navigation services and ship supplies.

Additionally, cruise tourism's total economic impact on these destinations' economies must be noted, and this totaled roughly \$2 billion through passenger, crew and cruise line expenditures, along with generating 45,225 jobs and \$728 million in wages, throughout the participating destinations. While the cruise industry's economic impact on Caribbean and Latin America destinations will surely continue to grow, the fact should not be ignored that the cruise industry has provided a significant impact, including the sourcing of Caribbean- and Latin American-manufactured products, for a number of years.

Cruise Industry Purchasing & Sourcing Product Categories

Food and beverage departments are responsible for providing specific products at the best and most consistent quality and cost. Great efforts are made to develop new menus and sample different products. Quality checks are routinely performed to measure the yield and quantify taste factors through blind taste tests.

Direct purchasing for volume items keeps costs down, ensures consistent supply and maintains uniformity of specification throughout a fleet. While many more items are sourced from the Caribbean and Latin America, the below items are the most requested and needed by a cruise vessel in its ports of call.

Food Products

- Produce - Fresh, Export Quality
- Fruit
- Herbs and Spices - Fresh
- Groceries - Sugar, Salt, Flour, Oil
- Dairy Products - Fresh Milk, Yogurt, Cottage Cheese, Ice Cream
- Seafood/Shellfish
- Bakery Items - Sandwich Bread, Rolls, etc.

Beverages

- Fruit Juices - Fresh, Export Quality
- Water
- Soda

Bar

- Liquor
- Beer
- Wine

FCCA's Purchasing & Sourcing Program

The FCCA Purchasing & Sourcing Program provides direct access to purchasing and procurement executives from the FCCA's 19 Member Lines, along with broadline distributors, through an all-encompassing approach to ensure participating companies have the proper contacts and knowledge to supply products to cruise ships. Program benefits include:



10' X 10' Booth space at the Annual FCCA Cruise Conference & Trade Show

- Two (2) Delegate Badges to the largest cruise conference and trade show in the Caribbean, with 1,000 attendees and 100 cruise executives.
- Opportunity to confirm one-on-one meetings and attend workshops with Purchasing Executives from the FCCA's 19 Member Lines, as well as representatives of broadline foodservice distributors like Sysco, Gordon Food Services & others.

Complimentary Registration for Central America Summit

- Includes access to the event and the opportunity to confirm one-on-one meetings and attend workshops with Purchasing Executives and Broadline Distributors.

Access to exclusive FCCA receptions with cruise executives during Seatrade Cruise Global

- Target and interact with Cruise Executives—and even Presidents and CEOs—during FCCA receptions at Seatrade Cruise Global exclusively for Cruise Executives, FCCA Platinum Members & FCCA Purchasing Partners.

Listing in the Highlights Issue Publication

- Features your listing in a publication including profiles of Cruise Executives, Member Lines, and FCCA Members and Purchasing Partners. Distributed at the FCCA Cruise Conference & Trade Show, Seatrade Cruise Global and other FCCA events, this is a useful tool for Cruise Executives and Stakeholders alike.

Half-page ad in Conference Program or Highlights Issue Publication

- Displays a half-page ad in the FCCA Conference Program, a special publication providing the agenda and more at the FCCA Cruise Conference & Trade Show.

Please contact Mario Aguirre regarding the cost and joining the FCCA Purchasing and Sourcing program. Mario@f-cca.com or 954-441-8881. The committee will review all applications and send an acknowledgement and/or discuss further via e-mail or telephone.

Potential Supplier Corporate Profile

1) Name of Firm: _____

2) Address: _____

3) City: _____ Country: _____

4) Key Contact: _____

5) Phone: _____ Fax: _____

6) E-mail Address: _____ Website: _____

7) Description of Product(s)/Service(s): _____

8) Short Company Profile: _____

9) Quantities Available per Week: _____

10) Container Sizes/Packaging Type/Prices: _____

11) Transportation Network: _____

12) Major Customers: _____



FCCA Member Lines

AIDA Cruises • Azamara Club Cruises • Carnival Cruise Line • Celebrity Cruises • Costa Cruises
Croisieres de France • Cunard Line • Disney Cruise Line • Holland America Line • MSC Cruises (USA) Inc.
Norwegian Cruise Line • Oceania Cruises • P&O Cruises • Princess Cruises • Pullmantur Cruises
Regent Seven Seas Cruises • Royal Caribbean International • Seabourn • TUI Cruises