

Building A NEW FUTURE FOR KARTOTEC

through improved processes and data





➤ KARTOTEC produces and sells technical papers for the corrugated and plasterboard industries using state-of-the-art equipment and automated control systems. Their high-quality products include Testliner, Corrugated Cardboard, and Plasterboard, which are manufactured in Paraguay at their production plant with an annual capacity of 70,000 tons.

KARTOTEC is part of Grupo Yaguarete, which has over 40 years of experience in the circular economy. It was the first company in the country to recycle cardboard and waste paper.

This group includes Yaguarete Reciclaje (REDESA) for recycling, Cartones Yaguarete for manufacturing cardboard paper, Kartotec for manufacturing technical and corrugated paper, and Yaguarete Logística for the logistics processes.

The company faced several challenges that they wanted to overcome. However, the first one was convincing the company owners in Germany to carry out an improvement project, and in 2022, they launched the Arandu Project in conjunction with London Consulting Group.

From the start, Kartotec's leadership and front-line managers were very receptive to London Consulting Group's instructions, and they all got behind the project. As it is such a large company, each business unit has its own manager, who functions as that unit's General Manager.

London Consulting Group quickly realized that they needed to improve communication between Managers to make collaborative decisions and build long-lasting and comprehensive solutions. Together, they established a series of crash plans to quickly and significantly address the problems that Kartotec needed to overcome.

➤ *Issues hindering* **KARTOTEC'S SUCCESS**

Recycling

London Consulting Group and Kartotec implemented a supplier service model and moisture control tools and processes to reduce the moisture of the raw materials, thus reducing costs and improving the quality of the end products.

Production Process

Kartotec wanted to improve their production plant's Overall Equipment Effectiveness (OEE) and decrease production unit costs. However, they had difficulties managing critical variables and obtaining real-time and accurate OEE data that would enable them to make better-informed decisions. At the same time, the production scheduling process was inefficient, making it challenging to align production with sales.

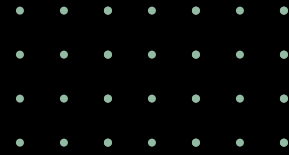
Sales

From a commercial point of view, the main issue was improving and ensuring that the delivery dates for national orders met the customers' needs without sacrificing the production plant's efficiency. Poor communication and a lack of compliance with the customer service model negatively affected the company's customers.

Costing

Kartotec's costing model was inaccurate, hindering their ability to make informed decisions quickly and have complete control over their expenditures. Furthermore, one of the big problems they faced regarding costing was that much of the accounting and financial information was handled in Germany, restricting their ability to make timely corrections.

➤ TAKING KARTOTEC *to the next level*



After analyzing the issues and discussing them with Kartotec's Leadership, London Consulting Group outlined the steps they needed to take together to implement comprehensive solutions across key areas and improve the operation's overall efficiency.

Recycling

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Sales

A lot of work was jointly undertaken to improve the company's communication and customer service model to ensure that the delivery promises were met and that the customers felt valued.

Through various initiatives, Kartotec and London Consulting Group improved the level of service and increased the amount of OTIF (On Time In Full) deliveries made to local customers.



Costing

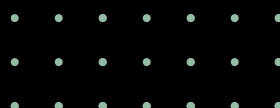
Digital tools were implemented, strengthening Kartotec's ability to negotiate with suppliers and negotiate better terms. These tools also strengthened Kartotec's control over its production costs, allowing it to make informed decisions quickly.



Organizational Culture

London Consulting Group rigorously worked with the company's leaders and middle management to improve their managerial skills and communication with each other.

Spaces were established for discussions, action plan development, and process improvement, which fostered an atmosphere of cooperation.



Production Process

A significantly more robust and accurate indicator structure was implemented using technological tools and Power BI. Simultaneously, a new management model was established that enabled Kartotec's managers to make decisions based on reliable information and analysis.

This empowered the managers and allowed them to develop action plans to address deviations and issues quickly. At the same time, the supervisors and managers received training, which improved their supervision capabilities and control over the operations.

A more robust management model and the use of digital tools improved the production plant's OEE, especially regarding corrugated paper production.



Results

Recycling

- 50% reduction in production overtime
- Implementing a supplier service model, ensuring the quality, frequency, and value of the raw materials

Sales

- 12% decrease in out-of-range orders
- 5% increase in the average amount of meters squared sold per average ticket
- 60% increase in customer visits
- 15% improvement in compliance with the customer service protocols
- 80% reduction in order backlog

Production Process

KARTOTEC PRODUCTION

- 3% increase in equipment availability
- 5% increase in average machine speed
- 11% improvement in the production plant's OEE
- 14% reduction in waste

CARTON PRODUCTION

- 6% increase in equipment availability
- 4% increase in machine speed
- 30% reduction in overtime

Costing

- 15% reduction in the price of inputs
- 50% reduction in cost overruns for raw materials



*The project achieved a **1:1** return by the end of the project, with an anticipated **3:1** return within one year. The quantitative and qualitative results demonstrate the significant impacts that the project had on Kartotec's operations and its preparedness for future challenges.*

The success of these solutions can be attributed to the increased communication and collaborative efforts among departments, the integration of technological and BI tools for data analysis, and the improvements made to Kartotec's managerial and operative processes.

This comprehensive approach has improved the company's immediate results and laid a robust foundation that promotes continuous improvements, strengthening future strategic developments.

Why LONDON CONSULTING GROUP

London Consulting Group's methodology is composed of three parts:

1

DISCOVERY PHASE

This one-week phase enables us to understand your business, the challenges you face, and the opportunities that can be capitalized on.

Through a series of strategic interviews, we gather information on your organization's vision, priorities, and expectations. This is followed by a site visit that allows us to observe your processes in detail, identify the technology being used, and determine how the results are obtained.

Once we have this information, we can identify possible sources of savings and establish a work plan for the diagnostic. These are presented in an initial Deep-dive Analysis Proposal that leverages your organization's vision and knowledge to maximize your return on investment. We present your organization with a report identifying the most evident improvement opportunities and their potential financial savings.

2

TRANSFORMATION PHASE

The phase is divided into two sections:

1. Deep-Dive Analysis

During this stage, we carry out a comprehensive diagnostic of your organization, your processes, and your Governance model. We analyze in detail:

STRATEGIC ALIGNMENT

MACROSTRUCTURE

INDICATOR MODEL

SYSTEMS

During these two months, you will get a precise overview of the opportunities that can be capitalized so you can get the most out of your business.

2. Design and Implementation

Using cutting-edge technology and agile methodologies, we design, implement, and monitor the improvements with your team to increase your profits and take your personnel to the next level. Our wide range of customized solutions can address many areas, including:

- Strategic planning (aligning vision/mission with objectives, initiatives, and plans)
- Marketing and sales (CRM; go-to-market; sales and channels; direct sales)
- Personnel and organizations (agile leadership; governance model; competency development)
- Supply chain management (demand and inventory planning; distribution)
- Operations (efficiency optimization; lean manufacturing)
- Information technology (digitization, dashboards, ERP, technology)
- Back Office / Shared Services (aligning HR, Finance, Procurements, Sales, etc.)
- Operational due diligence (quantification and simulation of due diligence)
- Certifications (compliance with industry standards)

3

CONTINUITY

Audits are carried out after 3, 6, and 12 months to ensure that the proposed financial benefits are being achieved.

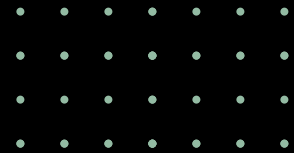
On average, the Return on Investment on a London Consulting Group project is 5 to 1 – meaning that your investment in efficiency optimization has the potential to take your business to the next level!

Let's Grow!

Ready to transform the future of your business?

Contact us today and find out how London Consulting Group can help you achieve immediate results, optimize your operations and prepare you to meet the challenges of the future.

londoncgroup.com/en/contact



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Manufacture