



# BECKTEL, S.A. DE C.V.

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Naucalpan de Juárez, State of México, March 2012

To whom it may concern:

We hereby would like to express our satisfaction and greatly recommend the firm London Consulting Group for the results obtained during the project called Phase 1 "Weaving success today and always," which was developed over the last 7 months in the Weaving, Dye-work, Finishing, Maintenance, Shipments and Clothing Production departments.

London Consulting Group's team along with our personnel designed and implemented the following models:

- Cyclic inventories model for dye-working chemicals and coloring, from their purchase up to their delivery to production.
- A production management and control model based on supervision tools and productivity objectives.
- A production control model from dye-work to shipments with visual factory tools such as kanban (visual record) and floor boards.
- A monthly preventive maintenance model for the development of the life sheets of every equipment and the standard time for their execution.
- A model for real performance measuring per kilogram delivered and received from the maquilas during the cutting process, establishing new performance standards per type of fabric and a higher efficiency in their use.
- A management model through indicators for the productive areas.
- Implementation of COPAC for expenses to support the productive areas in the control and reduction of controllable expenses such as: freight, shipments, documentation, spare parts and needles.

Some of the main results achieved were:

- A 24% to 12% reduction in kilos reworked during the dye-working process.
- A reduction from 24% to 3.4% in diversion of chemical inventory.
- A 23% reduction of chemical's cost rate per invoiced kilogram.
- A 14% reduction of manufacturing expense rate per invoiced kilogram.
- An 18% average increase in standard speed in the finishing area.
- A 14% increase in the shipment's OTIF.
- A 12% average increase in fabric yield during the cutting process.
- A 67% reduction in overtime within the productive areas.

The economic benefits have surpassed our expectations, achieving at the time of completion of the project Phase 1 a return on investment of 1.52 to 1 and an annual return on investment of 4.12 to 1.


Additionally, with the objective of improving the results achieved we will continue with Phase 2 of the project for all other areas of the company.

It is worth mentioning London Consulting Group's methodology as one of the key factors for the project's success in which change management, the shoulder-to-shoulder implementation and the involvement of all levels in the company excel in order to generate a change in culture in the people who operate the company.

Due to the aforementioned, we would like to express our satisfaction for the work performed by London Consulting Group who proved to be a reliable, professional and committed company.

Sincerely,

  
Sergio Becker Milstein  
General Director

  
Mario Becker Milstein  
Operations Director