



CAFÉ SOLUBLE, S.A.

Managua City, Nicaragua, November 12, 2015

Café Soluble is a Nicaraguan private equity company with over 50 years of experience in the food industry. The company produces and commercializes powdered nutritional drinks, soy-based product and roasted and ground coffee in Central America. It also has a modern distribution chain of mass consumption products in Nicaragua and since 2006 manages Nestlé's instant coffee plant in the country.

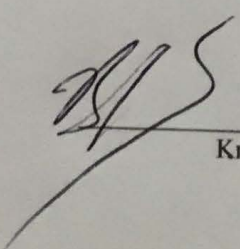
From April to November 2015 we developed the improvement project called "Soluble Evolution" along with the firm London Consulting Group with the objective of optimizing the processes and tools within the Chain Supply areas: Planning and Purchasing, Distribution Center, Transportation and Customer Service. The dedication from the team members as well as the methodology applied and transferred in different stages of the project were of great help to our business and to the achievement of the set objectives, among the following:

Supply Chain:

• Reduction of lost sales	36%
• Increase of Supplier's OTIF	26%
• Reduction in cost per kilo transported	10%
• Reduction in returns	17%
• Increase in usage of fleet	5%
• Increase in inspections to consolidated dispatches	15%
• Increase in punctuality of arrivals of shipper/carrier	18%

Qualitative Improvements:

- Optimization of demand planning, including key decision making elements such as seasonal variations, historic stock-outs and historic sales behaviors.
- Generation of tools to monitor inventory coverage.
- Implementation of the 5's methodology at the Distribution Center.
- Design and implementation of expiration alerts for short expiration date products.
- Preparation of orders through the use of Bar Codes and Parametrization of products at the warehouse.
- Redesign and implementation of delivery routes for the retail channel.
- Definition of management policies and procedures for truck loading, highs and lows of retail clients, price changes and changes of image of new and existing products.
- Design and implementation of indicator control panels facilitating management by results through the KPI's.



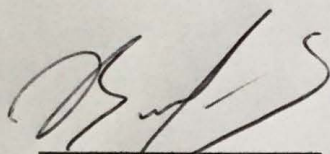
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The project concluded successfully after the scheduled 30-week period with a **ROI of 0.6 to 1** to this date and a projected **ROI of 1.9 to 1 one year after the project's completion** surpassing our expectations in addition to the qualitative results.

Based on the above it is our pleasure to recommend London Consulting Group as a professional and committed company which contributes to obtaining tangible results in a short amount of time and in a sustainable manner.


Gerardo Baltodano
General Manager

