

To whom it may concern:

CEMACO currently has a total of 17 shops in Guatemala in the CEMACO, CEMACO EXPRESS, JUGETÓN, and BEBÉ JUGETÓN formats. We are the leading provider of home furniture and home related products, hardware equipment, toys and baby products.

Between February and September 2017 we developed the "Eficiencia y Mejora Continua" (Efficiency and Continuous Improvement) project with London Consulting Group. The project's main objective was to optimize the operation's processes and tools within the shops, along with defining and implementing a management information system and a corporate management model.

The manner in which change was managed, the dedication displayed by the members of the team, and the applied methodology and the way in which it evolved according to the different phases of the project; were very beneficial for our business and enabled us to attain our fixed objectives. We would like to highlight some of those results:

Operations within the Shops:

- 33% increased effectiveness of our weekly action plans which are defined by the shops.
- 32% improvement in fulfilling established parameters regarding customer service.
- 28% improvement in fulfilling established parameters regarding the shop's operation.
- 3% increase in sales by taking focused actions in departments which have deviated from their budget.

Management Information System and Management Model:

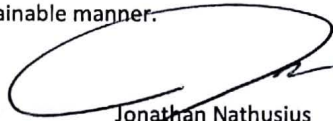
- 32% reduction in unjustified overtime.
- 10% reduction in discounts due to incorrect labelling.
- 29% reduction in discounts due to damaged or incorrectly classified goods.
- 3% improvement in the level of service regarding delivering goods to the shops.
- Attending to and eliminating 15% of empty racks of identified hardware within the shops.

Implemented Management Forums:

- Commercial Committee (5 departments)
- Weekly Management Meetings (22 departments)
- Weekly Operational Meetings (17 shops)
- Monthly Operational Meetings (17 shops)
- Managing Empty Racks and Lost Sales Committee
- Discount Control Committee
- Ensuring Level of Service and Fast Track Committee
- Administrating Damaged Goods and Stock Committee

The project has been successfully concluded, within the established time frame of 30 weeks, and it has yielded a **ROI of 2.7 to 1 as of today**, with a **forecasted ROI of 8.9 to 1 a year after finalizing the project**. Beside the quantitative results, it is also worth mentioning the notable cultural changes which have occurred. These changes have established a solid foundation that allows us to attain our medium and long-term goals.

Due to this, we are happy to recommend London Consulting Group as a professional and committed firm which changes the personnel's work culture through their hand-in-hand implementation methods and their focus on attaining tangible results in a sustainable manner.



Jonathan Nathusius
CEMACO Vice President



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