

Cotemar has over 40 years of experience, and is a leading Mexican company engaged in providing services related to the construction, inspection, and maintenance of oil platforms, air transportation, and providing maritime personnel, materials, and equipment, along with, the provision of personnel, food, and offshore accommodation for companies within the petrol market.

As part of Cotemar's strategic initiatives, we carried out, in conjunction with **London Consulting Group**, the **RENOV4TIO 1 AND 2** projects which focused on **Designing and Implementing the Shared Services Unit**. The objective of the project was to improve the internal levels of service, the communication between the sub-directorates, standardizing the processes, increasing accountability, simplifying the operational processes and improving productivity.

In the Strategic Definitions Scope, we carried out the following:

- Sessions with the Organization's CSuite Level in order to define and align the strategic objectives of the company.
- Implementing Cotemar's macro structure.
- Centralization and standardization of processes through the creation and implementation of 6 process matrixes, promoting *check and balances*: Unit Prices, sales, contract management, purchases, HSEQ and control room.
- Designing agreements for the internal levels of service and indicators.
- 6% reduction in leadership positions for the 2020 budget vs Organizational Chart 2019.
- Improving the Leadership – Employee control ratio by 5%.

In the Reengineering of Solutions Scope, we carried out the following:

- Analysis, redesign, standardization and implementation of staff processes in 5 sub-directorates (144 processes, 51 tools, and 83 indicators).
- Creating and implementing Corrective Action Plan Committees for each department and process matrix.
- Defining the master plan and micro structures which encompassed the optimal amount of administrative personnel according to the functions, and workloads (686 job descriptions were redefined in the company's 6 organizational charts).

The main results we've achieved with the implementation were:

Estimated Costs and Charges for the Unit Prices:

- Regularization of 95% of the purchases which did not have unit prices.
- 50% reduction in the lead time needed to create unit prices, reducing each department's response time.

Global Purchasing Department:

- 8% discount and increase of up to 60 days of credit due to negotiations with suppliers.
- 66% reduction in urgent purchases needed for projects.
- 9% reduction in obsolete inventory within the project warehouse.

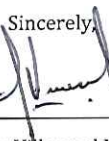
Sales Department and Contact Management:

- 47% increase in estimated income due to bids won with the *International Oil Companies*.
- 7-fold increase in potential income due to bidding on projects which are in the sales pipelines, with *International Oil Companies*.

With the objective of ensuring the continuity of the implementations, the sustainability of the financial savings, and the direct reports and the executive leadership's objectives, we developed and implemented the control room department which acts as a regulator and supports the sub-directorates.

The financial savings generated by the project have yielded a return on investment of 5.4 to 1.

London Consulting Group's methodology was a key aspect in this project's success due to the way they manage change, their shoulder to shoulder implementation methods, and the level of involvement displayed by all levels of the organization, in order to generate a positive change to the personnel's work culture.

Sincerely,


Alejandro Villarreal Martínez

Executive Director