

Dominó Fuente de Soda is a company with 65 years of experience and currently has 35 outlets throughout Chile. Dominó has established itself as one of the most recognized fast-food businesses in the country. This success is due to our focus on offering the best quality, both in products and service, and that is the reason why we operate all our branches directly, without franchising.

Between February and July 2017, in conjunction with London Consulting Group, we have developed a project with the objective of evaluating the different supply-chain models available and their respective costs and benefits of each model. We obtained both operational and financial evaluations for the **Logistics** department, taking into account several distinct scenarios.

Thanks to the analysis, evaluation and design of the improvements that can be made to the current work and management systems, we have achieved, among other things, the following results:

Logistics:

- Through better negotiating with our current suppliers and centralizing our delivery system, we managed to reduce our raw material costs by **2.2%**.
- Evaluation, analysis and design of the optimal delivery frequency, warehousing model, delivery formats, warehouse layout at our branches, and shelf life of our raw materials.
- Suppliers: Over **10%** reduction in Raw Materials Costs from our vegetables suppliers.
- Better evaluation of and negotiation with logistics operators, using key performance parameters such as: costs, service, experience, infrastructure, type of logistics operator, etc.
- Synergy: Comprehensive evaluation of possible synergies with sales partners resulting in a potential reduction in operations carried out by the Production Centres of over **15%**.
- Bidding Platforms: Organizing, updating and documenting 40 technical raw material markers, 20 Supplier markers, and designing, implementing, and executing a Dynamic Purchasing Model.
- Financial Evaluation: Developing a Comprehensive Cost-Benefit Analysis Model contemplating all the variables related to migrating towards a new Cross-Docking supply model.
- Structure: Potential to optimize was identified with the current administrative processes related to supplying.

During the project we have managed to reduce our raw material costs by taking advantage of new purchasing opportunities and diversifying our supplier base. All this was done based on a system of management indicators which measures and evaluates each process. At the end of July 2017, due to the improvements that have been made, we have achieved an in-pocket return on investment of **0.6:1**. A year after the project is finalized, we forecast a return on investment at **3:1**. Due to this, we recommend London Consulting Group again as a consulting firm with high levels of professionalism, an excellent work methodology, and a clear focus on attaining results.


DANIEL HONIG SEGNER
GERENTE GENERAL
DOMINÓ FUENTE DE SODA

