



# *Importadora y Distribuidora OCAL, S. A.*

## *Su Distribuidora Amiga*

Nicaragua, August 2014

To whom it may concern,

OCAL, S.A. is a Nicaraguan company with over 75 years of experience that distributes high quality consumer products since its founding in 1937 by Don Cesar Augusto Lacayo Lacayo.

The company has operations in retail, wholesale, supermarkets, food service and institutional channels ensuring nationwide coverage and is a leader in the industry due to its quality service, prestige and leading brands through a strategic relationship with a large portfolio of commercial partners.

From January to July 2014 we developed in conjunction with London Consulting Group a project called PASO (Systematic Progress Project in Ocal) to strengthen the culture, processes and management systems within the organization.

The project focused on the commercial, logistics, support and governance areas. The change management, the dedication of the team members, the methodology applied and transferred to the different stages of the project were very useful to our business and to the achievement of the set objectives. Some of the objectives achieved were:

#### **Commercial:**

- A 14.95% increase in sales which contributed to a greater profit margin.
- Implementation of a strengthened commercial model, while increasing the professionalization of the sales force.
- Increase in product penetration according to cross-selling client segmentation.
- Increase in new client prospecting through sales management and effective supervision.

#### **Logistics:**

- An 86% reduction in lost sales rate.
- Demand planning and replacement of inventory model which increases the accuracy of the predictions.

#### **Expense Rationalization:**

- Reduction of expenses in specific accounts through an integral control methodology.

#### **Qualitative Improvements:**

- Alignment of the OCAL, ENIMOSA and COBRISA strategy to their respective operations through a Balanced Score Card and a Governance Model with weekly forums.
- Optimization of activities in the customer support areas while facilitating the commercial and logistics tasks.
- Design and implementation of control panels with indicators, signaling, culture of interpretation, improvement analysis and proposals that facilitate the decision-making for mid-level executives.
- Design, implementation and documentation of the Profitability per Route Model.

The project concluded successfully within the agreed upon timeframe, surpassing our expectations, and with the support of the professionalism and commitment of OCAL's personnel as well as London Consulting Group's team.

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The return on investment for the project PASO at its conclusion was **1.8 to 1**, with a projection after 12 months of **6.7 to 1**, benefits that can continue to be strengthened through the follow-up of the established initiatives.

Based on the aforementioned, it is our pleasure to highly recommend London Consulting Group as a professional and committed consulting firm that contributes to achieving tangible results in a short period of time and facilitates cultural change for the sustainability of such results.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carlos Reynaldo Lacayo L.', written over a horizontal line.

Carlos Reynaldo Lacayo L.  
CEO

A handwritten signature in black ink, appearing to read 'Cesar Augusto Lacayo L.', written over a horizontal line.

Cesar Augusto Lacayo L.  
PRESIDENT