

To whom it may concern:

**Grupo Formulas** is a conglomerate of businesses that was formed by entrepreneurial ideas that arose based on the business opportunities that presented themselves in Guatemala. In 1984, the idea to fabricate cleaning products and detergents for home usage emerged. In 1988, **LAFOFA** began the process of producing ophthalmic products and since 1989 it has been producing under its own brand (**OFTISOL**). Currently it is a well-known brand in the ophthalmic market in Guatemala, Nicaragua, El Salvador and Honduras, and it is making headway in the otolaryngology market.

**DIQUIVA** is a company dedicated to the distribution of laboratory products. It is known in the market of disinfectants and soaps as it produces for Walmart in Central America and also supplies cosmetic, pharmaceutical, and sanitary products to the Guatemalan market, where it has received great approval. At the same time it is taking strides towards the sanitary products market for hospitals.

Between October 2016 and May 2017, we carried out a project in conjunction with **London Consulting Group** called "**Proyecto Renovando**" (Renovating Project) which focused on making our sales process and our supply chain more efficient by reengineering our processes and structures, along with improving our management functions in order to take more opportune actions that allow us to continuously improve.

During the 30 weeks duration of the project, **London's work methodology was implemented, and the following results were some of those that stood out:**

**Diquiva Sales:**

- 0.5% gross margin increase.
- 16% increase in gross sales.
- 21% increase in liters sold.
- Fulfillment of the sales budget improved by 5%.
- Fulfillment of the plan to visit promoters improved by 69%.

**Lafofa Sales:**

- 0.13% gross margin increase.
- 8% increase in gross sales.
- 8% improvement in sales by units.
- Fulfillment of the plan to visit health visitors improved by 9%.

**Purchasing**

- 46% improvement on OTIF (On Time, In Full) for Diquiva suppliers.
- 15% improvement on OTIF (On Time, In Full) for Lafofa suppliers.

**Planning and Production**

- 39% improvement on production plan fulfillment for Diquiva.
- 20% increase on the production plan fulfillment for Lafofa.

**Inventory**

- 29% increase in Diquiva's finished goods inventory reliability.
- 24% increase in Diquiva's raw materials inventory reliability.
- 35% increase in Lafofa's finished goods inventory reliability.
- 22% increase in Lafofa's raw materials inventory reliability.

**Logistics**

- 4% improvement on Diquiva's Fill Rate (In-Full).
- 5% improvement on Lafofa's Fill Rate (In-Full).

The economic benefits of the project have surpassed our expectations, **reaching a ROI of 1:1 at the end of the project, with a projected ROI of 3.7:1 by the end of the year.** It is worth mentioning that London Consulting Group's methodology was a key factor in realizing the project's success, due to their methods of managing change, their hand in hand implementation methods and the level of involvement at all levels of the organization which generated a change among the staff's work culture.

**We highly recommend London Consulting Group as they are a professional organization which focuses on achieving results.**

Regards,



Lic. Giancarlo Marsicovetere  
Gerente General