



San Salvador, El Salvador 1st of October 2017

To whom it may concern:

Grupo Pirámide is a mayor operator of American franchises in El Salvador. Currently, they operate several American chain restaurants such as Tony Roma's, Bennigans, Benihana, Olive Garden, LongHorn Steakhouse and Ruby Tuesday. They have over 20 years' experience operating premium meat restaurants, among them, the local brand called Paradise and Argentinian and Guatemalan franchises.

We would like to express our gratitude to **London Consulting Group** for the results which were obtained during the project which was carried out between April and October 2017. In this period, we addressed several different departments of the company: Commercial and Support for Restaurants and Distribution Center, Purchases, and Supply. We obtained the following results by the end of September:

Commercial:

- 81.93% increase in operative utility when compared to the Jan-Apr 17 period.
- An 8.2% increase was achieved in the average ticket per transaction at the restaurants along with a 7.5% improvement in the level of productivity per capita regarding the restaurant's personnel.
- An 8.43% reduction in payroll costs was attained through the implementation of savings policies.
- A 7.42% reduction was achieved in semi variable costs as a result of implementing operational controls for the restaurant's key expenses accounts (electricity, gas, propane, water and maintenance).
- A 13.05% reduction was attained in publicity and marketing expenses.
- A 34.13% increase in sales of strategic products was achieved through the implementation of cross selling initiatives
- Our outsourcing expense derived from the application of satisfaction surveys was eliminated due to the implementation of internal controls in the 13 restaurants.

Purchasing and Supply:

- A 1.3% reduction in the cost of sales was achieved through the implementation of inventory control policies in the Restaurants and through negotiations with our suppliers.
- A 58.4% reduction in inventory of slow-moving and obsolete items, thanks to specific inventory strategies, along with a 57% reduction in the cost of outside warehousing of frozen product.
- 9% increase in the OTIF level of service regarding the product deliveries from the suppliers and a 10.4% increase regarding the dispatches made from the Distribution Center to the Restaurants.
- An increase of 16.3% was achieved in the inventory's reliability due to the implementation of cyclical inventory and control policies.

The project was concluded within the established time frame and it surpassed our expectations. At the end of the project we attained a return on investment of **0.9 to 1** with a forecasted annualized return of **3.1 to 1**.

Due to this, we would like to highly recommend **London Consulting Group** as a consulting firm which is capable of carrying out improvement projects which positively impact the whole organization.

Conrado Rovira
Executive Director