



COMPAÑIA AGRICOLA INDUSTRIAL SANTA ANA, S. A.

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Escuintla, Guatemala

To whom it may concern:

Grupo Corporativo Santa Ana is one of the main sugar refineries in Guatemala with over 3,200 employees which process 20,000 tons of sugar, which amount to 45,000 quintals, on a daily basis during the harvest. Ingenio Santa Ana is known for its technical knowledge, ongoing research, and its drive to improve continuously. Between November 2018 and February 2020 we developed, in conjunction with London Consulting Group, an improvement project which focused on administering the risks, improving the management and control levels, and the level of accountability in order to improve the efficiency of our operations.

The strategies that were defined and implemented by the Operations and the Agricultural Production departments, along with London's team, has generated the following significant improvements:

- Defining the job roles for the basic sequences (ratoon, staff, and seedbed), as well as defining their respective execution time frames and administrating the labor costs for each operation.
- Calculating the efficiencies at different levels (farm, lot, texture) in order to generate a budget.
- Implementing the Dynamic Labor Plan, and it's corresponding management system, in order to follow up on the labor and ensure they are meeting their agronomic time frames, efficiencies and budget.
- An active supervision model was implemented in the field through labor reports and supervision routines which ensured on-time completion, methods, doses and costs.
- Defining the job roles for the supervision and administrative personnel on the farm.
- Defining the payroll alarms in terms of rest, overtime, personnel per team.
- Establishing control over the assets via a system, along with their management and accountability.
- Validating the required personnel every fortnight in relation to the budget.
- Formalizing the farm's evaluation process in term of their profitability along with defining the negotiation strategies that have been identified through this method for these departments.
- Developing the Customer Information System (CIS) in order to make the responsible personnel aware of the operation teams and how to use the equipment efficiently, in order to achieve higher yields from the available fuel.
- Designing utilization vs. availability indicators for the different equipment categories serviced by the agricultural workshop.
- 46% increase in the efficiency of the performed mechanized labor vs. estimated efficiencies.
- 39% reduction in the accrued payroll for agricultural positions, when it is not time to harvest.
- 27% reduction in the accrued payroll for agricultural positions in the first third of the 2019-2020 harvest.
- 6.4% reduction in the agricultural labor budget through negotiating on non-profitable areas.
- 5.0% reduction in the rent budget, by handing over non-profitable areas or those with low production.
- 16% reduction in the workshop's payroll.
- 3.6% reduction in the sugar cane truck's fuel consumption.



As part of the project we implemented a management model, which adopted the 4 Disciplines of Execution (4DX-Covey&McChesney), in order to improve the management levels and accountability, which yielded the following results:

- Training the department managers on the fundamentals of the methodology, the themes that compose it, the minimum elements and practical examples, in order to create the Wildly Important Goals, or WIGs, and their Predictive Indicators.
- Support and guide the 80 first and second level supervisors, and their managers, with the creation of the Wildly Important Goals and the Predictive Indicators, whilst basing it on cost control, in order to take better decisions.
- 570 MCIs and Predictive Indicators were integrated, purely from the conceptual phase, into a tool with which the performance of all of the divisions, according to their level, can be visualized in real time.
- In conjunction with the IT department, we developed the Oracle Developer control panels with a drill down connection between the indicators ranging between the Level 1, to the Vice-presidency, up to the Level 4 Directors, and displaying the results on a weekly, monthly, and annual basis.
- Designing, with the management, a meeting plan which contained those responsible, date and time, for all of the supervisors, managers and even the Vice-president and President of the organization.
- Defining the agendas that must be carried out on the 27 Accounts, according to the level, MCIs and Predictive Indicators, departments, and employees in charge, in such a way that it meets a time expectation for the meeting and the objectives that the meeting is trying to achieve.
- Training 80 managers, department heads, division heads and directors on the accountability methodology concepts.
- Creating an electronic minute which allows the different directors to comprehensively follow up on the commitments made by the division, and which improves the management and follow up of the management model.
- Implementing the Accountability Methodology, supporting each group in their meetings, ensuring adherence to the fundamentals of the 4DX methodology, and providing feedback when necessary.

We would like to acknowledge the tactical and operative work carried out by London Consulting Group, the way they applied their methodology, as well as the professionalism they displayed in this project with the Santaneca family. The project generated a Return on Investment (ROI) of **7.2 to 1** by the end of the project, with an annualized forecasted return of **13.3 to 1**.

Sincerely,

Andrés Botrán
President