



# Grupo Insul-Therm

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To whom it may concern,

**Insul-Therm** is a leading company in installation and distribution of thermal insulation in Mexico that has operations throughout the entire country. As a key initiative for the fulfillment of the company's vision and with the goal of international expansion, in January 2016 we initiated, along with London Consulting Group, the development of a project focused on the reengineering of several key areas of the organization. The models developed and the results achieved during the project are as follows:

## **COSTS MODEL**

- The model was designed for the establishment and monitoring of the expected profit margins for over 1,900 commercialized products.
  - **We achieved a 9% increase in profit margin in the commercialization of materials**

## **NEGOTIATIONS MODEL**

- A model was generated for the complete negotiation with suppliers; budgets, projections and purchase objectives were created for more than 30 suppliers:
  - **A 4% average improvement in purchase prices.**

## **PURCHASING MODEL**

- The Materials Requirement Planning, Allocation and Order Follow-up and Supplier's Evaluation models were designed to balance and to have a better distribution of our inventory at each of our branches.
  - **A 12% reduction in the total value of inventory.**
  - **A 24% improvement in our materials in optimal ranges.**

## **WAREHOUSE MODEL**

- Creation of the Inventory Reliability, Reception, Storage Models and Redesign of the Layout of our Distribution Center to facilitate the control and storage of our products:
  - **A 34% increase in inventory reliability**

## **MANUFACTURING MODEL**

- Implementation of the Production, Programming, Waste Reduction, Indicators and Active Supervision models for the control and reduction of operational waste and an increase in productivity.
  - **A 12% reduction in operational waste.**
  - **A 34% increase in labor cost index.**

## **LOGISTICS MODEL**

- Models for scheduling and shipping control for local and foreign units were created. Design of indicators for the control of the operating expenses of the units at all branches.

## **DEBT COLLECTION MODEL**

- Implementation of the models for Analysis, Assignment and Management of Debt portfolio at all branches.

The economic benefits at the end of the project have surpassed our initial expectations **achieving a ROI of 1.2 to 1 and a projected ROI of 4.2 to 1 one year after the project's completion.**

It is worth noting that London Consulting Group's methodology has been one of the key factors for the project's success, where the change management, the shoulder-to-shoulder implementation and the **involvement of all levels within the organization stands out creating a culture change in the personnel.**

We hereby highly recommend London Consulting Group as a professional company that focused on results.

Sincerely,

Ing. Oscar Thomae  
General Director of Grupo Insul-Therm

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