

Quito, Ecuador May 2024

KUBIEC is an Ecuadorian company founded in 1995 that is focused on accelerating the change towards sustainable construction and manufacturing, and which also sells goods and services to the construction and metalworking industries. KUBIEC is the first company in the sector to be certified Carbon Neutral in Ecuador. It has more than 800 SKUs in Serialized Commercial Management, with which it competes in different categories of Pipes, Structural Profiles, Roofs, and Panels.

For 7 months we developed the Prometeo project together with London Consulting Group. The project focused on improving our operations and information systems in our S&OP, Serial Commercial Management, and Serial Production Superintendence. The project represented a digital transformation and innovation journey that was developed using the London Consulting Group's methodology. Using agile methodologies and collaborative tools, we developed information dashboards, new operating processes, and a management model that ensures accountability.

The main results obtained by each area were:

S&OP

- 36% reduction in slow-moving finished goods inventory.
- 22% reduction in the value of the commodities division's total FG Inventory.
- Implementing Cost-Consumption Matrixes in Power BI that allow the organization to track the Finished Goods, Semi-Finished Goods, Raw Materials, and Spare Parts inventories in order to improve control over the working capital.

Serial Commercial Management

- 4% increase in cross-selling by tons.
- Implementing tools (Power BI) aimed at improving productivity and management:
 - Matrix of Serial Commercial Management Indicators.
 - Cross Selling Tool.
 - One pager for the salespeople.
 - Suggested Order.
 - RFT - RFM Matrix (Recency, Frequency and Monetary Value)
- Designing, training, and implementing sales systems for serialized sales and active supervision, for the sales teams in each zone.

Serial Production Superintendence

- Increasing machine availability by 20.5% of total used machine hours.
- Increasing operating speeds by 73.4% during the implementation of the improvements.
- Increasing Quality by 2.15% which generated more Finished Goods.
- 103.7% increase in OEE Productivity.
- 81.9% reduction in the overtime costs per Processed TON.
- 19.4% decrease in the Processing's electrical consumption costs.

We are pleased to recommend London Consulting Group as a professional and committed firm that contributes to cultural change. By the end of the project, we've achieved an ROI of 0.6:1 with an annualized forecasted ROI of 2.2:1.

We would like to acknowledge the commitment and professionalism displayed by the LONDON CONSULTING GROUP team, as well as the effectiveness of the work carried out in conjunction with the Kubiec personnel.

Sincerely:

Henry Yandun
Chief Executive Officer
KUBIEC S.A.