



**LA AURORA**  
FIRST DOMINICAN CIGAR FACTORY  
ESTABLISHED 1903

Parque Industrial Tamboril,  
Carretera Santiago - Tamboril Km. 5,  
Guazumal, Santiago, Rep. Dom.  
RNC: 102-33079-4

*Dominican Republic, march 2017*

To whom it may concern:

La Aurora S.A. is the first cigar factory in the Dominican Republic, established in 1903 and now counts with more than 114 years of experience. It stands among the Top Brands of the country due to their excellent work, employing more than 1000 workers, and with an annual production of more than 900 million units. It is the leading company in the national market and has a presence in over 70 markets worldwide.

Continuing with their philosophy of continuously improving, La Aurora developed a project in conjunction with London Consulting Group between September 2016 and March 2017, called Project "SIMA" in which they developed initiatives focused on optimizing the productivity of their processes, strengthening the maintenance processes and the availability of their equipment, increasing the level of service in the supplying process, reducing waste and enhancing the skills of the personnel.

The method in which change was managed and accepted by the personnel, the training process, the commitment shown by the members of the team, and the methodology applied in the different phases of the project were vital in order to achieve the quantitative and qualitative results that allowed us to improve our business. The main initiatives that generated these results were:

- 7.7% increase in the cigar manufacturing process productivity.
- 5.4% increase in the average production per machine programmed within the mechanized processes (PMB), 7.5% (Arencó).
- 1.1% increase in the performance of the rollers in the manual production process.
- 13.1% reduction in waste that arise in the main raw materials processes (15.8% in wrapper, 8.6% in binder, 10.7% in filler, 27% in tips).
- 12.6% increase in the availability of the PMB equipment, 1.8% in Maker equipment due to better management of stoppage times.
- 60.4% optimization of the time taken to carry out maintenance in PMB, generating a 2.7% increase in the machine's availability.
- 53.7% optimization of the time taken to carry out maintenance in Maker, generating a 2.8% increase in the machine's availability.
- 69% increase in the management of replacement parts, increasing availability by 1.6% in PMB and 1.3% in Maker.
- 2.4% increase in the accuracy of the manufacturing programs: manual labor 2%, machine generated 3.4% and packaging 2.1%.
- 12.8% increase in the level of customer service related to the dispatch of the product (DIFOT: Delivery in full on time).
- 24% reduction in the time taken to dispatch orders to the clients.
- 6.7% increase in complete orders dispatched to clients (In Full).
- 10% improvement in the cost of materials by improving the negotiation process and defining agreements with suppliers.
- 51% improvement in the level of service towards suppliers (DIFOT).
- 18.5% improvement in the accurateness of the inventory count in the different warehouses.

**Other benefits and impacts of the Project:**

- More than 90 hours of lectures aimed at developing the managerial abilities among the personnel, more than 70 staff members participated and more than 1,100 man hours dedicated to training.
- The development of more than 50 sessions and side by side training with the strategic personnel in order to enhance their profiles and work, and the development of Pep Talks in the manufacturing plant for the different shifts, which had an impact on over 600 employees.
- Designing and implementing control tables and tools in order to follow up and evaluate the processes in every area, defining and implementing processes and indicators which were key to achieving success in the areas within the scope of the project.
- Implementation of work teams and maintenance techniques based on reliability: RCM (Reliability Centered Maintenance).
- Implementation of an active supervision model, establishing activities for the programming and control of the variables within the production and operations processes, maintenance supervision and inspection routines, follow up models and flow control of the incomings from the planning stage, receiving orders and purchasing stage, storage stage and dispatch control stage.
- Implementing a negotiation model with the suppliers and defining commercial agreements which impacted the level of service.
- Implementing better work practices within the warehouse according to the 5'S methodology and establishing cyclical inventory counting in the main warehouses.
- Implementing a management model and management information system focused on achieving results, and involving the different levels of the organization: strategic, tactical, and operative.

The project was concluded successfully within the established time frame and it exceeded the expectations, generating a return on investment at the end of the February of 2.1 to 1, with a 12 month forecast at the current performance rate generating a 6.4 to 1 return on investment. This exceeded the initial estimate thanks to the professional work undertaken by the La Aurora Cigars personnel along with the London Consulting Group personnel.

Due to this, we are happy to recommend London Consulting Group as a professional and committed firm that managed to change the work culture at our organization through the implementation of solutions, and the leadership and commitment shown with which they capitalize on in order to achieve tangible results within a short period of time.

Sincerely,

  
**Guillermo León**  
President

  
**Juan Ventura**  
Operations Director

Santiago de los Caballeros, Dominican Republic  
February, 8 2017

To whom it may concern:

**La Aurora S.A** is, today, the leading cigar factory in the Dominican Republic, it was established in 1903, with more than 114 years of experience, it has a well-known reputation as a Top Brand due its excellent quality, with more than 1000 employees and an annual production of more than 900 million cigars units, is the leading brand in the national market and with a strong presence in more than sixty countries all around the world.

We recognize **London Consulting Group's Human Development** area for their excellent collaboration in the **Management Development Program** that was addressed for the staff of our continuous improvement Project "SIMA".

This program helped to develop the management skills of our critical staff, especially in terms of **Methodology, Mindset and Leadership**.

Some of the most relevant activities carried out were:

▼ **Project's Communication Program:**

*With this initiative we were able to constantly keep the company's staff informed and involved while promoting the appropriate values and behaviors for the project's development. Also, with the implementation of a "Team Commitment", we established the values, behaviors and attitudes that we want for the success of the project.*

▼ **Strategic Coaching for Managerial Staff:**

*During these one-on-one meetings, the participants received the support, guidance and feedback about the strengths and opportunities to improve our performance as Senior Managers and for the critical staff of the project.*

▼ **Management Skills Seminar:**

*This seminar was composed by 8 highly dynamic and interactive workshops, which gave us the tools and techniques required to execute our tasks as a managerial staff in a more effective way. 85 of our leaders participated in these workshops, from directors to supervisors helping to our organization to create a strategic and methodical management culture so that we can provide better service to all our customers and consumers.*

Without a doubt, this program was very important for our organization. A better disposition towards change and the new acquired skills, have become key elements for our staff's development. Therefore, we reiterate our recommendation for **London Consulting Group's Human Development Area** for their professionalism, commitment and efficiency to execute a program of this nature.



Guillermo León Herbert,  
President  
La Aurora Cigar Factory

