

Grupo Maploca is the key distributor of Steel in Venezuela. We are a group consisting of production and service companies, of which Maploca, Sigalca and Properca are the main companies. With over 67 years of experience in the market, Maploca is the leading distributor of steel products in Venezuela. We have a wide network and logistical infrastructure for purchasing and importing steel, as well as producing tailor-made products, and selling and distributing steel products across the country. We have 6 branches around the country and a Headquarter that allows us to accompany our clients on their projects and meet the level of quality, service, and customer attention that they require.

For 8 months we have developed, in conjunction with London Consulting Group, the Maploca 5G project. The objective of the project was to improve our information processes and systems in order to identify and capitalize on our market's growth opportunities, as well as, optimize our operational efficiency.

This digital and innovative transformation process was developed according to London Consulting Group's methodology. We started by carrying out a comprehensive diagnostic of the organization in which we were able to identify and quantify areas of opportunity throughout the entire value chain. These opportunities involved both transforming our process and our information systems. From here, using agile methodologies and collaborative tools, we were able to develop information control panels and new processes for the operation. By carrying out validation sessions with key users, we were able to strengthen the MVP's (Minimum Viable Product) until we created final versions which are now part of Maploca's daily activities. During an advance phase of the implementation stage, we carried out a reflection exercise, using Design Thinking methodology, on the project's initiatives and objectives. This enabled us to identify opportunities and convert them into challenges for all of our team members. All of this enabled us to design a path that has allowed us to obtain the following improvements:

Sales Intelligence and Productivity:

- Digital transformation - Design and implement tools with BI which: a) Control and follow up on the sales budget at the following levels: corporate, branch, line, product, client and sales sector; b) Cross selling tools and alternative products, c) Inventory availability on the BI app.
- *Customer Focused - defining and implementing commercial service models by channel according to the Buyer Persona and Customer Journey Map generated during the project. Designing and implementing a CRM + automating the sales funnel so that the client can receive online attention across the methods of contact.*
- *Route to Market- gathering information on the current clients' geolocations by sales sector and developing a tool for identifying potential clients' locations at a national level.*
- Commercial Operation - designing and implementing: a) Discount policies, b) Incorporating new products into the portfolio, c) Commercial attention models by channel, d) Commission scheme for the sales force.
- 41% increase in annual turnover in comparison to the beginning of the project. 29.5% increase in the annual profit margin in comparison to the beginning of the project.

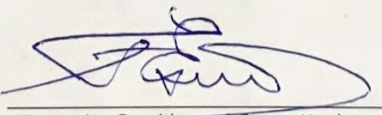
Purchases and Inventory:

- Digital transformation - Designing and implementing tools on BI which: a) Sends alerts when an item needs to be replenished, b) Manages low turnover inventory, c) Manages the items' time in inventory, d) Receiving deliveries.
- Designing and implementing inventory segments in order to carry out a simplified analysis of the inventory on BI.
- Designing and implementing a centralized supply model, a model for dispatching and shipping at a national level, defining the demand planning process, inventory cycle counts, an active supervision model, and a capacity plan.
- Designing and implementing a Sales and Operations Planning Committee (S&OP).
- Designing the entire inventory costing model for the different branches, building highly detailed documents which convey the functional requirements that are needed in order to be developed internally on the ERP.
- Implementing an Agile Design Committee in order to manage inventory, achieving a 9.7% reduction in inventory; focusing on freeing up resources that were invested in products with low turnover.
- 15% increase in the efficiency of the gross margin return on investment (GMROI).

Cash Flow Control:

- Digital transformation - Designing and implementing tools on BI which are focused on: a) Cash flow, Payment collection, c) Centralized control over the closing of the tills at the branches, d) monthly P&L.

We are happy to say that by the end of the project we've achieved a return on investment of 2.2:1, with a forecasted annualized return of 5.4:1. We would like to acknowledge the commitment and professionalism shown by the LONDON CONSULTING GROUP personnel, as well as, the effectiveness of the work that was carried out in conjunction with Maploca's personnel in order to achieve our objectives.


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