



Monterrey, Nuevo Leon. October 2019

7-Eleven Mexico is a convenience store company that currently has more than 1,800 stores throughout the country.

Since March 2019, the SINNERGIA 7 project in coordination with London Consulting Group focused on the creation of new Management Models for Store, Field and Market Managers improving the level of customer service, sales, profitability and operational efficiency. Some of the main achievements and results accomplished during the 34-week-long project focused on 20 pilot stores include:

MANAGEMENT MODELS

KPI's

Impact on the main key performance indicators from August to October 2019 comparing the results of the Pilot Stores against the Control Stores during the implementation stage.

- **Gross Margin.** Pilot Stores increased in 20.3% vs Control Stores 16.2%.
- **Sales.** Increase of 20.4% on sales in and Control Stores in 13.1%.
- **Transactions.** Pilot Stores increased in 12.2% vs Control Stores 8.3%.
- **Average Ticket.** Growth of Pilot Stores in 11.6% vs Control Stores 10.6%.
- **Inventory Shrinkage:** Decrease of inventory shrinkage. Pilot Stores 0.46% vs Control Stores 0.53%.
- **Overtime:** Decrease in Overtime. Pilot Stores 14.78% vs Control Stores 15.01%.
- **Inventory Shortage:** Decrease in inventory shortage. Pilot Stores in 1.33% vs Control Stores 1.41%.

Store. The Management Model for Store Operations includes processes related to Sales, Inventory, Inventory Shrinkage, Inventory Shortage and Cleaning processes, among other areas.

- **Shift-Turnover.** Reduction in 80% of the time allocated to this process.
- **"Tienda Lista" Methodology.** Model focused on maximizing sales during peak hours and providing better customer service.
- **Relocation of 16% of the Store Manager's time from highly-administrative activities to value-added activities.**
- **Formats and Reports.** Simplification of 58% of hard copies and electronic formats.
- **Cash Settlement.** Reduction in more than 80% of cash settlement documents and 86% of national shipments to the central office.

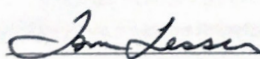
Field and Market. The Management Model for Field and Market Managers was re-designed consisting on 6 main processes: Prioritization, Planning, Execution, Monitoring, Evaluation and Feedback.

- **Dashboards.** 76% reduction in the download time of reports (3 hours per week per Manager).
- **Visits Planification.** Reduction from 4 hours to 1 hour per month through the Prioritization Tool and the simplification of 44% of documents.
- **Supervision Model.** Reduction in more than 15% of the Field and Market Managers' time by automating management tools such as the General Dashboard, Digital Application and the Prioritization Tool.
- **Meetings:** 50% reduction in the execution time of operational meetings from field to store Managers.


The economic benefits of the project have exceeded initial expectations **projecting a ROI of 2.2:1 only considering the Pilot Stores during the 12 months following the end of the project.** For the national rollout, implementation benefits are projected to reach a ROI of 13:1.

It should be noted that the methodology of London Consulting Group has been one of the key factors for the success of the project, highlighting change management and shoulder-to-shoulder implementation. **We allow ourselves to highly recommend London Consulting Group as a company that adds great value and generates positive impacts on change management as well as the financial standing of the company.**

Sincerely,



Tom Lesser
7 Eleven Mexico Managing Director



Hernando Zambrano Elizondo
Stores Support Director