



Lima, Peru August 14 2010.

To whom it may concern:

By means of this letter, we would like to express our thanks and satisfaction for the work carried out during the project "LAUNCH Launching Change," particularly in the areas of Demand Planning, Commercial Productivity, Logistics, Warehousing, and Production, where the efforts made during the first semester of 2010 yielded the following results in each area:

Demand Planning

- 67% improvement in the accuracy of total monthly sales estimates (+/- 10% tolerance).

Commercial Productivity

- 42% reduction in Lost Sales.
- 20% increase in Achievement of Sales Quota.
- Increase in Fulfillment of Weekly Visit Plan, rising from 12% before the start of the project LAUNCH to 85% during the last three months.
- Generation of Cross Sales, which, in accumulated value throughout 2010, represents 5.8% of total sales.

Logistics

- Increase in Service Levels in the purchasing department, rising from 59% to 73% (averaged over April, May, and June).
- 17% reduction in weeks of raw material inventory, falling from 9.94 weeks during the base period to an average of 8.21 weeks over the past three months.
- 15% reduction in slow moving raw material and 6% fall in obsolete raw material.

Warehouse

- 29% reduction in investment in slow moving finished goods.
- 21% reduction in finished goods considered obsolete.
- 27% improvement in the reliability of the inventory.
- 28% reduction in finished goods inventory, falling from 7.52 weeks to 5.34 weeks.

Production

- 10% reduction in overtime.
- 69% increase in the time, speed, and quality of the production plant. This ratio increased from 45% to an average of 76%.
- 38% increase in production.
- 41.5% reduction in downtime.
- 16% rise in production output.

Costs

33% cost reduction in impactable accounts.

Development of Management Skills

- 81 employees, including supervisors, general managers, and board members, attended Management Skills seminars. Over 64 hours of training and coaching sessions were provided to those in charge of other employees. The seminars included sessions that concentrated on breaking through resistance to change, improving time management, task focus, effective communication, working systems, time wasting, human resources, internal customer service, and teamwork.

As well as obtaining economic benefits, additional achievements include improvements in working practices, changes in the organizational culture with respect to a greater focus towards results, and an effective system of analysis based on performance indicators. The project motivated the redesign of the main operative processes, during which the