



N.L., Mexico, May 2025

COFLEX is a Mexican company with over 30 years of experience in the design, manufacturing, and commercialization of solutions for the plumbing industry. The company has established its leadership at both national and international levels through constant innovation and a strong commitment to quality.

As part of our organizational transformation strategy, we launched the **Evolve** project in collaboration with **London Consulting Group**, aiming to respond more effectively to market demands and strengthen a culture focused on the customer, efficiency, and sustainability.

This transformation is the result of our commitment to innovation and digitalization, built on the pillars of **Lean 4.0**: Operational Excellence, Digital Transformation, Agile Methodologies, and a New Organizational Mindset.

1. OPERATIONAL EXCELLENCE

- We transformed our work models, aligning customer demand with materials planning and production scheduling, significantly improving service levels.
- We implemented methodologies such as **5S**, **SMED**, **Poka Yoke**, **Kaizen**, and **OEE management**, achieving more reliable, efficient, and standardized processes throughout the value chain.
- We strengthened our pipeline of engineering projects through collaborative workshops, incorporating **design thinking**, **agile methodologies**, and a focus on generating raw material cost savings.
- We established a **results-oriented culture**, raising both operational and commercial standards.

2. DIGITAL TRANSFORMATION

- We developed a **Decision Intelligence model** using **Power BI**, enabling real-time analysis and decision-making based on key business indicators.
- We advanced our digital transformation, improving operational floor control and maintenance management with digital tools such as **OEE**, **SVISION**, and **Power Apps**.
- We initiated the implementation of a new **ERP system (Microsoft Dynamics 365)** to simplify and optimize operations, enabling agile, precise, and aligned management across the entire value chain.

3. GROWTH MANAGEMENT

- We implemented the **Growth Management** program to develop world-class leaders. Our leaders acquired new competencies and embraced agile methodologies, enabling continuous innovation.
- We ensured the success of the project through a **Change Management Strategy** based on the **ADKAR model**, supporting adoption and sustainability of the improvements made.

Quantitative results from the project include:

- **85%** reduction in **Lost Sales** in the National Market
- **35%** reduction in **Overstock of Raw Materials and Finished Goods**
- **23%** reduction in **Delivery Time** in the National Market
- **16%** increase in **OEE** (Overall Equipment Effectiveness) for Assembly and Packaging
- **22%** increase in **Productivity per Person** in Assembly and Packaging
- **76%** increase in **Raw Material Inventory Accuracy**

These improvements represent a **financial impact equivalent to 10% of EBITDA**.

The economic benefits of the project represent an annual return on investment (ROI) of **3.1 to 1**. The use of agile methodologies for solution design and the synergy between the Coflex and **London Consulting Group** teams were key factors in the project's success. Therefore, we **highly recommend London Consulting Group** as a valuable strategic partner for business improvement and transformation projects.

A blue ink signature of Eduardo Coronado Quintanilla, written in a cursive style.

Eduardo Coronado Quintanilla

Coflex CEO