

To whom it may concern:

The Cooperative Multiactiva Neuland Ltd. was founded in 1949 by settlers. Currently the Group has 1.317 members; and its made up of several businesses, among them are the Frigorífico Neuland, COOP Dairy Products, Agricultural businesses, and Local businesses.

Between August 2018 and April 2019, we developed the process improvement project called "**CAP**" (**Change, Advancement, Progress**), which was led by London Consulting Group and covered the **Purchasing, Warehousing, and Commercial Models** of our businesses. The project impacted **11 sections**: Service Station, Supermarket, Tiego Branch, Schönhorst Branch, Hardware Store, Boqueron Hotel, Construction Materials, Pharmacy, Agrobusiness Services, Animal Feed and Supplements Manufacturer and Electrical Distribution Plant. These departments were further strengthened by the managerial skills development program which targeted key personnel within these departments.

Furthermore, we developed the **Strategic Plan 2019-2021** for **3 sections**: Finished Goods, Boquerón Hotel, and Electrical Distribution Plant, as well as for **2 initiatives**, Project 200 and the Agricultural Model, which is in charge of the Agrobusiness Service section. The objective of this development was to establish short and medium-term goals which allowed the Cooperative to meet its established objectives.

Throughout this project we were able to align the processes to our objectives by implementing work systems which are orientated towards achieving results and continuous improvement. After implementing the different procedures, tools, and policies, we were able to observe the following results:

Purchasing:

- **236%** increase in the rate of return over total purchases.
- **6%** increase in purchases delivered on time and in full.
- **42%** reduction out-of-stock rate
- **28%** reduction in the purchasing processing time.
- **22 pp** (percentage points) increase in the fruit and vegetable segment's margins and **5 pp** in meats.

Warehousing:

- **19%** reduction in inventory with coverage of stock greater than 360 days and inventory without movement.
- **39 pp** increase in the Inventory Reliability for Type A Goods (+/- 5% deviation).
- **23 pp** increase in the Inventory Reliability for Type B Goods (+/- 5% deviation).
- **30%** increase in the 5S fulfilment rate which focuses on maintaining the warehouse organized and clean.
- **97%** reduction in Inventory adjustments.

Commercial:

- **16%** increase in the sales budget's fulfilment rate.
- **25%** increase in product supply showcase fulfilment.
- **82%** reduction in goods with a margin of less than 10%.
- **13%** reduction in the percentage of damaged goods over sales ratio.

Managerial Skills Development:

- **6** Managerial Skills development sessions were conveyed to **64** personnel members (managers and supervisors), providing over **750** hours of training.
- **57** individual follow up sessions were carried out with the project development's key personnel, with whom action plans were defined in order to strengthen their team management skills.
- **12** teams were prepped and accompanied to the Projects Fair, where they were encouraged to develop a continuous improvement culture within the organization through the application of London Consulting Group's methodology and the integration of the personnel into a single team.

Strategic Planning:

- The Strategic Planning team was consolidated, and they will be following up the implementation of the deployment matrixes. These contain the organization's strategic objectives and detailed activities which were assigned to personnel members, with due dates, for the next **3 years**.
- **54** workshop hours were spent with the Committees in order to build up the company's: Mission, Vision, SWOT Analysis, Strategic Pillars, Deployment Matrixes, as well as the Management and Communication Model, which will follow up the plan's fulfilment.

By the end of the project we were able to forecast a return on investment of **1.4 to 1**.

We are happy to recommend London Consulting Group as a professional and committed firm which positively changes an organization's work culture through their methodology, which promotes a level of involvement and commitment in all levels of the organization and which guarantees a long-term impact to both financial savings and established work systems.



Heinz Alfred Bartel
President



Michael Sawatzky
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