

Munkel Group is a group of Nicaraguan companies that, trusting in the country's Social, Economic and Political transformation, was established over 10 years ago in almost the entire National Territory to provide effective solutions to the population for the main problems that demand their needs, specifically in areas related with Visual Health, Medical Equipment and Real Estate.

From May to December 2016 we developed the improvement project called "PRO" along with the firm London Consulting Group with the objective of optimizing mainly the processes and tools in the Optical Commercial, Institutional, Mobile and Logistics and Distributions areas. The change management, the dedication of Munkel's personnel and team members, and the methodology applied and transferred during the different stages of the project, were very useful for our business and for the achievement of the set qualitative and quantitative objectives. Among those objectives were:

Optical Retail Commercial Area:

- A 16% increase in the average ticket of the optical store channel.
- A 120% increase in invoicing of digital glasses as a strategic product.
- A 15% increase in the conversion of exams from the vision health program (VHP).
- A 39% increase in sales without an authorized discount.
- A 75% improvement in sales accrued in the retail channel, compared to the same period in 2015.

Institutional and Mobile Commercial Area:

- An 82% increase in active companies in optical stores from the institutional channel.
- A 123% increase in active companies using mobile services from the institutional channel.
- An 11% increase in the average ticket of mobile units.
- A 22% increase in the usage of mobile units.
- 87% growth accrued in the institutional channel, compared to the same period during 2015.
- A 137% increase in accrued sales in the mobile services channel, compared to the same period during 2015.

Logistics and Distribution Commercial Area:

- A 68% increase in inventory reliability.
- A 33% increase in compliance with the optimal mix of products at the optical stores.
- A 138% increase in compliance with the demand plan.
- A 66% reduction in cases of replacement of glasses and lenses from the laboratory.
- A 25% reduction in the cost of inventory of low turnover raw material.

Qualitative Improvements:

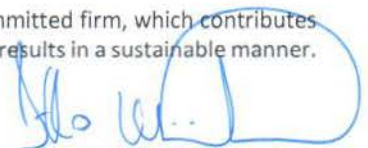
- Implementation of the Governance Model and accounting main committees, focus on results and positive confrontation for an improvement in the operation.
- Design and implementation of indicator control panels while facilitating the management by results through indicators associated to the performance of the areas.
- Strengthening of communication with the optical stores' personnel, through the consolidation of the operational information for decision-making, oriented towards satisfying the customer's needs.

The project has concluded successfully after the scheduled 28 week period with a **ROI of 1.7 to 1** to this date and a projected **ROI 12 months after the project's completion of 5.6 to 1** surpassing our expectations. In addition to the quantitative results, a cultural change in our personnel is noticeable which leaves us with a solid foundation to achieve the established goals for the medium and long term.

Based on the above, it is our pleasure to recommend London Consulting Group as a professional and committed firm, which contributes to the cultural change through the shoulder-to-shoulder implementation and the achievement of tangible results in a sustainable manner.



Chairman Grupo Munkel
Augusto Munkel Moreira



Board Director Grupo Munkel
Otto Munkel Arguello