

Guayaquil, January 2019

To whom it may concern:

CONAUTO is a company dedicated to selling automotive and industrial products. We are leaders in the lubricants and tires markets, key products of our business, and we sell batteries, filters, automotive and industrial equipment, and more. We have over 47 years of experience working with leading brands such as CHEVRON, REPSOL, MICHELIN, AEOLUS, COOPER, LINDE forklifts, and others.

In our continuous pursuit to expand and grow systematically, and ensure that our growth is orientated towards identifying and satisfying the market's needs, we took the strategic decision to expand the Product department, in order to be more efficient at managing our Product Portfolio (+13,000 active items). In order to guarantee this transcendental change, we decide to request London Consulting Group's support because of their work methodology and experience.

During this project, we established the Product department's role, gearing it more towards planning and effective management of the portfolio through the design and implementation of adequate structures, processes, and tools, which helped us achieve our objectives. The methodology used by London Consulting Group and the dedication displayed by **CONAUTO's** personnel were key aspects which enabled us to achieved our fixed objectives.

This new structure has allowed us to attain an ROI of **1.9 to 1** to date, with a forecasted ROI of **15 to 1** by December 2019, whilst also establishing permanent financial savings.

We would like to mention some of the main qualitative and quantitative results we obtained:

- **40%** reduction in lost sales, by designing a portfolio planning model, and by utilizing the suggested demand tool.
- **7%** reduction in the Total Inventory Cost, using data ranging from September 2018 till now. The costs continue to follow a diminishing trend.
- We reclassified **58%** of the active SKU's, allowing us to have greater control over the portfolio.
- An inventory management model was designed and implemented which uses tools and a control panel with key departmental indicators.
- A model for identifying, analyzing, evaluating and developing New Products was defined.
- A Portfolio Administration model for the Products-Categories was implemented, providing the department with the necessary control and monitoring tools which enabled them to fulfill their role (administering the product portfolio by SKU-Categories) within the organization.

The project was successfully concluded, surpassing all of our expectations, due to the professionalism and commitment displayed by the **CONAUTO's** and London Consulting Group's personnel.

We highly recommend London Consulting Group as a professional and committed consulting firm which contributes towards the attainment of tangible results in little time, and which positively changes the organization's work culture in order to ensure that these results are sustained.



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