

March 15, 2021

To whom it may concern:

Hardware & Lumber is a company that operates two main business units: **H&L Rapid True Value**, which sells a wide range of building materials, hardware, electronic supplies, houseware, and decoration goods; and **H&L Agro**, which distributes agricultural supplies, tools, equipment, as well as lawn and gardening accessories, including seeds, fertilizers, and security equipment. Between **October 2019 and December 2020**, we developed in conjunction with **London Consulting Group (LCG)**, a project consisted in the reorganization of the Supply Chain, including the operation procedures within the Central Warehouse and the Replenishment procedures in the 15 stores of the network throughout the island.

Some of the project's most relevant results were:

**Purchasing Department:**

- Implementation of a new Forecasting Model for the different company sales channels supporting the personnel to have better projections in inventory availability.
- 31% reduction in excess inventory.
- 28% reduction in Lost Sales within the central warehouse (imported products).

**Store Supply and Warehouse Management:**

- 35% reduction in Lost Sales with the store (local restocking).
- Implementing the Inventory Replenishment Tool (automated) in the whole network.
- Implementing the "5S" methodology within the warehouses and 15 stores, to improve the operation's productivity, achieving more the 90% overall in this KPI.

**Analytics:**

- Implementing the Power BI - Business Intelligence tool, with which H&L personnel controls the most critical procedures, allowing leaders to take better timely decisions.

The financial savings achieved by the project generated a Return On Investment in 2020 of **5.4 to 1** and yearly projected ROI in 2021 of **11.2 to 1**. Therefore, we highly recommend London Consulting Group for their team's professionalism and their work methodology used throughout this project.

Sincerely,



Marcus Richards  
Managing Director

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**Hardware & Lumber Ltd.**

 **Rapid**  **Agro**  
*True Value*

**Erwin Burton** (Chairman) | **Christopher Bovell** | **Joseph Bogdanovich** | **Michael Ammar Jr.** | **Michael Bernard**  
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