



ATLANTIC
COFFEE SOLUTIONS

November 17, 2014
Houston, TX

To whom it may concern:

Atlantic Coffee Solutions LLC ("ACS"), subsidiary of the ECOM Group, is the largest private coffee manufacturing plant in America and one of the biggest in the world. ACS is strategically located in Houston, Texas.

Our plant has a total surface of 32 acres and provides direct employment to 350 people. It has a daily production capacity of more than 1.1 million pounds of coffee. The plant is conformed of five processes under the same roof, which makes it one of a kind. These processes consist of natural decaffeination with CO₂, roast & ground, soluble coffee in powder, soluble agglomerated coffee, packing in bulk, food service, and retail.

From March to November 2014, we developed a project alongside the **London Consulting Group (LCG)** firm with the objective of improving the efficiency of the processes related to Customer Service, Production and Supply Chain Management. This project strongly pushed for culture change at all levels. For our employees to better manage their areas based on clear objectives, applying user-friendly management tools and indicators towards increasing productivity and efficiency in the process.

The project was a success. The most important outcomes of this project are the following:

Measurable improvements:

- **6% Increase** in orders delivered on time and in full to customers alongside with **42% productivity increase** in soluble packaging, **15%** in AMCO (Decaffeinated) & **12%** in Agglomerated (Soluble coffee).
- **24% Reduction** in cost per pound (\$/lb) for Agglomerated (soluble coffee), **14%** for AMCO (decaffeinated) & **13%** for Spray Dry. In addition to a **24% reduction** in cost by overtime, **12%** in overtime hours and **57%** in over pack for the Soluble Packaging area.
- **182% Increase** in rework reduction ratio for Soluble Process.
- **19% Reduction** in inventory value of packing material and **73%** in bulk storage costs.

Qualitative Improvements:

- Redesign of the company's macro organizational chart.
- Implementation of administrative tools for: Production planning and control, Inventory control & Human resources
- Implementation of active supervision models, in accordance to a management information system to maximize both supervision and results-oriented administration effectiveness.

By the end of the project, a return on investment of **2 to 1** was achieved. As of now, a return on investment of **5.9 to 1** is projected. This project with LCG has been challenging but also rewarding in many ways. We have decided to initiate a second project which will cover Finance and HR areas. Finally, we wish to commend each of the LCG members, for their professionalism, attitude, commitment, knowledge of their methodology, and their results-oriented approach. We highly recommend them.

Most Sincerely,

David Martinez
Chief Executive Officer

Jorge Esteve
President