

MEMORANDUM

To: Mr. Garay, Controller and Mr. Garib, CIO

Date: October 10, 2015

Subject: Suggestions for Control Panel: Argentina Region

Mr. Osvaldo Garay and Mr. German Garib,

As the company is taking some positive steps which will benefit the growth of company, we have attached some of our suggestions/ observations of our day to day experience while working in Argentina's business unit. These could be considered as some of the best ways of utilizing the Control Panel 'tool' for Argentina. This will certainly help to improve the performance while operating the company in diverse operations.

The company has been successful in uniting the three subsidiaries unit by using Control Panel as a tool. Some of the trends/ facts to discuss here are all the three units work in different geographic area and pacing different customers with different likes/ attitudes etc. We have tried to analyze probable alternatives for more productive approach for Argentina's unit. The sales team must focus on more populated area targeting the right customers who orders in bulk quantity while deducing cost and measuring performance with help of Control Panel.

Please let us know if you have any questions.

Thanks & Regards,

Andina runs its operations in three countries, differing in market, climate, language, working process and culture, it is of utmost importance to integrate the information of all in one system: with similar business processes. With 33

million consumers the main objective is to merge the unsophisticated operating data for optimizing profits.

The Control Panel is providing a comprehensive view towards Andina's working. It included parameters like sales, pricing etc. referring to the industrial standards. It also included external factors corresponding to weather condition, process affected by environment, temperature etc. The design for executives was adhered keeping in mind to gain information of resource productivity, quality apart from gaining details about supply, distribution channel etc. The detailed working of relevant metrics was recorded on daily/weekly basis. Overall, tool provided comparable, reliable base data, simplified financial issues ensuring: positive and negative information reaches the headquarters for proper monitoring and same process used in all subsidiaries increasing chances of interchangeability for human resources to other locations if needed.

In late nineties, Argentina was going through huge economic crisis, high inflation rate and plummeting industrial growth. Andina's business was affected due to recession and bad economy. Secondly, they were serving scarcely populated areas, which were heavily increasing their distribution cost. Thirdly, a poor communication system between sales manager and sales force. The staff was not following the instructions while distributing the consignments to the customers. This possibly landed to visiting few clients twice and not serving few as the information of visits were not informed and updated by sales force to manager. Also, the sales force were potentially not working hard to increase sales and geographical characteristics left altogether no room for reducing the distribution cost.

The Control panel helped revealed major problems. It disclosed defaulter account with zero efficiency as sales team weren't regularly checking on clients whose payment were due and this incurred heavy loss. It was also identified that 25000 clients that warranted only for 3% sales.

For any system to be successful it must be accepted and complied by all its units. The unit of Brazil seemed to be less committed and less open for changes/ suggestions. The staff had its own working methodology and had to be pushed to use this system. Argentina's unit were highly active, embraced and were eager to adapt it. Chile on the other hand were more cooperative than Brazil but less than Argentina.

The distribution problem must be envisioned and a plan for the same must be prepared using the system. The sales force team must analyze and collect data of regions with maximum consumption, growing consumption and plan to increase its sales and advertise accordingly. The route to distribute must be planned and adhered to for decreasing distribution cost, plus to increase sales one could offer bulk discounts. All these data must be updated regularly. The team must also have staff to check payments are being regularly collected from clients as per agreed norms. These efforts with regular feedbacks could enhance Andina's profits.

(Word count: 500)