

Business Engineering

Market-Ing

Strategic Development Project¹ Multiceras S.A. de C.V.

www.multiceras.com



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¹ This project was documented by Dr. Daniel Maranto, Associated Professor of EGADE Tecnológico de Monterrey, as a study case for the courses of Strategy, Structure and Organization Processes taught in this institution.



1. Multiceras S.A. de C.V.

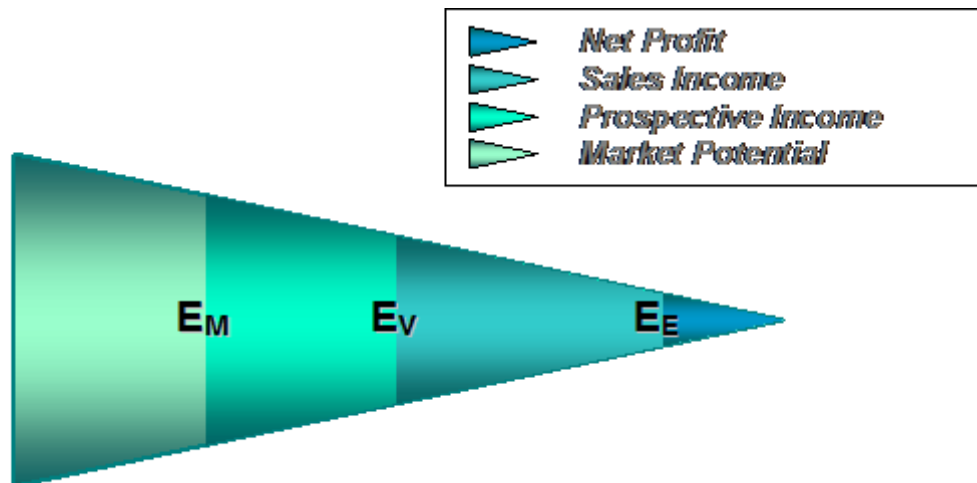
Multiceras S.A. de C.V. is a Mexican Corporation specialized in design, fabrication and commercialization of natural, synthetic and petroleum waxes, as well as of related products for industrial applications.

The company has worked with great flexibility for adapting to the changing market conditions through time. It handles nowadays a portfolio integrated by more than 60 different products, commercialized in more than 20 diverse market sectors, both in Mexico and abroad.

Multiceras keeps a very strong export vocation, getting 40% of its income from export sales.

2. Market-Ing Model.

Market-Ing support schemes for companies and organizations are based on the incorporation of efficient practices, optimizing the three key areas of the business process, through the Corporate Strategy Efficiency, Marketing Efficiency and Sales Efficiency.



E_M = Marketing Efficiency

E_V = Sales Efficiency

E_E = Corporate Strategy Efficiency

Net Profit = Market Potential $\times E_M \times E_V \times E_E$



3. Strategic Evaluation.

The aim of the Strategic Evaluation has been to carry out a detailed analysis of the business situation, with the objective of detecting areas of opportunity to design an assistance plan according to specific needs. In order to perform this important evaluation, it was required to develop a complete analysis of the strategic areas of the company, including planning, marketing, sales, operation, purchasing, logistics, administration, human resources and financing.

The Strategic Evaluation results were presented in complete annual reports, as well as in executive presentations. Based on these results, relevant assistance alternatives were proposed to optimize the company competitiveness.

STRATEGIC EVALUATION CONTENTS

- ***Analysis of the Company.***

- Company history.
- Business strategy.

- ***Business Efficiency.***

- Commercial evaluation.
- Corporate Strategy Efficiency.
- Marketing Efficiency.
- Sales Efficiency.

- ***Corporate Strategy Efficiency.***

- Financial results.
- Profit trends.
- Organization structure.
- Product portfolio.
- Product competitiveness.
- Strategic products.

- ***Marketing Efficiency..***

- Market analysis.
- Market share.
- Target market.
- Competitors analysis.



- ***Sales Efficiency.***

- Sales process.
- Sales force..
- Sales volume.
- Sales income.
- Profitability.
- New customers generation.
- Sales by sector and income level.

- ***Competitiveness Factors.***

- Strengths and weaknesses.
- SWOT analysis.
- Sales force effectiveness.
- Customers retention.
- Service quality.
- Market penetration.
- Purchasing process effectiveness.
- Corporate productivity.
- Plant productivity.

4. Target Consulting Program.

Unlike the traditional approach in external consulting, Market-Ing consultants do not bound to tell you what you should do to improve your business performance. We participate actively through all the model implementation stages, thus assuring the effectiveness of the proposed solutions “in real time”.

Our support to *Multiceras* has been concentrated on specific projects, jointly defined with the company executives, based on the Strategic Evaluation results.

The scope of services included the development and implementation of processes, systems, tools and solutions, focused on clearly identified areas of opportunity, in the following aspects:



4.1. Strategic.

- Business process.
- Purchasing process.
- Cashflow strategies.
- Research & development strategies.
- New business development.
- Organization structure.
- Skills development.
- Competitors.
- Competitive advantage.
- Corporate control.
- Strategic planning.
- Knowledge management.
- Strategic alliances.
- Corporate Strategy Efficiency (E_E).

4.2. Functional.

- Market analysis.
- Segmentation.
- Marketing information systems.
- Commercial control.
- Product catalog.
- Advertising and promotion.
- Marketing channels.
- Marketing Efficiency (E_M).

4.3. Operational.

- ERP system adaption.
- Quality system optimization
- Continuous improvement projects.
- Production process modernization.
- Value chain efficiency.
- Sales force.
- Sales information systems.
- Sales activities control.
- Sales proposals.
- Customer satisfaction.
- Customer retention strategies.
- Sales efficiency (E_V).



5. Integral Consulting Program.

Upon specific request by Mr. Raul Marmolejo, Corporate Director and Member of the *Multiceras* Board, one *Market-Ing* Executive Advisor took full responsibility of the following positions, under a full time project scheme:

- *Marketing Manager (07/2007 to 01/2008).*

In charge of all international activities of the company. Growth of over 50% in export sales revenues. Over 20% of these revenues were generated thorough new customers.

- *Strategic Development Director (01/2008 to 05/2008).*

Deputy Managing Director, in charge of business development strategies, translating competitive advantages into systematic operating practices.

- *Managing Director (06/2008 to 01/2009).*

Responsible for the whole company operation, supervising 90 employees, During the second half of 2008, sales revenues grew 53.2% while the operating income was practically doubled, with a total growth of 97.4%. 2008 has been the best year within the 30 years of the company history, with a total growth of 46.1% in revenues and 42.4% in operating income, compared to the results obtained in 2007.

6. Company Results.

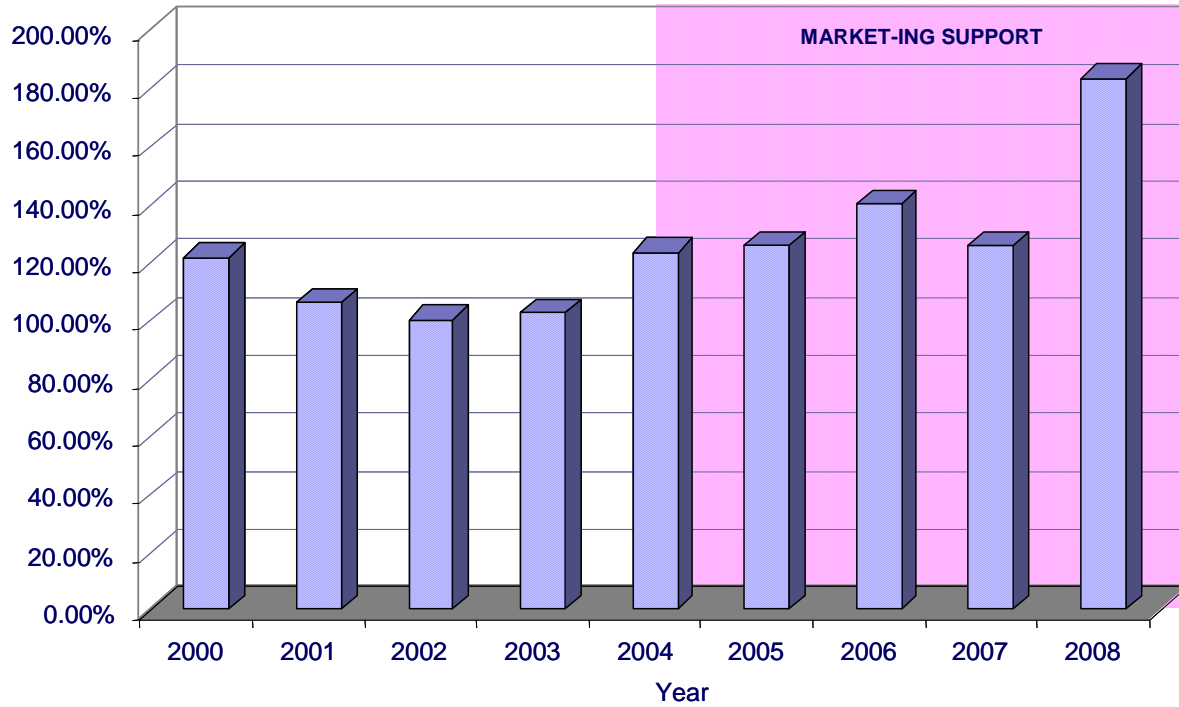
The Strategic Development Project was initiated in July, 2004 and concluded in January, 2009.

As shown in the following diagrams, the revenues and operating income levels (\$Pesos₂₀₀₀ basis) have significantly increased, in real terms, since 2004.

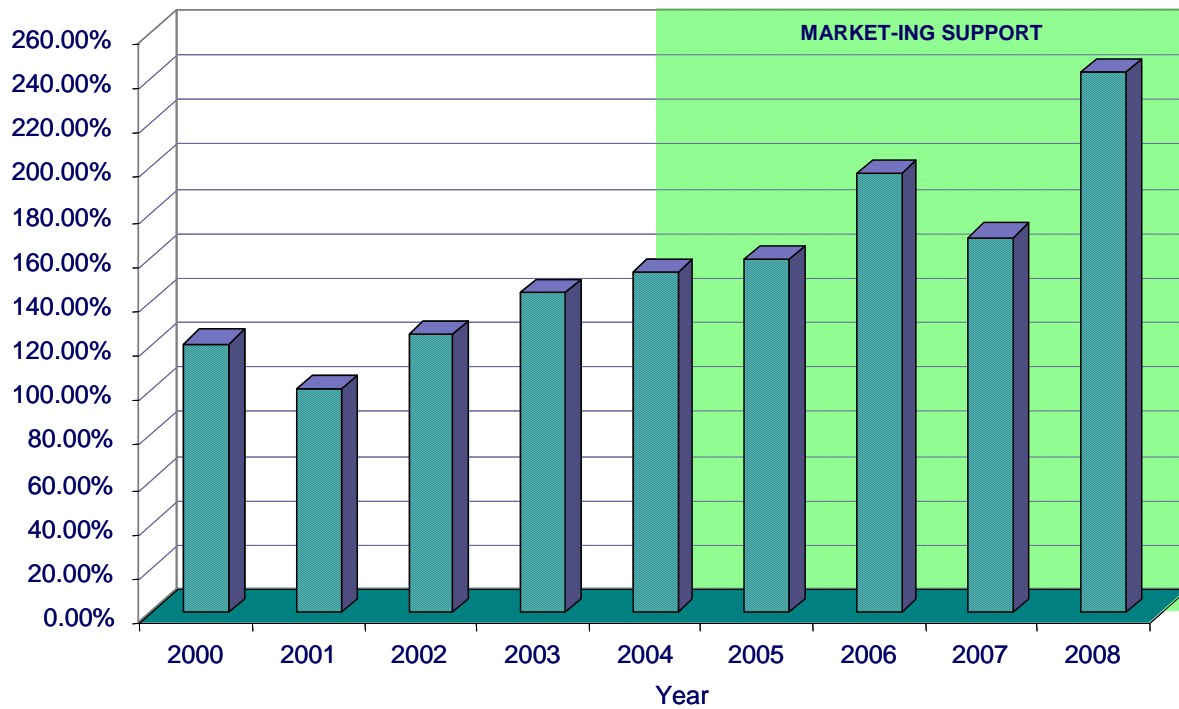
For the three decades of the company history, the best results were attained in 2008, with even more challenging perspectives for 2009 according to the budget established, at the end of 2008, by the Managing Director.



Sales Revenues
(Relative growth in real terms)



Operating Income
(Relative growth in real terms)





7. Conclusions.

A successful consulting program demands trust and discipline. The whole organization must get engaged to the project, in order to achieve spectacular results in the short, medium and long terms.

This has been the case of the *Multiceras* project, where the Managing Director and the Directory Board gave full support to the consulting program, with an active and committed participation, which “pulled” all the organization to participate.

This has been a consulting “showcase”, with a gradual involvement of the consulting activities, from typical Coaching, Evaluation and Diagnosis, Target Consulting, Integral Consulting and Dynamic Training, all the way until taking care of the whole company operation, for a seven month period in the Managing Director position.

I am very grateful for all the confidence, kindness and support received from all the *Multiceras* personnel, during the almost 5 years of our project execution. **THE RESULTS ARE AT SIGHT.**

Sincerely,

Raul G. Morales
Managing Director
Market-Ing