



LOW COST OPERATION

A fundamental component for obtaining the resources to invest in prices is by maintaining a low cost operation.

Expenses were leveraged thanks to multifunctional structures, a spearhead in Bodega operations. It optimizes the work of our associates on the sales floor. Leveraging was also possible thanks to an efficient assortment and our Private Brands program.



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This year, progress was accomplished by simplifying business operations on the sales floor, logistics and home delivery, without affecting the shopping experience of our customers



With the use of mathematical models and GPS, we can trace trailers in operation and their status, thus optimizing route design and achieving a higher volume of deliveries with less transportation fleets.

This year we were able to meet our goal of reducing receiving and unloading times in our DCs. It was possible once we identified lost time throughout the process and we included a detailed plan to minimize and even prevent this lost time. We also implemented processes known as Assisted Receiving and Simple Receipt, which consist of digitalizing all information prior to receiving merchandise at the DC together with the customers.

Another contributing factor to reduced operating costs is the efficiency achieved through environmental initiatives such as lower consumption of electricity and water.

We launched a prototype of a lean store in Central America in our Discount format, with the purpose of achieving more results with less resources and whereby we achieved a 15% reduction in sales floor, and 12% in headcount per store. This simplification translates to a considerable cost reduction, while also maintaining customer experience and average sales per store.

We are happy with our results, but we are even prouder of the team for having achieved them, making the difference for our price-sensitive customers. Thanks to this strategy, our customers have access to low prices, helping them to save money so they can live better.



Moreover, technology allowed us to increase the efficiency of logistics and home delivery processes

