



LASTING IMPRESSIONS

Coca-Cola FEMSA implemented TRACC as the framework for strengthening and supporting the High Performance System throughout its plants in Mexico and they've built it to last.



- *All pilot line Implementation Task Forces identified Profit Improvement Projects and some plants already have accounted for significant savings*
- *Momentum for the implementation continues to build as the pilot lines' World-Class' appearance is creating enthusiasm for expansion to other lines*
- *The plan for 2008 is to solidify gains in performance and the foundation practices in the pilot lines.*

Majority-owned by the Fomento Económico Mexicano SA de CV (or FEMSA) and minority-owned by the Coca-Cola Company and public shareholders, Coca-Cola FEMSA is the world's second-largest Coca-Cola bottler and the largest in Latin America. It accounts for almost 10% of worldwide Coca-Cola sales.

The group operates 64 plants in nine Latin American countries, including 10 plants in Mexico, bottling and delivering 2 billion unit cases a year. This translates into serving 70-plus world-renowned beverage brands through a network of more than 2 million points of sale to more than 184 million consumers.

Coca-Cola FEMSA's plants in Mexico originated in several separate bottling groups and although considered among the best-performing plants in the Coca-Cola system, these plants had different operating cultures and practices. In 2005, the group's operational leadership in Mexico established a management framework to standardise business systems across these operations. The High Performance System – focusing on shop floor teams and operating practices – forms part of this framework.

In June the following year, Coca-Cola FEMSA asked CCI to assess the practices at one of its leading plants, Cautitlán. Based on this assessment and after carefully reviewing the TRACC content and implementation approach, the group chose TRACC as the framework for strengthening and supporting the High Performance System throughout its Mexican plants.

The strategy to reinforce the High Performance System became known by its Spanish acronym, Prácticas Operativas del Piso, or 'POP'. In 2007, FEMSA made significant progress in its POP implementation, including:

- Establishing an executive leadership committee and 11 site steering committees; selecting one pilot bottling line per plant and training 11 implementation task forces (ITFs).
- Training 11 plant-based process standardisation and development specialists to serve as POP facilitators in TRACC and the Profit Improvement Project (PIP) process.
- Training internal trainers in delivering TRACC shop floor and team leader training modules.

Coca-Cola FEMSA's operational leadership is squarely focused on building long-term capability and early results are impressive. Although Coca-Cola FEMSA is deploying the POP system aggressively, they're building it to last by ensuring it's fully integrated with their established business systems.

