

Did you know that

At CORONA we THINK green...“GreenIT Project”?

News from GAMMA

We wish to share with you an interview carried out by *Dinero* magazine with the participation of Mauricio Yepes, General Manager of GAMMA.

Energy is not created or destroyed, it is transformed

Due to its potential and growth, this sector is becoming a guide for the economy and investments in the country.

After the blackout of 1992, Interconexión Eléctrica S.A. (ISA) initiated a transformation process to become the first multinational company of the Colombian public sector and the largest carrier of energy of the region.

Currently, ISA controls 38,223 kilometers of circuits, and is engaged in projects that will allow the company to extend its infrastructure in additional 6.535 kilometers, which represent 77% market share of the energy transportation in Peru, 35% in Bolivia, 17% in Brazil and 82% in Colombia. Interconnection between Colombia and Panama is advancing, this also represents having access to the markets of Central America.

The history of ISA is one of the best examples of the sector of regional energy aimed at reaching a world-wide class model. According to figures from the Colombian Ministry of Commerce, Industry and Tourism, this sector generates annual revenues of US\$7.000 million in Colombia through the chain of agents (generators, distributors, carriers and traders). Electric companies provide US\$1.300 millions in goods, and about US\$300 millions in services. The goal for 2032 is to generate annual revenues of US\$21.000 millions, thus consolidating the country as a leader in Latin America, and with presence in the United States.

Why can it become a world-wide class sector?

According to the Ministry, global demand for energy is growing at a rate of 4%. Due to integration of the energetic processes in Latin America and internationalization of emerging countries, Emerging countries like China and India may create potential alliances for the production of goods from Colombia for the region.

Several companies have already followed ISA's example. Compañía de Energía de Bogotá (EEB) began to use this route and is now serving two fronts in its internationalization process: EEB is a partner of ISA in the business of energy transmission in Peru and has also entered the gas transportation business in the neighboring country. In addition, it is considering making presence in other Latin markets such as Brazil and Chile.

To fulfill the goal of achieving revenues of about US\$5.000 million in 2015, Empresas Públicas de Medellín (EPM) has focused on acquiring the distribution and generation business in Latin America and does not discard its purpose of entering the United States market. Isagen is already selling energy to Venezuela. Colombian investment funds, such as Colinversiones, include the energy sector as a strategy for growth.

On the other hand, Colombian companies of goods and services have their own approach to internationalization. Electroporcelana Gamma, Eléctricas de Medellín or Centelsa, among others, are considering foreign markets. "70% of our sales are exports to markets such as the United States and Latin America and we are exporting to Far and Middle East countries", explains Mauricio Yepes, General Manager of Electroporcelana Gamma. Moreover, the role of the multinationals is increasing its energy generation - with Emgesa, Epsa or AES - and its distribution - with Codensa and Electricaribe - sectors that are expanding their investments, whereas suppliers such as ABB, Siemens and Schneider are also growing and use Colombia as a hub for their operations in the region.

Where are the opportunities to turn this sector into a world-class sector for the country?

According to the Ministry, for the agents, through the export of energy in a regional market, and with direct investments in other countries; for the suppliers of goods, in specialized niches, and for those servicing engineering, construction, administration and market operation.

"According to the analysis of McKinsey consulting company, which compared Colombia with the United States, our country is highly competitive in power generation and this has to do with the high amount of water sources. On the other hand, Colombia has demonstrated its technical and economical capability for energy transmission", says Astrid Martinez, who is participating in the development of the sector's strategy as member of the Colombian Consulting company.

Nevertheless, the sector faces several challenges. One has to do with regulating the export of energy. The most recent case has been the sale of energy to Ecuador, which is based on surpluses. “We have to develop long term markets, exchanges and bilateral agreements”, explains an analyst. That is the current point of discussion among the regulators of Colombia and Panama.

Another challenge arises from the international focus of the actors that, to a large extent, is motivated by the limits of market share in businesses such as distribution and generation. This makes them seek to grow rapidly through acquisitions of companies and opportunities where suppliers have little margin for maneuvering.

In that respect, for Yepes, of Electroporcelana Gamma, rather than exporting energy or investing in foreign markets, Colombia should increase its energy consumption per capita. “I think that the best opportunity for our country is to use our huge hydrologic resources and the huge competitiveness that we can reach in energy generation in order to attract investment in highly consuming sectors, which additionally have the characteristic of being high generators of employment, creating this way a higher increase of income per capita. “We have to consider energy as a raw material that is susceptible of being transformed and sold as a finished product and not just exporting the raw material as kilowatts”, says Yepes.

And a third challenge is that companies reach a greater scale to compete in developed markets. “ISA, with its process of expansion - especially in Brazil - already has a much greater size than few years ago”, says Martinez”

We have to make the most of energy for the production

The comparative advantage that Colombia has due to the generation of electrical energy at the lowest cost in the international market should be used to increase production with added value. According to Mauricio Yepes Bustamante, General Manager of Gamma, if the country manages to add value to the use of its hydro wealth it will improve the quality of life its inhabitants with more valuable products for the international market. To some degree, competitiveness is lost when the country only exports energy as another raw material similar to coal, petroleum or nickel. And he thinks a key factor is to offer incentives through eliminating cost overruns so that plants for transforming aluminum and other highly energy consuming metals can be installed in Colombia. High tariffs of energy are not beneficial for the country because they discourage the work of the industry.

We have to keep in mind that in Colombia we pay an additional 20% for energy as a subsidy to other sectors.

For Gamma, a highly exporting company (around 70% of its sales are exports) that employs 450 people, it is basic to provide reliable services at competitive prices in the international scene.

1 <http://www.dinero.com/noticias-caratula/no-crea-ni-destruye-transforma/60069.aspx>

News from CORONA

In contact with the Presidency

We share with you the last official release delivered by the President of the CORONA Organization to all collaborators:

“Dear Corona Team,

I have always believed that one of the most important characteristics of any human being - which gives great meaning to his life - is his learning capacity. At CORONA it is one of the determining factors to look for, at the time of selecting our collaborators, because it is the axis for competition regarding the learning and aggregation of value that all the members of the CORONA Team should have and develop permanently, and which is in the heart of our Enterprise Value: to be better each day.

Learning, but mainly sharing and deepening knowledge has been a determining factor in the creation, consolidation and strengthening of CORONA. Additionally, we should always bear in mind that it is another important legacy from our founders, and it is clear that it is more and more a factor of major differentiation and competitiveness in the 21st century.

At Corona we learn in many ways, but undoubtedly the Communities of Practice have become a methodological and proven way of sharing information, of looking for the best practices, of learning from success and failures. The first community was born in August, 2005 and currently we count on 24 Communities of Practice, among which, we have Baking Ceramics, Ceramic Decor, Sales, Sourcing or Supply of Goods and Services by Third Parties, Innovation and Internal Communications, among others. It is important to emphasize, that approximately 10% of our collaborators are involved in these Practices and that this figure is growing, as well as the fact that we count today on robust systems for the measurement of their usefulness and the benefits that they provide.

However so far, we have not lowered nor will lower the guard in this front, because we have huge challenges in terms of consolidation, growth, higher involvement and impact on specific results of businesses on the part of the Communities of Practice. Certainly, during the current economic times,

the membership to them should increase, because it is during difficult moments when we learn the most, when we have to be more focused in our work and when we should look for the best practices and solutions. It is the same as when a sports team is trained and aligned to look for its goal: Winning. We, the members of each one of the Communities of Practice of CORONA, should see ourselves as outstanding and well trained teams, focused and ready to win and support a significant responsibility for the organizational results.

We must continue working so that the knowledge of the Organization is managed through the Communities of Practice. Learning together is not only faster but also allows us to strengthen ourselves as a team. The Communities of Practice enable us to conform a joint company, with a sense of mutual commitment, regarding how we operate as well as how we produce. Let's learn together, let's share the best of us and let's lead this Organization towards a new future! So we keep on being the winning teams.

Sincerely yours, Francisco Diaz”

Let us be responsible with our society – Let us be Austere and Simple “GreenIT Project”



Excessive use of resources such as: printers (ink, paper), photocopiers, computer equipment, storage, telecommunications, among others, in addition to cost implications, generate a negative environmental impact. GreenIT project was born with this in mind, driven by the desire to protect the environment, reduce costs, and ensure that we, the users, transform our habits of use of Information Technology

INFORMATION TECHNOLOGY FOR THE ENVIRONMENT

One of the mega trends for the 21st century in the world is to make a more suitable and respectful administration of the environment. Information Technology Information (IT) is not alien to this global need. That is the reason for the creation of GreenIT, an initiative of IT companies that are looking for an answer to the obvious need for urgent actions in precarious environmental situation the Planet Earth is facing..

The CORONA Organization through the Corporate Information Management - USC is well aware of the importance of advancing processes that result in a change of attitudes and use of resources. For this reason the company has become a participant in this initiative, focusing on the following points:

- Optimizing the use of resources: Digital storage, telecommunications, paper and consumables, energy and heat generation, water, materials and polluting agents.
- Increasing life cycle of Electrical and electronic equipment.
- Reusing: paper, digital media, toners, equipment.
- Disposing properly of digital media, toners, equipment, batteries, outdated information

To achieve the above, the Corporate Information Management - USC, in its assessment processes for the acquisition and renovation of IT, includes parameters concerning the respect for environment and appropriate use of resources. Additionally, the Green IT project has been formulated to ensure that all users of the Organization CORONA use Information Technology with ecological awareness, thus contributing to environment conservation and reduction of business costs.

The launching of the corporate GreenIT Project was done during the month of June, on the 5th International day of the Environment and until the 30th, its goal is to encourage users to transform our habits of the use of information technologies and contribute to solve business processes with a high use of consumables (IT consumables).

The invitation to be a part of this initiative is open. Everyone will make a positive contribution to the planet.

Faucets & Accessories CORONA launched the 45 Years Seal of Assurance

One of the most important factors to be considered by the consumer when making a purchase decision is the guarantee offered by a brand when the consumer has in front of him an endless number of brands. He thinks of the safety involved in buying a product that offers a guarantee according to his needs, and the confidence that it generates knowing that he is acquiring a product that will meet his requirements. He also considers if technical conditions and appearance of the product will remain for several years.

At CORONA Faucets & Complements, *We Live Our Passion for Value Service to Our Customers.* Our goal is to satisfy their growing needs and to position our GRIVAL brand in the market, and we are launching this month of June the 45 Year Seal of Assurance.

The 45 Year Seal of Assurance presents us before our consumers as a Company that cares not only for embellishing the spaces where water is present and to provide rewarding experiences to them, but also assures the certainty that the products they are acquiring have the great GRIVAL Support.

CORONA was recognized as one of the 100 most reputable companies

CORONA was recognized once again as one of the 100 most reputable companies in the country. We ranked number one in the sector of building materials and number 12 among all the companies nationwide.

This positive news reaffirms that CORONA, from the beginning and in spite of temporary problems, has been recognized as a company that has important Values that were transmitted and taught by its founders.

News from our customers and suppliers

CAIVET remains a pioneer

CAIVET, the Venezuelan company, has been manufacturing transformers since 2008 for:

- 115 kV of 40 MVA
- 115 KV of 30/36 MVA

This reaffirms the Company's competitiveness and innovation capacity.

GIMEL Ranked as A1 Quality

GIMEL reached the goal of being appointed as A1 quality, top ranking of the Call for Measurement of Research Groups 2008 organized by Colciencias.

Congratulations, you ought to be proud of this accomplishment!

Messages Received

In this issue we would like to thank all our readers for the enthusiasm whereupon they received the renewal of the delivery of bulletins that we publish. Being in permanent contact with each of you and receiving your messages fills us with joy and pride. Thank you very much!

Below we share some of the messages we received in recent weeks.

- Thank you very much. I missed your bulletin.
Rodrigo López , EPM, Colombia

- Congratulations for this record of days without accidents. It is clear that you do everything well.
Carlos Martínez, ELECTROWATT SAC, Perú
- It is very interesting to learn about your companies. Please continue this excellent work, congratulations.
Madeleine Marín, DHL EXPRESS, Colombia
- Thank for your kindness in sending the bulletin. You cover current topics and write high quality editorials.
João Ottonicar, Otteng Engenharia, Brazil
- Congratulations for the fulfillment of goals in security. You are doing well at maintaining a safe atmosphere for the well-being of the CORONA staff.
William Santana Achury, ISA, Colombia
- It is very nice to hear from you again, and to count on these bulletins.
Omar E. Leguizamón, TRANSENER S.A./TRANSBA S.A., Argentina
- Many thanks for your interesting information.
Jean-Jacques VAUDIAU, NOVEXIA, France
- Interesting topics. Congratulations.
Mario Hernán Palacios M, Global Shipping Agencies S.A., Colombia
- Congratulations on your number 100 issue. There we can appreciate your effort and commitment with this task. What you are doing is cool. Your Wiki, your blogs and, of course, everything you have achieved with the Six-sigma and the Lean. That is a great example for all of us..
The way you have assimilated the TPM culture in order to achieve outstanding goals and avoiding accidents is very interesting..
Andrés Villegas Ramelli, Interconexión Eléctrica Colombia Panama ICP, Panamá.
- It is always gratifying to receive your information. We can draw valuable ideas and practices when we associate our activities to your experiences. Best wishes,
Franklin N.Valdivieso R., Empresa Eléctrica de Quito, Ecuador
- Thanks for the information and congratulations to your President for the 5 points he stated in this bulletin. They certainly are very clear and effective.
Rafael Leon, Centrosur, Ecuador

- As usual, I read your Bulletin for Clients and Suppliers with great interest. In this last issue the article by Francisco Diaz drew my attention. It contains concrete suggestions, they are so logic that they should be obvious,; however it is surprising the number of companies doing quite the opposite. They do not take care of talent, they fire people indiscriminately and - without regard for the morale of those remaining - they follow obstinate concepts of rigid budgets instead of flexible scenarios under different assumptions and they keep complaining about the economic crisis without watching possible opportunities to be derived from it.
Thank you for having shared with us these interesting concepts.
Frank Wallenberg, Buch Associated, Colombia
- Excellent article by President Francisco Diaz
Omar Lombana, EPSA, Colombia
- We enjoyed your bulletin and will be looking forward to your news
Rubén Darío Gómez P, EDEQ, Colombia
- I missed your notes
Luis Posada, Isagen, Colombia
- Thank you for keeping us updated with your bulletins.
John Dimate, Dielco, Colombia
- We welcomed Bulletin number 100.
Gerardo Molina, ABB, Mexico
- Thank you very much for sharing your news and developments.
Italo Pasquali, Chile

Our Visitors

- Tecno Infosistemas: Mary Jaramillo
- Fundeal Taller Industrial: Omar Osorio
- Troqueles y Servicios: Jaime Restrepo and Raúl Buitrago
- Cortes and Estibas: Federico Velásquez
- Manguras and Correas: Juan Guillermo Paniagua
- IMEC Ideas Mecánicas: Carlos Alberto Gómez
- MR Y Cia Ltda: Juan Aristizábal

Contact us

If you wish to change your e-mail address, subscribe a colleague, request previous issues or be erased from distribution list, send us a message to: carango@corona.com.co Atn. Ing. Claudia Arango Botero. Visit our Web page: <http://www.gamma.com.co>