



GRUPO BEPENSA

Revolutionizing the Audit Process to Amplify
Business Resilience



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resilience – not responding to something that has already happened.*

Javier Humberto Cámara Cabrera

Audit Director



Whether you sip a Coke, Sprite, Fresca, or one of more than 30 other Coca-Cola brands while in the southeastern Mexican states of Yucatán, Campeche and Quintana Roo, or in the Dominican Republic, it's a good bet your beverage was bottled and distributed by Bepensa Bebidas. Its extensive operations in Mexico and the Dominican Republic include 50 distribution centers, 1,500 distribution lines and 28 production lines for ready-to-drink sparkling and noncarbonated soft drinks, including juice and water.

Bepensa Bebidas is one of five divisions of the Mexican business group, Grupo Bepensa (Bepensa), based in Yucatán, which owns 40 different companies that employ more than 15,000 people in three countries. Its other divisions include Bepensa Spirits, which produces and markets Caribe Cooler, a low-alcohol-content, mixed-drink brand purchased from the French beverage group Pernod Ricard in 2015. More recently, the division has started distributing in Mexico wines made in Argentina and Spain.

Bepensa also has an industrial division that offers value-added services and products to the food and beverage industries, including plastic packaging, flavorings, refrigeration, and distribution and logistics. And Bepensa Motriz, which has subsidiaries in 19 Mexican states and the U.S. state of Florida, markets, leases and services automobiles, trucks, industrial equipment and more.

Finally, there's Bepensa's financial services division, which includes FinBe (Financiera Bepensa), a multipurpose financial company that offers business, automotive and leasing credit. In 2017, FinBe, known as SOFOM in Mexico, became the first company in Yucatán to enter the Mexican Stock Exchange (BMV). ABC Leasing, which provides fixed-asset financing solutions in 25 Mexican cities, is also part of the division; Bepensa acquired the business in 2020.

"Yes, we are a complex company," acknowledges Javier Humberto Cámara Cabrera, audit director of Bepensa. He credits the group's diverse operations as a core reason the company has been resilient during the COVID-19 pandemic. "The board of directors sees opportunities for growth for Bepensa," Humberto says. "Of course, this wasn't the feeling at the beginning of 2020. But looking back, we can say, 'OK, we have passed the hardest situation. Now, we need to think about what we're going to do for the next 10 years. And how do we duplicate the value of the company in the next five years?' That is the target at Bepensa right now."

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Evolving Toward a More Risk-Based Approach to Auditing

Humberto, who reports to the audit committee of the board, has witnessed a lot of change at Bepensa over the 22 years that he's worked for the group — including in his previous role as chief financial officer. Today, Humberto leads a team of 36 auditors and three general managers, who are based either in Mexico or the Dominican Republic. One general manager oversees Bepensa's beverages and spirits divisions, another is responsible for the industrial and automotive divisions, and the third is focused on the company's financial services.

An overarching strategic goal for the internal audit organization at Bepensa is adding value, according to Humberto. "We're always trying to increase the value of the company," he says. That wasn't a formalized objective when Humberto first took over the function about



six years ago, however. “The audit process was very traditional — very fiscally focused,” he explains. “We needed to modernize and focus more on risk and get the business focused on it, too.”

To drive change, Humberto says the internal auditors started asking open-ended questions of business owners across Bepensa, such as, “What worries you most about your operation?” The team translates the responses it receives into risks, which it then uses to help inform and guide its work on engagements. Humberto says he hopes that this more risk-focused approach to audits will help the function to be viewed as a partner to the company.

“We need to build trust and show we have a process for adding value and minimizing risk exposure,” he says. “It’s not easy, but we’re getting there.”

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Building Resilience Through Continuous Preparation for Change

Applying specialized expertise in key risk areas for Bepensa and its many diverse companies is one way that internal audit is succeeding at growing trust, while also helping the group increase its overall business resilience. For example, Humberto and his team members have anti-money laundering certifications from the Comisión Nacional Bancaria y de Valores (CNBV) in Mexico, also known as the National Banking and Securities Commission. CNBV is Mexico’s banking and securities regulator

and a decentralized entity of the Secretariat of Finance and Public Credit, the country’s finance ministry. The internal auditors have also earned the Anti-Money Laundering Certified Associate (AMLCA) designation from the Florida International Bankers Association (FIBA).

The internal audit team has IT audit certifications in its portfolio of credentials, as well. Monitoring cyber risks has been a particular focus for the function since 2019, when Bepensa was the target of a major cyberattack that significantly disrupted the business for two weeks.

“We gave feedback on the recovery plans and worked closely with IT,” says Humberto. “Within two months, all the issues that had left us exposed to the attack were resolved.” He adds that the extreme disruption of the attack, and all the actions the company took to overcome it and be better prepared for future incidents, likely helped Bepensa to weather COVID-19-related disruption more effectively.

Humberto says he also believes that internal audit’s efforts in recent years to modernize its auditing approach and become more risk-focused allowed the team to be agile during the pandemic — and a more effective partner to leadership at Bepensa. He says everyone on his team now understands even more acutely that preparing for change continuously is a must in today’s dynamic environment.

“We always need to be ready for change, whether Bepensa is acquiring a company, responding to new regulations or adapting to changes in the political environment,” says Humberto. “That is what builds resilience — not responding to something that has already happened. And we need to work on this every day. That’s the only way audit can be respected and looked at as indispensable to the company.”



Adapting to change includes embracing different tools and strategies to meet new challenges. During the pandemic, Humberto and his team have had to rely heavily on technology to conduct their work. Many of Bepensa's companies were considered essential businesses during the crisis, so they didn't have to close — but they did need to implement new safety measures for their employees, like conducting temperature checks and instituting social distancing.

To help gauge whether Bepensa was controlling risks in the “new normal,” Humberto says his team used creative means, like equipping designated employees on-site with cameras and then providing instructions on how to check whether critical practices were being followed. “Technology has helped us when we haven't been able to audit in person, although it's always preferable to see things with your own eyes,” he says.

Thinking Outside the Box to Revolutionize the Audit Process

Bepensa's deep commitment to sustainability and social responsibility issues are no doubt also helping the company to increase its business resilience over time. It promotes sustainable development of its people, it's actively working to reduce its environmental impact throughout its operations, and it aims to make a positive impact in the communities it serves through its Bepensa Foundation. And Bepensa's five strategic pillars — people, security, financial discipline, focus on clients and corporate responsibility — are based on the vision and thinking of Fernando Ponce G. Cantón, who founded the company in 1946.

When recruiting talent for his internal audit organization, Humberto says he looks for professionals who will help the company uphold its values, as well as “think outside the box” and speak their mind. “You need to take risks when making recommendations to the business,” he says. “Internal audit needs to challenge the controls and their design and offer ways to mitigate risks. Some auditors worry that they will make a recommendation and, if it doesn't work, then the business is going to say, ‘We did it because internal audit recommended it.’ But if we don't take risks and make those recommendations, we're never going to help move the company forward in an environment that's constantly changing.”

One thing that has changed since the pandemic started and likely will become a permanent situation for many employees throughout Grupo Bepensa is remote work. “Even when we return to normal, many positions aren't going back to the office,” says Humberto. “But despite all the risks and chaos we've experienced this past year and will likely see as we transition to the new normality, there are opportunities emerging. For example, right now we're looking at the money the business could save over the long term because of the shift to remote work.”

Humberto adds, “That's another way internal audit adds value to the business and helps it become more resilient — by looking at how to increase efficiency and reduce costs. Is there a better way to do something that will create benefits? Again, that's why I need auditors to think outside of the box. That's how we're going to revolutionize the audit process and move faster than perhaps we need to, just to make sure we are always prepared for change.”