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GIM Frontier Markets: Costa Rica and Panama

Winter 2022

Saturdays: 1/29, 2/19, 3/5

9:00am-12:00pm, 1:30-4:30pm

Professor Dan Keeler

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GIM Program Purpose and Objectives

GIM Purpose:

- For students to develop a foundation of knowledge about global sectors and economies through classroom learning and in-country immersion.

GIM Objectives:

- To gain a foundational understanding of the macroeconomic trends, politics, history and culture of a country or region outside the United States.
- To experience firsthand through meetings with government officials and company representatives the economic ecosystems, business practices, market dynamics, and future opportunities and challenges of a particular country or region.
- To develop the skills necessary to collaborate with peers on a project that analyzes and proposes solutions to a particular problem within a sector of industry, including the skills required to set up and conduct independent business meetings abroad.

Course Description and Objectives

Frontier markets—countries such as Nigeria, Vietnam, Panama, Costa Rica and Romania, whose financial markets are considered insufficiently transparent or liquid to qualify as emerging economies—are home to almost a third of the world’s population. Of the 10 fastest growing economies worldwide, eight are frontier markets, according to HSBC. Half of the countries that global advertising agency, Ogilvy & Mather, determined would be key to middle-class consumer growth over the next decade are frontier markets.

They are also hotbeds of innovation in sectors such as fintech, healthcare, communications, clean energy, tourism and cashless payments. They often have large populations eager to find their way to a more secure and prosperous future, leveraging hard work, creativity, education and ingenuity to get there. And as the world has adapted to the constraints of the global pandemic, developments in manufacturing, trading and technological innovation in frontier markets have accelerated and broadened.

For multinational companies and for portfolio investors, frontier markets represent an unrivaled opportunity to tap into a rare growth story that combines a swelling population, rising incomes, rapidly increasing connectivity, innovative business communities, and surging economic growth. For aspiring business leaders, frontier markets offer access to a growth story that will not only be professionally fulfilling and diverse, but can also have tremendous human, environmental and social impact.

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This course will provide students with a clear understanding of the opportunities and challenges in frontier markets with a particular focus on the Central American nations of Panama and Costa Rica, as well as a vision for how they can play a part in the development of some of the world's most dynamic economies, businesses, peoples, and ideas.

One of the exciting aspects of frontier markets is their extreme diversity. Panama, for example, is deeply connected to the global economy, both through its banking, finance and legal industries and its pivotal role in world trade. While relatively small in population and area, it packs an outsized global punch.

Costa Rica, while less intertwined with the global economy, is a highly regarded economic success story. Leveraging its peerless environmental assets, its hard-working, welcoming and inclusive population and its strategically advantageous location, Costa Rica has become a sought-after location for global businesses and digital nomads alike.

During our in-country trip we will meet government ministers, regulators and senior business leaders to gain a deeper understanding of the economies of these two dynamic frontier markets. We will also have time to explore the natural environments of two of the world's most ecologically diverse and vibrant countries.

Attendance Policy

Attendance is mandatory in all GIM classes as well as in in-country plenary meetings. The only excused absences are unanticipated illness/quarantine or family emergencies. Because GIM classes only meet for 21 credit hours, if a student misses a Saturday class with an unexcused absence, they will be missing over 20% of the class (the threshold for being dropped from a Kellogg course) and be dropped from the class as well as from the GIM trip.

Sickness or Quarantine:

If a student needs to miss class due to illness or quarantine only, they should request approval using the form linked in Canvas. Once a student's absence is excused, they may access Zoom in Canvas keeping in mind that accessing the link without an approved excuse is an Honor Code violation.

Recruiting:

Students are expected to conduct their recruitment interviews around their course schedules. If you have an interview scheduled at the same time as this class, please work with the company to reschedule your interview for another time. If you need help on how to have that conversation or make that request, please reach out to the Career Management Center (CMC) for support.

Role of the In-Country Advisor

Throughout your GIM trip, you will be accompanied by an in-country advisor, Matthew Temple, Director of Alumni Career Services at Kellogg. The in-country advisor is responsible for the integrity and quality of the

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in-country experience. Among other logistical roles during the trip, he will be assessing each student’s level of participation during the plenary meetings and will be assigning 15% of the students’ overall grade.

Course Materials

Students must sign up for the WSJ’s weekly emerging- and growth-markets newsletter via link at https://www.wsj.com/newsletters?sub=376

Course Schedule and Assignments

Week 1/morning	1/29/22
<i>Topics:</i>	Welcome to the frontier: An introduction to the class, why frontier markets matter, and why everyone who isn’t paying attention to them will be kicking themselves a decade from now. Student and lecturer introductions.
<i>Speakers:</i>	Alison Graham, CIO, Voltan Capital Stephen Wilson, co-founder, Wilson Perumal
<i>Assignments due:</i>	Do some research on some of the key frontier markets—Vietnam, Nigeria, Pakistan, Romania, Kenya, Costa Rica, Uzbekistan, for example—and come to class prepared to explain which of the ones you studied excited you the most—and why.

Week 1/afternoon	1/29/22
<i>Topics:</i>	Multinationals in the frontiers. An exploration of the different ways in which multinationals approach or enter frontier markets, and why they choose to do so.
<i>Speaker:</i>	Mike Moriarty, Partner, Kearney

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<i>Assignments due:</i>	<p>Case study: Multinationals investing in Latin America <i>Details TBD</i></p> <p>Additional assignment: Be prepared to discuss your IPG groups with your fellow group members and faculty.</p>
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Week 2/morning	2/19/22
<i>Topics:</i>	<p>Focus on Costa Rica and Panama. We study Panama's and Costa Rica's history, economy and political structure, and learn about the investment environments in the two countries.</p> <p>Frontiers in a post-pandemic world: We will learn how the pandemic has affected frontier markets globally, how different countries responded to it and what the long-term implications might be for their people, their economies, their health-care systems and their relationships with other nations.</p>
<i>Speakers:</i>	<p>Daniel Lansberg Rodriguez, Adjunct Lecturer at Kellogg Nathalie Marshik, managing director, Stifel; Pablo Gonzalez Alonso, managing director and head of Americas, FrontierView Mark Florman, founder, Time Partners</p>
<i>Assignments due:</i>	Detailed IPG project plans and Background Research Review due in advance of this class

Week 2/afternoon	2/19/22
<i>Topics:</i>	<p>China's role in the frontier markets. China has played an outsized role in the frontier markets of Latin America. We look at the spread of China's influence and assets, dissect its strategy and look at the opportunities it presents for all investors, using Costa Rica and Panama to illustrate those themes.</p> <p>Exploring investing opportunities in frontier markets. A masterclass with Euler Bropleh.</p>
<i>Speakers:</i>	<p>TBD Euler Bropleh, managing director, VestedWorld</p>
<i>Assignment:</i>	

Week 3/morning	3/5/22
<i>Topics:</i>	<p>Impact investing in frontier markets. Two great tastes that taste great together!</p> <p>Financial innovation in frontier markets. They might be less developed</p>

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	economically than other countries, but frontier markets have spawned some remarkable innovations and are fertile testing grounds for others. We explore what's already out there and dream up some new strategies.
<i>Speaker:</i>	<i>Tentative:</i> Lauren Cochran, Blue Haven Initiative/Development Finance Corporation Dave Bohigian, former acting head of US government's private investment arm, OPIC. Principal, Pluribus Impact Capital
<i>Assignments due:</i>	Case study: <i>Impact investing in Costa Rica/Panama/Central America.</i> <i>Details TBD</i> In-Country Research Plan

Week 3/afternoon	3/5/22
<i>Topics:</i>	Blockchain and cryptocurrencies in the frontiers. A lively workshop session on how blockchain and cryptocurrencies could be deployed in the frontiers, what impact they'll have, and how people living in frontier markets can benefit. Preparing to visit Costa Rica and Panama
<i>Speaker:</i>	Rus Newton, co-founder, Global Advisors
<i>Assignments:</i>	

In-Country Field Research - March 15th– March 24th

Final Class	4/16/22 9:00am-12:00pm
<i>Topics:</i>	Final presentations Trip debrief
<i>Assignments:</i>	Written IPG reports due before class. Peer evaluations; Airtable IPG information due within one week of final class.

In-Country Academics

Students are reminded that GIM is first and foremost an academic program. 15% of your overall grade will be based on your participation in the plenary meetings and engagement in other activities as assessed by the in-country advisor. In order to achieve a high grade, students are expected to not only attend all

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plenary meetings, but to be actively engaged during the meetings and other learning opportunities in country.

Assessment

Research Project	55%
Background Research	5%
In-Country Research Plan	5%
In-Class Presentation	15%
Written Paper	10%
Peer Evaluation	17%
Airtable IPG information	3%
Participation	45%
In-Class Participation (attendance, discussion, engagement)	15%
In-Class Assignments	15%
In-Country Participation (plenary meeting participation, student role, overall participation; determined by GIM advisor)	15%

GIM Research Project

The core of the GIM class is an independent research project. Groups of 4 to 6 students will select an international business, economic or management issue on which to study in depth and present. The students begin secondary research at the start of the course, incorporating perspectives from the class readings and speakers. They will also spend considerable time in-country speaking with resident experts, gathering local data, and testing their hypotheses and recommendations in the field. In general, the project should be based on original research that contributes to an intellectual body of work but also strives to have practical applications for the market.

Students will present their results to the class during our final session in April.

*(Students must schedule **five to seven** IPG meetings throughout their trip with **at least one** meeting in every city that class visits on a business day. Students are not obligated to schedule meetings in cities that the class visits only for the weekend.)*

Research Topics

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Before the term begins, the faculty will send out a google sheet with a list of broad topics or industries wherein students can then rank their preferences—and also suggest alternative topics. The faculty will then assign students to groups based on topic interest which the students will then refine throughout the term with the help and advice of their faculty member.

Good GIM projects are generally built around interesting, clear, and relatively narrow research topics. Some titles from successful projects from recent years have included “Last-mover advantage—How frontier markets can lead the way in smart cities, sustainable growth and social inclusion” and “High-end retailing in Vietnam.” Weak GIM projects often have excessively broad or unfocused topics such as “An Overview of the Brazilian Beverage Industry.”

Project Report Structure

Final reports should be no more than 10 pages in length, excluding exhibits, and should be considered as supporting material for the presentations. Groups may choose from the following report formats:

- Traditional analytical research paper – A research question is described; competing answers to the question are discussed; evidence collected on the trip is used to argue for or against the alternative answers.
- Industry analysis – A particular industry is surveyed in order to examine a narrowly focused, well-defined topic pertaining to the competitive dynamics of the industry. An example would be an analysis of a market entry opportunity presented to a foreign multinational.
- Business recommendation report – A consulting report recommending specific strategic, operational and organizational actions to solving a clearly defined business issue (e.g.: strategies for overcoming cold-chain logistics and distribution challenges in India.).
- Business or industry case study – A case for eventual classroom use developed with a clear underlying business question in mind. Teams pursuing this option are encouraged to work with Case Publishing before and after the trip to ensure a high-quality product that may eventually be used in the classroom.

Project Deliverables

- **Research Project Proposal** – Each project group will submit a 2-page description of their proposed research topic, including:
 - A description of the specific and narrowly-focused research question(s) to be addressed

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- Description of the topic's importance, timeliness, economic, or social significance
- Identification of possible in-country visits with companies, governmental agencies, NGOs, etc.
- **Background Research Review** – Each project team will submit a review examining secondary information relevant to its research topic. This review may serve as a first draft of the background section of the final project report.
- **In-Country Plan** – This is a detailed matrix of five or more investigative research meetings arranged in country. The best plans will include day/time/location of meeting; name/description of organization; name/title/bio of interviewee; agenda and interview guide for each meeting.
- **In-Class Presentation** – During the final class, each project group will make a presentation in class summarizing their research findings. This is really the core deliverable for the IPG project as it will give each group of students the chance to share the results of their research with the other students and with the professor. It will allow faculty members and students to learn about and provide feedback on the project groups' final findings.

Each team will have 10-15 minutes to present and 5 minutes for audience questions and suggestions.

- **Written Report** – The final report, up to 10 pages long before exhibits and appendices, prepared according to one of the formats discussed above.
- **Peer Evaluation** – Each member within the project group will assess every other member's contributions to the project through a confidential peer review form that takes into account each member's intellectual contribution, initiative and organization, workload contribution and overall contribution.
- **Airtable IPG Database**– Maintained by the Global Experience Office, the Airtable IPG Database serves as a repository for IPG contact information shared amongst multiple years of GIM students. About a week before final reports are due, the GEO will be sending out a link to the platform for each IPG group to fill out with information about their contacts. Please note that the requirement for filling out the google sheet is due at the same time as the written report.

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Kellogg Honor Code and the Kellogg Code of Classroom Etiquette

This course adheres to the guidelines established in the Kellogg honor code and code of classroom etiquette.

The students, faculty and administration of The Kellogg School of Management, are committed to the highest levels of integrity, professionalism, and respect for others, both inside and outside the classroom. We have a responsibility to behave ethically in all situations, to represent honestly our own contributions and those of others in all the work we perform, and to acknowledge and respect diversity in individuals and cultures.

We recognize that while we are individually accountable for our actions, we are also ambassadors of our school and therefore accountable to the larger Kellogg and Northwestern communities. Adherence to our values allows Kellogg to maintain its global distinction as having a unique culture of collaboration, social engagement, innovation, and an open exchange of ideas.

The purpose of the Kellogg Honor Code is to promote our values of integrity, professionalism and respect for others so that each student can fully develop intellectually and professionally within our community.

The Kellogg Code of Etiquette has been established to create a shared set of expectations and values around the classroom experience for the Kellogg community. These guidelines are meant to sustain a supportive classroom and community environment for students and faculty alike and to enhance student learning.

All Kellogg students are expected to abide by the Code of Classroom Etiquette, all policies and requirements of Northwestern University as represented in the Northwestern University Student Handbook, and all applicable laws and regulations, both on and off campus. The Honor Code Committee reserves the right to refer cases to other Northwestern University offices or procedures as it deems appropriate in its discretion.

Students can find useful resources for safety and security, academic support, and mental and physical health and well-being on the NU help website and app.

Accessibility

If you already have established accommodations with AccessibleNU, please let me know as soon as possible, preferably within the first two weeks of the term, so we can work together to

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implement your disability accommodations. If you do not yet have accommodations established and anticipate or experience disability-related barriers in the academic setting, please contact AccessibleNU to move forward with the accommodation process (e: accessiblenu@northwestern.edu; p: 847-467-5530). Disability information, including academic accommodations, is confidential under the Family Educational Rights and Privacy Act.

COVID-19

Students, faculty, and staff must comply with University expectations regarding appropriate classroom behavior, including those outlined below and in the [COVID-19 Code of Conduct](#). With respect to classroom procedures, this includes:

- Policies regarding masking and social distancing evolve as the public health situation changes. Students are responsible for understanding and complying with current masking, testing, Symptom Tracking, and social distancing requirements.
- In some classes, masking and/or social distancing may be required as a result of an Americans with Disabilities Act (ADA) accommodation for the instructor or a student in the class even when not generally required on campus. In such cases, the instructor will notify the class.

If a student fails to comply with the COVID-19 Code of Conduct or other University expectations related to COVID-19, the instructor may ask the student to leave the class. The instructor is asked to report the incident to the Office of Community Standards for additional follow-up. Students who fail to comply with current or future COVID-19 protocols will be referred to the Office of Community standards to face disciplinary action, including escalation up to restriction from campus and suspension.

Maintaining the health of the community remains our priority. If you are ill for any reason, please do not attend class. Students who are ill, who must quarantine, or who experience a personal emergency should contact the instructor as soon as possible to arrange to complete coursework and access class recordings. Should public health recommendations prevent us from holding class in person on a given day, the instructor or the university will notify students.