GLOBAL INITIATIVES IN MANAGEMENT

Latin America: Brazil and Argentina

Russell Walker, Ph.D.
Clinical Associate Professor &
Associate Director of the Zell Center for Risk Research

Kellogg School of Management
Northwestern University
2001 Sheridan Road
Evanston, IL 60208

COURSE SYLLABUS 06-28-13

Course Objective: To provide Kellogg School of Management MBA students a global learning experience, rich with strategic insights about doing business in Latin America. Emphasis will be given to the emerging and vibrant populations and economies of Latin America have attracted investment and business attention. This is an introductory course on Latin America business that is primarily geared to students who have not done extensive business outside of the United States, but want a better understanding of short and long-term international strategies, cultural and financial differences, history, partnerships and actual working experiences.

Course Expectations and Deliverables: It is expected that students will do all reading and case assignments and be prepared to discuss the material in the classroom. Students must attend every class or provide a reasonable explanation prior to missing a class session. Likewise, on the overseas trip students must attend all meetings and presentations or these absences will be directly reflected in their individual grades. Specific deliverables are outlined by week and defined at the end of the syllabus.

Role of Faculty Advisor: The primary responsibility of the faculty advisor is to provide research oversight on the study of Latin America and to serve as a resource in executing the course project. The advisor will not be accompanying the class on the trip, but will assist in the research aspect of this course. The faculty advisor also will evaluate and grade each team's research project.
Pre-Trip Meetings:
Each group is invited to meet with the faculty member during the academic term in order to discuss project goals and resource needs.

Grading for the course is based on the following:

In-Class and In-Country: 30%
• IPG, Plenary and Trip Attendance and Participation in country (GIM Advisors to provide in-country feedback) 15%
• In class participation (attendance, engagement, classroom observations, etc.) 15%

Independent Research Project: 70%
• Research Proposal: 5%
• Literature Review and Bibliography: 5%
• Mid-point review: 5%
• Pre-trip presentation: 5%
• IPG plan: 5%
• Written report 25%
• Post trip presentation: 5%
• Peer evaluation: 15%

Note: Since the role of the team is critical to the experience of all in GIM and material to the course, students will receive full letter grade deductions from 1) strongly negative peer evaluations or 2) actions distributive to the in-country experience.

Recommended and Distributed Books:

Business Cases for Class Discussion and Background Reading
Course Schedule
GIM Latin America 2013

Week 1: June 29 (Class 1) 9AM -1PM
Introduction to GIM
Getting Started with the Research/GIM Approach
Class Topic: The Global Economy and Trade and Latin American Economies
Guest:
- Professor Edward Gibson, Northwestern University at 11 AM
- Carol Doyle: Northwestern Librarian on Research Methods at 10 AM

Week 2: July 6 (Class 2) 9 AM-1PM
Class Topic: Commodities and Sourcing in Latin America
Guests:
- Dr. Paulo Vieira da Cunha from Tandem Global Partners, “Macro Economic Realities and Projections on Latin America”
- Dr. Christine Dunn, Kellogg School of Management

Week 3: July 13 (Class 3) 9AM -1PM
Class topic: Risk in Latin America
Guest:
- Luis Mateus, Executive formerly of ITW and Head of Latin American and Emerging Markets. Mr. Mateus is a Kellogg graduate and native of Colombia.

Deliverable: Research Proposal

Week 4: July 20 (Class 4) 9AM – 12PM
Class Topic: Commodities and Sourcing Continued
Guest:
- Professor Peter Sanchez, Loyola University “Political Trends and Impacts to Business in Latin America”

Week 5: July 27 (Class 5) 9AM – 12PM
Guests:
- Professor R. Benjamin Penglase, Loyola University
- Professor Eric Leininger, Kellogg School of Management “Global Marketing for Latin America”
- Sanjay Khosla, Kraft Executive of International Markets and Kellogg Senior Fellow of Customers and Markets (11 AM).

Deliverables: Midpoint Check-in and Literature Review and Bibliography
Week 6: No Class
   Recommended that teams convene on project work.

Week 7: August 10 (Class 6) 9 AM – 12PM
   Class Topic: Emerging Middle Class Globally
   Class Topic: Strategies in International Business (Focus on Latin America)
   Starbucks Case

Week 8: August 24 (Class 7) 9AM - 12PM
   Deliverables: In-country plan and pre-trip presentation

   Pre-trip IPG Schedule Presentations and Research Plan Presentation
   Final Trip Review
   Team Goals and Meetings
   Bonus Class Topic: Introduction to Wines of Latin America

Week 9: September 28 (Class 8) 12PM – 1:30PM
   Deliverables: Final paper in e-mail and written, hard form, final presentation

   Post-trip Presentations and Research Findings Presentation
   Final Trip Review
   Team Presentations

   Peer/Self Evaluations Due.
   Peer and Self Evaluations should be e-mailed to Professor Walker.

   September 28 FINAL DELIVERABLE DUE
   Final deliverable due by 12 PM.
Team Project
The major deliverable for this course is a team “project paper” addressing an aspect of doing business in Latin America. This paper can take many forms (see below). Students are not permitted to propose an individual paper, given the amount of work needed to produce the final project and the team aspect of the experience.

In general, expect to conduct the major body of research (about 70-80%) before the trip. In fact, it is hard to have successful meetings on the trip without good research beforehand. Thankfully, with access to the Northwestern Library on-line, professional networks, books, and other on-line resources, there is a wealth of information for research. The course will also have a very strong assembly of articles, cases, and texts for your use in project research.

Pre-trip Presentation
Student groups will be responsible for making a 10-15-minute pre-trip presentation about their pre-trip research, specific topics of interest, objectives of their project and scheduled meetings with companies, organizations and individuals while they are in the Latin America. Each group should also define open-ended questions that they hope to answer on the trip by sharing this information openly, we expect groups to assist each other and gain from each other’s networks and meetings. These presentations will take place before the trip as per the syllabus. Each group should prepare a presentation to the class and some document that will be shared with all members of the trip, highlighting the items mentioned before.

Final Paper and Submission
An electronic version of the paper/deck should be e-mailed to: russell-walker@kellogg.northwestern.edu by the deadline listed below. The final paper (electronic copy) is due by 12 PM on September 28, 2013 at Professor Walker’s email and the GIM office email. Physical and hard copy is to be submitted at this time, too. Late submissions will result in penalties.

Individual Project Group Peer Evaluations
Group involvement is essential for the individual and aggregate success of the course. Each member of a group will complete both a Peer and Self Evaluation through confidential forms submitted to the course faculty advisor. Reviews on all members are required. Missing reviews may result in a grade of Incomplete for all team members.

INDDEPENDENT PROJECT GROUPS (IPGs)
The core of the GIM class is the independent research project (IPG). Groups of 4 or 5 students will select an international business, economic or management issue to research in depth. The students begin secondary research on their topic during the winter term,
incorporating perspectives from the class readings and speakers, and spend considerable
time in-country speaking with resident experts, gathering local data, and testing their
hypotheses and recommendations in the field.

**Research Topics**

Student teams develop their own research topics; they do not choose from a pre-defined list supplied by the faculty member or GIM Advisor. Good GIM projects are generally built around interesting, clear, and relatively narrow research questions. Weak GIM projects have often been lengthy and unfocused industry descriptions, e.g., “The Brazilian Beverage Industry,” or “Challenges and Opportunities in Japanese Real Estate.”

**Research Report Structure**

Results of the research must be presented in a report of approximately 20-25 pages in length before exhibits. Students, in consultation with their professor, 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
  - Description of the topic’s importance, timeliness, economic, or social significance
  - Identification of possible in-country visits with companies, governmental agencies, NGOs, etc.
· **Literature Review and Bibliography** – Before departing for in-country portion of the class, each project team must submit a literature 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 Research 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** – After returning from their trips, each IPG will make a preliminary presentation in class summarizing their research findings. It is suggested that each team be given 10 minutes to present and 5 minutes for audience questions and suggestions.

· **Written report** – The final report, generally 20-25 pages long before exhibits and appendices prepared according to one of the formats discussed above.

In addition to turning in their papers to their professors, students should submit an electronic copy to the GIM Office on the agreed upon date.
Speaker Biographies

Professor Edward Gibson

Edward L. Gibson is Professor of Political Science at Northwestern University. His current research focuses on conflicts and dynamics of democratization in Latin America and the United States. Previous work has addressed the politics of federalism, party politics, and market reform in Latin America. He has published three books, most recently Boundary Control: Subnational Authoritarianism in Federal Democracies (Cambridge, 2012). Boundary Control addresses the problem of subnational authoritarianism in national democracies via a comparison of the “Solid South” in 19th and 20th century United States and contemporary Argentina and Mexico.

His previous books are Federalism and Democracy in Latin America (Johns Hopkins, 2004) and Class and Conservative Parties: Argentina in Comparative Perspective (Johns Hopkins, 1996). He has also published articles in edited volumes and journal articles in, among others, World Politics, Comparative Politics, and Studies in Comparative International Development.

The first political scientist to be awarded a Faculty Early Career Development Award (CAREER) by the National Science Foundation, Gibson also has received research support from the Howard Foundation, the Searle Kinship Foundation, and the Harvard Academy for International and Area Studies. He has also won numerous teaching awards including Northwestern University’s Charles Deering McCormick Professorship of Teaching Excellence, a three-year endowed chair. He received his Ph.D. from Columbia University.
Dr. Paulo Vieira da Cunha is the Former Deputy Governor of the Central Bank of Brazil and member of the Monetary Policy Committee. Dr. Paulo Vieira da Cunha was Brazil’s representative at the G20 meetings of Central Bank Governors and Finance Ministers until January 2008. He joined Tandem Global Partners in September 2008 at the inception of its Emerging Markets Fund. In addition to his work as Tandem’s Head of Emerging Markets Research, Dr. Vieira da Cunha is a consultant to the International Monetary Fund (IMF) and a visiting scholar at Columbia University. He serves on various boards, including the Board of Directors of the Brazilian American Chamber of Commerce.

For nearly a decade, he produced and managed research on Latin America for the global securities industry, first at Lehman Brothers and later at HSBC where he managed research teams in Buenos Aires, Mexico City, New York and São Paulo. Before that, he worked 12 years in research, policy and management at the World Bank including as deputy director and lead economist for the Mexico program. Prior to joining the World Bank, he was the CFO of a large state enterprise in the State of São Paulo (Prodesp) as well as advisor to the Secretary of Budget and Finances on the issues of renegotiation of domestic and foreign debt. He participated in the preparation of the Cruzado Plan and was a researcher at major Brazilian research institutions, including IPEA in Rio de Janeiro and CEBRAP in São Paulo, in addition to holding the post of Associate Professor of Economics at the Federal University of Rio de Janeiro. For several years, he was editor-in-chief of Pesquisa e Planejamento Econômico, the leading Brazilian academic publication in economics.

In addition to his writings for the market, he is the author of numerous publications on labor markets, the economics of inflation and macroeconomics. Dr. Vieira da Cunha is a frequent commentator at Bloomberg TV, TV Globo, CNN-Expansión, BBC Radio and other international media. Shorter pieces of his writing or interviews have appeared in dozens of U.S. and Latin American newspapers and periodicals. He lectures worldwide to groups including recently Österreichische Nationalbakin, The Reiventing Bretton Woods Committee, Inter-American Development Bank, Brazilian Steel Institute and Colombian Banking Association. He is a member of the American Economics Association and holds a Ph.D. from the University of California at Berkeley.
Mr. Luis Mateus

Luis Mateus is a high level executive with track record of, revitalizing and growing global businesses, negotiating and integrating acquisitions, leading strategic planning, and expanding operations in emerging markets including overseeing all aspects of establishing greenfield operations. He excels at creating and managing high-performing teams, at driving innovation, improving execution, achieving profitable growth, and managing key customer and supplier relationships. He has a strong financial acumen and a record of success improving financial results. Multicultural and multilingual, he is fluent in Spanish and conversant in Portuguese.

Luis has held a series of increasingly senior positions in Corporate Management, Engineering and Marketing for Illinois Tool Works (ITW), an $18-billion, diversified manufacturer of industrial products, most recently serving as Group President, Asia Pacific, Russia/CIS, and Latin America Industrial Packaging. During his career at ITW, Luis revitalized and led operations in the U.S., Europe, Latin America, India, ASEAN, Russia/CIS, China, Japan, Korea, and Australia, with responsibility for all aspects of the business, including manufacturing, sales, marketing, human resources, finance, legal, and strategic planning. He built the Latin America operation from a $7-million breakeven business into a profitable, $100-million business.

Luis holds an MBA with majors in Finance, Marketing, and International Business from Northwestern University in Evanston, Illinois and a degree in Mechanical Engineering from the Andes University in Bogotá, Colombia. Luis was a member of the USA Trade Mission to Latin America, a high-level team tasked with developing business opportunities with Chile and Peru in conjunction with the Free Trade Agreement. He has also been a speaker at the Kellogg School of Management, The Chicago Council on Global Affairs, the Chicagoland Chamber of Commerce, and the Executives' Club of Chicago.
Professor Peter M. Sanchez

Peter M. Sanchez is professor of political science at Loyola University Chicago. He earned his PhD and MA in government from the University of Texas at Austin, and his BA in political science from the University of Florida in Gainesville. Dr. Sanchez is the author of Panama Lost? U.S. Hegemony, Democracy, and the Canal (University Press of Florida, 2007). He is also author of articles published in numerous journals such as International Politics, The Latin Americanist, Annals of Tourism Research, and Journal of Developing Areas. Dr. Sanchez was a Senior Fulbright Scholar in Panama in 1997-1998. He has also conducted research in Cuba, the Dominican Republic, El Salvador, Guatemala, and Peru. Prior to teaching at Loyola, he taught at the US Air Force Academy in Colorado. He has taken students to Cuba, taught on Semester at Sea in summer 2007, fall 2010, May 2012, and taught at Loyola University’s Campus in Rome. In 2010, he won the highest teaching award at Loyola University Chicago. Dr. Sanchez is currently working on a new book, Priest under Fire: Padre David Rodríguez and El Salvador’s Revolutionary Movement, about a Salvadoran priest who joined the armed insurgency in the 1980s and after the war was elected to the Salvadoran congress.
Professor Eric Leininger

Eric Leininger joined the Kellogg School faculty full time in September 2010, coming from McDonald’s Corporation, where he was corporate senior vice president since 2004. He has been an affiliated faculty member at Kellogg since 2007.

Eric’s teaching assignment includes the courses “Global Marketing” and “Global Initiatives in Management-China” across the full-time, part-time and executive MBA programs. Eric is also a regular contributor to other courses in the school’s executive programs, including “Customer Insight Tools” and “Kellogg on Branding.”

In addition to his teaching responsibilities, Eric is associate director of the Center for Market Leadership. There, he is building the center’s long-range plan, including developing executive education and establishing an annual Marketing Leadership Conference.

Eric was a member of McDonald’s Senior Leadership Team, comprised of the business unit leaders and the global, C-suite functional leaders. His primary responsibility was consumer and business insights; additionally, he was responsible for McDonald’s marketing training and global marketing planning. Jim Skinner, McDonald’s CEO, says “connecting with our customers is the essence of what we do at McDonald’s, and Eric’s leadership and innovative work were invaluable in making that happen.”

Eric joined McDonald’s from Kraft Foods, where he had held a variety of marketing services and information positions for 11 years, including senior vice-president of marketing services, vice-president of consumer insights and strategy, and director of sales information and technology for the Kraft Foods sales organization. Prior to Kraft, he held leadership positions at ACNielsen and Quaker Oats.

He is a member of the Marketing Advisory Board for the Museum of Science and Industry in Chicago. Eric was a long-term member of the board of directors of the Association of National Advertisers, and served as treasurer and chair of its Finance Committee. He was also a long-term member of the National 4-H Council where he was vice-chair and a member of the Executive Committee.

Eric received his MBA from the University of Michigan, where he was elected to Beta Gamma Sigma. He also holds a master’s degree from the University of Virginia and a bachelor’s degree from the University of Pennsylvania.
Sanjay Khosla was President, Developing Markets of Kraft Foods (now Mondelez International) from Jan 2007 to March 2013, responsible for 65,000 people in over 60 countries and iconic brands like Cadbury, Oreo, Milka, Trident. During his tenure, Khosla:

- Transformed the business from $5 Billion to $16 Billion in 5 years (doubled the business organically) while dramatically improving profitability and cash flow
- Transformed brands like Oreo from $200 million to a $1 Billion and Tang from $500 million to $1 Billion in 5 years in developing markets
- Helped to spearhead and successfully integrate the acquisition of Cadbury (bought for $20 Billion) and Danone biscuits (bought for $7.8 Billion)

Before joining Kraft Foods, Khosla turned around the $3 Billion consumer business of Fonterra, a global dairy company based in New Zealand. Prior to his tenure at Fonterra, Khosla enjoyed a successful 27-year career with Unilever based in the UK, Europe and India. Khosla implemented a bold programme (Paint the World Yellow with Lipton) as Chairman of the Global Category Board for Unilever Beverages. Khosla also created the Wheel detergents business in India, which has become Unilever’s largest brand in India.

Khosla is on the Board of Best Buy Inc, USA and Niit Ltd, India. Khosla was previously on the Board of Hindustan Unilever, India; Co-Chair of the Nestle/Fonterra joint venture for the Americas; and on the Board of the Lipton /Pepsi joint venture.

Khosla graduated from the Indian Institute of Technology, New Delhi and completed the Advanced Management program from Harvard University.

Khosla has lectured extensively at Universities in the US and in forums such as the Economist conference in London and Davos.

Khosla developed Focus 7: a 7-step model to achieve profitable growth through Focus (with Professor Sawhney of Northwestern University) which is applicable across industries.
Dr. Christine Dunn

Christine Dunn received her Ph.D. in Medieval Europe History from Indiana University in 2012. Her dissertation, “Mary, Martha, Lazarus, and Francis: The Heresy of the Spiritus Libertatis in Late Medieval Italy” examines the intersection between mysticism and heresy within the medieval Franciscan Order. Christine has received national research grants from the Medieval Academy of America and the American Catholic Historical Association and has held a Future Faculty Teaching Fellowship at Indiana University Southeast in New Albany, Indiana. Christine currently works with the Global Initiatives in Management (GIM) Program in the Office of Global Programs at the Kellogg School of Management.
Ben Penglase received his Ph.D. from Harvard University in 2003. He is a cultural anthropologist with research experience in Brazil. His most recent research project, based on fieldwork with residents of a favela (or squatter neighborhood), in Rio de Janeiro, Brazil, analyzes how drug trafficking, police violence and inequality are reshaping Brazilian society. His research interests include race and gender in Brazil, the cultural effects of globalization and neoliberalism, urbanization, human rights and cultural relativism, and Latin American social movements. Dr. Penglase has a joint appointment in Anthropology and Latin American Studies at Loyola University Chicago.