

Boot Camp for Latin American Entrepreneurs

Joint program between The Chazen Institute of International Business at Columbia Business School, Escuela de Negocios Universidad and Endeavor Global completes successful first year

Latin American entrepreneurs have the drive and creativity to build successful ventures but face obstacles that business owners in other countries don't. Laws and tax policies in Latin America often don't favor small- and medium-sized enterprises, and access to financing is haphazard at best.

A recent joint program between The Jerome A. Chazen Institute of International Business at Columbia Business School, Endeavor Global Inc., and Escuela de Negocios Universidad Torcuato Di Tella has helped close that gap. The program, Entrepreneurship and Competitiveness in Latin America (ECLA), gathered 15 business owners from countries including Argentina, Brazil, Chile, Mexico, Peru, and Uruguay for a yearlong course of study that encompassed online lectures, three weeks of core classes at Columbia Business School, a week of classes at Escuela de Negocios Universidad Di Tella in Buenos Aires, and a weeklong study tour in South Korea.

The program gave participants the skills and tools to sustain a competitive advantage in a global marketplace. The curriculum included:

- developing and honing a knowledge of macroeconomics, enabling participants to capture opportunities and meet the challenges of entering new markets,
- exposing participants to business culture of other countries,
- enabling participants to develop and implement a project to improve their company, with measurable results and impact, and
- helping participants establish a network of industry coaches, academics, business leaders, and other Latin American entrepreneurs.

“This year’s program was a great success,” said Nelson M. Fraiman, a professor of professional practice in the Decision, Risk, and Operations Division at Columbia Business School and a member of the ELCA Advisory Council. “It’s a must for entrepreneurs who want to excel at what they do. The program is intense and demanding, but it’s worth it.” Support for the program was provided by Telefonica and Sovereign Bank.

Participants from this year’s program agreed. “The program gave us very relevant insight on our organization’s processes,” said Silvina Leibenberg, executive director of Lolita S.A., a retail clothing chain headquartered in Uruguay. “During the first part of the course, we focused on improving logistics that affect inventory turnover. In the second part, we redefined our international strategy; we have decided to expand in countries where we are already present and penetrate the Chilean and Peruvian markets as well. And the study trip to Korea gave us unique perspective on how to manage a world-class business.”

Other participants praised the access to a cross-section of experts. “The strategic perspective from the professors, the practical lessons from my classmates, and the enlightening atmosphere helped me to think big and about how to take my company to the next level,” said Max Grekin, CEO of SKM Seaprende, an e-learning company in Chile.

The program consists of six modules. During Module One, held in New York, students take two weeks of core classes. Each entrepreneur also prepares a proposal for a process improvement project for his or her company, with the help of faculty advisors and industry coaches. Module Two consists of online lectures and case studies that help students make their businesses more efficient and competitive. Module Three, a weeklong study trip, enables students to glean best practices from successful business owners in another culture. Module Four, held in Buenos Aires, focuses on current trends in global business. Students also present the results of their process improvement projects. Module Five, which takes place online, helps students identify the opportunities and challenges associated with cross-border expansion.

During the final module, participants showcased their business growth plans for Columbia Business School and Universidad Torcuato Di Tella faculty, as well as New York venture capitalists.

One presenter was Ivan Barchese, CEO of Mextra, a leading vertical supplier of metallic alloy powders and tablets for aluminum products headquartered in Brazil. (Mextra is a main suppliers of metallic alloy tablets for Alcoa Brazil and Alcan Brazil, and it recently added Alcan USA to its client list.) While in the ECLA program, Barchese identified three key steps for expanding his company's sales and production capabilities: First, since Mextra's business is capital intensive, the company needs to secure financing from banks and outside investors. Second, it plans to expand and improve its aluminum recycling plant. And third, the company will install a furnace to make a higher-priced variety of iron powder, which will improve profit margins.

Two other ECLA participants, Nicolás Loaiza and Paola Rezk, looked to ECLA to help them fuel major growth in their health club business, Bodytech. With 37 branches in Colombia, Bodytech is the largest chain of gyms in that country. Plans are now in place to expand to Peru, where it already has two branches, and Chile.

"Being part of the ECLA program was really exciting," said Loaiza. "It allowed us to interact with other entrepreneurs, learning from them and being able to contribute to their projects. It provided useful insights to help us implement both a customer retention project and a growth project, from which we are already obtaining positive results."

During the final module in New York, ECLA participants visited the Gilt Group, an online retailer founded in 2007 that offers designer apparel and accessories, designer home goods, and high-end travel destinations at discounted prices. The firm grew sales from \$25 million to \$170 million in two years. Crystal Caligiuri, Gilt's senior director of operations, shared her experience in scaling operations to support growth. Participants also visited the headquarters of Bloomingdale's, where Mike Gould, chairman and CEO, shared the company's strategy to improve customer service.

On the last day of the program, Emilio Botin, chairman of Banco Santander, a sponsor of the ECLA Program, announced a collaborative agreement between Banco Santander and Columbia University to support the development of the ECLA program for the next three years.

Next year's program will include case studies developed from this year's participating companies.

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