

## 1. Planning Session

### **Planning Meeting May 23-24, 2001 ITESM Campus Monterrey Monterrey, Mexico**

The first formal meeting for the IDB/MIF Burkenroad Reports for Latin America was a planning session attended by the deans and project directors from each of the participating institutions. The meeting was held in Monterrey, Mexico. The following participants attended this meeting:

Dr. John M. Trapani III  
BRLA Project Director  
Tulane University

Mr. Daniel Moska  
BRLA Project Director  
ITESM

Dr. German Creamer  
BRLA Project Coordinator  
Tulane University

Dean Gerardo Lujan  
DACs  
ITESM

Dr. Pamela Shaw  
BRUS Project Coordinator  
Tulane University

Moises Benavides  
BRLA Project Manager  
ITESM

Dean Jorge Hernan Cardenas  
Faculty of Business Administration  
Universidad de los Andes

Jonathan Cole  
Rector, IESA  
Caracas, Venezuela

Dr. Maria Lorena Gutierrez  
Associate Dean/BRLA Project Director  
Faculty of Business Administration  
Universidad de los Andes

Nelly Letjer  
Dean, IESA  
Caracas, Venezuela

Jose Maria del Castillo  
Professor of Finance/Marketing  
Faculty of Business Administration  
Universidad de los Andes

Dr. Eduardo Pablo  
Professor of Finance  
IESA  
Caracas, Venezuela

At this meeting each participating institution presented their plans for implementing the BRLA project at their own institution. The major conclusions of May planning meeting in Monterrey and the related recommendations are given below.

### **COURSE CONTENT OF BURKENROAD REPORT PREREQUISITES AND THE FIRST BURKENROAD REPORT**

Based on our review of the curriculum of each university, we include recommendations for the two-course Burkenroad Report sequence (hereafter referred to as Course I and Course II) for each school. The sequence for each school is scheduled to start in fall 2001. Recommendations for each school are shown below. Our recommendations are designed to assure that Course I prerequisites and the content of Course I prepare students for meeting with companies and preparing the Burkenroad Report in Course II.

Course I and/or the courses that are prerequisites to Course I will include the following topics:

- Introduction to the Burkenroad Report methodology
- Preparation of financial statements including income statement, balance sheet and cash flow statement
- Analysis of profitability, liquidity, risk and return ratios
- Accounting process including journalizing and summarizing reportable economic events
- Study of the accounting standards and required disclosures in financial statements prepared in accordance with country-specific generally accepted accounting standards.
- Quantitative methods for financial forecasting
- Taxation
- Long-term financial planning and growth
- The time value of money
- Discounted cash flow valuation
- Interest rates and bond valuation
- Stock valuation
- Capital investment decisions
- Project analysis and evaluation
- Investment theory
- Financial leverage and capital structure policy
- Dividends and dividend policy
- Cash and liquidity management
- Credit and inventory management
- International corporate finance
- Corporate securities
- Introduction to mergers and acquisitions
- Techniques of financial research and the use of financial databases
- Selected advanced financial topics appropriate for the local capital market

Course recommendations: Tec de Monterrey

Our recommendation for the first Burkenroad report course at Tec de Monterrey is to use the three "Money and Capital Markets" courses offered in the fall semester with appropriate course changes to introduce the Burkenroad Report methodology. A portion

of the students from these three sections will be selected to participate in Course II in the spring.

#### Course recommendations: Universidad de los Andes

Our recommendation for the first Burkenroad report course at Universidad de los Andes is to use their "Corporate Finance" course with appropriate course changes to introduce the Burkenroad Report methodology. This course is offered to undergraduates in the fall and to MBAs and professional MBAs in the spring. Undergraduates and MBAs will take Course II in the spring and summer, respectively. An alternative to the Corporate Finance course is Universidad de los Andes' entrepreneurship course. A portion of the students taking Course I will be selected to participate in Course II.

#### Course recommendations: IESA

Our recommendation for the first Burkenroad report course at IESA is to use the "Evaluation of Companies" course offered in the fall with appropriate course changes to introduce the Burkenroad Report methodology. Students enrolled in Course I will include Masters of Finance students and MBAs. A portion of these students will be selected to participate in Course II.

### **REPORT FORMATS**

Report formats will include the analyst report format currently used by Tulane's Burkenroad Report program and a second business evaluation report format for companies that are either not listed on an exchange or are interested in accessing credit markets. The format of the business evaluation report will include the following sections and subsections.

#### **I. Introduction**

#### **II. Company Summary**

- Company ownership
- Company history (for ongoing companies) or start-up plan (for new companies)
- Company locations and facilities

#### **III. Products and Services**

- Product and service description
- Competitive Comparison
- Technology
- Future Products and Services

#### **IV. Market Analysis Summary**

- Target market segment strategy
- Market trends
- Industry analysis
- Main competitors

## **V. Strategy and Implementation Summary**

- Competitive advantage
- Marketing strategy
- Pricing strategy
- Strategic alliances
- Milestones

## **VI. Management Summary**

- Organizational Structure
- Management Team

## **VII. Risk Assessment**

## **VIII. Financial Plan**

- Important assumptions
- Key financial indicators
- Break-even analysis
- Projected profit and loss
- Projected cash flow
- Projected balance sheet
- Business ratios

Each school will determine the appropriate mix of analyst reports and project reports based upon local market conditions.

## **SOFTWARE AND DATABASE RECOMMENDATIONS**

We evaluated the need for purchasing planning and capital budgeting software for use in Course II. We reviewed several software packages including Comfar (produced by UNIDO) and Business Plan Pro (Palo Alto Software). Based on our review and research, we suggest the use of Business Plan Pro. This program is available in both English and Spanish and is cost-effective for students, universities and entrepreneurs.

Tulane University will provide access to participating universities and their students to several financial databases related to emerging markets. We recommend that each school review its database needs and purchase databases that fulfill the research requirements for Course II according to the conditions of their local markets.

## **WEB PAGE PREPARATION AND MAINTENANCE**

Tulane University staff will prepare and maintain a master web page that will link to web pages for each school. Tulane will prepare a web design template and publication criteria in cooperation with the publication requirements of each school. The web sites will include a downloadable brochure, a form of interest for companies, biographical information regarding the directors of research, links to financial resources in each country, news items, and downloadable reports.

## **BROCHURE AND VIDEO PREPARATION**

Tec de Monterrey agreed to prepare a brochure for distribution to Latin American companies and other interested parties for fall 2001 publication. Tulane University staff will prepare a video that introduces the Burkenroad Report process and shows the impact of the Burkenroad Report project in the U.S. Video materials will be recorded in Spanish and will be shown to students and prospective firms.

## **TRAINING SESSION I**

Training session I will be held at Tec de Monterrey from September 10 - September 14. As a part of the training, faculty will prepare an analyst report and business evaluation report.

## **Burkenroad Project in Latin America Seminar Deans and Coordinators Agenda: May 23 and 24, 2001**

### **Wednesday, May 23:**

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8.00	Breakfast	
9.00	Introduction	John M. Trapani
9.15 -12:30	General presentation of the Burkenroad project in Latin America and CFA program opportunities	John M. Trapani Germán Creamer Pamela Shaw
10.30 - 10:45	Break	
12.30	Lunch	
2:00	Breakout Group discussions by school: How to integrate the Burkenroad report project and CFA program in each university's curriculum	
3.15 - 3:30	Break	

- 3:30 Presentation and discussion of school programs by participants
- 4:30 - 5:00 Conclusions

**Thursday, May 24:**

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- 8.00 Breakfast
- 8.30 - 11:30 Presentation of Burkenroad project issues including company selection, promotion, media, budgeting, financing opportunities, and financial databases (Bloomberg, ISIS...) Peter Ricchiuti  
Project team
- 10.00 - 10:15 Break
- 11:30 - Breakout group discussion by school
- 12:30 Lunch
- 1:45 - 3:45 Project operation according to IDB procedures IDB / ITESM
- 3:45 - 4:00 Break
- 4:00 - 5:00 Presentation and discussion of project implementation by schools  
Conclusion