

3. Training Workshop

Faculty Training Session I September 11-14 2001 MONTERREY, MEXICO

The first formal BRLA training session for faculty was conducted in Monterrey, Mexico at ITESM during the period September 11-14, 2001. A list of attendees is attached at the end of this document in the attachment section.

The following is a summary of the program and recommendations of the 1st Latin American Burkenroad training session conducted in Monterrey, Mexico in September 2001.

BURKENROAD METHODOLOGY TRAINING SESSION: TOPICS AND CASEWORK

Training session I was held at Tec de Monterrey from September 10 - September 14. As a part of the training, faculty completed coverage of the following topics and casework.

- Preparation of major sections of analyst report and major steps for preparing the analyst report as shown on the attached agenda
- Preparation of major sections of business evaluation report and major steps for preparing the business evaluation report as shown on the attached agenda including
 - Interviewing management
 - Investment style and related financial analysis
 - Strategic view of business evaluation: balanced score card
 - Demonstration of Business Plan Pro software and preparation of selected portions of the business evaluation report.
- Financial analysis and forecasting methodology used for Burkenroad Reports
 - Case study using financial forecasting models and valuation models covered in class
- Code of ethics and standard of professional conduct of financial analyst
- Financial and business research using Internet resources: overview of websites and financial information available for report preparation.

IMPLEMENTATION DISCUSSIONS WITH THE DIRECTORS AND PARTICIPANTS FROM EACH UNIVERSITY

- Final discussions of content of Course I offerings in Fall 2001¹

Follow-up on course recommendations:

Each university has adopted the recommendations offered in May 2001 regarding Course I with appropriate course changes to introduce the Burkenroad Report Methodology. Tec de Monterrey will use an altered version of their "Money and

¹ See the memo dated 7/20/2001 for a full description Course I recommendations for each school.

Capital Markets" course, Universidad de los Andes will use an altered version of their "Corporate Finance" course, and IESA will use a modified version of its course, "Valuation of Companies."

- Discussion of Course II implementation in spring 2002
 - Each university continues to design their course offerings for spring 2002.
 - Alternative designs appropriate for business evaluation reports were discussed, e.g., one possible course design would include a workshop attended by entrepreneurs seeking capital opportunities and by Burkenroad report students and faculty. Entrepreneurs would be given basic training in business plan preparation and students and faculty would have the opportunity to invite them to participate in the Burkenroad program. This workshop would ideally be scheduled prior to the beginning of Course II. The Tulane visiting team would participate in the workshops.
 - IESA plans to develop a special course related to valuation and managerial consulting. IESA expects to include the preparation of the Burkenroad report as part of the requirements for students interested in this area.
 - Pilot reports: October and November 2001
 - A pilot report will be prepared by a select group of students from each university and will be supervised by Latin American professors teaching the Burkenroad Report courses. The purpose of this report is to provide additional hands-on experience for Latin American professors and to provide each school a model report for use in Course II (offered in spring 2002).
 - Tec de Monterrey's pilot report will be an analyst report covering Grupo Imsa, S.A. de C.V. y Subsidiarias.
 - IESA and de Los Andes will each select pilot report companies and will prepare either the analyst report or the business evaluation report depending upon the financial needs of the participating companies.
 - During the training session of September 2001, the Tulane University team introduced the foundations of a detailed financial forecasting model. Each faculty member will apply this model or adapt this model appropriately.
- Discussions regarding expected percentages of evaluation reports for each university.
 - Each of the three schools expects that the majority of their reports will be business evaluation reports. Monterrey TEC will likely have a higher percentage of analyst reports than IESA and de Los Andes as Mexico has a stronger publicly traded company sector.
- John Trapani, Germán Creamer, Pamela Shaw and Daniel Moska will visit each school in November and December 2001 for follow-up and final implementation prior to Course II report preparation by Latin American Burkenroad students.
- A faculty web site for file sharing, information sharing and discussion will be available for the Latin American Burkenroad Report professors and the Tulane team as soon as possible.

SOFTWARE AND DATABASE RECOMMENDATIONS

The training session included an introduction to the software Business Plan Pro (Palo Alto Software). The participants evaluated the usefulness of the software for the preparation of the written part of the business evaluation report. Faculty members will utilize the financial forecasting section of Business Plan Pro on a case-by-case basis. Faculty can use the forecasting section of the Business Plan Pro software or develop their own Excel models. Participants agreed that the software helped to homogenize the format. An additional software package useful for forecasting is Crystal Ball. This software will be available for use by participants.

The software Comfar (produced by UNIDO) for project evaluation was briefly introduced in May 2001. Schools may opt to use this software for specific business evaluations.

Latin American faculty members with Tulane accounts will have access to several financial databases related to emerging markets such as ISI Emerging Markets.

WEB PAGE PREPARATION AND MAINTENANCE

The address www.latinburkenroad.org has been reserved for the project, and each university is developing web pages for the project.

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

The Tulane University team presented an initial draft of the promotional video using images and information related to the Tulane University Burkenroad project. The video is expected to be useful for presentations to Latin American students and companies in Latin America.

The promotional brochure was discussed during previous sessions with the coordinators of the project.

Based on the comments received, Tec de Monterrey will publish the brochure and Tulane University will prepare a revised version of the video.

Latin American Burkenroad Faculty Seminar September 11 – September 14, 2001

Tuesday, September 11:

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|--------------|-----------------------------------|
| 8.00 | Breakfast (Holiday Inn Express) |
| 8.30 – 10:30 | Forecasting work (analyst report) |

10.30 - 10:45	Break	
10.45 - 12:30	Forecasting work (analyst report) Questions for management	
12.30	Lunch	
1:45 – 3:30	Code of ethics and standards of professional conduct Preparing the company description and product and services report sections Equity style	Germán Creamer
3.30 - 3:45	Break	
3:45 – 5:00	Forecasting the investing and financing sections of the financials	Pamela Shaw
5:00 – 8:30	Work period for completion of draft of forecasts and draft of other portions of the analyst report (including pizza delivered for dinner)	

Wednesday, September 12:

8.00	Breakfast (Holiday Inn Express)	
8:30 – 10:30	Valuation models (dividend discount model...) Preparing the competitor and peer analysis section Preparing the management section Macroeconomic and industry analysis Preparing the investment thesis	Germán Creamer
10.30 - 10:45	Break	
10:45 – 12:30	Work period (Valuation, other written sections of the analyst report)	
12.30	Lunch	
1.45 – 3:15	Introduction to business evaluation report and Business Plan Pro	Germán Creamer
3.15 - 3:30	Break	
3:30 – 5:30	Work period (business evaluation report)	

Thursday, September 13:

8.00 Breakfast (Holiday Inn Express)

8.30 - 10:30 "Final" revisions of analyst report
Preparation of analyst report presentation

10.30 - 10:45 Break

10:45 – 12:30 Complete business evaluation report

12:30 Lunch

1:45 – 2:30 Complete presentation of business evaluation and analyst report

2:30 – 3:30 Implementation issues John M. Trapani
Daniel Moska

3:30 - Site visit and dinner at El Tio

Friday, September 14:

8:00 Breakfast (Holiday Inn Express)

8.30 – 9:30 Pre-presentation work period

9:30 – 10:15 Presentations of company analyst reports
and business plans IESA
Monterrey Tec
De los Andes

10:15 – 10:30 Break

10:30 – 11:45 Presentations of company analyst reports
and business plans IESA
Monterrey Tec
De los Andes

11:45 – 12:15 Conclusions John M. Trapani
Daniel Moska

