

4. Training Workshop II

**Faculty Training Session II
ITESM Monterrey Campus
Monterrey, Mexico
October 1-4, 2002**

The following is a report of the second faculty training session. The people attending the faculty training workshop and investment conference held on the campus of ITESM in Monterrey, on October 1-5, 2002 are listed below.

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Additional attendees from ITESM are described in an attachment to this document, which gives the detailed agenda for these meetings.

The 2002 training session participants included first-time participants from ITESM, IESA and U. de los Andes as well along with participants who attended the 2001 training session and participated in their respective university Burkenroad programs during the period 2001-2002. To accommodate the needs of all participants, the training initially focused on topics primarily of interest to first-time faculty participants in order to provide them with the background information necessary for the topics covered during the remainder of the session. During this period, experienced faculty contributed feedback regarding related 2001-2002 Burkenroad experiences. An agenda for the entire training session is included as an attachment to this document.

The background information included the following:

- Review and discussion of the usefulness of the video prepared for use by IESA, ITESM, & U. Andes during the first year
- Discussion of possible video revisions
- U.S. Burkenroad Program
 - Historical information: 1993 – 2003
 - companies, students, reports, news coverage
- Latin American Burkenroad Program
 - Background information regarding the grant, the IDB, goals of the program
 - Overview of report requirements for 3 year period
- Report distribution
 - Websites
 - Investment Conferences
 - Investment research platforms in the U.S.
- U.S. and Latin American program similarities and differences
- Websites
 - <http://www.burkenroad.org>
 - <http://www.latinburkenroad.org/>

- <http://administracion.uniandes.edu.co/burkenroad>
 - <http://servicios.iesa.edu.ve/burkenroad/>
 - <http://www.mty.itesm.mx/dacs/deptos/cf/burkenroad/>
- Discussion of Feasibility & Desirability of Publishing a Compendium of Reports that would include the following:
 - One page summary of each project evaluation/business plan report
 - One page summary of each equity report
 - Published in both Spanish and English
 - Example of one-page summary for private equity/debt reports in Spanish and English (delivered to each participant)
 - Administering a Burkenroad Equity Research Program
 - Materials delivered to students
 - Syllabus (sample syllabus delivered to all participants)
 - List of deliverables required for each report section and related deliverables worksheets
 - Documentation worksheets to support report
 - Excel workbook for preparing financial statement forecasts (sample workbooks were delivered to all participants)
 - Analyst Initial Report Sample (distributed to all participants)
 - Online resources
 - Investor relations material from company
 - Questions for students to research & questions for company management related to
 - Operating activities
 - Investing activities
 - Financing activities

The initial background information also included a case study prepared and presented by Joao Leite, a Tulane graduate student serving as the associate director during the 2002-2003 school year. The purpose of the case study was to focus on the various parts of the report and problems frequently encountered by students at each stage of the process.

Additional Training Topics Covered:

Preparation of forecasted financial statements: This section of the course included a summary of methods appropriate for forecasting financial statements for both public equity reports and private equity/debt reports. Participants from each school discussed problems encountered related to forecasting operating, investing and financing activities of the company as well as the software each school used for forecasting during the 2001-2002 school year.

Investment recommendations and valuation for equity research reports: This section of the course included a summary of valuation methods available for student use and a discussion of the appropriateness of the methods used for both public and private equity

reports. Both Eduardo Pablo and Maria Lorena Gutierrez discussed these issues using actual companies covered by students during the 2001-2002 school year.

Analyst recommendations for debt reports and other project evaluation topics: Daniel Moska, Sergio Gutierrez and Mario Rocha discussed ITESM cases for small enterprises seeking either debt reports or other private equity funding using actual case materials related to companies covered during the 2001-2002 school year.

Other topics discussed during the training session included the following:

- Advantages/disadvantages of the two types of reports used (public equity and private equity/debt reports) with relation to the following
 - Sustainability of the project – is one type of report preferable?
 - the student perspective – comparison of benefits of each report
 - Measurable economic benefits – differences in the two reports
 - Faculty effort differences in the two reports
 - Advantages/disadvantages in locating participating companies
- Industries covered by each participating school
- Discussion of the degree of conformity for reports of each school?
- Sponsorship opportunities – website sponsorship, investment conference sponsorship
- Country-specific issues, e.g., Venezuela
- Long-term & short-term problems
- Equity report distribution opportunities
 - Websites
 - Mailing lists
 - Investment Conferences
 - Investment research platforms in the U.S.
- Private company report distribution issues
- Follow-up issues –maintaining contact with companies to assess the usefulness of the Burkenroad Reports
- Applications used for forecasting– Excel, Business Plan Pro, Crystal Ball
- Types of recommendations for equity reports and private company reports
- Databases useful for student research

**Latin American Burkenroad (BRLA)
Faculty Seminar
September 30 – October 4, 2002**

Faculty Participants:

Univ. de los Andes:

- Maria Lorena Gutierrez, Director BRLA, (mlg@adm.uniandes.edu.co)
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- Pamela Shaw, Director of Accounting, Burkenroad Reports-U.S. (pshaw@tulane.edu)
- Joao Leite, MBA Student (2nd Year), Associate Director, Burkenroad Reports U.S. (jpleite@tulane.edu)
- Lyle Muir, Latin American Studies/MBA Student (2nd Year) (rmuir@tulane.edu)

Monday, September 30: (Topics primarily relevant for new Burkenroad faculty)

Time	Topic	
9:00 – 9:15	Introduction and goals for the week	Pamela Shaw
9:15 - 9:45	Promotional materials: video, websites and brochure	
9:45 – 10:30	Historical background of U.S. and Latin American programs	

10.30 - 10:45 Break

10:45 – 12:30	Sections included in the Burkenroad equity and project evaluation reports	Pamela Shaw
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12.30 Lunch

1:45 – 3:15	Detailed review of equity research report & process	Pamela Shaw Joao Leite
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3:15 Break

3:30 - 5:00	Equity research report continued	
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Tuesday, October 1: (Topics primarily relevant for new Burkenroad faculty)

Time	Topic	
9:00 – 10:30	Overview of forecasting <ul style="list-style-type: none"> • Historical financials and ratio analysis • Questionnaire for management • Operating, investing and financing sections of the financials 	Pamela Shaw

10.30 - 10:45 Break

10:45 – 12:30	Forecasting the operating sections of the financials	Pamela Shaw Maria Lorena Gutierrez Daniel Moska Eduardo Pablo Miguel Moreno Ma del Alto
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12.30 Lunch

1:45 – 3:15	Forecasting the operating sections of the financials continued Forecasting the investing and financing sections of the financials	Pamela Shaw Maria Lorena Gutierrez Daniel Moska Eduardo Pablo Miguel Moreno Ma del Alto
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3:30 Break

3:30 - 5:00	Forecasting continued	Pamela Shaw Maria Lorena Gutierrez Daniel Moska Eduardo Pablo Sergio Gutierrez
	Software choices: Excel, Business Plan Pro, Crystal Ball, United Nations software	

Wednesday, October 2: (Topics relevant for new and continuing Burkenroad faculty)

Time	Topic	
9:00 – 10:30	Investment recommendations and valuation for Equity Research Reports	Maria Lorena Gutierrez Eduardo Pablo

10.30 - 10:45 Break

10:45 – 12:30	Investment recommendations and valuation for Equity Research Reports continued	Maria Lorena Gutierrez Eduardo Pablo
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12.30 Lunch

1:45 – 3:15	Analyst recommendations for project evaluation reports and other project evaluation topics	Daniel Moska Sergio Gutierrez Mario Rocha
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3:30 Break

3:30 - 5:00	Summary and review of ITESM 2002 equity and project evaluation reports	Daniel Moska Miguel Moreno Ma del Alto
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Thursday, September 13: (Topics relevant for new and continuing Burkenroad faculty)

Time	Topic	
9:00 – 10:30	Summary and review of Univ. de los Andes 2002 project evaluation reports	Maria Lorena Gutierrez

10.30 - 10:45 Break

10:45 – 12:30	Summary and review of IESA 2002 equity and project evaluation reports	Eduardo Pablo
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12.30 Lunch

1:45 – 3:15	Discussion Period Implementation issues and conclusions	John Trapani Daniel Moska Pamela Shaw
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Friday, October 4

1st Annual Investment Research Conference