Neville Isdell, Carol Bartz (photo right), and Dennis Lockhart were among a bevy of prominent speakers at various Robinson events recently. See “Attracting the Best in Business,” Page 9

Brazil Means Business

New Policies, Rio’s Renaissance Ignite Economy

CEAR, Munich Re Ink Major Microinsurance Research Pact
Page 6
Dear Alumni and Friends:

Recently a group of media representatives was asked to speculate on the top news stories of this decade. It was nearly unanimous that one such story would be Brazil’s continuing rise as a global economic power.

The Robinson College of Business has long had connections in Brazil. We have students and graduates from that country. We have conducted study-abroad programs there for many years. We work with COPPEAD, the business school at the Federal University of Rio de Janeiro, as part of our Global Partners MBA Program. We also have connections to the business community in Brazil and Latin America through our United States-Latin America Trade (USLAT) initiative.

In this issue we investigate why the country has become so powerful, how it has avoided the Great Recession of the past few years, and what our students learn as they travel to Brazil.

Our lead story features the man whose passion for his native country led him to spearhead Rio’s successful bid for the 2016 Olympic Games. He is Carlos Roberto Osorio, now an assistant to the mayor of Rio de Janeiro, but formerly head of the Rio 2016 Olympic Organizing Committee. No one knows Rio and Brazil better than Osorio, and his interview provides an in-depth look at the roller-coaster ride the country has experienced until recently, when governmental reform helped create a new middle class and bring stability to and energize the economy.

The essence of a Robinson College education is to prepare students to become global business leaders. It is something that cannot be accomplished in the classroom alone. Our second feature tells what students in our sixth Global Partners MBA class experienced in Rio during their five-week residency earlier this year. You’ll see them in class, on company visits and taking part in the everyday life of this city of more than six million people.

We also take a look at what Brazil means on the home front – right here in Georgia – with features on the Brazilian-American Chamber of Commerce and WEG, the largest company in Atlanta with Brazilian ties.

With this issue we also expand our online content. Online exclusives can be found at robinson.gsu.edu/stateofbusiness. You can also use the QR code to access content on your mobile device.

As always, thanks for reading, and thanks for your support of the Robinson College.

H. Fenwick Huss
Dean
Brazil Is Thriving and Rio Is Leading the Way
Carlos Roberto Osorio, architect of the movement that is bringing the 2016 Olympic Games to Rio de Janeiro, tells how Rio is overcoming its economic and social problems of the past and is serving as a beacon for Brazil’s transition from developing nation to world economic power.

The Class from Ipanema
Students from the Global Partners MBA (GP MBA) program spent five weeks in Rio de Janeiro as part of their four-continent experience. The program teams Robinson, the Sorbonne in Paris, and COPPEAD, the school of business at Rio’s Federal University. Read what GP MBA students learned spending five weeks immersed in Brazil.

Bem-vindo to Atlanta
Atlanta has its arms open to doing business with Brazil. Lucia Jennings, president of the Brazilian-American Chamber of Commerce in Atlanta, explains how the city works at expanding commerce between Brazil and Georgia. Read how Lucia does it and what her success means to both Georgia and Brazil.

Competing with the Big Guys
An international maker of electric motors has brought a Brazilian flair to American markets. WEG Electric is not as big as GE or Siemens, but this firm with 23,000 employees around the world holds its own against its larger competitors. Learn what students from UNIFAX (a Brazilian University in the city of Salvador), who participated in an international seminar at the Robinson College, discovered about the largest company in Georgia with Brazilian ties.
Duhaime Promoted; Named SMS Fellow

Irene M. Duhaime has been promoted to the position of senior associate dean in the Robinson College and has also been named a Fellow of the Strategic Management Society (SMS).

Duhaime, who was appointed associate dean for administration in 2004, takes on new responsibilities in the role involving support for sponsored research to assist faculty in obtaining and administering grants, and support for technology to facilitate that research.

As a Fellow of SMS, Duhaime joins an elite group of educators – just 54 in the world – whom the organization has recognized for significant contributions to the theory and practice of strategic management. The society consists of 2,600 members representing a wide range of backgrounds and perspectives from more than 60 different countries.

Internationally respected for her expertise, Duhaime has held leadership positions with SMS and the Academy of Management; published in top academic journals; presented at national and international conferences; and coauthored a textbook, Strategic Management: A Managerial Approach. Her research interests include diversification and related corporate strategy issues, with recent emphasis on cognition.

Duhaime joined the Robinson College in 1998 as a professor of managerial sciences and later served as department chair. She holds a Ph.D. from the University of Pittsburgh.
CEAR, Munich Re Foundation to partner on microinsurance research

The Center for the Economic Analysis of Risk (CEAR), a research center based in the Robinson College Department of Risk Management and Insurance (RMI), has entered into a cooperative agreement with the Munich Re Foundation to collaborate on research about microinsurance, also known as insurance for the poor.

The agreement formalizes a relationship between the Munich Re Foundation and the Robinson College dating back to 2009, when RMI Department Chair Richard D. Phillips organized the first academic track of programming for the International Microinsurance Conference in Dakar, Senegal.

CEAR convened a workshop on the topic in 2010, bringing together microinsurance experts from the foundation, Oxford, the World Bank, and the International Labour Organization, among others, to establish an agenda for future research needs.

“Developing a sustainable market for insurance for the poor will be a complex, multiyear undertaking,” according to CEAR Director Glenn W. Harrison. “By partnering with the Munich Re Foundation we hope to accelerate the process.”

CEAR is global in scope and unites risk scholars from multiple disciplines. Partners include Robinson’s Department of Finance and School of Accountancy, Georgia State’s Andrew Young School of Policy Studies, and the Federal Reserve Bank of Atlanta.

Rai is Robinson’s 4th AIS Fellow

Arun Rai, Regents’ Professor and Harkins Chair of Information Systems, has received the 2010 Fellow Award from the Association of Information Systems (AIS) in recognition of outstanding research, teaching and service contributions.

Rai cofounded the Center for Process Innovation, an interdisciplinary research unit within the Robinson College that promotes partnerships between industry and academia.

A prolific researcher, Rai has published more than 80 refereed papers in scholarly and practitioner journals. He is ranked sixth for work published between 2000–2010 in *Information Systems Research* and *MIS Quarterly*, the discipline’s two top journals.

He also has distinguished himself in teaching, having developed and taught courses related to IT and business strategy, supply chain management, technology and operations, theory development and research methods at the undergraduate, master’s, and doctoral levels; chaired 24 doctoral dissertations; and served on 30 dissertation committees.

There are only 58 AIS Fellows, four of whom are Robinson faculty. In addition to Rai, they are: Ephraim McLean, chair of the Department of Computer Information Systems (CIS), inducted in 1999; retired CIS Professor Dan Robey, inducted in 2004; and CIS Professor Detmar Straub, inducted in 2005.
Robinson's Executive MBA and part-time MBA and master's programs are again ranked among the best by the Financial Times (EMBA) and U.S. News & World Report (MBA, M.S.). The Financial Times EMBA rankings are limited to the world’s top 100 programs. The rankings were released in October 2010, and Robinson is No. 26 among U.S.-based programs and No. 78 worldwide. A hallmark of the 17-month Robinson EMBA, its international residency, is reflected in its No. 6 ranking among U.S.-based programs for international course experience. The program first made the FT EMBA rankings in 2003, and has been on the list for seven of the past eight years.

For the second consecutive year, U.S. News & World Report is ranking the 295 business schools that offer part-time MBA and master’s programs. In rankings released in March 2011 the Robinson College is No. 29, once again in the top 10 percent of programs offered nationwide. In specialty categories Robinson’s Department of Computer Information Systems is No. 10 among graduate-level information systems programs, and the Institute of Health Administration is 36th among graduate healthcare programs – making Robinson the only Georgia business school with top-ranked programs in both the part-time and specialty program categories.

Commenting on the rankings, Dean H. Fenwick Huss said, “The Financial Times and U.S. News rankings are indicative of the Robinson College’s stature, our innovative curriculum, responsiveness to the changing needs of students and the overall strength of the Robinson faculty.”

Robinson retains elite standing in *Financial Times, U.S. News rankings*

*State of Business* received the 2010 Award of Excellence from the Council for Advancement and Support of Higher Education (CASE) Southeast District for large school alumni magazines. In their comments the judges applauded the variety of stories, covers and “business magazine” feel. The magazine received the CASE Southeast District Award of Merit in 2009.

Magazine garners award for second consecutive year

The Robinson College Department of Real Estate is No. 4 among U.S. programs and No. 5 worldwide for research published in the discipline’s three leading journals, according to a study conducted by Jang C. Jin of the Chinese University of Hong Kong and Eden S. Hu of the City University of Hong Kong. Robinson ranks ahead of schools including Cornell, MIT and Penn State, and is the only Georgia school in the top 15 in both categories.

Jin and Hu determined the U.S. rankings by calculating the number of article pages published in the *Journal of Real Estate Finance and Economics, Journal of Real Estate Research*, and *Real Estate Economics* over the 10 most recent years available (1999–2008) that were authored by faculty currently on staff at the business schools. The worldwide rankings were based on the same criteria over a 35-year period (1973–2008).

The authors’ findings are presented in “World Ranking of Real Estate Research: Recent Changes in School Competitiveness and Research Institutions,” published in the *Journal of Real Estate and Financial Economics* in 2010.

The Robinson College Department of Real Estate is the largest independent real estate program in the United States and is ranked 11th by *U.S. News & World Report* among undergraduate real estate programs. (*U.S. News* does not rank graduate real estate programs.)

Real Estate Faculty No. 4 in U.S., No. 5 Worldwide for Published Research
**SPEAKING OF THE ECONOMY**

Rajeev Dhawan, director of The Economic Forecasting Center at the Robinson College, has made a trio of prestigious speaking stops recently.

In Santiago, Chile, he addressed a panel at the Chilean Central Bank. The presentation, organized by the Global Interdependence Center of Philadelphia, covered the latest Federal Reserve bank policy designed to stimulate the economy (quantitative easing) and whether it was succeeding in the United States.

On the same trip Dhawan briefed the Chilean-American Chamber of Commerce on the state of the U.S. economic recovery.

Dhawan also traveled to Switzerland, where he teamed up with Associate Professor of Finance Alfred Mettler to speak as part of the Executive Program at the Swiss Finance Institute in Wolfsberg, Switzerland. Their topic was “global economic risk management.”

(See Rajeev’s column on the economy on page 30.)

**Former Fed Economist Tapped for AAMGA Distinguished Chair**

George H. Zanjani has been named inaugural holder of the American Association of Managing General Agents (AAMGA) Distinguished Chair in Risk Management and Insurance.

Prior to joining the Robinson College in 2008, Zanjani was an economist with the Federal Reserve Bank of New York, where he specialized in policy work related to insurance issues within the broader financial system. He has served on working groups formed by the Committee on the Global Financial System and the Presidential Working Group on Financial Markets, is a vice president of the American Risk and Insurance Association, and is an Associate of the Casualty Actuarial Society. He holds a Ph.D. in economics from the University of Chicago.

**Naveen Donthu Appointed Marketing Department Chair**

Naveen Donthu, Katherine S. Bernhardt Research Professor, has been named chair of the Robinson College Department of Marketing.

Donthu is a highly cited researcher whose current areas of specialization include branding, marketing productivity and online consumer behavior. His work has been published in the *Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science*, and *Management Science*, among others.

He has distinguished himself within Robinson as a teacher at the undergraduate, master’s, and doctoral levels, and as chair of 18 dissertation committees; through his extensive service to the college on numerous committees including promotion and tenure, recruiting, grant review, and strategic planning; and by his involvement as an active and respected member of the marketing discipline’s academic and professional organizations.

His contributions have been recognized by the college’s Board of Advisors with its award for service; by his Robinson peers with four faculty achievement awards; and by the university with the 1997 Georgia State University Outstanding Faculty Achievement Award for significant and noteworthy achievement in scholarship, teaching and service.

Donthu joined the Robinson College in 1990. He holds a Ph.D. from the University of Texas at Austin.
attracting the BEST IN BUSINESS


Neville Isdell, former chairman and CEO of The Coca-Cola Company, chaired the Global Strategic Leadership Forum. The annual event is a program of the World Affairs Council of Atlanta presented by the Robinson College.

Aspire to join a great team. The individual accomplishments and successes will follow.” Dennis Lockhart, president and CEO of the Federal Reserve Bank of Atlanta, counseled students in his Business Hall of Fame acceptance remarks.

The World Affairs Council of Atlanta hosted a panel discussion on Korea-U.S. trade featuring (right to left) South Korean Ambassador Han Duk-soo; John Anderson, Kia Motor Corporation; Song Jung, McKenna Long & Aldridge; and Mark Sobolewski, UPS.

Robinson College students heard Yahoo Inc. CEO Carol Bartz field questions about the future of the Internet, prospects for the economy, her leadership style, and strategy for turning around the company at the 12th USA Today CEO Forum.

David Ratcliffe, retired chairman, president and CEO of the Southern Company, talked about servant leadership and leading by example when he received the eighth annual Ethics Advocate Award from Robinson’s Center for Ethics and Corporate Responsibility.


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Speakers at Robinson

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Aspire to join a great team. The individual accomplishments and successes will follow.” Dennis Lockhart, president and CEO of the Federal Reserve Bank of Atlanta, counseled students in his Business Hall of Fame acceptance remarks.
Retailers with consumer-friendly return policies take back far more merchandise than their counterparts with stricter rules. The upside? They enjoy higher sales, greater profits and more positive word of mouth. Explaining the phenomenon to the Wall Street Journal, V. Kumar of the Center for Excellence in Brand and Customer Management said, “Psychologically, people perceive less risk in buying from retailers with more relaxed policies. It makes people buy more.”

Residents of an Atlanta suburb were unhappy to learn that Dollar General would be opening a new store in their community because its downscale image is counter to the impression the community seeks to cultivate. Pam Ellen of the Department of Marketing told American Public Media’s “Marketplace” that the citizens are in for a pleasant surprise. “Dollar General stores have been targeting Wal-Mart and Walgreens as they seek to become more of a true discounter than a ‘dollar store.’”

Investor demands that banks buy back potentially defective mortgage loans are yet another setback to the shaky housing market. When interviewed by the Charlotte Observer, Karen Gibler of the Department of Real Estate said, “We continue to bounce along the bottom. The market can’t seem to gain any traction.” She elaborated, “As soon as we work through one problem, there is something else.”

The Robinson College is among a group of U.S., European and Asian-Pacific schools that have formed the Executive Doctorate in Business Administration Council. The U.S. market for “practitioner doctorates” is small but growing, according to Maury Kalnitz, who is director of Robinson’s Executive Doctorate in Business program. “There is a subset of people who want to go beyond the MBA,” Kalnitz told the Financial Times.

Bill Custer of the Center for Health Services Research on NPR affiliate WABE-FM, Atlanta

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Mark Keil of the Department of Computer Information Systems and Magnus Mähring of the Stockholm School of Economics have identified three signs that a large-scale corporate initiative is plunging into blackhole territory. Watch out for “the drifting stage,” “the treating symptoms phase” and “the rationalizing continuation phase,” Keil told CBS Business Interactive Network.

Beware the Blackhole

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“Small packages are more palatable to customers than price hikes.”

Ken Bernhardt on resizing of consumer products, in the Virginian-Pilot

APPETITE SPOILER
Parents considering investing in a child’s business venture should take the “Thanksgiving dinner test” before writing a check, is the advice that Greg Henley of the Herman J. Russell, Sr. International Center for Entrepreneurship offered to the New York Times. “If you made this investment or convinced family members to make it, what is Thanksgiving dinner going to feel like?”

Tea and sympathy
“If there were ever a time when restaurateurs had consumer sympathy to raise prices,” Dave Pavesic of the School of Hospitality told Restaurant Briefing, “it’s now, because increased commodity prices are all over the news.”

C-Suite Collaboration
Digital platforms used to manage supplier relationships have a profound impact on competitiveness when entering adjacent markets, launching new products, winning price wars and more, according to Arun Rai of the Center for Business Process Innovation, who penned a piece on the topic for the Economist Intelligence Unit Executive Briefing. But gaining an edge isn’t as simple as installing new systems and software. “Establishing the digital platform will require leadership from not only the CIO but also from the chief marketing officer and the COO.” (For more about Rai, see page 6.)

think BIG
Tamer Cavusgil of the Center for International Business Education and Research (CIBER) told Global Atlanta that the success of the Obama Administration’s plan to double U.S. exports over the next five years hinges on the performance of a “relatively small number of large players.” How large? “I’m talking about Boeing-sized players,” he said.

think small
Beginning in Fall 2011, the Robinson College will provide iPads loaded with course materials to students in its premium programs. Discussing the decision with Bloomberg Businessweek, Jane Mutchler, associate dean for academic planning and programs, said, “Its portability makes the iPad ideal for the working professional.”

On Thin Ice
Talk that the Thrashers may leave Atlanta is not music to the ears of Debby Cannon of the School of Hospitality because it’s a proof point that the city has something for everyone in every season. “Atlanta should do everything it can to hang onto the Thrashers. It’s important that our options for visitors expand, not contract,” she told the Atlanta-Journal Constitution.
Akin Akinwale
EMBA Alumnus

Strategic thinker

During Executive MBA (EMBA) studies at the Robinson College of Business, Akin Akinwale got a chance to travel to China. But for Akinwale, the two-week immersion in China’s culture and business practices turned into more than just a class trip. He has now returned to the global powerhouse twice to collaborate on a construction partnership between China and Nigeria.

“That’s the great thing about Georgia State leadership,” says Akin, who learned about the collaboration from Laura Crawley, director of Robinson’s EMBA. “It matches people with the right opportunities.”

In this case, the match was between a group of Chinese investors who want to build bridges and dams in Nigeria and someone who understands the local culture, business and politics of the most populous country in Africa. That someone is Akinwale, who grew up in Lagos and still has family there.

Akinwale’s role in the partnership is to develop overall strategy and build local alliances for the project, which will couple Chinese expertise and equipment with Nigerian project management and implementation. Since 2008, China has been the largest financier of infrastructure projects like this one in Africa, and this particular venture will include an element of social responsibility such as clearing roads and providing safe water for the towns impacted.

Although Akinwale had worked as a manager of IT teams for more than 15 years before his EMBA, he hadn’t learned how to get the best out of his teams, he says. That has since changed. “I feel like I have evolved from a 2-D to a 3-D executive,” says the recent graduate.

– Rhonda Mullen
Taiwo takes top honors at CIBER Case Challenge

Olufunke ("Lateefah") Taiwo accumulated many accolades during her undergraduate career at the Robinson College. The accounting major was in the Robinson College Honors program and the Panthers on Wall Street Class of 2009, and was recipient of the Mills B. Lane Scholarship and the Institute of International Business Award. Shortly before earning her BBA in December 2010, she added another accomplishment to her list as part of the winning team at the 2010 CIBER Case Challenge held at Ohio State University.

Unlike many case competitions, CIBER Challenge teams are composed of students from different institutions. Taiwo and her teammates from Ohio State, Temple University and the University of Maryland took the top prize with their analysis of a Harvard Business School case about global innovation challenges facing Applied Research Technologies, Inc.

Taiwo’s team surely benefited from her international upbringing as well as her Maymester 2010 studies in France and Belgium, during which she examined the business climate in the European Union. As to where the future may take her, Taiwo will join the Atlanta office of Ernst & Young after she receives her Master of Professional Accountancy from Robinson in December 2011.

Panthers Roar on Wall Street

What’s it like to work in New York? Ask the 15 graduate and undergraduate students who spent three days in Manhattan this fall as the Panthers on Wall Street Class of 2010.

Now in its third year, Panthers on Wall Street is a joint initiative of Robinson’s Board of Advisors, Career Management Center and Office of Development, through which some of the college’s top students experience the world’s financial center from the perspective of its leaders.

The group received briefings at eight consulting firms and financial institutions, visited the Federal Reserve Bank of New York and the New York Stock Exchange, and were the guests of honor at a reception hosted by alumnus Maxwell Burns, who serves on the Robinson College Board of Advisors and is a senior vice president at AllianceBernstein.

Front: Dominic Innocenti; Michael Wilson; Jason Aldrich, Career Management Center; Ryan McIver; Pratiwi Yap; Allison Jacobs, School of Accountancy; Lindsey Simpson; Maria Veliotis; Jasiyah Khalil; Angela Fang. Back: Brandon Tyler; Jonathan Courtois; Seare Kidane; Chris Mylenbusch; Robinson Alumnus Travis Steed (Panthers on Wall Street Class of 2008); Michael Buchanan; Nicholas Alexander; Michael Ivie; Barry Wood, Department of Risk Management and Insurance.
Robinson faculty are renowned for conducting scholarly research that advances the theory and practice of business. Congratulations to our colleagues for recent recognition of the following works.

"Incentives in Managerial Pay and Voluntary Turnover," by Jayant R. Kale of the Department of Finance, former Ph.D. students Ebru Reis (now at Bentley University) and Anand Venkateswaran (now at Northeastern University), was outstanding paper in corporate finance at the 2010 meeting of the Southern Finance Association.

"Does Distance from Headquarters Matter? Information Acquisition and Monitoring by the Board of Directors," by Mark Chen and Harley E. Ryan of the Department of Finance, Conrad S. Ciccotello of the Department of Risk Management and Insurance, and former Ph.D. student Zinat Alam (now at Louisiana State University), won best paper in corporate governance at the 2010 meeting of the Financial Management Association International.


"Class Distortion of Operators for Pricing Financial and Insurance Risks," a paper by Shaun Wang of the Department of Risk Management and Insurance (RMI) that was published in the Journal of Risk and Insurance in 2000, won the 2010 Robert I. Mehr Award as the work that has best stood the test of time over the past decade.

Wang is the third RMI faculty member to win the Mehr Award in as many years. Martin F. Grace and Richard D. Phillips, with coauthor J. David Cummins of the University of Pennsylvania, won the award in 2009. Phillips and Cummins won it in 2008.
Dr. Carolyn Newton Curry is a remarkable leader who has the capacity to detect a need, imagine a way to address it, and then create a solution (she also happens to be my wife).

I have seen her in action so many times, in so many ways... I believe I have discovered her secret. I do not claim objectivity regarding her, but I know I am accurate in describing her gift.

Our culture sells “Aha” experiences like popsicles, convincing us with lively imagination that we must have a certain automobile, iPod, or remedy. We must “act quickly while limited supply lasts.” The subliminal thrust is relentless, resulting in mysterious purchases, stuff we don’t need, which we run out and buy before it melts into the next iteration of product lines. Similar appeals on behalf of worthy and not so worthy charities pound away at our distorted, media-driven consciousness.

The upshot is that it is more and more difficult to recognize and act upon authentic impulses, so as to find ourselves and make a real contribution. Boris Pasternak said, “When a great moment knocks on the door of your life, it is often no louder than the beating of your heart, and it is very easy to miss it.”

**Dr. Curry listens, hears, and does not miss her opportunities.**

Carolyn’s latest effort is called Women Alone Together, a 501(c)(3) nonprofit foundation. It was derived from a “gentle tug” at her heart when she taught a course called Women in Contemporary Society at the University of Kentucky. She was surprised to have senior citizens auditing her class, and immediately discerned a special need.

Her mission statement: “By choice or by chance, many women will be single for a portion of their adult lives. Women who are alone because of divorce, death of a spouse, single by choice, or alone in a marriage (through physical separation, disease, or estrangement) will find information, kinship, and life lessons through Women Alone Together.” Teaming with undergraduate alma mater Agnes Scott College since 2002, W.A.T. has conducted seminars in Legal/Financial, Health/Wellness, and Emotional/Personal Growth categories. Thousands of women have benefited.

By the time this article appears, W.A.T. will have partnered with G.S.U.’s School of Law for a seminar entitled “Women and the Law.” Occurring on March 19, this is another exciting leadership moment as Carolyn locks arms with her second alma mater, G.S.U. (Master’s and Ph.D.!!)

Carolyn is most assuredly the No. 1 fan of G.S.U. and Panther Football, but she also loves being the cheerleader and companion for women who find themselves alone late in life. Join her at a W.A.T. seminar and experience her form of leadership, a wonderful response to her gentle tug. You will be inspired whether you are male or female, and you just might feel something pulling at your heart, too.

**For details, go to womenalonetogether.org.**

Bill Curry
BRAZIL IS THRIVING
and Rio is leading the way

By Gary W. McKillips

OLYMPIC HEAD DISCUSSES THE GAMES AND THE COUNTRY’S ROAD TO PROSPERITY

Brazil has always appealed to the young and adventurous – particularly Rio de Janeiro with its miles of magnificent beaches, breathtaking scenery and friendly inhabitants.

In fact, Rio has attracted people for centuries, going back to the early 1800s when Emperor Dom João VI and his son Dom Pedro I of Portugal fled Napoleon and came to Rio to establish the capital of what was then the “kingdom” of Brazil. Dom João returned to Portugal, but the young Dom Pedro I – some say because of the beaches and newfound lifestyle – decided to stay. His son, Dom Pedro II, also made Rio his home and ruled the kingdom for the next 56 years, until it became a federal republic in 1889.

As apocryphal as one part of the story may be (okay, so Dom Pedro may have stayed for reasons other than just the beaches), the idea that Rio de Janeiro is one of the world’s most enchanting cities – and always has been – cannot be denied.
But, much as the poor male admirer in the 1964 hit song “Girl from Ipanema” was ignored (“...but each day, when she walks to the sea, she looks straight ahead, not at me.”), so too was the totality of Brazil’s potential. Yes, it was thought of for its beauty and for such beach communities as Ipanema and Copacabana, but the world’s view of Brazil was that it’s a country with a poor economy, high crime rate and people who lacked initiative. The rest of the world not only looked “straight ahead,” it often looked the other way, particularly when it came to doing business. Rio was forever called “The City of the Future.”

ROAD TO RECOVERY
One man who knows Brazil well is Carlos Roberto Osorio. A native Brazilian, Osorio so believed in the potential of his country that he spearheaded the effort that brought the 2016 Olympics to the shores of his native land. He did so because he felt that for Brazil to be truly recognized as a country on the move, Rio needed to be in the forefront.

“Rio is the cultural heart and the beacon of Brazil from abroad,” said Osorio, who now leads the charge on building the infrastructure for the Games as Secretary of Conservation and Public Services in the Office of the Mayor. “The city has lived through more extremes than Brazil overall,” he said. “Rio was capital for 200 years and lost the capital in 1960 to Brasilia. This began a tragic period – a slow decline for the city, which lost importance, talent and hope. The city filed for bankruptcy in 1988. We lost the position as financial center, lost big companies; there were no jobs in the city. But now,” notes Osorio, “Rio is outdoing all of Brazil. For Brazil to be fully recovered, Rio had to get on its feet again. And it has more than done so, becoming the hub of the oil and gas industry, the center of research, education, entertainment, culture, sports, sustainability, technology and conservation.”

With companies such as oil behemoth Petrobras, global television network Rio Globo, telecommunications giant Telmar, biotech incubator BioRio and mining company Vale do Rio Doce, among others, Rio has become an important and diversified business center. It also benefited, like all of Brazil, from tax restructuring and other measures that lifted some 30 million people from poverty and created a solid middle class with purchasing power never before seen in Brazil.
HOUSE IN ORDER
Said the Secretary, “Brazil was not hurt by the recent economic crisis like most of the world. We kept our house in order, balanced the budget, and eliminated inflation. Brazil also has a strong stock market, a very special position in commodities and energy.” He added, “The regulation of our financial system is much greater than most countries, because of severe banking problems in the past. In the late ’80s and ’90s our problems forced us to clamp down on banks, resulting in no bank closings then or now, no credit crisis, no real estate meltdown. All the indicators are good for Brazil. Growth is very high. Social inequality is reducing. There are 150 million cell phones for a population of 190 million; we’ve had record car sales. In general, people are feeling good about themselves.”

BRAZIL WAS NOT HURT BY THE RECENT ECONOMIC CRISIS like most of the world. We kept our house in order, balanced the budget, and eliminated inflation. Brazil also has a strong stock market, a very special position in commodities and energy.

BY THE NUMBERS
As the capital of the state of Rio de Janeiro, the city of Rio has a population of approximately 10.6 million. Brazil’s population overall has soared to 194.2 million people. It is the world’s fifth-most populous country (behind China, India, the United States and Indonesia), with a GDP of $1.3 trillion, generating approximately 60 percent of South America’s total GDP. It is the world’s eighth-largest economy and is predicted to be fifth by 2025, overtaking Britain and France.
It is now widely considered one of the four major growing markets of the world (so-called BRIC nations – Brazil, Russia, India and China). For 2011, the Brazilian Central Bank is estimating a 5 percent economic growth. To top it all off, Rio has been named the site of the 2014 World Cup and 2016 Olympic Games, two of the world’s most prestigious events.

**WINNING THE GAMES**

While the naming of Rio as an Olympic city is more a result than a cause of Brazil’s new popularity, winning the Games encapsulates all that is good about the country. According to Osorio, “the Olympic movement has always been very smart and sensed which countries would benefit from the Games and which countries would best benefit the Olympic movement.” For 2016, Brazil fit the mold perfectly.

Osorio cited previous examples such as Japan, whose 1964 Games showcased the country for the first time after World War II; Munich, which used the Olympics to introduce itself and reconnect to the world in 1972; Korea, which in 1988 used the Games to show that it could rebrand itself as a country capable of making quality products and services; Barcelona, which needed, in 1992, a forum to reintroduce itself as a new country after the reign of Franco; and China in 2008, which used the Games as an attempt to discard negative images about human rights violations. There was always a reason, and among its competitors – Chicago, Tokyo and Madrid – Rio and South America, which had never had an Olympic Games, were the obvious choice.

**OLYMPIC LEGACY**

If all goes well in 2016 (and it should based on the city’s flawless execution of the Pan American Games in 2007 and the experience to be gained from hosting the 2014 FIFA World Cup), what legacy will the Games leave for Rio and all of Brazil? According to Osorio, “The infrastructure of the city will be transformed. This includes such things as metro expansion, road improvement and airport renovation. With that,” continued the Secretary, “will come improvements to the quality of life and our ability to attract new investment to our city and to the country. We view sports, and the Olympics Games in particular, as an excellent tool to foster social integration, to foster and motivate young people, making the social legacy of the Games for Rio and all of Brazil a very important part of our project.”

The infrastructure of **THE CITY WILL BE TRANSFORMED**. With that will come improvements to the quality of life and our ability to attract new investment to our city.

According to Osorio, “Brazil is now one of the most optimistic countries in the world. Our former president (Luiz Inácio Lula da Silva) finished his second term with an approval rating of 82 percent.” Lula, as he is known, is given credit for many of the reforms and economic improvements that took place in Brazil during his two terms from 2002–2010. But even with these accomplishments, Lula still called winning the Olympics the highlight of his term as president. According to Reuters, following the selection of Rio in October, 2009, an emotional Lula said he was the “proudest president in the world.” For Rio and all of Brazil, he added, this is a “momento magico.”
Brazil is a country with 193 million people and a strong internal market and a very strong domestic sector, said Martins. He added that “retailers in shopping malls are growing more than street retailers. Sales at the malls represent about 18 percent of the Brazilian retail market, while in the U.S. this percentage is near 70 percent. The GLA (Gross Leasable Area) per capita in Brazil,” he continued, “is half the GLA per capita of Mexico, which means Brazil still has huge growth possibilities.”

The shopping center industry is 40 years old and has had a faster growth in recent years from the stabilization of the currency and economy.

Over the past five years many foreign players have come to the Brazilian market as GGP (General Growth Properties) equity partners from the United States, Canada and elsewhere.

In 2004, many companies went public and obtained significant (approximately 50 percent) portions of their funding from outside Brazil.

Martins said that the market for shopping centers is also benefiting from the growth of real income in the Brazilian middle class (Classes B and C). This growth should continue for many years.

Currently, ANCAR IVANHOE, the parent company of Nova América Shopping Center, holds a portfolio with 15 of the largest shopping centers in Brazil.

Nova América Shopping Center in downtown Rio was created in 1995 in the building in which a traditional cloth factory of the same name had been located. Nova América became a modern center for shopping, services, leisure activities, business and education. Martins has all operational and financial responsibility for Nova América.

“‘The emergence of the Brazilian stock market has been important to Brazil,” said Madeira. “Brazilian companies used to go to other markets, U.S., etc. Now they are going to the market here.” He noted that “the attraction of individual investors is a factor of our new capitalism – something that we didn’t have in the past. It is a source for financing new companies. There has been a frenzy of IPOs in the past five years.”

Madeira said oil will be the biggest industry. Petrobras (the oil giant and largest company in Brazil) will spend $250 billion for off-shore oil operations. Mining, steel and agriculture are also industries that export from Brazil. Madeira explained that in Brazil “we are experiencing what economists call a ‘demographic bonus.’ That means that two-thirds of our population is between the ages of 15 and 64, which creates an ideal condition for development to take place.” He added that “if we can make improvements needed in our educational system, Brazil has the potential to grow 2.5 percent per year for the next decade – just because of demographic bonus – and as much as 5 percent overall.”

The Georgia Department of Economic Development (GDECD) is a department of the State of Georgia (United States). It serves as the state’s sales and marketing arm and is the lead agency for attracting new business investment. José Madeira serves as GDECD’s Managing Director and primary representative in Brazil.

“‘The bank is very bullish on Brazil’s future,” said Nascimento. “The change in the country’s social profile from low income to a growing middle class means that more people will be able to go to college, therefore creating a more qualified workforce in years to come.” He continued, “Social changes have been the reason behind the success of Brazil in recent years, and the new administration has the same mission as the last… and that is to eliminate poverty.”

As far as challenges go, Nascimento says that “one question for Brazil is how to be a big oil exporter without damaging our industry diversification. We would like to preserve the diversification.” He also noted that “pressure on the Real (the Brazilian currency) could reduce our competitiveness. We also must reduce bureaucracy and the complexity of the tax structure.”

The Brazilian Development Bank (BNDES) is the main financing agent for development in Brazil. Founded in 1952, the BNDES has since played a fundamental role in stimulating the expansion of industry and infrastructure in the country. The bank offers several financial support mechanisms to Brazilian companies of all sizes as well as public administration entities, enabling investments in all economic sectors.
THE CLASS FROM

Ipanema

By Gary W. McKillips
The sixth class of Global Partners MBA (GPMBA) students – 26 in all, representing 14 nationalities – took up residence in Rio de Janeiro early this year as part of GPMBA’s 14-month program. One of the most unique programs in the world, GPMBA allows students to study on four continents, with lengthy stays in Atlanta, Rio and Paris (where they are taught by faculty from the Robinson College and partner schools – the COPPEAD, the business school of the Federal University of Rio de Janeiro, and IAE, the school of management at the Sorbonne) and also have an intensive two-week residency in China and visits to Washington, D.C., and Brussels.

“Reading about a culture is different than experiencing that culture in person,” said Indian student Malik Surani. "You learn a lot more about people as a resident rather than as a tourist just visiting the country.”

Global Partners students call Rio home for five weeks. They find apartments in Ipanema, a well-known resort community in the southern portion of Rio, and commute for classes to COPPEAD’s campus in the northwestern part of the city. They are responsible for finding their own accommodations and meals and, other than classes and field trips to various businesses around the city, they are on their own to explore and learn about the culture and the customs.

“It’s all part of the immersion process that makes this program so unique,” said Karen Loch, director of the Global Partners program for the Robinson College. “Students not only read about the country and hear about it from faculty, they can also experience it the minute they leave their classrooms.”

GPMBA student Yi Deng, who was born in Beijing but recently became an American citizen, said she looks at the world differently than before. She knew the way business was conducted in China and the United States, where she worked in commercial banking for three years after earning her undergraduate degree at Georgia State. But she knew little of the rest of the world. “I've never had an experience like this – traveling, meeting new people,” she said, adding, “It has taken me out of my comfort zone.”
“Perhaps the one most enduring lesson learned from the Global Partners experience is understanding cultural differences,” said Loch, also noting that “this is where the commercial diplomacy aspect of the program becomes very important. Students learn that understanding the customs, cultures and business practices of various countries is vital to success.”

Vahid Ghabel, a student from Tehran, Iran, said he found the style of doing business in Rio very similar to that in his native land. “Brazilians are a lot like people in my country. They are more nonchalant, less rigid in the way they conduct business than people in the U.S., for example.”

Brazil is also a country that treasures its natural resources. According to Jeff Royal, a student from Atlanta, Rio has immense natural resources, and social responsibility “is very important to them in preserving all that they have.”

The idea of sustainability was driven home when students visited Bio Rio, an incubator primarily for start-up companies, many of which deal in some aspect of sustainability, and Rio Globo, the television giant in Rio that has 80 percent of the market and features programming designed to support environmental causes.

All the Global Partners students spoke highly of the quality of the faculty, both in Atlanta and Rio. “From an academic standpoint,” said Royal, “the courses are very open and interactive, students feel comfortable expressing their own thoughts, learning from each other as well as from their teachers.”

Deng said of the leadership course, “I’ve never had a class like that.” Surani said he particularly liked the simulations that were presented in the class. “We were thinking all the time, looking at theories of leadership and then analyzing how we could apply what we learned to the next simulation and in the real world.”

Royal noted that he’s regularly in touch with his partners in a heavy equipment export business that operates in Colombia. “As teachers would explain concepts and how they pertain to Latin American countries, I was dealing with a crisis down there (in Colombia) and was able to let my partners know of other options.”

Perhaps as important as the classroom work and field visits is the time Global Partners students have to explore the area on their own. They meet the people, partake in the customs and cultures of the area, and experience its history and traditions. It’s the final piece that gives context to all they read and hear;

Whether it’s a visit to Petropolis, an area affected by the February floods, a trip to the Rio Art Museum, a visit to the iconic Sacred Heart of Jesus statue, or a simple trip to the grocery store, students gain confidence in their ability to function effectively wherever in the world their careers may take them.
“I did first my undergraduate internship in Moscow. My mentor at that time said about working internationally, ‘The best advice I can give you is not to concentrate on what is different, but take it as it is. All work translates.’”
Marijana Guduric, medical institute director, Atlanta, Georgia

“I was surprised at the diversity here. I went to an Afro-Brazilian dance festival and workshop, which was designed to keep the tradition of African dance alive in this country.”
Stacey Simmons, formerly director of affiliate marketing, TV One, Dunfries, Virginia

“Everyone is very welcoming here. We went to little restaurants and cafés and found many people wanting to talk to us in English.”
Jeff Royal, former director of marketing, James Madison Inn; managing member, Colombian American Holdings Inc.

“I keep a diary (of the Global Partners experience). It helps you learn about yourself and make changes to become better.”
Dessi Zaneva, assistant property manager, Post Properties, Columbus, Georgia (native of Sofia, Bulgaria)

“Even people in favelas are becoming resourceful. When I grew up here, we were afraid of the favelas (also known as shanty towns, often on the hillsides where the urban poor go to live). However, I met someone...who has become an entrepreneur, building one apartment, then another and renting them — all so his three-year-old could have a better life. Very impressive.”
Dagoberto Darezzo, sports industry, San Carlos-SP, Brazil

“Because we have a class comprised of 14 different nationalities, it really gives us a chance to see how people from around the world interact.”
Malik Surani, former training and development manager, Genpact, India

Linda Ward blogs from around the world robinson.gsu.edu/gpmba

“The Global Partners program took me out of my comfort zone and showed me what the future would be like, dealing with different cultures on a variety of issues.”
Yi Deng, former commercial banker, Atlanta, Georgia

Even people in favelas are becoming resourceful. When I grew up here, we were afraid of the favelas (also known as shanty towns, often on the hillsides where the urban poor go to live). However, I met someone...who has become an entrepreneur, building one apartment, then another and renting them — all so his three-year-old could have a better life. Very impressive.”
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Malik Surani, former training and development manager, Genpact, India

Linda Ward blogs from around the world robinson.gsu.edu/gpmba
in portuguese, it means “welcome to atlanta,” and atlanta has its arms open to doing business with brazil, the world’s eighth-largest economy.

by rhonda mullen

brazilian businesses coming to the united states often set up shop in miami. but lucia jennings has a message for them: “you haven’t gotten to the united states yet.”

jennings’ pitch goes like this: atlanta is a more solid entry point for brazilian companies to the united states. its locale and transportation system allow products to ship easily east and west, north and south, and business travelers can reach any destination in the united states within a few hours from hartsfield-jackson international airport. atlanta’s standard of living is affordable – with good housing, health care, and a rich community of colleges and universities. “the city has a good climate, too,” says jennings.

as founder and current president of the brazilian-american chamber of commerce in atlanta, jennings often gets a chance to advise brazilians on doing business in the southeast. in fact, in 2005 she launched the brazil-georgia business resource book to guide brazilian and georgian companies on doing business on each other’s turfs. a brazilian native who has lived in georgia for 30 years, she’s helped pave all manner of roads between her home country and adopted state, including connections between brazilian companies and faculty and students at the robinson college of business.

jennings first came to georgia as a foreign exchange student and rotary scholar. right from the start, she enjoyed raising the cultural awareness of brazil in speeches to local schools and rotary clubs throughout georgia. it was a time long before globalization became a household word, and jennings remembers that sometimes she had to explain even where brazil was located on the map.

working at the brazilian consulate in georgia in 1987, she launched the brazilian american society to bring together an increasingly large brazilian immigrant community. she organized celebrations around carnaval and other brazilian holidays that grew to attract 1,500 revelers.

by 1996, jennings was a senior buyer at the coca-cola company, soon to become a demand-planning forecaster. inflation in her home country had come down to single digits, and the government had lowered taxes on brazilian companies doing business on foreign soil. jennings seized the moment, and with three colleagues, she established the brazilian-american chamber of commerce.

the chamber’s mission is to foster trade and investment between brazil and the southeastern united states. the chamber works with the georgia department of economic development as well as the brazilian consulate, both with overlapping goals to promote trade. but unlike those groups, the chamber is not a government entity.
organization. “We want to work with them,” says Jennings, “but they want to work with us because we have the members.”

The business opportunities between Georgia and Brazil abound. For one, Brazil has manufacturing and IT capabilities that are welcome in Georgia. It is energy independent, as Georgia wants to be. With oil deposits and as one of the world’s leading producers of ethanol, Brazil benefits from decades of experience in renewable fuel research and manufacturing. The country also would like to increase its output to the United States, and Georgia is a state rich in the timber needed to produce ethanol.

There are other connections as well. Georgia has the ability to invest in many of the infrastructure projects that Brazil needs, as evidenced by a 2008 initiative of the Atlanta Chamber of Commerce. The trade show gave southeastern companies a close-up view of a proposed $300 billion overhaul of Brazil’s highways, airports, seaports, rail systems, and water and sewer systems.

Approximately 30,000 Brazilians already live in the Atlanta area, and unofficial estimates put that number even higher. In the years Jennings has lived in Atlanta, she has seen the metro area expand culturally to offer conveniences for Brazilians, such as ethnic grocery stores, money transfer businesses and nonstop flights to several cities in Brazil.

Nine Brazilian companies currently make their home in Atlanta and neighboring communities, in industries ranging from energy to transportation, from steel to IT.

Bematech Corporation
Brazil’s leading company in commercial automation, providing hardware, software and services to increase efficiency in retail stores

WEG Electric Motors USA
A multinational company that exports motors and related products from Brazil to 100 countries

Florense Design
Furniture and cabinetry company with showrooms in Atlanta, Chicago, Miami and New York

Gerdau AmeriSteel
Second-largest mini-mill steel producer and steel recycler in North America, annually manufacturing more than 10 million metric tons of mill finished steel products, with headquarters in Fort Lauderdale, Fla., and a steel mill in Cartersville, Ga.

Embraco
Located in Suwanee, Ga., and owned by Whirlpool, the company makes generators for washing machines and refrigeration

Stephanini IT Solutions USA
Back-office IT solutions with more than 12,000 employees in 27 countries, including a regional headquarters in Atlanta

Politec Global IT Services
Multinational company of Brazilian origin and one of the largest IT service providers in Brazil, with regional headquarters in Atlanta

“We went to shake hands, to explore the projects we can do together,” she says. They came away with signed agreements to work with chambers in São Paulo and Rio and further plans to collaborate with the Deputy Minister of Foreign Relations in Brasilia. Organizers hope to build on their relationships as Brazil prepares to host the World Cup in 2014 and the Summer Olympics in 2016.

“We want to mend the circle together,” says Jennings. “We are here. They are there. We have the bridge to connect.”
An international maker of motors brings Brazilian flair to American markets.

COMPETING WITH THE big guys

By Rhonda Mullen

The Brazilian students’ tour of WEG Electric Corp. starts right in the lobby of the company’s U.S. headquarters in Duluth, Ga. Contrasting photos on opposite walls in the lobby hint at the success of this international company, which the students are about to witness up close. One vintage photograph depicts an old truck in front of a small, single-factory building in Juraguá do Sul, Brazil, where WEG got its start in 1961. On the opposite wall, the scene in color is a thriving industrial complex in Juraguá do Sul, the largest electric motor manufacturing plant in the world.

The students from UNIFACS – a Brazilian University in the city of Salvador – are participating in an international seminar at the Robinson College of Business, led by international business professor David Bruce. As a part of their weeklong experience, they will get an insider’s look at a range of international companies, including WEG – the largest company in Atlanta with Brazilian ties. They’ll see the range of products, visit with the sales force and roam through a vast warehouse of motors complete with a shop for doing custom fittings.

In a display room with products ranging from bright blue motors to tiny electrical transformers, WEG’s national sales manager Valone Gomes begins the tour by jumping straight to the essence of the company. “We are all about motors,” Gomes says, “and motors drive everything that moves or spins.”

WEG produces motors and related electronics for industries from oil and gas or steel to farming or mining or energy. Founded by a mechanical engineer, a businessman and an electrical engineer in Brazil, it has grown in the past 50 years into a global company producing and selling more than 10 million motors annually and operating in over 100 countries.

With more than 23,000 employees around the world, WEG is sizeable, but still not as large as its competitors, including GE or Siemens. Still, “we compete with the big guys,” says Mauro Mendes, a vice president at WEG USA.

Location matters

Just off Interstate 85 in Georgia, the WEG headquarters recently has doubled in size. A new facility allows WEG to accommodate sales managers, factory engineers, sales and technical support staff, and automation and large-motor specialists who drive its U.S. division.

In addition to the polished showroom and offices, students on the Robinson College tour visit the aisles of a 200,000-square-foot warehouse, where a variety of motors are stacked in crates for shipping. One section houses an area where WEG technicians can modify motors to fit special orders, and the space also includes an area for the assembly of panels and medium-voltage drives.

From this headquarters, the company’s network extends to seven regional distribution centers, allowing WEG to guarantee product shipment anywhere in country within one or two days. The location also allows WEG employees to easily fly direct to wherever they need to be domestically or internationally – to manufacturing facilities in Brazil and Mexico or commercial branches in China and India.

“We communicate to the factory what the market really needs,” says Gomes, who has now worked 10 of his 13 years with WEG in Atlanta.

Adapting business to culture

Mendes, by contrast, is a relative newcomer to the area, arriving in Atlanta from Mexico, where he was general operations manager. With his fresh take on commerce in the United States, he finds “a different way of doing business. Americans are straightforward and fair in their approach so it is easy to do business here,” he says. “In Brazil, you almost have to be born there to know how to do business.”
WEG’s leadership team in the United States includes Brazilians, Americans and other nationalities. Through its worldwide expatriation program, the company sends Mexicans to Brazil, Brazilians to the United States, Americans to South Africa, and Britains to Dubai. Although changing languages and cultures is sometimes hard for employees, Mendes believes the global perspectives gained from this approach to business make for a stronger worldwide enterprise.

At the root of WEG’s success, however, is a single word: quality. “We strive to make our process simple and effective even if the product is complicated,” Mendes says. That focus on quality stays the same from a 100-ton piece of equipment to pump oil and gas to the tiny transformers that power motors for all manners of use.

Mauro Mendes
High oil prices, cautious consumer sentiment and fiscal cutbacks at all levels of government continue to hamper the nation’s economic recovery.

The recent spike in oil prices began with Tunisia’s Jasmine Revolution last December. The revolt spilled over to Egypt in January, which led that country to change regimes in February. Libya is currently in turmoil and so is Bahrain – all of which make the Middle East unstable and affect oil prices that have already climbed.

Even without these political Black Swan events, oil prices will remain high because of China’s demand for oil to support its construction industry.

Another area of concern is the mood of consumers. Personal consumption may have grown by 4.4 percent in the fourth quarter of 2010, but don’t look for the momentum of that quarter to continue to get us to the 5 percent-plus GDP growth rate needed to make for a strong job market. Stagnant consumer confidence coupled with federal budget cutbacks and the hard reality of record fiscal deficits, has led Congress to consider drastic changes in discretionary federal spending. Another impediment to reaching the higher rate of GDP is an idle construction industry.

New home sales were the lowest on record last year, and even in 2013, housing starts will remain well below the 1 million mark.

My prediction is that unemployment will remain above 9 percent until late 2012. Students who use delaying tactics such as going for advanced degrees or postponing graduation will eventually have to enter the workforce. At the same time, older workers will stay longer in the workforce to recoup portfolio losses (from the stock market and their homes), adding to the rising labor force participation rate.

One worry we don’t have is inflation. Inflation occurs when the economy is running above its potential to grow given the limits of population, equipment, software and facilities available. That is not the case in the United States right now, but a dose of inflation would not be bad because it would put all those people who lost jobs during the Great Recession back to work.

Georgia Economy Leads Florida, Trails North Carolina

Georgia’s recovery, marked by a turnaround in income creation, healthcare jobs and improved prospects for manufacturing, is outpacing Florida, but it lags behind North Carolina.

Georgia’s unemployment rate of 10 percent is less than Florida’s 12 percent but more than North Carolina’s 9.8 percent. Georgia’s personal income increased by 3.6 percent compared to Florida’s 3.1 percent and North Carolina’s 4.6 percent. North Carolina’s corporate job growth was up above 5 percent, Georgia’s was barely 2 percent and Florida’s was almost nonexistent.

While healthcare remains one of the state’s strong suits, particularly in the Atlanta area, manufacturing will prosper because of a weak dollar that helps exports (which grew 22.3 percent in 2010), the presence of a port and a shift of industrial production to transportation, as exemplified by the Kia plant in West Point.

Adding all the positives and negatives, the state will go from a loss of 5,600 jobs in 2010 to a gain of nearly 50,000 in 2011, and approximately 80,000 in 2012 and 2013.

Rajeev Dhawan is director of the Economic Forecasting Center. Dhawan provides economic forecasts for the nation, the region and Atlanta at quarterly conferences. Learn more about the Economic Forecasting Center at robinson.gsu.edu/efc.
The developing countries known as BRIC (Brazil, Russia, India and China) are capturing international business headlines, and of all these, Brazil may offer the most opportunities for U.S. businesses. According to rankings from the World Bank and others, Brazil fares well in comparison to other BRICs when considering its size, population, GNP and per capita income. (See Table 1.)

The Competitiveness Index of the World Economic Forum (WEF) ranks the BRICs as fourth in market size. As another indicator, the Market Potential Index (MPI) of GlobalEdge considers other factors in ranking China as No. 2 and Russia as No. 21. I suggest three additional considerations to help U.S. businesses further distinguish the BRICs: geographic distance, cultural distance and years of democratic experience. (See Table 2.)

For much of the United States and its major trade routes, Brazil is the easiest country of the BRICs to reach. Less geographic distance lessens travel and shipping times, with markets being only one to two time zones away. With a European-derived culture and western European language, Brazil also is a close cultural fit with the United States and has maintained a stable democracy since 1985. With a sound economic and political environment, excellent growth in recent years, a cosmopolitan consumer market, and world-class competitive companies and business practices, the country offers a good fit for U.S. businesses.

Along with these opportunities come some challenges – among them Brazil’s dependence on selling commodities in Asia, especially to China, and its need to better distribute income (although it has made recent strides in reducing poverty). Other challenges are procedural, such as structural bottlenecks in infrastructure, a complicated tax system and bureaucracy, and a need to strengthen social programs and education.

Despite these challenges, many emerging multinationals as well as major worldwide corporations are finding the Brazilian market to be more than worthwhile.

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Table 1 • BRIC Rankings

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Table 2 • New Rankings for BRIC

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ROBINSON COLLEGE DEAN’S SOCIETY...

is a new annual leadership gift club that recognizes the extraordinary generosity of our alumni and friends. By joining the Robinson College Dean’s Society, you will take your place as a leader among Georgia State alumni and the GSU President’s Society.

In addition to the satisfaction you already experience in knowing that you are investing in Robinson’s students and programs, you will enjoy:

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• Invitations to distinguished lecture series
• Special reserved seating at events
• Acknowledgement in Robinson and University Foundation publications

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