Monitoring Brazilian FDI worldwide: an overview of internationalization strategies of Emerging Market Firms (a native perspective)

Abstract

The panel entitled ***Monitoring Brazilian FDI worldwide: an overview of internationalization strategies of Emerging Market Firms*** aims to promote substantive knowledge exchange between panelists and the audience concerning the *status quo* of Brazilian Foreign Direct Investment (FDI) and future perspectives for Brazilian firms investing abroad. During the session, panelists – Brazilian senior scholars, Brazilian managers and representatives of a Brazilian research center – shall expose considerations concerning topics related to Brazilian FDI, there will be a roundtable for discussion between the panelists, and finally the audience might interact to the session by directly asking questions and/or addressing comments to the panelists.

Keywords: Brazilian Multinationals. FDI. Internationalization strategies.

1. Panel design

Prof. S. Tamer Cavusgil

(CIBER Georgia State) – *Moderator*

Panel I

Theme: What are Brazilian firms doing abroad? An overview of 100 Brazilian Multinationals

Prof. Gabriel Vouga Chueke and Prof. Mario Henrique Ogasavara

(Brazilian Multinationals Observatory) – *Panelists*

Duration: 15 minutes

Description: In a quantitative study with 100 Brazilian Multinationals, it has been highlighted the growing insertion of Brazilian multinationals in the global economy – rising from 95 subsidiaries abroad by 2010 to more than 400 subsidiaries abroad by 2014. Results reveal that Brazilian multinationals are present in 56 countries and operate predominantly in the manufacturing sector in low technology industries. Some reasons for the internationalization of these firms are presented, which vary according to their sector of operation, their maturity, and other institutional aspects at the host countries. The study provides an overview of the *status quo* of Brazilian Multinationals internationalization processes. The study is available by clicking here.

Panel II

Theme: Brazilian Franchises: stages of internationalization and brand expansion

Prof. Thelma Rocha

(Postgraduate Program in International Management - PMDGI ESPM) – *Panelist*

Duration: 15 minutes

Description: The research makes part of a longitudinal study to monitoring Brazilian Franchises overseas, 65 national brands were found abroad four years ago, this number increased to 92 brands in 2012, and now the updated survey shows 105 Brazilian franchises abroad – a 62% increase within that period of time. Results describe the challenges faced by Brazilian franchises during the internationalization process, the profile of these companies, main challenges and markets choice. The study shows some opportunities to expand Brazilian brands and business models all over the world. The study is available by clicking here.

Panel III

Theme: How can emerging multinationals build global brands? A managerial perspective.

Erlana Castro (Global Branding Executive)

Dentsu Aegis Network – *Panelist*

Duration: 15 minutes

Description: Presentation of a few cases illustrating the internationalization process of Brazilian firms focusing on how they have built their global brands in Latin America: What have been the main challenges they have faced? What are the most promising opportunities of building brands in emerging markets? The cases present some aspects that should be considered by companies while deciding for their brand building strategy definition.

Panel IV

Carlota Carneiro

Consultant – *Panelist*

Theme: What is different in emerging markets? A consultant perspective.

Duration: 15 minutes

Description: Presentation of two cases, both in the medical equipment sector. The first one shows how a Brazilian company successfully entered the Indian market: the first stages of the internationalization process, and main strategy and difficulties found in the process. The second is about an American company who decided to expand their operations in Latin American through an office in Brazil: Why did they prefer to delegate the entire process to the local office? What might be the outcome of that choice both for the headquarters and the local operations?

2. Mini-CVs

Professor S. Tamer Cavusgil

Prof. Cavusgil is currently Fuller E. Callaway Professorial Chair, and Executive Director, Center for International Business Education and Research (CIBER), at the Institute of International Business, Robinson College of Business, Georgia State University.

Tamer has authored more than two dozen books and some 200 refereed journal articles. His work is among the most cited contributions in international business. He is the founding editor of the Journal of International Marketing and Advances in International Marketing. Tamer earned his undergraduate degree from the Middle East Technical University in Ankara, Turkey, and his MBA and Ph.D. degrees in business from the University of Wisconsin.

Email: cavusgil@gsu.edu

Phone: + 1 404 413-7284

Address: Office 1438, downtown campus
Atlanta, Georgia – USA

Gabriel Vouga Chueke

Founder and coordinator of the Brazilian Multinationals Observatory. Master in International Management at ESPM. Gabriel specializes in International Strategy at the University of Chicago and is a Global Mindset Facilitator from Thunderbird School of Global Management. Gabriel is a member of the Academy of International Business and European International Business Academy.

Email: gabriel.vouga@espm.br

Phone: +55 11 5085-4509

Address: Rua Dr. Álvaro Alvim, 123
São Paulo – Brazil

Mario Henrique Ogasavara

Full Professor and Coordinator of the Master and Doctorate Program in International Management (PMDGI) at ESPM São Paulo, Brazil. Postdoctoral, National University of Singapore, Singapore. Ph.D. in Management, University of Tsukuba, Japan. Associate Coordinator of ProAsia – Program of Asian Studies (FEA/USP). Brazilian Area Coordinator of SGBED (Society for Global Business & Economic Development), Member of the

Scientific Committee of the Strategy and Organization Division at the ANPAD (Brazilian Academy of Management) and Track Co-Chair of the 2015 EIBA – #11 MNE strategy and organization. Mario was a Visiting Professor at the University of Deggendorf, Germany and currently an Avocational Lecturer at the Stenbeis University, Germany. Mario is the Scientific Editor of Internext - the Review of International Business Journal in the field of International Operations and Strategy. Reviewer of international academic journals (Journal of Business Research, Asian Business & Management, Brazilian Administration Review, Latin American Business Review, Tourism and Hospitality Research, International Journal of Human Resources Development and Management). Member of the academic associations: Academy of International Business (AIB) – Association of Japanese Business Studies (AJBS) – Euro-Asia Management Studies Association (EAMSA) – Japan Academy of International Business Studies (JAIBS) – Japan Association of Administrative Science (JAAS) – Japanese Studies Association of Australia (JSAA) – Society for Global Business and Economic Development (SGBED).

Email: mario.ogasavara@espm.br

Phone: +55 11 5085-4509

Address: Rua Dr. Álvaro Alvim, 123

São Paulo – Brazil

Thelma Rocha

Full Professor at the Master and PhD Program in International Management (PMDGI) of ESPM and at the Master Program in Consumer Behavior (MPCC) of ESPM. Master in Market Administration, EAESP/FGV, with specialization in International Business from Stockholm School of Economics (SSE), Sweden. Thelma researches the topic internationalization of Brazilian franchises, the role of marketing in the internationalization processes of enterprises, and relationship marketing. She has occupied executive positions in the marketing area for 12 years and worked at Credicard SA, Mapfre, MyWeb and CPM. Thelma has authored several books in the field of marketing and several articles in national and international journals.

Email: tvrocha@espm.br

Phone: +55 11 5085-4509

Address: Rua Dr. Álvaro Alvim, 123

São Paulo – Brazil

Erlana Castro

Head of Business and operations Dentsu Aegis Network at Latin America. Twenty years of experience at managing communications for major brands in Brazil, Latin America and Europe for industries such as Automotive (Fiat); Mobile Telecommunications (TIM); Electronics (Philips); Cosmetics (Avon); Drinks (AB-InBev). Main expertise: Brand/Communication Strategy; Implementation and coordination of Pan-Regional/Global Branding/Communication Campaigns and Innovation in Business Modelling.

Email: erlana.castro@dentsuaegis.com

Carlota Carneiro

Consultant for 13 years assisting Brazilian companies in several sectors in their internationalization process. Her projects includes support to companies and government institutions as APEX-Brasil (Brazilian Trade and Investment Promotion Agency), FANEM, ABF (Brazilian Association of Franchising), Germany Trade Chamber in several sectors, such as medical equipment, franchising, audiovisual, agricultural machinery, ceramic tiles, retail technology, among over 30 countries.

Email: carlota@promex.com.br

About Brazilian Multinationals Observatory

Brazilian Multinationals Observatory is a research center which seeks to influence scientific, economic, political and management transformations through the generation and dissemination of knowledge about internationalization of Brazilian firms .

Website: observatorio.espm.br

3. Overview Statement of the main issues in the panel

The importance of Foreign Direct Investment (FDI) from emerging economies has significantly increased over the last decade. In fact, the most recent World Investment Report (2014) shows that developing economies accounted for 39% of the world´s FDI. For the first time, emerging economies such as Brazil have a crop of firms that can be described as multinationals. Some of them are already well known outside Brazil such as Petrobras, Vale (one of the world's largest mining companies) and Embraer - the world's third-largest maker of passenger jets (*The Economist*, November 12, 2009).

However, we still know very little about internationalization of Brazilian firms: where they are going to; the size of those investments; the competitive advantage of these companies; how they learn with foreign operations etc. The panel entitled ***Monitoring Brazilian FDI worldwide: an overview of internationalization strategies of Emerging Market Firms*** aims to promote substantive knowledge exchange between panelists and the audience concerning the *status quo* of Brazilian FDI and future perspectives for Brazilian companies investing abroad. It will be held in the format of a roundtable trying to explore different points of view from senior scholars, managers and a research center – Brazilian Multinationals Observatory, engaged in monitoring Brazilian investments worldwide.

The panel will be moderated by Professor Cavusgil (CIBER Georgia State), and the main topics of discussion addressed by scholars shall be the profile of Brazilian multinationals and the internationalization process of Brazilian franchises. The considerations will be based on two studies: (i) An overview of 100 Brazilian Multinationals: the search for global markets and consumers and (ii) Stages of internationalization of Brazilian Franchises, that reveal the growing insertion of Brazilian multinationals abroad (in which countries they operate and why they chose those countries; the sector in which they operate; their maturity; their entry mode strategy etc.), and the contributions of a particular type of business, franchises, to the increment of the number of Brazilian companies and brands abroad.

In order to illustrate how theoretical considerations are reflected into managerial practices, two business people will present cases of Brazilian companies that have been experienced abroad. One manager shall present what the challenges and opportunities of building brands in emerging markets. The other one shall present and contrast two cases, both in the medical equipment sector. The first one will show how a Brazilian company successfully entered the

Indian market (the first stages of the internationalization process, the strategies and main difficulties found in the process). The second is about an American company who decided to expand their operations in Latin American through an office located in Brazil (Why did they prefer to delegate the entire process to a local office? What might be the outcome of that choice both for the headquarters and the local operations?)

4. Why the panel should be of interest to EIBA members?

The panel consists of a room for debate of issues of contemporary interest to IB scholars and managers once it poses significant attention upon an increasingly relevant field of research: FDI in and from emerging market economies.

EIBA members shall be interested on knowing more about Brazilian businesses abroad, considering the size and the recently gained relevance of Brazil in the global competitiveness arena. There may also be academic implications, for EIBA members, once theoretical achievements may happen by discussing the topics suggested.

Last but not least, EIBA members might find the panel interesting because of its contributions of political order: the debate itself, exposed a native standpoint by a Brazilian research center, Brazilian senior scholars and Brazilian managers, to open a dialog via in which Brazil figures out as a major player, not only a distant spectator.

5. Describing the session format

The session might be developed under the format of roundtable. Participants of the roundtable are senior scholars and managers. Each of them shall present in 15 minutes their considerations on certain theme and finally there shall be a round of discussion, mediated by Prof. Cavusgil (CIBER Georgia State), which shall involve not only the experts, panelist in the roundtable, but also members of the audience.

6. Room setup and technical equipment requirements

In order to promote the panel, some materials are required to be used by the panelist and the mediator of the roundtable, such as microphones, projector, computer with USB connection, water, paper and pencil.

Panelists' desks shall be disposed in a "U-format", in a way that panelists are able to look at each others, and to the audience, at the same time. The mediator of the roundtable shall be posed in the center of the "U-format" disposition. The audience format is indifferent, as long as they can have a clear view of every panelist.

7. Synopsis of the activities to be performed

The performance of the panel shall follow some arranged steps, such as follows:

a) Opening – Professor Cavusgil (CIBER Georgia State) opens up the roundtable, by introducing himself and each of the panelists briefly.

b) Exposition – Each panelist presents some topic of discussion, accordingly to previously established themes during a maximum of 15 minutes. They may use technological support (data show presentations, microphones etc), during their presentations.

c) Debate Preparation – Participants are invited to write, in a piece of paper, one question that considers relevant in the roundtable scope. Those questions are audited by one expert from the Brazilian Multinationals Observatory in order to select the best questions to be discussed by the panelists.

d) Round table – Professor Cavusgil, moderator of the panel session, opens up the roundtable between the panelists. The panelists shall discuss, during the round table, questions previously suggested by the audience (during the debate preparation phase). The questions are going to be answered right after posed, so that the next question shall only be addressed when the previous one has been fully debated. All of the panelists on the roundtable can complement and/or rectify information given by one of them.

e) Open debate – The audience may address its questions and comments directly to the panelists. The moderator, Professor Cavusgil shall intervene whenever he considers it

necessary, for example, in case he considers a question offensive and/or not pertinent to the debate context.

f) Final considerations – Professor Cavusgil, moderator of the panel session invites the panelists of the roundtable to present their final considerations. When the final considerations of the panelists are over, Professor Cavusgil declares the session over.

8. Statement

We, from the Brazilian Multinationals Observatory, herein state that we have been fully authorized by the panelist and by the moderator of the panel session to present this panel proposal. Each of the referred panelists and the moderator, Professor Tamer Cavusgil (CIBER Georgia State), confirmed they will participate in the panel (if accepted) under any circumstance, excluded those of any health impairment.