The LT CFO Forums are invitation-only events that offer CFOs, finance directors, treasurers and controllers from various industries in Latin America the opportunity to participate in high-level peer group discussions and to interact in a private setting.

What We Learned

2012 Argentina Economic Perspectives and Forecast

Speaker:
Miguel Angel Broda, Founder & CEO, Estudio Económico Financiero

Key Points:
» Heavy government intervention in economic affairs
» Even the more extreme Latin leaders know ideology is irrelevant
» GDP growth expected at 2.0 percent and inflation above 25 percent

Building the Enterprise Value of the Finance Function

Speakers:
José Manuel Vázquez, CFO, Sancor
Emilio Fortou, Head of LAC Multinational Program, Visa

Key Points
» Today’s CFO is effectively a deputy CEO
» Cost management through transparency and automation
» Argentine CFOs have learned how to deal with tough issues

2012 Global Economic Perspectives and Forecast

Speaker:
Kathryn Rooney Vera, Director & Managing Partner, Macroeconomic Research, Bulltick Capital Markets

Key Points:
» Southern Europe still dealing with debt and stagnant growth
» Commodity prices still strong, but initial signs of slowing demand from China
» Brazil expansion provides some support for Argentina

CFO Workshop

Pablo Morales, Director, Global Financial Services Center, Nalco and ECOLAB
Félix El Id, CEO, Datarisk

Key Points:
» Insource vs. outsource designs require focus on core competencies and scale
» Shared services provide improved control of recurring expenses
» Opportunities to leverage local resources for regional operations

Keynote Address:
* Álvaro García, Director-Representative, CAF Argentina

Event Moderator: Mark Ludwig, CFO editor, Latin Trade, and Principal, Variant Advisors
A CFO’s role is a work in progress – new challenges are emerging all the time, requiring today’s CFOs to have skills far beyond the old number-crunching abilities. Having a strategic outlook, being able to do long-term planning, fully understanding their markets opportunities and pitfalls, being effective team players and helping make decisions on key issues such as mergers and acquisitions or disinvestments are but some of the skills in demand.

As if all this were not daunting enough, CFOs in Latin America, and in Argentina in particular, face the added difficulty of wearing all those hats in an environment where governments can seize major companies (as just happened with the recent expropriation of Argentina’s oil producer YPF from Spain’s Repsol), where cost and prices can go through the roof, and where legal security cannot be taken for granted.

“The role of today’s CFO is actually that of a deputy CEO,” José Manuel Vázquez, CFO at leading Argentine dairy producer SanCor, told dozens of fellow corporate leaders who took part in an LT CFO Forum in Buenos Aires, summarizing a consensus view. SanCor, a cooperative that in 2010 had US$1 billion in sales, accounts for 90 percent of Argentina’s dairy exports.

Deloitte managing partner Claudio Fiorillo agreed. “In the past, CFOs used to be accountants who made their entire careers in one single company. No more,” he stressed. Today, leadership, teamwork, big-picture thinking and an ability to adapt quickly to changing scenarios are a must, he said.

Accordingly, at Deloitte – which provides audit, tax, consulting and financial advisory services to corporations – they are redefining the CFOs’ role. To the traditional administrator and operator skills, new aptitudes must be added, including those of strategist and of “catalyst” or “evangelizer,” developing the ability to convert others to his or her cause. Proficiency in those areas is putting CFOs in the direct succession line to the position of CEO, Fiorillo said.

Economic guru Miguel Angel Broda warned forum participants that doing business in Argentina is not for the faint of heart – after several years of strong growth, the country is heading into dire straits. Heavy government intervention in economic affairs comes hand in hand with what he sees as GDP growth of only about 2.0 percent in 2013 and 2014 and rampant inflation as high as 30 percent. Yet, Broda remains optimistic for the long term. And he has one piece of advice for Argentine politicians: Look within the region for examples of how to conduct business.

“Other Latin nations know how to attract investments. They know ideology is irrelevant,” Broda told the forum. Even dogmatic leaders such as Bolivia’s Evo Morales and Ecuador’s Rafael Correa “are aware that you are not supposed to fool around with macroeconomics,” Broda emphasized.

But not all is an uphill struggle. Visa can support CFOs and corporate travel managers to cut costs, add transparency and automate, monitor and standardize expenses and transactions, said Luis Emilio Fortou, the Latin America and Caribbean Region representative of Visa’s Global Commercial Expansion Team. “The Visa card is just one element in our integral solutions,” he added.

When company officials use a corporate card to make business payments and transactions or while on the road, that information is automatically fed into the company’s enterprise resource planning (ERP) system and other cost-monitoring tools, giving CFOs more elements, time and leeway to focus on strategic thinking.

Another way to cut costs and increase processes efficiency is through shared services, said Pablo Morales, Global Financial Services Center Director at Nalco, which recently merged into Ecolab to create an $11 billion turnover, 40,000-employee company that has become the global leader in
water, hygiene and energy technologies and services.

From his office in Buenos Aires, Morales heads a 125-strong team that works in conjunction with the company headquarters in St. Paul, Minn., and regional leaderships to provide back-office financial and supply-chain services to dozens of centers spread in Ecolab’s four regions.

As a result, since its implementation in 2004, the company has been saving millions of dollars in recurring expenses because of labor cost arbitrage and increased specialization and scale, along with other improvements and indirect benefits, Morales said.

Yahoo! Argentina’s Gabriel Patalano shared with colleagues from larger operations the experience of what it is like to be the finance manager of a small operation – particularly if, like him, one comes from a much larger setup, such as IBM.

“At smaller companies, you have to personally define your role day by day, and you take a much closer view of the business you’re in,” Patalano said. In the case of Yahoo! Argentina, the focus is on supporting the sales drive. “Our goal is to achieve strong commercial growth,” he said.

Deloitte’s Fiorillo sees a silver lining around the hardships of doing business in Argentina – by tackling crisis after crisis, CFOs working in the country can hone their managerial skills and improve their problem-solving capabilities. “They learn how to deal with tough issues in the region,” Fiorillo told forum participants.

– David Haskel
The role of the **CFO** is being redefined and now in the direct succession line to the position of **CEO**