



The BlueSteps Career Forecast

Focus on Brazil 2012

This paper presents one-on-one interviews with leading AESC retained executive search consultants who specialize in placing executives in Brazil.

Contents:

Page 1-2: Expert Q&A

* *Alfredo José Assumpção*,
Fesa Global Executive Search
Transforming Leadership

Page 3-4: Expert Q&A

* *Tatyana Freitas*,
Caccuri Consultores

Page 5-7: Expert Q&A

* *Adriana Prates*,
Dasein Executive Search

Page 8-9: Expert Q&A

* *Robert Wong*,
Robert Wong Executive Consulting

Expert Q&A - Executive Search in Brazil



Alfredo José Assumpção
Fesa Global Executive Search
Transforming Leadership

BlueSteps: *Alfredo, first of all, many thanks for taking the time to speak with the Association of Executive Search Consultants (AESC) and BlueSteps about executive search in Brazil. Could you tell us about the search firm you come from and the work you do there?*

Alfredo José Assumpção: Fesa Global Executive Search Transforming Leadership. I am the Founding Partner & CEO of Fesa.

BlueSteps: *In our recent 2012 BlueSteps Mid-Year Executive Outlook Report, 31% of senior executives working in Brazil today reported a positive outlook for the executive job market at mid-year, five percentage points higher than the global average. Now that we are in the second half of the year, how would you describe your outlook for Brazil for the duration of 2012 and into 2013?*

Alfredo José Assumpção: The conditions for our industry in Brazil in this second half of 2012 tend to be much better, due to the Brazilian government reducing interest rates, and also social charges for companies to facilitate their capital investment, and to accelerate their operations in the country. Employment as a whole tends to improve on all levels, from bottom to top functions in the organizational pyramid. In this way, Brazil—which was already facing a blackout of talent—will see hiring become more aggressive. Competition for the best human capital will increase.

BlueSteps: *What are the current trends you are witnessing in executive search in Brazil at the moment? Mining is a robust industry in Brazil, as is construction in recent years. What would you say about the technology sector or consumer goods in Brazil at the moment? What other sectors are experiencing strong activity in Brazil?*

Alfredo José Assumpção: I'd say that all of the sectors are doing well in Brazil. It is certain that infrastructure is a concern for the government, especially in order to prepare the country for the Olympic Games in 2016, but also for the Soccer World Cup in 2014. In addition to the infrastructure sector, we can add metal and mining, consumer goods and agribusiness—all outstanding performers for this period.

Brazilian leaders in the corporate world are facing big opportunities to improve capability for their companies, especially taking advantage of the recent investment grade status acquired by Brazil.

BlueSteps: *What would you say is of greatest concern for senior-level executives working in Brazil today?*

Alfredo José Assumpção: Brazilian leaders in the corporate world are facing big opportunities to improve capability for their companies, especially taking advantage of the investment grade status recently acquired by Brazil. In the last 20 years, especially after the Real Plan, Brazil witnessed more than 20 new Brazilian multinationals operating worldwide, some of them leading their market niche. Because of this, there is a lack of good executive talent during this new moment in the country's development.

BlueSteps: *What are some key changes within Brazil in the past five years regarding executive recruiting?*

Alfredo José Assumpção: Technical areas, biotech, geneticists, scientists, engineering talent, family-owned CEOs, top-level marketing execs and first-class commercial execs.

BlueSteps: *What have been some key changes within Brazil in the past five years regarding executive recruiting?*

Alfredo José Assumpção: We have seen a tremendous influx of local and international middle management recruiting companies and contingency firms. In addition, there has been a rise in the use of social media. Furthermore, there has been a lack of preparation by internal HR offices involved in talent recruitment, as well as a lack of business and market acumen. Finally, we've seen a lack of understanding in Brazil regarding executive search; we constantly have to educate.

BlueSteps: *Of the searches that you are seeing, how would you describe the ratio of executives who are native to Brazil versus expatriates?*

Alfredo José Assumpção: From our perspective, 97% of executives placed have been local.

Expert Q&A - Executive Search in Brazil



Tatyana Freitas
Caccuri Consultores

BlueSteps: *Many thanks, Tatyana, for taking the time to speak with the AESC and BlueSteps about executive search in Brazil. Could you tell us about the search firm you come from and the work you do there?*

Caccuri was found in 2003 as a stand-alone boutique consultancy that specializes in retained executive search and organizational development, assessment and coaching. Then we became part of Agilium, one of the top global executive search alliances worldwide. More recently, and very proudly, we became part of the AESC—Association of Executive Search Consultants. Hugo Caccuri Jr, our founder, is also the co-founder of the Great Place to Work of Mexico, Central America and the Caribbean, a company that ranks the *Mejores Empresas para Trabajar*. We have a generalist approach to the market, without specialization in specific segments, and we have both national and multinational clients in the most diverse business sectors.

BlueSteps: *In our recent 2012 BlueSteps Mid-Year Executive Outlook Report, 31% of senior executives working in Brazil today reported a positive outlook for the executive job market at mid-year, five percentage points higher than the global average. Now that we are in the second half of the year, how would you describe your outlook for Brazil for the duration of 2012 and into 2013?*

This second semester should present a slightly better scenario for the executive search companies in general. From a macroeconomic perspective, our perception is that Chile, Colombia and Mexico present a better business environment. These economies might not be as big, but they have a better economic potential compared to Brazil. The Brazilian government has focused on the consumer market as the way out of crisis, but the level of general debt is 19%, and the incentive measures won't be enough to recover the growth of GDP.

BlueSteps: *What are the current trends you are witnessing in executive search in Brazil at the moment? Mining is a robust industry in Brazil, as is construction in recent years. What would you say about the technology sector or consumer goods in Brazil at the moment? What other sectors are experiencing strong activity in Brazil?*

Executive search in Brazil is under an important transformation, following international trends because of new technology being used in the recruitment sector, such as LinkedIn. We see more companies trusting their entire search process to internal resources as an alternative to executive search providers, but the actual advising process is left out—a big problem. The profile of executive search companies will be tested and many of them will not survive, probably a fewer number of companies will be in the arena in the next

few years. But the ones that do stay will become stronger. Simple recruitment will be done through new ways, but at the C-level—for the most important and strategic positions—that will still be in the hands of reliable retained search firms, and the strong relationships they build with their clients. Those search firms known for providing a good experience to their clients—will still be the base for the hiring process at the C-level.

The consumer goods sector has been under a very interesting transformation in the past few years, due to the better wealth distribution and the appearance of a new Brazilian middle class.

In terms of sector growth, the mining sector has been stronger than it is now, reflecting a drop in demand from China. In the construction sector, considering civil projects, we've already seen that peak. We are starting to see ads in the Brazilian newspapers for apartments in newly constructed buildings with their prices reduced more and more. Regarding infrastructure—because those projects are a longer-term type of investment—that segment is more active. However, there are ongoing problems related to bureaucracy and environmental approvals, even though those

projects have already been completed.

Technology is not our area of expertise, even though we have been working on strategic positions, but our view is not very broad in that sector.

The consumer goods sector in Brazil has been under a very interesting transformation in the past few years, due to the better wealth distribution and the appearance of a new Brazilian middle and lower middle class (categorized as social classes C and D within the country, as opposed to classes A and B which represent the wealthy and the upper middle classes). Companies have been adapting portfolio and distribution strategies to tap into this new market. Direct sales have been considered a good alternative for this new demographic, with companies trying to use non-traditional distribution channels, since these new consumers are also in different regions.

The sectors with solid growth are the ones that comprise the healthcare industry (including private medical insurance companies, hospitals and pharmaceuticals). In the financial sector, the insurance segment is the only one showing any growth.

BlueSteps: What would you say is of greatest concern for senior-level executives working in Brazil today?

The executives at European companies in general are very worried about the situation in their region. But even executives at Brazilian companies have the same concerns. The US economy is still not showing solid signs of recovery, China is slowing down, and the mostly worldwide economic stagnation is still troublesome, especially since Brazil is a strong exporter of commodities. A delay in necessary reforms and working laws in Brazil further compound the situation.

BlueSteps: What are some key changes within Brazil in the past five years regarding executive recruitment?

One key change is the many spin-offs of bigger companies and the proliferation of boutiques—something we consider quite positive—and also a change in the profile of the search consultants. More young people are interested in the recruiting sector. The typical executive search consultant has been more senior in the past, but today, we are seeing younger consultants stepping into more important roles.

BlueSteps: Of the executive searches that you are seeing, how would you describe the ratio of those executives ending up on short lists or being placed who are native to Brazil versus expatriates—local talent versus searching outside of the region?

Only a minority of those executives are expatriates. Some sectors do demand more international solutions, but in general, even those executives coming from other countries are, for the most part, Brazilian expatriates coming back to Brazil, or executives who have had some previous personal or professional relationship with the country. The language still tends to be a very strong barrier for anyone else. Also, the cost of living in Brazil is very high. Violence, unfortunately, is also higher compared to Europe and the US, and education and medical insurance are also quite expensive. Furthermore, Brazil is a continental country, with different cultural characteristics in its different regions, and companies normally hire looking for short results, and not for those that are more long-term.

BlueSteps: Of senior-level executives working in Brazil today, how would you describe them? Are they male, female, older, younger, local or expats, and what changes, if any, are you seeing in terms of these demographics?

The majority is very traditional: male, middle-aged and local. Diversity is not a huge drive, although, we can't disregard many changes in the past few years, largely imposed by international companies (at least in the beginning), new codes, and also influenced by the bigger local companies. We have seen a tendency in the past decade for younger executives to occupy leading positions. We have had demands for executives no older than 55 years, but we have also witnessed executives 60 years-old and up being placed as well.

BlueSteps: What can executives today do to increase their visibility and get noticed by executive recruiters?

The key way to build good relationships is to establish relationships that are real and long-term. It's important to maintain frank communication, no matter what the medium (email, phone or personal contact) that allows search consultants to get to know the executive—in essence, what would instill trust to recommend the candidate with confidence. Otherwise, you just end up getting a LinkedIn style of recommendation, where everybody compliments everybody and you don't truly know who to trust. In Brazil, our perception is that the recommendations on LinkedIn are primarily an exchange of goodwill, but a true recommendation goes beyond that. Constant contact is still key, but one must always maintain a personal approach. In our business, trust is a must.

Expert Q&A - Executive Search in Brazil



Adriana Prates
Dasein Executive Search

BlueSteps: *Hi Adriana, thank you for taking the time to chat with the AESC. We had the opportunity to discuss the Brazilian market earlier this year at our AESC conference in New York. We're curious if your outlook for the region has changed any since then? But, first of all, can you share with us a bit about Dasein Executive Search, the work you do there, and any key areas your firm specializes in?*

Adriana Prates: It is a pleasure for me to be able to share a little about the Brazilian economy and also perspectives and trends in the labor market here.

About Dasein Executive Search—we have an intense operation in several states of Brazil. Our offices are located in São Paulo and Belo Horizonte, strategically supporting us in the services we provide. We are experts in medium and high management, including the services of Executive Search, Leadership, Coaching, and Assessment, supporting national and international corporations in their many demands to hire, assess, and develop high performance teams.

We have Excellence Centers in various corporate segments, and in some Brazilian states, we focus more on Mining, Steel, and Information Technology industries. In other regions, we place more focus on e-commerce and biomedical services. In general, we service the food, mechanics, automotive, infrastructure, and oil and energy industries.

BlueSteps: *How would you describe your outlook for the business climate in Brazil right now?*

Adriana Prates: The current performance of the Brazilian economy is a result, in part, of external effects and also the contingency measures of inflation taken by the Brazilian government last year with credit restrictions, which ended up affecting consumption. Now, we see exactly the opposite: the government is loosening measures—lowering interest rates, releasing credit, cutting taxes—taking effect in this second half of the year.

The average GDP of 2.5% is based on the first half of 2012, which showed an increase. This second half of the year is set to bring better numbers, maybe raising the average to 2.8% considering the 2012 annual GDP. However, these are short term measures to keep the economy heated. The country's major leaps, however, will only come with major structural reforms—tax and labor issues, infrastructure and interests, which will allow more competitiveness for the industries in the country—allied with heavy investments, inflation containment and an even larger drop in interest rates.

BlueSteps: *What are the current trends you are witnessing in executive search in Brazil at the moment? Mining and construction are both strong industries in Brazil. What would you say about the technology sector or consumer goods in Brazil? What other sectors are experiencing strong activity in Brazil?*

Adriana Prates: Overall, it is a fact that the mining segment has been standing out in Brazil, even attracting great steel groups and also mobilizing investments and acquiring new mining assets as a way of balancing the EBTIDA and recovering its margins. This segment of mining has managed to reach enviable 30% to 50% profitability rates. The construction and infrastructure segments were weak in the first half of the year.

However, these sectors are already showing a lot more energy, with events such as the PAC works [Growth Acceleration Program, of the Federal Government], World Soccer Cup, and Olympics, among others, bringing a lot of parallel investment, like airports, highways, access works and hotels. Still, there is a lot to be done: ports, railways, sanitation, schools and hospitals.

Generally, the technology or consumer goods sectors will also be affected in a positive way in this second half of the year. The crisis in the eurozone is a risk to be monitored carefully and controlled, so that it does not affect the markets in development, including Brazil, which, although it suffers from slight economic deceleration, is very far from a crisis.

The sectors with very high growth potential are the pre-salt, naval industry, gas, energy and coal industries.

BlueSteps: *What would you say is of greatest concern for senior-level executives working in Brazil today. In our recent Focus on Latin America Report, many executives working in Latin America gave the region high points overall, including compensation, but many executives did mention work-life balance as a bigger challenge compared to other regions. Can you elaborate on this—why do executives in Brazil seem to have longer working hours?*

Adriana Prates: The factors are many. I can highlight the cultural aspect that emphasizes the great work shifts on the part of business leaders as a trait of commitment of the executive. In addition, our low-capacity industrial automation and still the heavy reliance on technology from abroad, decreases our operational efficiency and proportionally it ends up being off-set in long working hours observed in most business segments in Brazil.

BlueSteps: *What are some key changes within Brazil in the past five years regarding executive recruiting?*

Adriana Prates: The talent blackout was decisive for companies in Brazil to professionalize their recruitment models. For the past five years, there have been more vacancies than professionals. Accordingly,

The sectors with very high growth potential are the pre-salt, naval industry, gas, energy and coal industries.

most companies had to develop all the subsystems of human resources from recruitment to retention of talent, which has influenced the wage inflation in Brazil.

But the most striking change was the fabulous increase in retaining the executive search firms, by major businessmen and shareholders, because with good professionals increasingly rare here, the search firms provided the most diverse solutions to meet that demand, whether natives or foreigners, either repatriating or capturing professionals in other countries. We brought, and are continuing to bring back home, a huge amount of executives who were working abroad, especially in the US, EU and Asia.

BlueSteps: Of the executive searches that you are seeing, how would you describe the ratio of those executives ending up on short lists or being placed who are native to Brazil versus expatriates—local talent versus searching outside of the region?

Adriana Prates: Yes. There's a significant extension in the executive search process showing a shortlist of, each time, a more diverse group of both expatriate and repatriate professionals.

The number of executives under 35 years-old being placed at the senior level has increased.

In spite of this, the greatest impact is still on the executive who is already regularized in Brazil.

Being a foreigner, he or she needs to master Portuguese. Of the executives we recruit outside of Brazil, the preference is still toward Brazilian executives working in multinational companies abroad—people who wish to return to Brazil. Other foreign executives come in second.

In percentage terms, I can assure that the increase was around 30% when considering the shortlist of executives in general who are still working abroad with the possibility of now operating in Brazil, being Brazilian or not.

BlueSteps: Of senior-level executives working in Brazil today, how would you describe them? Are they male, female, older, younger, local or expats, and what changes, if any, are you seeing in terms of these demographics?

Adriana Prates: Although the presence of women is increasing at the senior-level, I can say that progress is still very slow. To illustrate, the newspaper *Valor Economico* annually awards the “Executives of Value,” the 24 presidents who stood out in 24 different business sectors. Of those 24 executives awarded, there was only one female executive awarded a “2012 Executive of Value,” so if you do the math, you see that the proportion is still small.

Another very interesting characteristic is that the number of executives under 35 years-old being placed at the senior level has increased. However, in a similar proportion, the same has also occurred with executives over 60 years-old, who we are also seeing assume positions of high command.

BlueSteps: What can executives today do to increase their visibility and get noticed by executive recruiters? Broadly speaking, if someone who is not currently working in Brazil seeks opportunities in

Brazil, what do they need to know and what skills should they bring to the table to be considered for executive positions in Brazil?

Adriana Prates: There is no magic in capitalism. We are looking for validated cases for our clients, so to stay on the radar of the headhunter, they must make a difference in the company where they operate, be committed, be responsible, be serious, determined and persistent, and always grow with both their mistakes and their successes—have panache, stand with dignity and ethics under any circumstance.

What has changed is the pressure on top executives in order to assess whether they are really meeting expectations.

The facts are irrefutable, and when we present candidates to our clients, we can never have any doubts that the group of finalists is actually the very best, most complete and adherent to the new corporate culture. The professional we seek has had his or her competence tested and proven—we cannot take risks. So, for those who want to change jobs, act as a reference to search

professionals for where you are employed today. For those without jobs, use everything in your favor: networking, good contacts with recruiters, appropriate use of social media, publication of relevant articles, among several other strategies. The most valued skills have not changed much—what has changed is the pressure on top executives in order to assess whether they are really meeting expectations.

I always highlight multicultural and international experience, the principles of ethics, transparency, a people and results orientation, and at the same time, a capacity to identify new business opportunities and the proven ability to lead a group in a motivating way in order to achieve defined goals.

Expert Q&A - Executive Search in Brazil



Robert Wong
Robert Wong Executive Consulting

BlueSteps: *First of all, many thanks for taking the time to speak with the AESC/BlueSteps about executive search in Brazil. Could you tell us about the search firm you come from and the work you do there?*

Robert Wong: I work for my own firm, Robert Wong Executive Consulting, which has been growing steadily and is recognized as one of the top players in the local market for C-level positions. My role is that of CEO and Founding Partner.

BlueSteps: *In our recent 2012 BlueSteps Mid-Year Executive Outlook Report, 31% of senior executives working in Brazil today reported a positive outlook for the executive job market at mid-year, five percentage points higher than the global average. Now that we are in the second half of the year, how would you describe your outlook for Brazil for the duration of 2012 and into 2013?*

Robert Wong: The outlook continues to be positive since Brazil is still somewhat lacking in talent in some areas, especially in the growing demands imposed by the global competition, aggravated by the fact that two major events are looming ahead—the World Cup in 2014 and the Summer Olympics in 2016. There is a lot to be done and too little time to do it.

BlueSteps: *What are the current trends you are witnessing in executive search in Brazil at the moment? Mining is a robust industry in Brazil, as is construction in recent years. What would you say about the technology sector or consumer goods in Brazil at the moment? What other sectors are experiencing strong activity in Brazil?*

Robert Wong: With the world crises, notably in Europe and the USA, Brazil, as part of the BRICS, is an interesting option for MNCs to invest, more so given the incredible growth of the middle class here. The sectors that are growing, besides the usual raw materials, infrastructure, construction, housing, agriculture, IT, and consumer areas, include healthcare, hospitality, income-producing real estate, logistics, entertainment, travel and education.

BlueSteps: *What would you say is of greatest concern for senior-level executives working in Brazil today?*

Robert Wong: There are two great concerns for senior-level executives: an internal one, which is to learn and assimilate to the local culture, which is more people-oriented, emotional, and casual. Otherwise, one will

be considered a fish out of water.

Another factor is external—the disturbing level of insecurity caused by the relatively high crime rate, especially in the big cities here.

BlueSteps: *What are some key changes within Brazil in the past five years regarding executive recruiting?*

Robert Wong: In the past, most search projects were initiated by foreign companies, but there is a healthy trend here where local firms are seeking to professionalize themselves by seeking outside talent, sometimes hiring a foreigner who can add value to their usual way of “doing business.”

BlueSteps: *Of the executive searches that you are seeing, how would you describe the ratio of those executives ending up on short lists or being placed who are native to Brazil versus expatriates—local talent versus searching outside of the region?*

Write articles; participate in social networks, chambers, associations; build relationships.

Robert Wong: I don't have a numerical ratio, but it is fair to say that expatriates have to have a well-known expertise or a very special talent that is not easily found in the local market. If that is the case, she or he stands a pretty good chance to be considered as a possible candidate. However, it is important to stress the adaptation to the local culture, norms, and procedures, besides, of course, being conversant in the Portuguese language.

BlueSteps: *Of senior-level executives working in Brazil today, how would you describe them? Are they male, female, older, younger, local or expats, and what changes, if any, are you seeing in terms of these demographics?*

Robert Wong: Still predominantly male, middle-aged, local, computer literate, and very people-oriented. Changes can be seen in the growing demographics of female and younger executives.

Expats should be aware that the term “expats” is becoming ever more a status of country of origin or location, and less a status or package of dislocation. In other words, given the global economy, companies are becoming more reluctant to pay those generous compensation packages with rent, schooling, home leave, cars, foreign allowance, and the other usual fringes that were customary in the past.

BlueSteps: *What can executives today do to increase their visibility and get noticed by executive recruiters?*

Robert Wong: I always recommend some personal marketing, but done in an elegant and balanced manner—get noticed; write articles; participate in social networks, chambers, associations; build relationships; register at BlueSteps.com; but, most importantly, get fantastic, proven RESULTS to really get noticed!



About BlueSteps.com

BlueSteps.com is an online career management service for global senior executives. As an exclusive service of the Association of Executive Search Consultants (AESC), BlueSteps enables senior executives to make their career profile accessible to over 8,000 retained executive search professionals who are members of the AESC, and use the database as an additional resource in their candidate and source identification process. BlueSteps members can stay informed of executive job market trends and news via the BlueSteps Career Channel, and use a variety of tools and resources to facilitate the successful management of their executive career path. For more information, please visit www.BlueSteps.com.

About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves as an advocate for the interests of its member firms. For more information, or to download the AESC Code of Ethics and Professional Practice Guidelines, please visit www.aesc.org.

About Corporate Connect

The AESC also offers www.executivesearchconnect.com, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.

Join BlueSteps Today!

Executives, submit your CV and career profile to BlueSteps today with a 15% discount - Visit www.bluesteps.com and use the promo code **Membro15** at registration.

Be visible to retained executive search consultants at the world's top retained executive search firms.

As a member of BlueSteps, your career details will be confidentially provided to hundreds of the world's leading retained executive search firms in over 75 countries. Benefits include:

- Confidentially increase your visibility to top executive recruiters.
- Build stronger connections using a fully searchable directory of executive search consultants who are AESC members.
- Explore executive job opportunities being filled by AESC member executive search firms.
- Elevate your personal brand.
- Plan your executive career management strategy.

Join BlueSteps.com to begin connecting with executive search firms today.

www.bluesteps.com