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The insights and findings revealed in the 2009 survey were made possible by the participation of the following executives, who met with Korn/Ferry consultants in one-on-one interviews during the second half of 2008.

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Lan
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Los Grobo
Mastercard Mercosur
mercadolibre.com
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Motorola
Nokia
Pepsico Beverages
Petrobras Energia
Prudential Seguros
Red Link
Shell
T4F
Tata Consultancy Service
Ternium
Toyota
Unisys
Verizon
VISA
Wal-Mart

Brazil

A.W. Faber Castell
Abbott
Accenture
Ache
Advent International Corporation
AES Eletropaulo
AGV Logística
Alcon Labs
Amanco
Areva T&D
AstraZeneca
AT Kearney, Inc.
Atento
Avaya Brasil
Avon Cosméticos
Banco Citibank
Banco UBS Pactual
BASF
Baxter Hospitalar
Bayer Schering
Becton Dickinson
BMW
Boehringer Ingelheim
Booz Allen & Hamilton
Boston Scientific
Boticário
Bradesco
Brascan
Brenco
Bridgestone/ Firestone
Bristol Myers Squibb
CA Brasil
Cadbury Adams
Casas Pernambucanas
CBD - Grupo Pão de Açucar
Cisco do Brasil
Claro
Coface Asset Management
Coimex
Construtora Andrade Gutierrez
Convergys IMG
CPFL - Companhia Paulista de Força e Luz
CPM Braxis
CTEEP - Companhia de Trasmissão de Energia Elétrica Paulista
Daiichi Sankyo
Danone
DASA - Diagnósticos da América
Dow Química
Duke Energy International
EDS-Electronic Data Systems
Edwards Lifesciences
Empax Embalagens
Ericsson Telecomunicações
Ford Brasil
Fras-Le
Gafisa
Galderma
General Electric Medical Systems
General Mills
General Motors
Goodyear
Google
GPTI
GSK
Hewlett Packard
Hospital e Maternidade São Luiz
Hospital Nove de Julho
HSBC
IBI Bank
IBM
IG - Internet Group do Brasil
Imerys
Indra
Indústrias Klabin de Papel e Celulose
Informatica - The Data Integration Company
Intel Semicondutores
Ipsos ASI
Itaú Unibanco
Johnson Controls
Kimberly-Clark Kenko
Kraft Foods
Laboratórios Fleury
Laboratórios Wyeth Whitehall
Libra Holding
Light Serviços de Eletricidade
Linklaters (Lefosse Lawyers)
LLX Logística
LogicaCMG Sulamerica
Lundbeck
Marcopolo
Marsh Corretora de Seguros
Masterfoods
McKinsey

Medial Saúde
Medtronic
Merck Sharp & Dohme
Metlife Seguros e Previdência Privada
Microsoft
Moksha8 Pharmaceuticals
Monsanto
Motorola
MPX
Natixis Banque BFCE
NCR
New Balance
Nextel Telecomunicações
Nokia Siemens
Novartis Biociências
Novo Nordisk Farmacêutica
OGX Petróleo e Gas Participações
Oracle
Pepsico
Philips
Pitney Bowes Semco
Procter & Gamble
Quattor Petroquímica
Redecard
Repsol YPF
Rexam
Rhodia
Rigesa Celulose e Papel
Rio de Janeiro Refrescos
Rockwell Automation
Rohm & Haas
Sadia Concordia
SAP
Satyam Computer Services
Siemens Enterprise Communications
Siemens Healthcare
Sky
Sul América Seguros
Suzano Bahia Sul Papel e Celulose
Swarovski
Syngenta Proteção de Cultivos
Tata Consultancy Services
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Tereos - Açúcar Guarani
TIM Brasil
TNT Express
Twentieth Century Fox
Unibanco
Unilever
Vopak Brasterminais Armazens Gerais
Grupo Votorantim
Western Union
Wyeth Consumer Healthcare
Xerox

Chile

Andromaco
Banco Itau
Canal 13
Cardif
Casa & Ideas
Cisco
Clorox
D&S
Dell
Entel PCS
Equifax
GMO
GSK
Lafarge
LG
Movistar
Pacific Hydro
Quintec
Schering Plough
Scotiabank
SN Power

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Acerías Paz del Río / Votorantim
Alianza Team – Tecnología Empresarial de Alimentos
Alpina
Brightpoint
CCA Mazda
Coca-Cola
GSK
Grupo Nacional de Chocolates
Inversiones Mundial
ISA – Interconexión Eléctrica
Laboratorios Pfizer
Nestlé
Nokia
SAB Miller
Syngenta
Telefónica Móviles Movistar

Ecuador

Alimentos Kraft
Bayer
Boehringer Ingelheim
Citibank
Coca-Cola
Grünenthal Ecuatoriana Cia. Ltda.
Maresa
Nestlé
Pfizer
Quala
Unilever Andina.
Wong Industrias - Conglomeralte

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América Móvil Perú
Banco de Crédito del Perú
BBVA Banco Continental
Cerámica San Lorenzo
Citibank
Compañía de Minas Buenaventura
Cosapi
Delosi
Endesa
Grupo Interbank
Grupo Pecsa
Hewlett-Packard
HSBC
IBM
Laive
LG Electronics
Lima Airport Partners
Mibanco
Microsoft
Mitsui Maquinarias
Nextel
SN I POWER
Telefonica
Votorantim Metais – Cajamarquilla S.A.

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Alconca
Alimentos Kellogg's
Amway
Asociación Venezolana de Hidrocarburos
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Cargill
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Plumrose
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Servicio Panamericano de Protección/ Brink's Inc Company
Sivensa
Venteak
Vivax Pharmaceuticals

Miami

A&E Ole Networks
Boston Scientific
Bristol-Myers Squibb
Burger King
Burson-Marsteller
Cisneros Group of Companies
Citibank GTS
Danone
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HBO Latin America
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EXECUTIVE SUMMARY

As the world begins to emerge from the deepest recession in more than half a century, and with confidence eroded in all four corners of the globe, Latin America's top chief executives are changing their priorities. In an attempt to find out more about this change and to compare against some of the findings that were revealed in the first CEO Vision leadership study in 2003, Korn/Ferry International, in partnership with INSEAD, The Business School for the World, interviewed 365 business leaders in eight different countries across the region. The executives were asked for their views on four main issues:

- Their key priorities;
- The consequences of the current economic scenario;
- Their biggest challenges in the coming years;
- and how they intend to meet them.

Their answers provide many revealing insights, but five points in particular stand out:

1. **Only a quarter of the executives surveyed think that their leadership team is well prepared for the most crucial challenges to come out of the recession.**

There is a lack of creativity and innovation in existing management teams. Creativity and innovation are critical for consistent and sustainable business performance. Additional global research by Korn/Ferry has shown that *best-in-job* executives at the C-suite level excel in those dimensions and that they are rare.

Meeting these challenges will require a shift in the competencies of the Latin American region's leaders. At the moment, their strongest competencies are related to practical aspects of the business. Those they most need to develop for the future involve softer but at the same time very critical skills, such as inspiring others and creating the new and different. At Korn/Ferry, we know from our research that these are particularly difficult skills to foster when they do not already exist in an individual. Developing them, therefore, presents a real challenge to companies in the future.

2. **The percentage of leaders whose professional dream is to remain in the same business has fallen sharply since the 2003 CEO Vision study.**

In late 2003, only 11% of respondents said that they expected to change sectors; five years later that number had more than doubled to 23% (and to 26% in Brazil). Older, long-established employees are now more prepared to admit what has probably been the case for some time: that many of them have dreams that involve their moving on to other sectors and other careers.

3. **Top executives in the region consider the number one priority for the next three years to be developing people and managing talent. In particular, they want to improve their succession planning.**

This is a significant change from the 2003 CEO Vision study. At that time, leaders were much more focused on improving processes and productivity than on developing human capital. We think the reason for this is the natural evolution of any company, which tends to focus on the basics first and grows more sophisticated in management issues later. It is also due to the particular environment of business as non-usual, which we are now facing.

Developing companies' human capital in the future is going to be challenging—which can certainly be attributed to changing attitudes about work. The survey identifies a broad trend for employees in the region to become less attached to their jobs.

There is a range of instruments available to help retain and develop top talent. Executives indicated that the instrument they would most like to improve over the next three years is the process for identifying and developing the next generation of leaders. This issue of succession planning needs to move up the corporate agenda in the coming years.

4. **One-third of CEOs say that their HR team is not a strategic partner in the business, a fact that they believe will hinder their firm's ability to achieve its business priorities over the next three years.**

Many more top executives think that their HR departments lack the necessary experience and business understanding to help them attain their strategic goals. Several leaders mention the need for "the head of HR to become more of a strategic business partner to the CEO." This means there is a gap in strategic vision and/or in the ability of HR directors to effectively lead and influence more senior executives on strategic issues.

5. **Executives in Latin America do not think that their local economy will excessively constrain future growth.**

Their vision is such despite the most recent worldwide economic crisis. A majority of executives see their companies' revenues, profitability, and investment in their own country and in the region increasing over the next three years. Their confidence has been shaken only slightly by the financial crisis, which had its most dramatic moment with the collapse of Lehman Brothers in September 2008.

Today's Top Priorities

1. Transforming Leaders' Competencies

Only a quarter of CEOs consider that their leadership team is well prepared for the challenges to come as economies emerge from the devastation of the recession. One out of every five of them thinks that their leadership team lacks experience and/or seniority.

Less than a third of the CEOs say they are satisfied with almost all of their current leadership team. (The leadership team is defined as those key executives who report to the CEO and those executives who have a strong impact on the company's results, even if they do not report directly to the chief executive.) This is a significant drop from the results obtained in Korn/Ferry International's initial CEO Vision study in 2003. At that time, 38% of the executives said they were satisfied with almost all of their current team.

Levels of dissatisfaction are on the rise. Just less than four out of every five CEOs say that they are content with at least three-quarters of their key staff. That may seem like a high level of satisfaction, but it marks a decline from the findings of the 2003 CEO Vision study when 86% of CEOs said that they were content with at least three-quarters of their key staff. The (smaller) number who say they are satisfied with very few of their staff more than doubled between the 2003 survey and this 2009 CEO Vision Revisited study. This reflects an increasing concern of CEOs about the escalation of business challenges in their companies.

THE SAMPLE

Korn/Ferry International interviewed 365 senior executives in seven Latin American countries as well as Miami: 232 of them were responsible for local operations, while 133 of them had multinational responsibilities (for a complete breakdown, see Appendix A). All the interviewees were either country or regional heads of their organization, CEOs, or company presidents.

The findings were analyzed for the whole region and also for various subsets of the region—for Brazil on its own; for the Southern Cone (Argentina and Chile); and for the Andean Region (Colombia, Ecuador, Peru, and Venezuela). Results obtained from the answers of regional presidents based in Miami were analyzed for the whole region, together with those executives with regional responsibilities based in other countries, and also with all the CEOs in this study. In cases where they seem significant, comparisons have been made between the different sub-regions in the report.

The findings were also analyzed by industrial sector. Five different sectors were defined—Consumer Products/Services/Retail; Industrial; Financial Services; Life Sciences/Healthcare; and Technology—to correspond with Korn/Ferry's own market expertise and approach. Few significant differences, however, were found between the sectors.

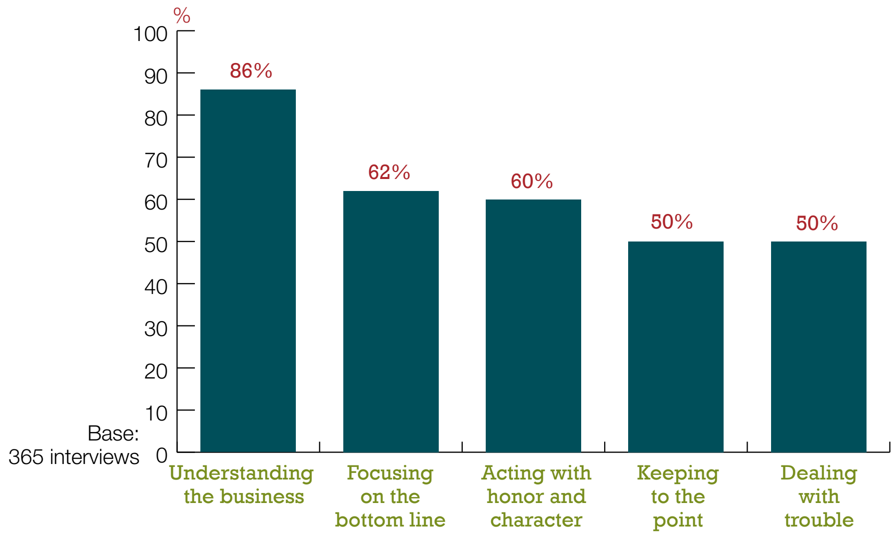
All the interviews took place during the second half of 2008; some were completed before the Lehman Brothers collapse on September 14, 2008, but most were conducted in the subsequent months after that turning point, which severely affected world markets. To assess the impact of the credit crunch on executives' perceptions of the future of their business, some key answers provided before September 14 have been compared with those given after that date.

To meet the upcoming challenges will require a shift in the competencies of the region's CEOs as well. New scenarios require new competencies. Competencies, as defined by Lominger International, a Korn/Ferry subsidiary that specializes in identifying and developing them, are "measurable characteristics of a person that are related to success at work. A competency can be a technical skill, an attribute (such as intelligence), or an attitude (such as caring)."

At the moment, what CEOs in the region see as their teams' strongest competencies are largely a matter of business acumen—for example, understanding the business, focusing on the bottom line, and troubleshooting. This confirms what we observe in our daily work. Latin American executives are open-minded and business-oriented by nature. They easily develop the ability to understand their peers' roles and to see the big picture.

Chart 1:

What are the strongest competencies of your current leadership team and key people?



There are, however, some interesting exceptions to this. In Brazil, for example, CEOs chose inspiring others as the most important competency at the moment, as well as being the most important for the future. As one Brazil-based regional CEO said: "The CEO's most important role is to motivate and inspire the team."

In general, though, CEOs in the region believe that they need to develop competencies that are not currently among their strongest if they are to be equipped to face the challenges of the future. Those competencies involve softer skills such as creating the new and different, communicating effectively, and inspiring others.

These softer skills are needed in times of transformation, when decisions have to be taken rapidly and at short notice, and when there are few hard-and-fast rules. The most valuable executive at these moments is the one who can learn from his or her experience and then apply that learning to different situations. Such executives must have what Korn/Ferry calls "learning agility."

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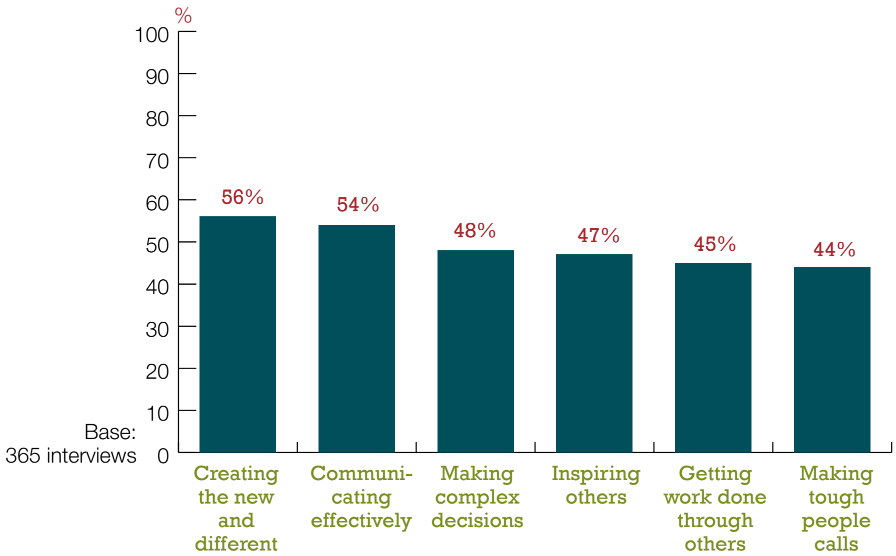
Chart 2:

What are the competencies where further development is most needed?



The most significant shift between today and the future lies in the number of CEOs who feel that creating the new and different will become one of the seven most important competencies of a CEO. When asked about today, this skill—aligned with innovation—is found near the bottom of the list, with only a third of CEOs considering it of value. When asked about the future, however, more than half of all CEOs included it on their list of the seven most important competencies. A shift of this magnitude was not present for any other competency.

Ricardo Cortes, the Regional President of Coca-Cola, based in Colombia, prefers to think about the competency needs of his leadership team in a slightly different way. "Rather than say that my team has development needs," he says, "I would say that there are two crucial subjects that must always remain at the center of their attention: innovation—'to create the new and the different'—and leadership. As we are practically a single-product company, first-line managers should have the ability to lead their teams so that they produce new and fabulous ideas."

Lominger has established through its own research that the softer skills on the list of required competencies—creating the new and different, communicating effectively, and inspiring others—are among the most difficult to develop, while those already most firmly in place are among the easiest to learn. Companies need to do all they can to retain talented people that already have these softer skills. The alternative is to recruit people from outside who have these competencies because these are among the most difficult to develop.

In some cases, this may involve changing deeply embedded cultural attitudes. A CEO from Chile, for example, suggests that effective communication is being held back because "in Chile and South America the culture is hierarchical, and different levels do not communicate."

The most significant shift between today and the future lies in the number of CEOs who feel that creating the new and different will become one of the seven most important competencies of a CEO.

The culture of a company can also be influential in holding back necessary development. Anibal Borderes, the CEO of Toyota Argentina and one of the few Latin American leaders to have reached the number one position via HR, admits that "as a company, we tend to emphasize technical competencies. Our challenge is not to leave behind managerial competencies."

Lominger's research has found that superiority in seven or eight competencies may be all it takes to differentiate a top performer from an average one. It is the HR department's job to identify which of those competencies are key for the company and for each individual. A recent article in the *McKinsey Quarterly* suggests that "by surveying groups of employees about their learning needs and rolling out programs that target the competencies in which each group needs the most improvement, companies can save money and increase their chances of success."

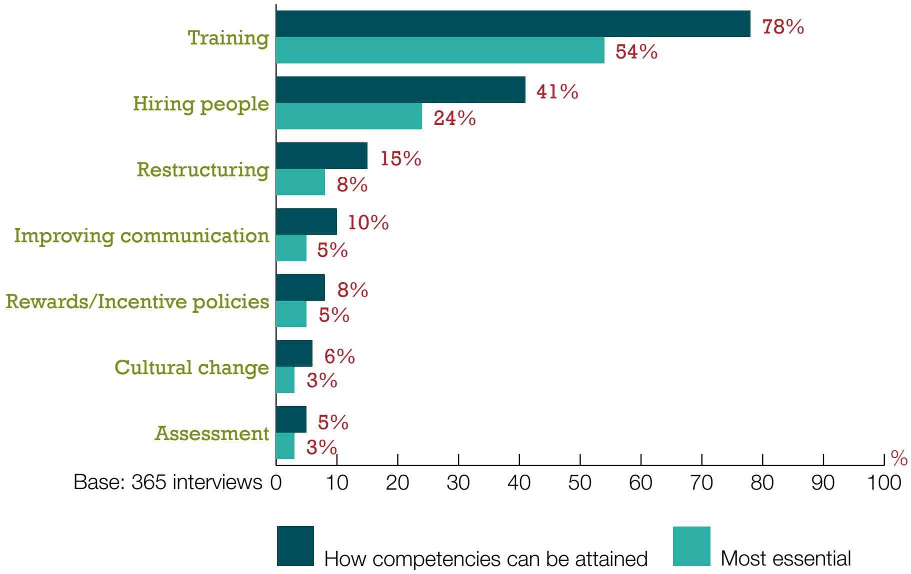
CEOs think that further development of these competencies is critical, first and foremost, to attain their companies' growth goals, and secondly to face the unfolding economic crisis.

When asked how these competencies can best be developed, two methods were mentioned more than others. The CEOs put "training" firmly at the top of their list (see chart 3), with "hiring people" next on the list. By training, they mean not just training programs, but also career planning and specific coaching and teamwork programs.

Lominger's research has found that superiority in seven or eight competencies may be all it takes to differentiate a top performer from an average one.

Chart 3:

What measures will best help these competencies to be attained?



A CEO from Venezuela provided his own colorful and demanding list of the competencies which he thinks will be required by leadership teams in the future. "They should," he said, "have the skin of an elephant, maintain optimism above all, and have faith that situations can change." They must "be able to see that the glass is half full and not half empty, have a love for the cause, work hard…and believe in the possibility of a better future."

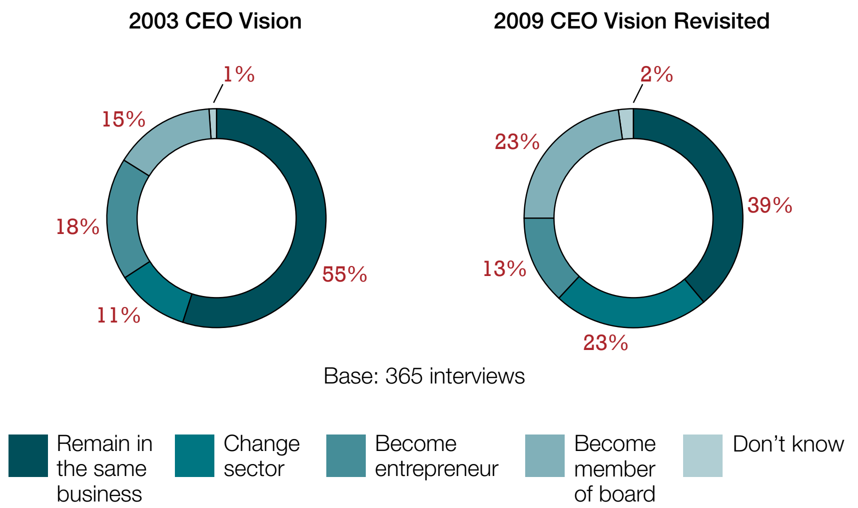
2. Dreams Unfulfilled

It is generally acknowledged that key executives who are recruited to top positions will remain with those companies and within that career trajectory for many years. Key executives are usually reticent to speak openly about career change; however, one of the biggest shifts between the findings of the 2003 and 2009 regional studies is the sharp decline in the percentage of CEOs who dream of remaining in the same business (see chart 4). In late 2003, only 11% of respondents said that they expected to change sectors; five years later, that had more than doubled to 23% (and to 26% in Brazil).

One of the biggest shifts between the findings of the 2003 and 2009 regional studies is the sharp decline in the percentage of executives who dream of remaining in the same business.

Chart 4:

What do you wish for or dream of in the next step or phase of your career?



The sectors that CEOs say they most want to go into are education and NGOs. Many senior executives' dreams are thus not about moving into similar jobs in another industry. This is demonstrated by the growing number of executives in the region who have nurtured NGOs, educational institutions, and political parties.

When asked why they want to move, respondents gave equal votes to "new challenges" and "it is time to repay." Many of them seem to want a late second career in a sector where they can feel they are repaying something to society.

Moreover, many more respondents this time said that they want to become members of the board of another company. In particular, they want to hand on the benefit of their experience. Different types of organizations may be able to profit from this trend, although opportunities to join boards in the region are not plentiful.

However, CEOs are in no hurry to move. Only 6% of them said that their ideal would be to make a career move this year. More than half said that they would only like to move in three or more years from now, indicating that they either have important achievements to fulfill, or that they find it difficult to let go.

One of the biggest shifts between the findings of the 2003 and 2009 regional studies is the sharp decline in the percentage of executives who dream of remaining in the same business.

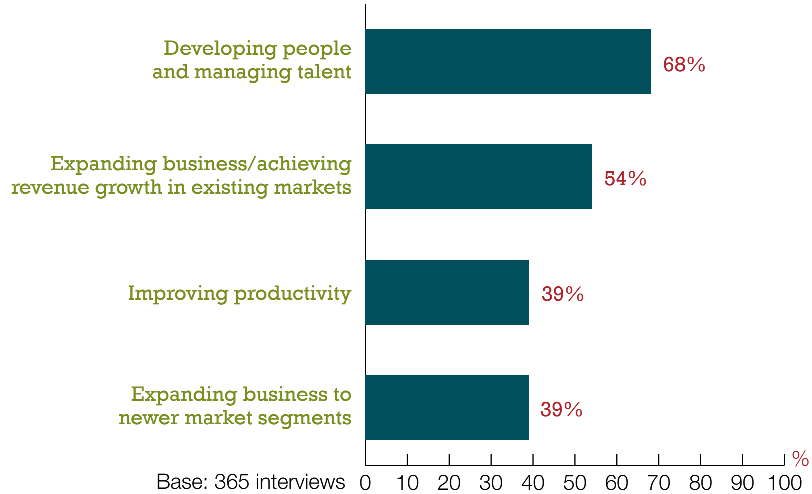
3. The Race for Talent

Senior executives in the region consider a top priority over the next three years to be developing people and managing talent (see chart 5). This was one of the strongest messages to emerge from this Korn/Ferry-INSEAD study, with over two-thirds (68%) of executives naming it as one of their top three priorities. It was also the clear first choice in each of the sub-regions, particularly in Brazil.

With most businesses in the region growing, expanding the business was considered a priority by more than half (54%) of the executives, while improving productivity and expanding business to newer market segments were each chosen by 39% of respondents (see chart 5).

Chart 5:

Which of the following do you consider to be the top priorities for your company over the next three years, in your country/region?



There was some variation among the different sectors examined in the survey. In Life Sciences/Healthcare, more than four-fifths of the executives (81%) from the sector considered developing people to be the most important priority for their company over the next three years (see table D1 in Appendix). As in other parts of the world, Life Sciences/Healthcare is going through a deep transformation in Latin America, with competition increasing from generic products and biotech.

At the other extreme, in Financial Services 53% considered developing people to be a top priority—slightly fewer than the 55% from the same sector that said expanding the business was one of their top priorities (see table D1 in Appendix). This may reflect the special situation of the Financial Services industry because of the credit crunch.

CEOs have become much more focused on managing talent in recent years. In the 2003 CEO Vision study, executives were asked to name their main priority. At the time, management of talent received the same number of votes as efficiency levels. Five years later, based on a more future-oriented question, developing people and managing talent is the most favored response of executives across the region (see chart 5).

One of the main reasons why managing talent has moved up the corporate agenda is the changing attitude of people about work and the environment.

CEOs were asked for their views on what would be the most important people trends in their companies over the next three years. The most common response across a wide range was that employees would become less attached to their jobs (see table D6 in Appendix). Whereas previous working cultures emphasized the idea of "us" and a sense of belonging, new trends tend to establish a distance between the individual and the organization.

One of the main reasons why managing talent has moved up the corporate agenda is people's changing attitude about work and the environment.

The second most popular trend mentioned by executives was the attempt to find a better balance between work and personal life (see table D6 in Appendix).

To some extent, these top two trends are related. People establish new relationships with their work as they become more attached to their personal life in an attempt to find a better balance. People are also changing their relationship with their jobs as an increase in mergers, spin-offs, and downsizing affects the identity of corporations and the long-term promises that they can make to employees.

A CEO in Argentina believes that "the new generation has commitment. What they do not have," he says, "is unconditional commitment. Managing this new generation," he adds, "means adapting the company to its people."

It is critical that companies understand the difference between engagement and loyalty, particularly across different generations of employees and across groups with different tenure. Employees of long tenure tend to be more loyal to their employers yet less engaged in their work on a day-to-day basis. Conversely, newer Generation Y employees are likely to display less loyalty to the company, requiring an unspoken periodic new recruitment.

One CEO in Peru claims that "this will turn an employers' market into an employees' market. As demand outpaces supply, employees will come to exercise more control and behave less loyally towards their employers."

However, when given the right challenges and career opportunities, these employees become highly engaged and work extremely hard. The key is to understand these differences and to implement career-development programs with incentive and reward strategies that are appealing to different employee populations' needs. At the end of the day, any company's objective should be to retain and develop people with high potential as well as high performers in all employee segments.

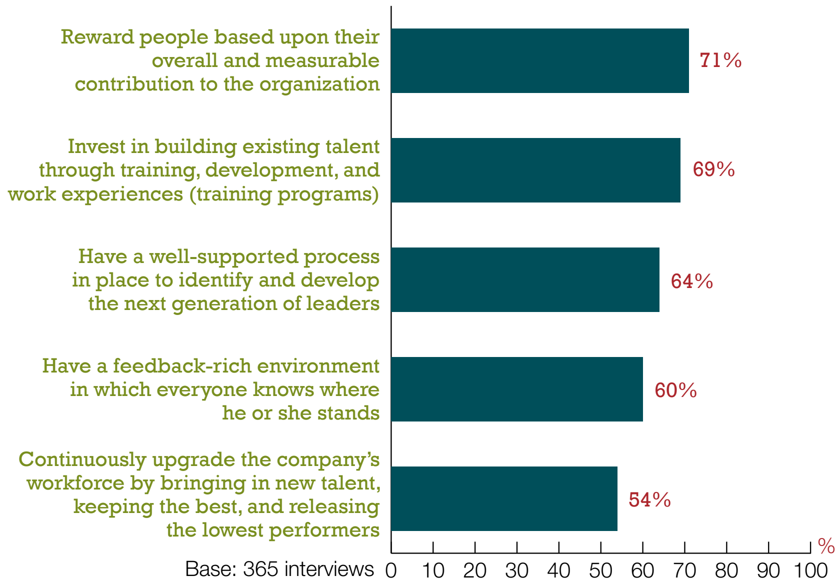
The CEO of the Argentine branch of an international company says that an employee's attitude changes over time. "When young professionals join the company, they are full of enthusiasm," he says. "But when they become middle managers, they tend to ask what the company can do for them more than what they can do for the company."

4. A New Role for HR

Leaders have a range of instruments at their disposal to help them retain and develop their top talent. When asked what they consider the most important of these instruments, they put at the top of their list: "Reward people based on their overall and measurable contribution to the organization" (see chart 6). This was chosen by more than 70% of them.

Chart 6:

In your view, what are the most important ways to develop and retain top talent?



This was not, however, the top choice in every sector. In Life Sciences/ Healthcare, for instance, it was surpassed by "invest in building existing talent through training, development, and work experiences," while the Technology sector placed particularly strong emphasis on "continuously upgrade the company's workforce by bringing in new talent, keeping the best, and releasing the lowest performers."

This process of succession planning should receive considerably more attention during the next few years.

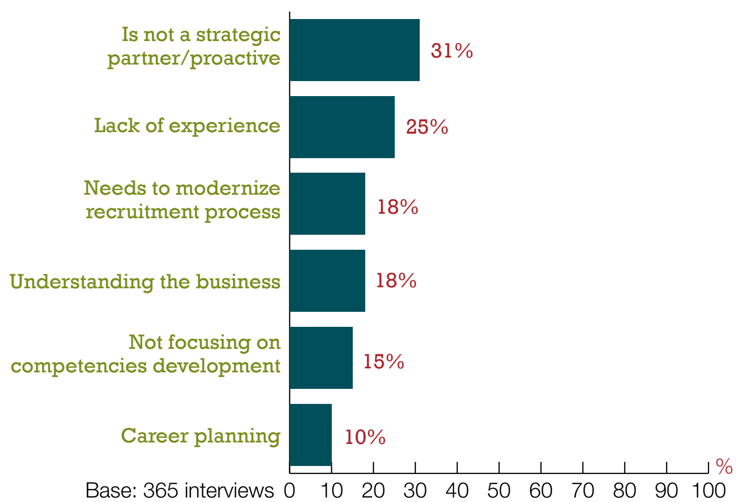
In order to retain talent in the future, CEOs feel their companies will need to focus more on the work environment. Young people are more concerned than their parents with their environment, both the physical space they work in and the moral environment of the organizations they work for.

When the CEOs were asked which of these instruments they would most like to improve over the next three years, all five sectors put “have a well-supported process in place to identify and develop the next generation of leaders” at the top of their list. This was also the top choice of CEOs in Brazil. This process of succession planning should receive considerably more attention during the next few years.

However, the CEOs’ efforts to retain top talent may be in danger of being frustrated by the need to redefine the HR role for future challenges. More than a third of the CEOs surveyed in Brazil are concerned that their HR teams are not strategic partners in the business.

Chart 7:

In what respects is your HR team insufficiently prepared to support your business priorities over the next three years?



The sectors where CEOs tend to be most dissatisfied with their HR departments’ performance are Life Sciences/Healthcare and Technology. This is particularly worrying because they are also the most dependent on the input of creative individuals. The HR area may have a key role here, raising the bar in their companies by bringing in outstanding people who excel in creating the new and different, a must for these sectors. Financial Services leaders feel most strongly that their HR departments do not have a proper understanding of the business.

Few CEOs think their HR departments are up to the job demanded of them in the future. Only 16% trust that their HR departments are very well prepared to support the most important business priorities over the next three years (including that of developing people and managing talent). In Brazil, 40% indicated that their HR teams are not sufficiently prepared.

While these numbers may seem alarming, they are not outliers when compared to peer companies in other regions of the world. The main problem when companies try to address talent development is that, instead of thinking in advance about leadership requirements for their future growth strategy, most organizations focus on their current strategy and on their employees' past performance rather than their potential. The typical result is a leadership development plan that addresses past as opposed to future leadership gaps. That is why most companies are always running 10 years behind where they should be, and why they feel that their leaders are chronically ill-prepared.

When asked how their HR teams are ill-prepared, the CEOs most frequently mentioned that they are not strategic partners in the business. As one leader in Venezuela says: "The HR function needs to be more strategic and to become an area that participates more actively in defining the business strategies."

CEOs also cite the lack of experience and insufficient understanding of the business from HR. "Human Resources leaders need to understand how to support the business," says one executive in Chile. "They need to believe that they can have a greater role."

The CEOs' efforts to retain top talent may be in danger of being frustrated by the need to redefine the HR role for future challenges.

Another area of complaint focused on the talent recruitment process itself and the need for modernization. A CEO in Peru says that "the HR team needs to develop and implement programs for talent retention, career development, and an improved work environment."

The complaint that HR teams are too involved in daily issues and not strategic partners is almost universal. As one of the respondents put it: "In terms of functionality, they are okay. But what is needed is a more active participation in the definition of strategies and a view as to where the company is going in the future."

Over the past decade, many companies in Europe and America have gone through a process of HRT, i.e., human resources transformation, designed to turn senior HR staff into strategic partners. But it has been a difficult process. HR departments have traditionally dealt with the nuts and bolts of labor relations. People with such a background are not going to be able to think strategically overnight. Companies such as Microsoft and BT have looked outside the HR discipline for their HR directors/business partners. Companies in the Latin American region are beginning to take steps in the same direction.

Latin American CEOs agree unequivocally: "The HR head needs to become a true strategic business partner to the CEO." At the least, the HR leader needs to add analysis and projections of the business's future human-capital requirements based on its overall strategy.

Chart 8:

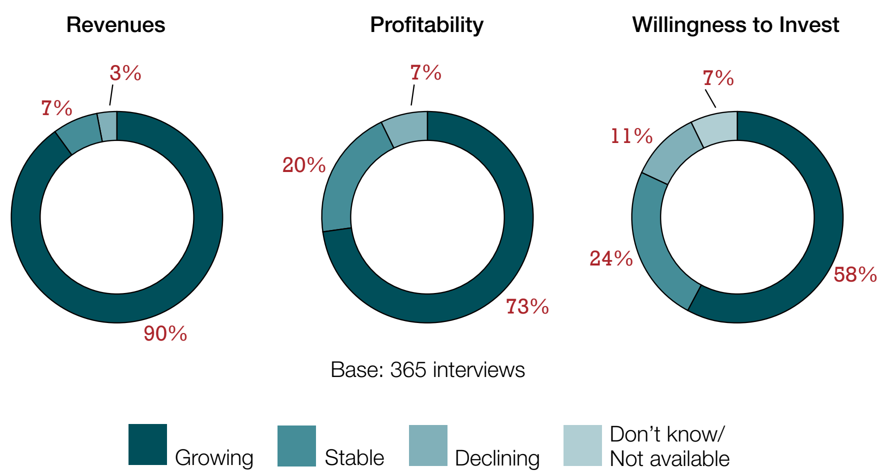
What are the top areas that your HR team needs to improve in order to be of greater help in achieving your business priorities?

5. The Economic Future

The good news is that CEOs in the region do believe in the possibility of a better future. A large majority of them see their companies' revenues, profitability, and investment in their country/region increasing over the next three years.

Chart 9:

How do you perceive the prospects for your company in your country/region during the next three years – for revenues, profit-ability, and willingness to invest?



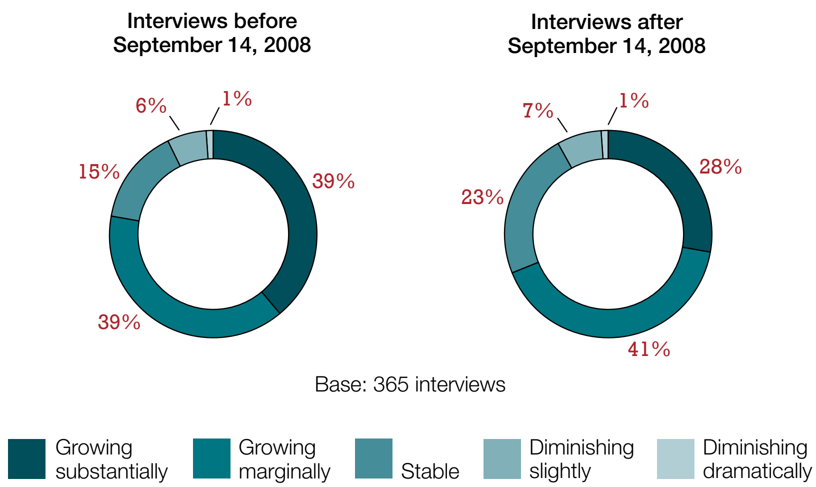
They are most optimistic about revenues, with 90% of them (ranging from 78% in Venezuela up to 96% in Brazil) responding that their companies' revenues will grow over the next three years. Overall, only 3% expect them to decline. At the same time, almost three-quarters (73%) trust that their profitability will grow over the period, and more than half of them (58%) say that their companies' willingness to invest will grow as well (see chart 9).

Their confidence was shaken only slightly by the financial crisis of 2008, which had its most dramatic moment with the collapse of Lehman Brothers. Concerning revenues, for example, of those CEOs interviewed before the Lehman collapse on September 14, 2008, 94% foresaw growth over the next three years, whereas 87% of those interviewed after September 14 foresaw growth over the same period. However, in Brazil, there was scarcely any difference between those interviewed before and after the Lehman collapse in September.

The CEOs' expectations about their companies' profitability over the next three years seem to have been more affected by the Lehman collapse than their hopes for revenues. The figure on this measure for those interviewed after September 14 was about 10% lower than for those interviewed before that date.

Chart 10:

CEOs' expectations about their companies' profitability over the next three years.



Their expectations about their companies' inclination to invest were also affected more. There was a sharp decline in the figure after September 14—for investment in Latin America, it dropped from 73% to 48%.

The most optimistic sector is Life Sciences/Healthcare: 98% of leaders in the sector forecast growth in revenues over the next three years. The least optimistic sector is Financial Services. However, the figure there is still high, with 84% of leaders thinking that their revenues will grow over the next three years.

There is some variation in where CEOs see that growth coming from. In Brazil, more than half (54%) of CEOs think that the strongest growth will come from their own country; whereas in Argentina and Chile, only 15% believe it will emerge from their domestic market.

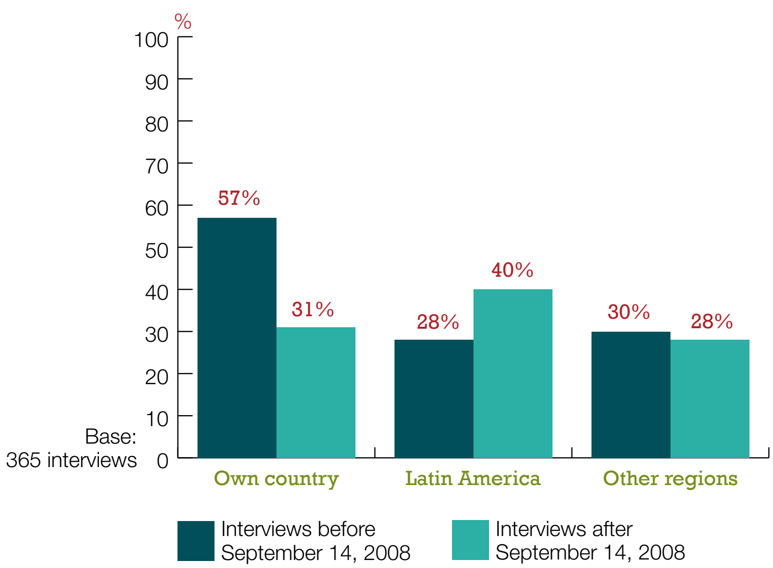
There has been some variation over time. In the first CEO Vision study in 2003, only 18% of leaders thought that Latin America would be their most significant source of revenue growth over the following three years. In this 2009 CEO Vision Revisited study, more than a third (35%) said they thought that Latin America would be their most significant source, although for Brazil the figure remained much the same (17%). Moreover, in the 2003 study, CEOs were much more focused on improving productivity than they are today, where their main focus is on gaining market share.

CEOs' perceptions of where future growth will come from does seem to have been affected by the financial crisis in 2008 but they still have a positive outlook towards the region. More than half (57%) of those interviewed before the collapse of Lehman Brothers thought that the most significant market for revenue growth over the next three years would be their own domestic market. Despite the fact that less than a third (31%) of those interviewed after the collapse thought the same, this still represents a significant share of the future investment of their companies.

CEOs' perceptions of where future growth will come from does seem to have been affected by the financial crisis in 2008, but they still have a positive outlook towards the region.

Chart 11:

In which geographical areas do you believe that there will be the more significant revenue growth during the next three years?
(multiple answers)



Nevertheless, there is great optimism in the region, which bodes well for the ability of local organizations to take on the sizeable challenges that have been outlined in this 2009 CEO Vision Revisited study. CEOs in the Latin American region have learned how to operate in unstable environments and still grow their businesses. Indeed, Latin America has earned a sound reputation for developing executives who have the flexibility and responsiveness to deal with uncertainty, turbulence, and very challenging scenarios.

Seizing the considerable opportunities the future will present, however, requires them to learn, embrace, and utilize new competencies, as we have identified in this study. It also requires that HR adopt a new role as a strategic ally to the CEO. Those companies that make these essential changes, as outlined in this study, are almost assured of a bright future in the region.

APPENDIX

Appendix A: Sample Description

A total of 365 interviews were conducted by Korn/Ferry International consultants distributed as follows:

Geographic Distribution

Country	# of interviews
Argentina	53
Brazil	157
Chile	21
Colombia	19
Ecuador	16
Peru	24
Venezuela	45
Miami	30
Total	**365**

Executives' area of responsibility

Country	# of interviews
Argentina	30
Brazil	107
Chile	12
Peru	21
Ecuador	11
Venezuela	38
Miami	6
Colombia	7
Total	**232**

Region	# of interviews
Latin America	68
South America	37
Andean	13
Other combinations	15
Total	**133**

Employees

Total number of employees under interviewee's responsibility	%
0-500	37
500-1,000	13
1,000-2,000	15
2,000-5,000	17
5,000-10,000	8
More than 10,000	8
NA	2

Market sector

Market sector	%
Consumer	22
Industrial	26
Financial	14
Life Sciences/Healthcare	14
Technology	24

Date of interview

Interview	%
Before Sept. 14	39%
After Sept. 14	61%

Appendix B: Other Relevant Charts

Chart B1:

Expectations of own company's willingness to invest regionally during the next three years compared with the past three years.

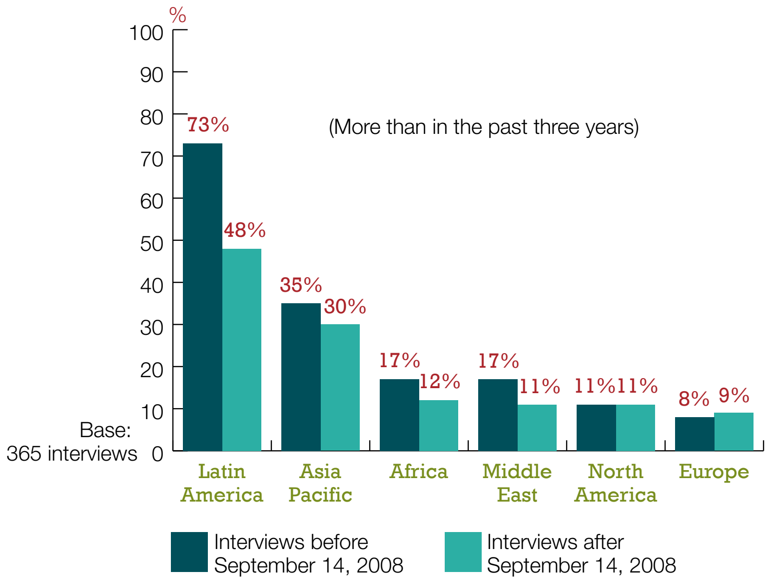


Chart B2:

Company's overall willingness to invest in Latin America during the next three years as compared with the past three years.

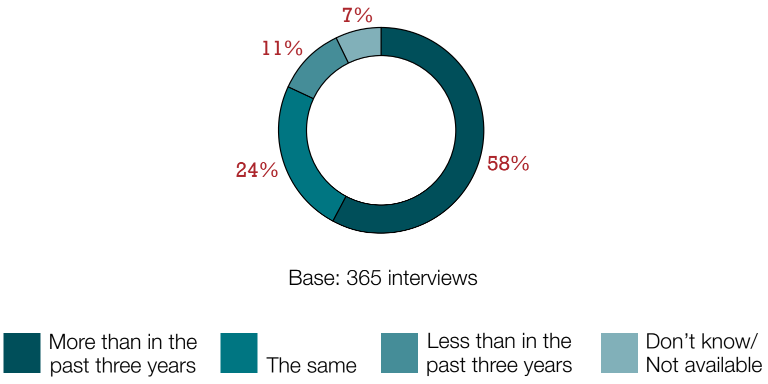


Chart B3:

Most important people trends in the company during the next three years.

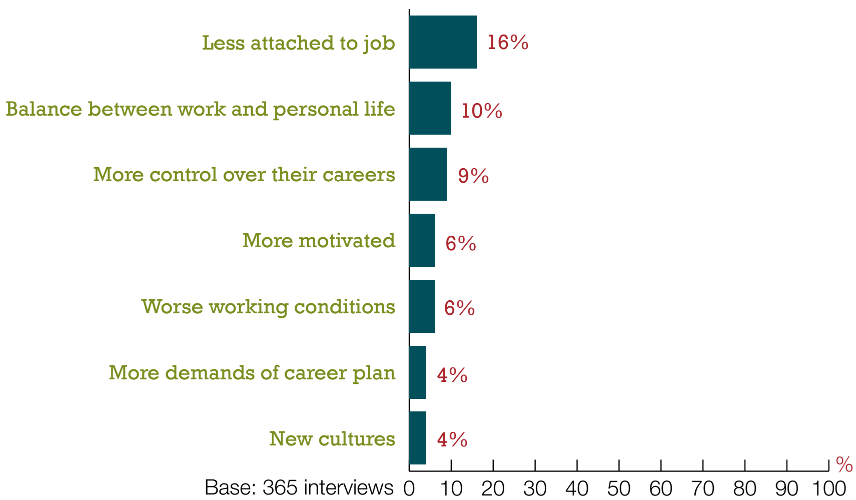


Chart B4:

What are the competencies where further development is needed?

Chart B5:

Satisfaction with the performance of direct reports and key staff.

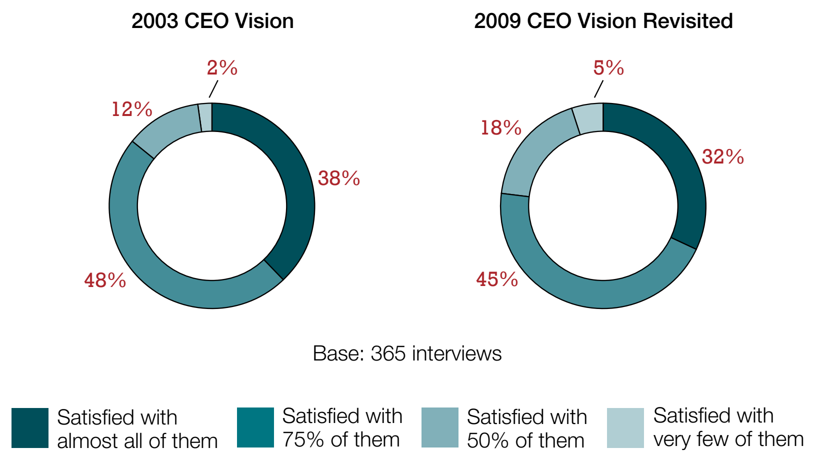
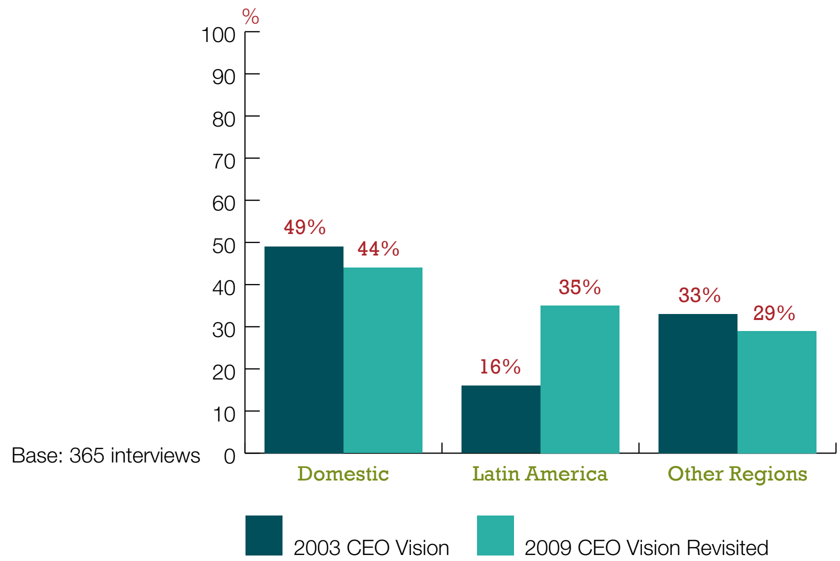


Chart B6:

In which geographical areas do you believe that there will be the more significant revenue growth during the next three years?

(multiple answers)



Appendix C: Regional Breakdowns

Table C1.

What do you consider to be the top priorities for your company over the next three years, in your country/region?

	Total	Brazil	Andean	Southern Cone
Developing people and managing talent	68%	74%	64%	65%
Expanding business/achieving revenue growth in existing markets	54%	56%	47%	51%
Improving productivity	39%	33%	37%	51%
Expanding business to new market segments	39%	39%	40%	39%
Redirecting business lines	33%	29%	39%	31%
Mergers and acquisitions	26%	29%	19%	23%
Investing in infrastructure	20%	21%	25%	16%
Expanding business to new countries	12%	9%	17%	14%
Financial restructuring	4%	4%	5%	-
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C2.

What do you wish for or dream of in the next step or phase of your career?

	Total	Brazil	Andean	Southern Cone
Remain in same business	39%	31%	53%	46%
Change sector	23%	26%	18%	22%
Become entrepreneur	13%	14%	15%	10%
Become member of board	23%	27%	12%	18%
Don’t know/not available	2%	2%	2%	5%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C3.

What are the strongest competencies of your current leadership team and key people?

	Total	Brazil	Andean	Southern Cone
Understanding the business	86%	86%	85%	87%
Focusing on the bottom line	62%	60%	66%	65%
Acting with honor and character	60%	71%	51%	51%
Keeping on point	50%	46%	60%	57%
Dealing with trouble	50%	55%	45%	49%
Managing work processes	36%	46%	29%	24%
Being open and receptive	33%	28%	36%	39%
Demonstrating personal flexibility	33%	30%	29%	38%
Making complex decisions	32%	29%	37%	28%
Communicating effectively	28%	25%	40%	12%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C4.

What are the competencies where further development is most needed?

	Total	Brazil	Andean	Southern Cone
Creating the new and different	56%	59%	56%	50%
Communicating effectively	54%	53%	52%	57%
Making complex decisions	48%	54%	40%	45%
Inspiring others	47%	57%	43%	32%
Getting work done through others	45%	45%	47%	45%
Making tough people calls	44%	49%	42%	31%
Managing work processes	40%	40%	39%	39%
Focusing on the bottom line	35%	40%	23%	31%
Demonstrating personal flexibility	32%	28%	40%	37%
Keeping on point	29%	33%	24%	28%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C5a.

How do you perceive the prospects for your company in your country/region during the next three years - for revenues?

	Total	Brazil	Andean	Southern Cone
Growing	90%	96%	84%	84%
Stable	7%	3%	13%	11%
Declining	3%	1%	3%	5%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C5b.

How do you perceive the prospects for your company in your country/region during the next three years – for profitability?

	Total	Brazil	Andean	Southern Cone
Growing	73%	82%	60%	67%
Stable	20%	12%	30%	26%
Declining	7%	7%	10%	8%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C5c:

How do you perceive the prospects for your company in your country/region during the next three years – for willingness to invest?

	Total	Brazil	Andean	Southern Cone
Growing	58%	69%	57%	41%
Stable	24%	20%	31%	22%
Declining	11%	9%	10%	14%
Don’t know/not available	7%	3%	2%	24%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Table C6.

Most important people trends in the company during the next three years.

	Total	Brazil	Andean	Southern Cone
Less attached to the job	16%	13%	14%	30%
Balance between work and personal life	10%	9%	11%	12%
More control over their careers	9%	10%	8%	8%
More motivated	6%	9%	1%	7%
Worse working conditions	6%	6%	4%	11%
More demands of career plan	4%	3%	7%	3%
New cultures	4%	5%	2%	4%
Base	**(365)**	**(160)**	**(103)**	**(74)**

Appendix D: Market Sector Breakdowns

Table D1:

What do you consider to be the top priorities for your company over the next three years, in your country/region?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Developing people and managing talent	68%	72%	6%	53%	**81%**	68%
Expanding business/ achieving revenue growth in existing markets	54%	58%	52%	55%	53%	53%
Improving productivity	39%	34%	37%	47%	32%	44%
Expanding business to new market segments	39%	39%	29%	28%	36%	**57%**
Redirecting business lines, developing new products	33%	**37%**	23%	**35%**	**43%**	32%
Mergers and acquisitions	26%	19%	**35%**	28%	32%	16%
Investing in infrastructure	20%	17%	21%	**33%**	13%	17%
Expanding business to new countries	12%	14%	**20%**	8%	9%	6%
Financial restructuring	4%	**8%**	6%	-	-	1%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D2:

What do you wish for or dream of in the next step or phase of your career?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Remain in same business	39%	44%	36%	45%	34%	36%
Change sector	23%	18%	21%	29%	23%	26%
Become entrepreneur	13%	14%	13%	6%	9%	**21%**
Become member of board	23%	23%	27%	16%	**34%**	15%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

NOTE: *Total = Percentage of respondents that gave each of the possible answers based on the total number of respondents in the sample.*

Highlighted percentages = Behavior/perception is much stronger in a particular market sector.

Table D3:
What are the strongest competencies of your current leadership team and key people?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Understanding the business	86%	86%	89%	82%	**94%**	78%
Focusing on the bottom line	62%	63%	65%	61%	66%	57%
Acting with honor and character	60%	54%	68%	59%	60%	58%
Keeping on point	50%	46%	52%	57%	32%	57%
Dealing with trouble	50%	51%	**60%**	51%	34%	47%
Managing work processes	36%	38%	42%	26%	36%	33%
Being open and receptive	33%	38%	22%	29%	40%	39%
Demonstrating personal flexibility	33%	38%	30%	24%	**49%**	27%
Making complex decisions	32%	29%	38%	37%	25%	30%
Communicating effectively	28%	29%	16%	24%	**51%**	30%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D4:
What are the competencies where further development is most needed?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Creating the new and different	56%	64%	43%	43%	62%	**67%**
Communicating effectively	54%	53%	**63%**	51%	42%	56%
Making complex decisions	48%	54%	43%	33%	**62%**	47%
Inspiring others	47%	43%	38%	39%	53%	52%
Getting work done through others	45%	35%	50%	49%	43%	47%
Making tough people calls	44%	39%	47%	41%	53%	41%
Managing work processes	40%	44%	31%	39%	40%	47%
Focusing on the bottom line	35%	38%	35%	28%	34%	36%
Demonstrating personal flexibility	32%	27%	**39%**	24%	26%	36%
Keeping on point	29%	33%	22%	31%	38%	25%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D5a:

How do you perceive the prospects for your company in your country/region during the next three years – for revenues?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Growing	90%	91%	89%	84%	**98%**	88%
Stable	7%	4%	7%	**12%**	2%	**11%**
Declining	3%	4%	3%	4%	-	1%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D5b:

How do you perceive the prospects for your company in your country/region during the next three years – for profitability?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Growing	73%	78%	67%	65%	**86%**	72%
Stable	20%	14%	25%	26%	9%	24%
Declining	7%	9%	8%	10%	4%	5%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D5c:

How do you perceive the prospects for your company in your country/region during the next three years – for willingness to invest?

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Growing	58%	54%	**67%**	45%	60%	58%
Stable	24%	22%	18%	22%	28%	**33%**
Declining	11%	17%	12%	6%	11%	8%
Don't know/not available	7%	8%	3%	**28%**	-	2%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

Table D6:

Most important people trends in the company during the next three years.

	Total	Consumer	Industrial	Financial	Life Sciences	Technology
Less attached to the job	16%	19%	22%	6%	9%	18%
Balance between work and personal life	10%	13%	5%	10%	2%	17%
More control over their careers	9%	8%	9%	12%	4%	11%
More motivated	6%	6%	4%	2%	-	15%
Worse working conditions	6%	5%	3%	8%	8%	7%
More demands of career plan	4%	4%	6%	4%	2%	3%
New cultures	4%	5%	-	6%	8%	3%
Base	**(365)**	**(79)**	**(94)**	**(51)**	**(53)**	**(88)**

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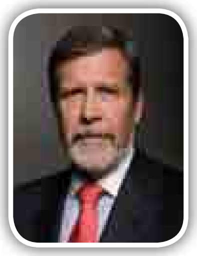

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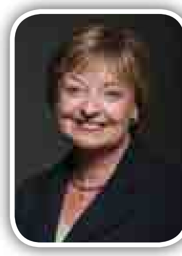

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ABOUT THE SURVEY

Korn/Ferry International developed the CEO Vision Revisited 2009 study questions and format in partnership with INSEAD and with Markwald, LaMadrid & Asociados, which validated the methodology. Korn/Ferry International's consultants conducted in-person all 365 executive interviews. Korn/Ferry International analyzed each interview and Markwald, LaMadrid & Asociados processed the data.

ABOUT KORN/FERRY SOUTH AMERICA

With almost 400 million people now residing in South America, according to the most recent world census, Korn/Ferry is committed to serving our clients in the places they do business. In that spirit, we continue to expand our footprint in South America, where we have created seamless execution capabilities in these dynamic economies. Korn/Ferry's integrated network of 10 offices (including Miami) gives us the ability to provide clients with the local insight and experience they are seeking.

To learn more about Korn/Ferry's capabilities in South America, please contact a member of our team:

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The Korn/Ferry Institute was founded to serve as a premier global voice on a range of talent management and leadership issues. The Institute commissions and publishes groundbreaking research utilizing Korn/Ferry's unparalleled expertise and preeminent behavioural research library. It also serves as an exclusive destination for executives to convene and hone their leadership skills. The Institute is dedicated to improving the state of global human capital for organisations of all sizes around the world. For more information on the Institute, visit www.kornferryinstitute.com.

About Korn/Ferry International

Korn/Ferry International, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa, is a premier global provider of talent management solutions celebrating 40 years in business. Based in Los Angeles, the firm delivers an array of solutions that help clients to attract, develop, retain and sustain their talent. Visit www.kornferry.com for more information on the Korn/Ferry International family of companies, and www.kornferryinstitute.com for thought leadership, intellectual property and research.

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