

IAC – FDC’s fundamentals - 18/08/2009

The purpose of this introduction is to present the fundamentals that helped Fundação Dom Cabral - FDC in its evolution.

The people who built FDC - including me - have always been very personally involved in its creation and evolution. A few years ago, I had the chance to go through those fundamentals and the result was a book that we published, called “The Fundamentals of the Relevant Company”. (show the book)

Like many organizations, we started very small, with no facilities, no faculty, no money, and we were far from São Paulo, the main Brazilian market. We were five or six people working out of two rooms at the Catholic University of Minas Gerais. But we all had a great dream: we were inspired to build something that would be relevant to society.

The image that represents this dream is well known, but I would like to repeat it. It is the metaphor of building a cathedral.

A traveler walking along a road comes upon a building site where some bricklayers are working. He stops and asks the nearest workman what he is doing. "I'm laying some bricks", the man answers.

The answer of the second workman is: "I'm putting up a wall".

Then the traveler asks the third workman the same question, and this one proudly answers: "I'm building a cathedral".

From the beginning we have always believed we were building something useful and lasting. And to achieve our aim we based ourselves on some fundamentals that remain relevant.

The first one is the option for cooperation. We live in a world where competition rules. But we believed that there is space for cooperation. So our history is a history of alliances with other schools that would usually be seen as competitors, and partnerships with companies that would usually be seen simply as clients. At FDC we have always worked **with** our clients and not just **for** them.

This notion has its roots in our first custom program. This happened at the beginning of FDC when a company asked for a program designed for their needs. Demand for in-company programs was not common at the time and there were no faculty readily available. The most important part of the solution came from within the company, when we found out that some of the company's managers knew the content demanded by the program. This helped us to recognize that there is much knowledge inside companies and that we must take advantage of their knowledge when we build programs together.

This led us to develop what we call company partnerships, another fundamental that may be FDC's most distinctive characteristic. Partnerships are a unique executive education solution, different from other traditional programs, as they are not just a commercial transaction with clients. They are based on relationship and trust.

Another fundamental I would like to highlight is attempting what looks impossible. Where many people only saw difficulties, we created an optimistic internal culture where we always looked at difficulties as just barriers to be overcome. A statement that we always hear at FDC is: "difficult things we do now, the impossible will take a little longer".

Let me go back to tell you how we managed to have two leading international school as partners for the last twenty years.

This started in the late eighties and early nineties, when the new government opened the economy. Businessmen became very worried and asked if their companies could survive in a free market.

FDC, then, took the initiative to create a movement to help companies by developing CEOs and managers for the new environment. So we invited a select group of corporations to join a partnership called CTE. In conversation with me – Sérgio Foguel, present here – stressed that FDC needed to reinforce itself to be able to fulfill the expectations of those large companies. He told me that he was close to a leading business school and a friend of its dean's, and he offered to facilitate our contact.

Some weeks later, I was in Fontainebleau talking to the INSEAD dean. At the end of my visit, Claude Rameau said that it was impossible to cooperate with us, because the European Community was asking INSEAD to help East European countries and Brazil was not a priority.

Of course, I became disappointed, but not discouraged. And after receiving the agreement for the initiative from an expressive number of companies, I invited him to participate in the launching of the partnership. He came and when he saw the room full of CEOs from companies like Fiat, Rhodia, Petrobras, Vale and others, he took me aside and whispered: “INSEAD is ready to cooperate with FDC.”

Three years later, some associated companies suggested that FDC needed to be closer to the US model, the reference for modern corporations. It was then I visited Kellogg for the first time. It was the period when Kellogg was ranked number one by Business Week and Don Jacobs appeared on the cover of this magazine (I have this picture to show to you)

Kellogg faculty was already involved in many agreements (with schools in Hong-Kong, Israel, Germany, France and others and everyone was looking for cooperation with Kellogg.

Despite our local progress, we were still unknown. We had very little chance to reach our goal. I can tell you: we faced many obstacles to succeed, but we overcame each one of them, and thanks to Don’s vision he managed to spot our potential and so agreed to this cooperation which is so very important to us.

Another fundamental I would like to mention is learning from other schools, a kind of benchmarking. Since the beginning I have been a kind of traveling salesman, visiting more than one hundred institutions around the world. The intention has been to learn from other schools’ experiences and then disseminate this learning internally to create a collective vision and so mobilize the whole FDC community towards our dream.

These are the main fundamentals that have guided us.

Summing up, I would like to say that what really drives us has always been the dream to be useful and relevant. First locally, then nationally and now internationally.

Finally I would like to show you a chronological history of our institution:

This slide shows some of the most important events in FDC history.

You have the same slide reproduced in front of you. Please, look at it.

1976 - FDC was created.

1989 - Then, CTE partnership was created to face the new environment of an open Brazilian economy.

1990 - The following year, alliance with INSEAD.

1992 - Later, PAEX partnership started, this time with small and mid-sized companies. Currently, we have forty-three PAEX groups in Brazil, Paraguay, Chile and Portugal, involving about three hundred companies.

1993 - Then, another alliance with Kellogg.

1999 - Next, one of our colleagues started a volunteer action creating a nursery school for underserved children and this initiative has energized the whole institution. Since then FDC has carried out initiatives in sustainability, including the environment, social inclusion and business transparency.

2001 - In two thousand and one, inauguration of the Aloysio Faria Campus and Our MBA was ranked number one in Brazil.

2003 - Next, the Global Compact Forum was held at our campus. This UN initiative encourages business to adopt sustainable and socially responsible policies.

- Creation of Research Centers.

2005 - And then, FDC hosted the UNICON Conference, an organization of leading business schools focused on the delivery of executive education.

Our MBA was accredited by AMBA.

2006 - The following year we launched a networking cooperation with businesses schools in Latin America, including UDD, from Chile. (**Ernesto Silva**)

2007 - Next, EQUIS accreditation.

2008 - One year later, we initiated another networking cooperation with schools from the other BRIC countries: Fudan, China, IBS, India, and SKOLKOVO, Russia.

- We also joined a group of institutions in the Goldman Sachs ten thousand women project, an initiative to develop underserved women in Africa, Asia and Latin America.
- FDC launched a new business partnership: Organizations/World Connection – COMn.

2009 - To conclude, in two thousand and nine, FDC is ranked the thirteenth best business school in the world in executive education.

- The Five-Diamond Conference has opened this morning.
- And, today, we are opening the Center for the Development of Management Knowledge and inaugurating the FDC International Advisory Council.

I hope these can help you understand our philosophy.

Tomorrow we will hold a specific session about our strategy and operations, when we look forward to listening to your comments and suggestions.

Thank you.