



ILLUSTRATION: DOUG CHAYKA



2000 2002 2002 2003 2003

2003 2003 2004 2005 2008

Left to right:
 Claudio Muruzábal, CEO, NEORIS;
 Juan Antonio Pérez, President,
 BRIO; James F. Park, CEO,
 GEOPARK; Alfredo Suárez Rivero,
 CEO, ALIBIO; Martín Migoya, CEO,
 GLOBANT; Guillermo Casarotti,
 CEO, INTIZEN; Moises Abadi, CEO,
 LIBERTY TECHNOLOGIES; Anabel
 Pérez, CEO, NOVOPAYMENT; Martín
 Gutierrez, CEO, INTRABASE; David
 Neeleman, CEO, AZUL

TEN UNDER TEN

Latin America is full of opportunities and talent. Turning great ideas into a business that can withstand tough economic times is another matter. But engineers, bankers and others are founding companies all the time, including the 10 young ones we profile here. A number of the executives at the helm have received crucial support and guidance from the likes of Endeavor, a New York-based organization that supports high-impact entrepreneurs. The oldest in the group — Mexico's Neoris — got its start as a department in a deep-pocketed corporate parent. The youngest, Azul Linhas Aéreas Brasileiras, is the baby of a renowned airline industry veteran. What they have in common: each company is making a mark in its field and demonstrates how work, talent and financing can transform inspiration into a viable product, service or process.

AliBio

Organic Treatment

Biotech puts bacteria to work



COMPANY PROFILE

Name: AliBio
Sector: Biotech
Founded: 2003 in Mexico
HQ: Mexico DF
CEO: Alfredo Suárez Rivero

2003

MEXICO CITY — Alfredo Suárez Rivero, CEO of Alianza con la Biósfera, jokes that bacteria have suffered from a bad reputation ever since Louis Pasteur discovered germs. But Suárez Rivero has no fear of microbes.

Since 2003, his small biotech company in Mexico City, which translates as Alliance with the Biosphere, has been cultivating and selling microorganisms that can be used in wastewater treatment systems, in agriculture to enrich depleted soils and in fish farming to help protect shrimp and salmon from disease.

Trained as a civil engineer, Suárez Rivero found a new calling when he was forced to make a career change when his construction business collapsed following a severe economic downturn in 1994. The 54-year-old Mexico City native returned to school to pursue environmental and management studies. With that foundation, he established an environmental division within the chemical company Productos Químicos Mardupol.

Suárez Rivero said that when he realized it was not the right fit for either side, he offered to buy the operations from Mardupol with an original investment of \$1.2 million. "I formed Alianza con la Biósfera with new partners and a new business vision," he said.

AliBio, as the company is known, was set up to target three areas: wastewater, agriculture and aquaculture. In contrast to some of the larger agro-chemical companies that rely on chemical components or genetically modified crops, Suárez Rivero said AliBio focuses on sustainable products that aim to restore or maintain environmental balance. "What we are interested in is that the combination of various microorganisms work in synergy to achieve high production levels without disease, or soil deterioration, or water contamination," he said. Ultimately this means achieving a larger harvest of salmon, shrimp or other products.

AliBio managed to break even in 2005, Suárez Rivero said. Revenue reached \$3.8 million (50 million pesos) in 2009, and Suárez Rivero has set a sales goal of 85 million pesos for 2010, or about

\$7 million at the current exchange rates. "The demand for organic products worldwide is growing at around 20 percent annually, and all our agriculture and aquaculture lines are certified as 100 percent organic," he said.

When the company needed additional financing and began talks with a private equity fund in late 2007, the negotiations tested the skills of the CEO steeped in science. "This is a new culture in Mexico and the lack of experience on both sides made it difficult," Suárez Rivero said. "But it was also an enriching experience for me technically, emotionally and on the business side." The deal took more than a year to close and was finalized in 2009. AliBio is currently also backed by six investor partners.

The company today has some 300 clients in Mexico, including producers of tomatoes, wine, bananas, avocados and shrimp. It is also readying a wastewater project with Wal-Mart de México, the country's largest retailer. The developments in water treatment are also a way to contribute to Mexico's attempts to better manage the scarce resource for which demand is increasing from agriculture, industry and a growing population.

One of AliBio's biggest challenges is overcoming skepticism, Suárez Rivero said, adding that many producers in Mexico are resistant to change and wary of new products and techniques.

But he is trying to get the word out that a Mexican enterprise is capable of developing advanced biotechnologies. Suárez Rivero believes that effort will get a boost when the AliBio Science Center production laboratory expands this year to encompass a research and development facility. It will cost an initial \$2 million, but AliBio is receiving support from Mexico's National Council for Science and Technology and the government of the state of Sinaloa.

The R&D capacity will help further AliBio's goal of becoming the leader in its field in Mexico and Latin America by 2016. ■

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Blue Skies Ahead

Low-cost airline takes off in Brazil



COMPANY PROFILE

Name: Azul
Sector: Airline
Founded: 2008 in Brazil
HQ: Barueri
CEO: David Neeleman

2008

RIO DE JANEIRO — Steely haired executive David Neeleman — veteran of three airlines in the United States — was geared up to take his experience and vision to a new market. The only question for the founder of JetBlue was which market?

So the São Paulo-born executive conducted a passenger analysis, comparing Latin American countries. When Neeleman discovered that twice as many Mexicans and Argentines took plane trips compared to Brazilians, even though Brazil boasts higher per capita income, the choice was clear.

"It was a decision based on fact, not emotion," said Gianfranco Beting, marketing director of Azul Linhas Aéreas Brasileiras S.A., Brazil's newest low-cost airline that made its maiden flight in late 2008. "The fact that Neeleman was born here and loves the country also played a role."

As part of his consumer-friendly approach, Neeleman ran an online poll to name the airline in a contest that attracted nearly 160,000 votes. The winner — Azul — echoes the name of Neeleman's big U.S. success, JetBlue, for which he served as CEO until 2007.

The name was the easy part. Raising start-up capital in the midst of the global economic storm presented a huge challenge. Eventually Neeleman was able to put together \$200 million from American and Brazilian investors, with Grupo Bozano, the privately held holding company, taking a major stake. More recently,

as credit markets eased, Neeleman secured another \$35 million.

The new Brazilian airline borrowed more than just a name from JetBlue. Azul adapted some of JetBlue's innovations, such as leather seats, tray service instead of carts and two extra inches of legroom to make flights more comfortable than travel with competitors.

By establishing its base in Campinas, a city some 85 kilometers (about 53 miles) from São Paulo, Azul also applied the strategy of many lower-cost airlines worldwide that operate out of a secondary airport near a major metropolitan area. It began flying on December 15, 2008, with daily non-stop service from Campinas to Porto Alegre and Salvador.

Today Azul flies to 17 destinations in Brazil, 14 of them via non-stop service. It operates with a fleet of 15 aircraft and has ordered another 61 from Brazil's airline manufacturer, Embraer.

Multiple non-stop flights to key cities — at accessible price points — are fueling faster-than-predicted growth. Azul charges about \$62 to fly from Campinas to Porto Alegre, on the southern coast. "The idea was to capture clients who used buses and those who didn't travel much," Neeleman said.

So far, the strategy is working. According to Brazil's National Civil Aviation Agency (ANAC), some 80 percent of Azul's seats were occupied in 2009, a record among Brazilian airlines. While TAM and Gol dominate the domestic aviation market with a combined 80 percent market share, Azul, in just one year of operation, doubled its share of the domestic passengers, from 2.2 percent to 5.4 percent. It is a strong player among discount carriers like WebJet, Ocean Air and Trip.

Azul has little competition in Campinas because most domestic flights depart from the Congonhas-São Paulo Airport. To attract the business traveler living in São Paulo and in other major cities in the interior of the state of São Paulo, Azul offers free bus service to the Campinas airport.

But the location, some critics say, may limit Azul's future ability to expand.

"The model Neeleman created for Azul is good but the Campinas airport lacks infrastruc-

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Brio

Pumped for Growth

Safer roads drive sales for fuel distributor



COMPANY PROFILE

Name: Brio
Sector: Fuel distribution
Founded: 2002 in Colombia
HQ: Bogota
President:
Juan Antonio Pérez

2002

BOGOTA — When Alvaro Uribe assumed the presidency in 2002, he vowed to improve security, especially on the highways where Marxist guerrillas regularly hijacked trucks, burned buses and kidnapped motorists. Roadside abductions were so common that many Colombians simply refused to travel overland for long distances.

Amid the chaos, roadside gasoline stations hardly seemed like a budding business opportunity.

Yet a group of independent gas station owners, unhappy with their contracts with market leader Terpel and other distributors, decided to unite and launch their own wholesale distribution company. Brio de Colombia S.A. was formed in 2002.

As a newcomer looking for a niche, Brio focused on rural areas, like the southern state of Meta, which had been hit hard by the guerrilla war. The gamble paid off.

Under Uribe, a military offensive weakened the guerrillas and pushed them out of strategic areas. The number of annual abductions fell from several thousand to fewer than 200. As the Colombian economy rebounded, both commercial and leisure drivers returned to the highways.

“When you feel secure, you begin to make new investments,” said Juan Antonio Pérez, president of Brio. “People are buying machinery and spending money. Sales of gasoline and lubricants are growing and that shows there’s a higher level of confidence in the country.”

After selling just a few thousand gallons of gasoline in 2002 and flagging a handful of service stations, Brio last year sold 136 million gallons to a burgeoning network of 237 service stations. It is now the fourth-largest gasoline wholesaler in Colombia after Terpel, Exxon-Mobil and ChevronTexaco.

Last year, Brio began supplying corporate customers in the petroleum, mining and transportation sectors as well as several Colombian government institutions, including the anti-narcotics police. Revenue from gas and lubricants totaled about \$370 million in 2009. Pérez projects that sales will top \$450 million this year and that the company will sign up 100 more station affiliates.

“Brio is expanding very aggressively,” said Alvaro Younes, the president of Fedispetrol Colombia, an industry group that represents service-station owners.

The founding partners of Brio built a storage site for gasoline in the town of Facatativa, just outside of Bogota. They flagged their stations with the green-and-yellow Brio logo and urged others to follow suit once existing supply contracts expired. Many stations complied because Brio offered small discounts on gasoline and helped them to upgrade stations.

All along, Brio focused on stations far beyond Bogota that were less attractive to other distributors because the volume of business was relatively small. Yet these out-of-the-way spots in Meta, Casanare, Boyaca and Cundinamarca states turned out to be highly profitable for Brio because there were few competitors.

“Brio is different because it’s more agile,” Younes said.

More recently, Brio has made a push into the coffee belt of central Colombia. In February, the company inaugurated its second storage facility, a \$10 million investment, on the outskirts of Pereira. Brio is renting a facility in Cartagena as it attempts to gain a foothold on the Caribbean coast.

Still, Brio lags behind its American rivals and Terpel, which was founded in Colombia in 1968 and counts more than 1,300 station affiliates, including one visible from Pérez’s office window. Brazilian giant Petrobras is also opening service stations around Colombia.

But Pérez vows to keep expanding and says Brio may take on strategic partners in the process. His goal is to overtake ChevronTexaco — with its more than 300 affiliated service stations in Colombia — within five years to become the nation’s No. 3 gasoline wholesaler.

Pérez has set his sights on the more populated — and competitive — urban areas. And he wants to diversify the product line to include aviation and marine fuels.

Although Uribe is leaving office, Pérez believes Colombia’s next president will uphold national security as a top priority. “People are driving again,” he said. “And that helps our business.” ■

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Betting on Power

Energy executives turned wildcatters strike oil and gas in Patagonia



COMPANY PROFILE

Name: GeoPark
Sector: Energy
Founded: 2002 in Chile
HQ: Bermuda
CEO: James F. Park

2002

SANTIAGO — Jim Park and Gerry O'Shaughnessy, who count more than 70 years in the energy business between them, hardly fit the image of wildcatters.

But Park, a trained geophysicist and former earthquake scientist, and O'Shaughnessy, an attorney-turned-oil executive-turned venture capitalist, took a walk on the wild side when they teamed up in 2002 to co-found a Latin American oil and gas exploration firm.

"It was post 9/11, post Enron and in the midst of Argentina's economic meltdown," the Texas-born Park recalled. "Crude oil prices were below \$20 a barrel, and the sensible money was running in the opposite direction."

Still, the two partners bucked conventional wisdom and dug deep into their own pockets to fund their exploration venture, called GeoPark Holdings Ltd.

That high-stakes bet is reaping dividends. GeoPark has spent the last eight years drilling for oil and gas in the barren wastes of Argentine and Chilean Patagonia, and has hit the jackpot in both of them.

GeoPark accounts for 30 percent of all the hydrocarbons produced in Chile today. It is exploiting six blocks, a total of 3.8 million acres, on both sides of the Argentine-Chilean border,

and plans to expand into Brazil, Colombia and Peru.

"It's an exciting and pivotal time for us," Park said. "We've built what we believe is the best oil- and gas-finding team in the region, with a proven business model which we can now replicate in new projects throughout Latin America."

In Chile, GeoPark has notably succeeded where the state energy company ENAP consistently failed. Since the 1940s, ENAP was aware there was oil and gas in the extreme south of the country and tried to exploit it, but was generally unable to turn a profit.

GeoPark arrived with lower overheads and more modern technology. As the first private oil and gas producer to operate in Chile, the company targeted areas with potential that had not been tested by ENAP and soon began to make money where ENAP had turned up dry wells.

"We were met with some resistance when we first arrived, but now we're considered an element of Chile's long-term energy development solution," Park said.

Chile badly needs the help. One of the wealthiest countries in the region in terms of per capita income, it is one of the poorest when it comes to energy. The country must locate new sources of oil and gas to fuel its economic growth and to support its all-important mining industry. All of which means that it is happy to buy up anything that GeoPark can deliver.

To date, the company's biggest client is Canada's Methanex, which owns a huge methanol production plant in Punta Arenas, on the southern tip of Chile. The facility is a gas-guzzler — some 350 million cubic feet a day — and used to import most of it from Argentina. Methanex was left high and dry in 2004, when the Argentines turned off the taps because they needed the gas themselves, until GeoPark stepped in.

Since then the two companies have formed a cooperative relationship. GeoPark sells its entire gas output to Methanex, which also pays upfront for gas that GeoPark has yet to produce. That cash advance gives GeoPark an im-

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Software Savvy

Internet specialists carve out niche in an outsourced world

BUENOS AIRES — With \$5,000, computer talent and a hefty dose of confidence, four 30-something engineers launched Globant as an effort to create a Silicon Valley-like company in the tradition-bound and crony-laden business world of Argentina.

Convinced they could replicate the success that Indian companies were having with information technology development, CEO Martín Migoya and three friends cobbled together the cash, quit their respective jobs at multinational technology companies and formed Globant in 2003.

The team of Migoya, Martín Umanan, Néstor Nocetti and Guibert Englebienne opted to specialize in the next generation of Internet applications by developing software for the booming areas of social networking and games. Umanan took the job of chief operating officer, Nocetti became vice president of innovation labs and Englebienne was named chief technology officer.

Eschewing the buttoned-down atmosphere typical of Buenos Aires, the four young men emphasize a corporate ethos of hard work and open exchange of ideas in a headquarters that features a "chill-out zone" and ping-pong tables, creating an environment more likely to be found in northern California than the Southern Cone.

The staff's slacker garb of baggy jeans and untucked shirts belies their results. Globant's client roster has grown to encompass Coca-Cola, Electronic Arts of New York, Silicon Valley social gaming company Playdom and the U.S. business-networking site LinkedIn. Globant was also one of a handful of international companies to develop software for OpenSocial, a Google-led effort to create a programming interface to allow social networking software to interact across multiple websites.

In a country that has suffered from brain drain and where business owners chose to sell out during the 1990s rather than seek regional expansion, Globant is trying to create a model for other entrepreneurs by building at home.

"Argentina lacks home-grown multination-

als," said Migoya, who often speaks about entrepreneurship to Argentine university students.

"I am very Argentine. I like our country," Migoya said. "We know the problems that we have in Argentina. But we also know the type of value we can contribute to the country by creating a company like this."

Venture capital and other support have been crucial. Two years after they started up Globant, the four partners raised \$2 million from Argentine angel investors managed by FS Partners. In 2007, the team obtained \$8 million from U.S. venture capital fund, Riverwood Capital, a rare endorsement of an Argentine start-up by U.S. venture capitalists. A year later, as Wall Street and the world economy were in a nosedive, the company secured a second round of \$14 million in financing from Riverwood, headquartered in Menlo Park, California; and FTV Capital, which has offices in San Francisco and New York.

That cash infusion helped Globant launch a series of acquisitions. In 2008, it purchased the Buenos Aires-headquartered Accendra, which had cultivated a strong relationship with Microsoft that Migoya wanted to leverage. Also that year, Globant bought Openware, based in the city of Rosario. Migoya said Openware had expertise in infrastructure and security software; as a result of the deal, consulting firm Deloitte & Touche became a Globant customer.

Globant's focus has fueled impressive growth rates. Revenue doubled annually through 2007. In 2009, Globant registered a 10 percent increase as sales rose to \$42 million. The company expects to hit \$52 million this year.

With Accendra and Openware, Globant today employs 1,600 people and has opened offices in Boston, Silicon Valley, London, Mexico City and Bogota. Migoya said he expects to close on the purchase of a third Argentine start-up within two to three months. The company is looking for additional acquisition opportunities.

Globant faces competition from Indian companies like Tata Consultancy Services, which

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COMPANY PROFILE

Name: Globant
Sector: Software development
Founded: 2003 in Argentina
HQ: Buenos Aires
CEO: Martín Migoya

2003

Beyond Mate

Uruguayan-Argentine partnership brews a tea business



COMPANY PROFILE

Name: IntiZen
Sector: Beverages
Founded: 2003 in Argentina
HQ: Buenos Aires
CEO: Guillermo Casarotti

2003

BUENOS AIRES — Tea enthusiasts Guillermo Casarotti and Inés Berton each launched their own companies before joining forces in a new venture to persuade South Americans to indulge in brews beyond the traditional and ubiquitous mate.

Fate and a shared passion for tea brought the entrepreneurs together, and after several years of independent success and informal collaboration, they formed a joint venture, Chamana, in 2008.

Yet Berton's own aspirations had been tested by terrible timing. Returning home after a decade of living in New York, her flight touched down on December 20, 2001, the day President Fernando de la Rúa abandoned office during one of the bleakest moments of Argentina's financial implosion.

Then 29 years old, Berton was undeterred by the bad economy, convinced that enough Argentines still had disposable income and, given the markedly higher cost of international travel, would spend more of it at home. She also saw the middle classes turning to Asian cultures for inspiration in the crisis. So Berton went ahead in 2002 and launched Tealosophy in her apartment with just \$132, preparing her own specialty blends using ingredients from all over the world.

Berton met fellow tea entrepreneur Casarotti after he learned of her similar business and contacted her. In 2003, Casarotti had founded his tea business, IntiZen, with \$150,000 in personal savings and funds raised from family and friends. That same year, the two began to collaborate, his strong business background complementing her skill in blending leaves.

Originally from Uruguay, Casarotti became fascinated with tea in his 20s while backpacking in France, where he met his wife, French native Anna Sophie. He earned an MBA at Cornell University, moved to Buenos Aires in the 1990s and worked in marketing for a series of U.S. multinational corporations: PepsiCo, Kraft Foods, Burger King and Monsanto. At Monsanto, he was bitten by the entrepreneurial bug. After water, tea is the most frequently consumed beverage in the world. It would give him the satisfaction of promoting a healthy product, he said.

With three children and a spouse to support, Casarotti described the first year as nerve-racking. "I dove into the swimming pool without knowing if it was even filled with water," he said.

The anxiety has eased but a huge hurdle — for both Berton and Casarotti — has been the small market. *Camellia sinensis*, whose leaves and leaf buds are used in green and black teas, is grown in Argentina. Argentines do drink it, though they are devoted to the tradition of yerba mate, a pungent tea. Few consumers had an appreciation for gourmet blends.

Berton and Casarotti positioned their respective products as part of a lifestyle change.

Casarotti says they approached wine-tasting bars in Buenos Aires and pitched tea to the owners as an alternative for female customers who often accompanied their dates or husbands but did not consume as much alcohol. With their companions sipping tea, the men stayed longer — and drank more wine.

Outside of Argentina, IntiZen and Tealosophy products are available at high-end retail establishments such as Harrods in London and La Grande Epicerie in Paris, as well as trendy destinations, like the Delano Hotel in Miami Beach. Tealosophy also operates three retail shops in Buenos Aires and has an outpost in Barcelona.

IntiZen managed to turn a profit in 2005, Casarotti says, and last year the company generated \$800,000 in revenue. Berton did not disclose revenue for Tealosophy.

The joint venture Chamana, which specializes in herbal teas made from plants grown in the Andes and other parts of Latin America, took in \$300,000 in revenue in 2009, Casarotti said.

He expects that he and Berton will consolidate the three companies within five years, with the goal of becoming the leading provider of specialty tea in the region. To make that happen, Casarotti is focused on breaking first into the Brazilian market and then into Mexico.

Economic uncertainty may, ironically, support future sales, Berton said.

"Tea has survived for thousands of years. It has survived world wars and all kinds of unrest," she said. "At times like these, people look for something that feeds the soul." ■

Making Direct Contact

Specialist in market intelligence thinks big

SAO PAULO — Techniques used for slicing and dicing media markets have provided the basis for a Brazilian direct marketing company that has lined up some of Brazil's top 500 as clients.

Statistics, and how to analyze them, have formed the basis for Intrabase. But data alone is not enough. What matters is results.

By combining applied statistic techniques with database marketing, Intrabase dissects consumption patterns and other habits to create recommendations for clients who want to reach potential customers or build loyalty among existing ones. The company claims its team can parse data down to the level of residents of a particular street or condominium.

"This is strategic intelligence," said CEO Martin Gutierrez, who joined Intrabase from Teleperformance, the customer-service call center operator, where he served as a director in São Paulo.

Intrabase got its start in 2005 as the brainchild of an Argentine direct-marketing executive from the ranks of sprawling global media/advertising group WPP. Agustina Bedit, the former CEO of Wunderman (an arm of WPP subsidiary Young & Rubicam) in Buenos Aires, had envisioned commercial applications for the tools that the agency used to segment audiences and create plans to generate leads and sales for clients. Bedit then joined forces with Paulo Henrique Cardoso — son of the former Brazilian president Fernando Henrique Cardoso — who is charged with cultivating potential clients. In 2007, the two recruited Gutierrez to take over the helm and manage day-to-day operations. Bedit remains the majority shareholder but is focused on developing new products.

Since its inception, the company has grown by some 40 percent annually. Gutierrez expects to end 2010 with sales of around 15 million reais (\$8.5 million). Among the portfolio of clients are Itá-Unibanco, Brazil's largest private banking group; Natura Cosméticos, the skin-care



company; telecom Embratel; and mobile provider Claro.

In addition to its headquarters in São Paulo, Intrabase has offices in Rosario, Argentina, which is home to a respected training center for statisticians, but the company is not yet pursuing business in Bedit's native Argentina. The Brazil base has resulted in an assignment across the Atlantic in Africa, on behalf of conglomerate Odebrecht, which formed a supermarket joint venture with the Angolan government. Odebrecht is managing this growing national chain of stores, called Nosso Super.

Intrabase is unique in its approach, maintained Gutierrez. As new data comes in, the model is updated and the client advised if the strategy needs tweaking — or to be flipped 180 degrees. "Any CRM [customer relationship management] course may teach you the basics," Gutierrez said. "But when it comes to implementing the plan, you sometimes have to turn the

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COMPANY PROFILE
Name: Intrabase
Sector: Marketing
Founded: 2005 in Brazil
HQ: São Paulo
CEO: Martin Gutierrez

2005

Liberty Technologies

Engineering duo endeavors to get fellow Panamanians online



COMPANY PROFILE

Name: Liberty Technologies
Sector: Wireless networks
Launched: 2003 in Panama
HQ: Panama City
CEO: Moises Abadi (r)
COO: Salomon Zayat (l)

2003

MIAMI — Fellow engineers Moises Abadi and Salomón Zayat are fascinated by cutting-edge technology. But unlike most admitted tech geeks, this duo parlayed their admiration for wireless innovations into a business that has put the latest technology to work throughout their native Panama.

Their venture, Liberty Technologies, recently completed installing Panama's Universal Internet Access Network using what is known as WiMax technology. The company won a \$25.5 million government contract late last year to install the free Internet service in public areas, such as schools, hospitals and parks, as a way of benefitting the less privileged.

Abadi and Zayat began working together in the late 1990s, after they were thrown together by happenstance. "We had a common customer who made us join forces for a specific project," Abadi said.

That experience prompted them to launch a first company that specialized in antennas and wireless link installations and then evolved to provide data communications. Later came Liberty Technologies, which began tests in 2002 and finally launched commercially in 2003.

Abadi, who studied computer engineering in Georgia Tech's first undergraduate class, and Zayat, an electrical engineer, soon felt the lure of

wireless broadband technology, called "non-line of sight," that does not require cables or other wires for installation.

"Being engineers, we were amazed by it," recalled Abadi, who is president and CEO of Liberty Technologies. "We said it was so amazing it had to be put here in Panama."

Abadi said Liberty was among the first customers for Navini Networks, which had developed the wireless technology and was later acquired by Cisco Systems. Abadi and Zayat, who serves as vice president and chief operating officer, tested the technology in the field in Panama. They tweaked the system and went on to install the network, offering wireless broadband to hotels and later to other businesses in the tourism sector, as well as in residential areas.

WiMax, or Worldwide Interoperability for Microwave Access, the Intel-backed technology used for larger-scale wireless Internet connectivity, became the next step for Abadi and Zayat. WiMax is important because it delivers "the last mile" of Internet access to homes and offices without cable or DSL installations.

In 2007, in its early stages, WiMax represented major opportunities for a small company like Liberty Technologies. "None of the big companies wanted to get into these immature technologies," Abadi said.

Liberty Technologies moved in with their Wipet WiMax network, extending it to residential areas throughout Panama City in 2007. The 4G World Conference in 2009 gave Liberty Technologies a citation for the best installation of a WiMax system.

Abadi credits this technological edge and experience with helping the company win the government contract for the Universal Internet Access project. So far 25,000 users have signed up. But there is still room for private Internet providers. The government-backed network does not serve residential or business areas and filters out a number of services, such as peer-to-peer downloads, and hence does not compete with commercial providers.

Liberty Technologies has had strong backing from Intel itself, the WiMax backer.

"The commercial success of their Wipet brand and the vast experience in the wireless arena, along with the right partners, gave Liberty the upper hand in the selection process for the Panamanian government's free Internet project," said Ricardo Olarte G.,

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Neoris

Integrating Company Systems

IT spin-off of Mexico's Cemex paves its own road to success

MIAMI — Think of Claudio Muruzábal, CEO of the information technology services consulting firm, Neoris, as guiding a team of architects who build a world of virtual highways, roadways and control panels in major companies.

A leading regional provider of what is known as enterprise resource planning, as well as other IT services, Neoris designs and implements the software infrastructure and systems integration that allow the seamless flow of information and data throughout a company. Neoris handles small jobs like building a company's website, but it also tackles big assignments, such as implementing a global trade platform for a multinational agribusiness. The larger IT projects are multimillion-dollar and multi-year undertakings that require major commitments from the client, as these overhauls can involve revamping the accounting, human resources, back office and other systems at the same time.

"You are not implementing software, you are changing the way you run your business," said Muruzábal.

Closing in on its 10th anniversary — a milestone it will mark in December of this year — the company has come a long way since Mexican cement giant Cemex spun off its in-house IT operation at the height of the dot-com bubble. Then known as CXNetworks, it acquired the operations of a series of Internet companies, from web builders to e-consultants to software developers in Argentina, Brazil, Venezuela and Spain. Renamed Neoris — or "New Vision" — it established headquarters in Miami.

Neoris managed to ride out the downturn after the dot-com bust in 2001, then refocused its efforts on more traditional IT business. Eventually its client list began to read like the Who's Who of regional industry and finance: Itaú-Unibanco, Grupo Techint, Banamex and Seguros Monterrey.

With annual growth rates of 40 percent in the past few years and 30 percent growth forecast for 2010, Neoris has become the largest information technology and systems

integration consulting company in Mexico and No. 2 in Latin America. Last year, Global Services 100 ranked Neoris as the best IT services provider in the region.

At its start, the company generated \$100 million in revenue, a sum that industry experts estimate is now three times that amount.

Although Neoris often competes with market giants like IBM, Muruzábal said the goal is not necessarily to create the largest IT services company, but to offer clients flexibility and valuable services that cannot be found elsewhere.

"We are not in the market to be a 'me-too,'" Muruzábal said.

Former parent Cemex remains the largest shareholder, yet Neoris has stretched its wings. The Monterrey-based cement company provided 95 percent of revenue when Neoris was launched almost a decade ago; today, it accounts for less than 15 percent.

"Cemex has allowed us to be managed independently and go after the market," Muruzábal said. "That has been critical for us."

The move to Miami was motivated by the desire to position Neoris as a regional company. Today it has operations in Argentina, Brazil, Chile, Colombia and Mexico, as well as Hungary, Spain and Dubai, and a presence in another 26 countries. Neoris operates IT service centers in Mexico, Argentina and Hungary.

"Neoris is a company that in my mind punches above its weight," said Frances Karamouzis, vice president of research at the Gartner Group, a leading information technology research and advisory company. Karamouzis said that Neoris managed to move ahead because they handled the implementation of SAP software — one of the leading business applications in the world — in more than 30 countries for Cemex.

"They are definitely one of the up-and-coming vendors in Latin America," Karamouzis said, adding that business software implementation was growing faster in emerging markets than in other countries.

Geographical expansion is central to the

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COMPANY PROFILE
Name: Neoris
Sector: IT services
Founded: 2000 in Mexico
HQ: Miami
CEO: Claudio Muruzábal

2000

It's in the Cards

Ex-banker promotes switch from cash and vouchers to prepaid cards



COMPANY PROFILE
Name: NovoPayment
Sector: Payment services
Founded: 2004 in Venezuela
HQ: Miami
CEO: Anabel Pérez

2004

MIAMI — Cash still reigns supreme among many Latin American consumers, but NovoPayment CEO Anabel Pérez aims to win converts to a different way of purchasing goods and services — prepaid payment cards.

Pérez was working for the respected Banco Venezolano de Crédito in her native Caracas at a time when the bank developing prepaid programs for food stores. Pérez spotted what she believed was a yawning gap in the market and hatched a plan.

The career banker was keen to go out on her own with the idea, feeling it was difficult to pursue new concepts or ventures in a large organization. “You have to compete with other units for cash and resources,” Pérez said. Executives at Venezolano de Crédito’s holding company supported her vision and provided the initial financing.

Pérez rounded up a team of fellow aspiring entrepreneurs from among her banking colleagues and contacts, launching NovoPayment in 2004. “We still work together,” she said of the start-up executive team. Each had a different area of expertise, whether it was technology, transactions or operations, she said.

While positioning the cards as a safer and more secure alternative to cash, NovoPayment’s primary targets are corporations and government agencies that can generate volume transactions in the form of general-use cards or cards that replace paper vouchers for employee benefits like lunch subsidies. Individuals who do not use banks — who number in the millions in the region — represent another opportunity.

In Venezuela, NovoPayment’s operating subsidiary Servitebca markets “Plata” branded cards that carry the Visa, MasterCard or Maestro imprimatur, enabling consumers to use them nationally, including online. Servitebca has teamed with mobile telephone provider Movilnet and La Electricidad de Caracas on co-branded cards.

Fees for NovoPayment’s institutional clients are based on the value of the transactions. Individuals who want personal rechargeable cards must buy one for the equivalent of about \$3.50 and pay both a small monthly fee plus the charges for each transaction.

Prepaid cards are widely used in developed countries. Store gift cards are a holiday staple in the United States, a country with both an extensive retail banking network and a thriving market for

prepaid cards, according to Mercator Advisory Group, a Massachusetts-based firm that specializes in the payments and banking industries.

The U.S. prepaid user base does encompass many poor people as well as the undocumented, said Terry Xie, director of the international advisory service at Mercator. But the cards are also marketed to young people and others who do not qualify for a credit card, he added.

“I see tremendous potential especially where there are lots of unbanked and under banked people,” said Xie. While significant challenges to prepaid cards exist in Latin America, from consumer education to heavy infrastructure needs, NovoPayment is helping expand the service in the region, he said.

NovoPayment prepaid cards can also help bring consumers into the formal economy by creating transaction histories. “Prepaid is a first level of ‘bankification,’” Pérez said.

Needing a reliable information technology network to expand and reach a number of markets, Pérez moved the company headquarters from Caracas to Miami in 2007.

That same year, NovoPayment launched in Peru in partnership with the InterBank Group, whose interests include retail banking, hospitality, retail stores and cinemas. “The bank collaborates as a distributor of the programs,” Pérez said.

NovoPayment commenced operations in Mexico in late 2009, without a bank partner, a strategy it is also following in Colombia, where it will begin issuing cards by July.

Going solo got easier last November when the company secured a crucial endorsement from MasterCard in the form of a principal member license, which allows it to issue MasterCard-branded prepaid cards independently, the first non-financial institution in Latin America able to do so.

The company currently employs about 250 people in four markets and in Miami and is profitable, with revenue under \$10 million, Pérez said.

Over the next few years, she said she is concentrating on building critical mass, with an eye on future expansion. Her likely next step: Central America. “We want to grow slowly, with strength,” Pérez said. ■

Azul...continued from page 22

ture, has limited parking for planes, no place to eat, and it’s already jammed,” said Carlos André Spagat, editor of Flap, a Brazilian aviation magazine. “Operating only from Campinas is not good business,” Spagat said. “Azul can grow more but the airport, no.”

Although Neeleman said he eventually will operate more flights that will bypass the hub (Azul recently launched service between Belo Horizonte and Porto Alegre), he insisted that Campinas can handle three times the current traffic. Before Azul entered the picture, Campinas had 18 daily flights; now there are more than 100. The airport has an area designated for international landings that isn’t currently used, Neeleman said.

The Azul founder added he is working with the Brazilian Agency for Airports Infrastructure, Infraero, about improvements to accommodate more aircraft. “Within five years, Brazil’s aviation market is expected to have 150 million people flying and we will have about 150 airplanes to carry them,” Neeleman said. ■

GeoPark...continued from page 26

portant source of funding for further exploration and drilling. “We have borrowed more than \$55 million from Methanex under this relationship,” Park said.

In all, the company has raised more than \$180 million since 2005 through its deal with Methanex and through the issue of debt and equity. GeoPark is traded on London’s Alternative Investment Market (AIM) and, in October of 2009, it listed on Chile’s Off-Shore Stock Exchange, expanding its shareholder base in the region.

GeoPark’s latest venture is a partnership with the Korean conglomerate LG International to look for oil and gas elsewhere in Latin America. The Koreans will provide the cash and GeoPark will manage the projects.

They are combing Brazil, Colombia and Peru for potential projects in the \$100 million to \$500 million size range — bigger than most of the jobs that GeoPark has so far handled. It’s a critical development in the company’s evolution: “This partnership represents a potential step change for GeoPark,” Park said. ■

Globant .. continued from page 27

has a strong presence in Latin America, or Wipro, which has plans to expand. More competition comes from regional leaders, like Mexico’s Softtek, which has an office in Buenos Aires. Migoya maintains that Globant, with its focus on specific areas, does not compete directly with those other providers, which emphasize full-service outsourcing.

The team is also considering taking Globant public in the next two years.

The IT developer may well be an attractive acquisition target itself. Migoya says that’s not part of the plan. “We have never discussed that because that would change every single decision we have made until now to grow the company,” he said. ■

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company around and change the whole routine.”

Given the distinct needs of different types of customer, programs are highly customized, he said.

The work of drumming up new business has Gutierrez likening his job to that of a missionary. He has to convince potential clients that in a domestic market as large, diverse and complex as Brazil, they need help reaching their target consumer base — and that an investment in Intrabase services will reap a tangible return. “Prospecting is ...not yet in the corporate culture,” Gutierrez said. “You have to create that culture.”

As an emerging company, Intrabase also has to try to stand tall in negotiations with clients. “When customers are much, much bigger than you are, they can squeeze you. It is difficult to be on par,” he admitted.

Longer term, Intrabase is preparing to contend with the complexities of the digital age. “There is going to be a migration of products and strategies towards the virtual world, but there will be no big change in our core business,” he reckoned. “We need to get to know [the end consumers] profile a bit better without invading their privacy.” ■

Liberty Technologies...continued from page 30

the World Ahead regional director at Intel - Latin America.

Olarte called Panama “a role model for Latin America,” adding Intel looked forward to other countries doing the same.

Despite the company’s tech bent, part of its success stems from the founders’ facility in marketing and drumming up capital. Venture capitalists inside Panama provided the initial funding. When Abadi and Zayat sought to tap into WiMax technology, they turned to a large Panamanian industrial group for partnership.

But Abadi said they were lucky from the start and within six months had positive cash flow. The company does not disclose financials, but he said their revenue is in the millions of dollars.

To sell Wipet modems to the public, they offer prepaid cards for users. Originally the equipment was sold in electronics stores, but the executives discovered that sales soared when they began distributing the equipment via local supermarkets, including Super99.

Abadi said the five-year government contract boosts the company’s bottom line. Not resting on those laurels, he is working to keep Liberty Technologies ahead of the pack. “We just want to keep the leadership we have these days in the wireless broadband networks.” ■

Neoris .. continued from page 31

future at Neoris.

Over the short run, the company is aiming to elevate its relationship with SAP. Now a Latin American Gold Partner, the company aspires to become a SAP global partner.

There is room for growth around the globe. The company has been working in the Mideast, mainly with telecommunications companies, and is eyeing other opportunities. Muruzábal acknowledges a limited presence in Asia, but he has set his sights on that region.

“If we were to have this conversation five years down the road, we would be talking about Neoris’ success in Asia,” the CEO said. ■