

Unique Characteristics in Latin America

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In 2008/2009, the banking industry experienced tremendous turmoil. During a recent major West Coast-East Coast bank acquisition, North America's most extensive distribution system for financial services was created. As one of America's largest private employers, the resulting company is now more than 279,000 members strong. Procurement Operations Manager, Alex Mesanza, is part of that team.

Alex' current role in the organization is to lead centralized procurement functions -- a position that makes him responsible for the consolidated purchasing of goods and services that support the East Coast operations. In addition to that responsibility, Alex also provides strategic and tactical direction to integration teams tasked with successful consolidation of operations.

Prior to joining the financial services industry, Alex Mesanza was with Lucent Technologies for 12 years where his first role involved providing supply chain and logistics expertise to the director of manufacturing, while establishing Lucent's manufacturing operation in Campinas, Brazil. "This was at the onset of what I'm going to call the 'telecom revolution' in Latin America, where the industry was being privatized and there were several auctions for telecom communication frequencies taking place," Alex explained. From a manufacturing perspective, the timing was right for Lucent to move into the space -- a move that would not only put Lucent closer to its customers, but would also deliver lower operating costs and an established presence with local suppliers, which could then be leveraged to eliminate taxes and expenses that add to the cost of products.

"We were responsible for setting up everything that is required to build a manufacturing site," Alex explained, "including site location, staffing, all the logistics associated with the warehouse aspect of the site, as well as all the import duties and taxes that had to be considered for bringing in the first shipments of seed stock to feed production and making the operation successful. So, it was very much a 'greenfield' type of operation."

That experience led Alex from Latin America to Shanghai, China, where he helped Lucent establish a global provisioning center in which materials from several parts of the world were consolidated for whole order delivery to the end customer in China. After China, Alex Mesanza returned to Latin America, where between 2001 and 2006 he worked in customer facing roles, including reverse logistics, forward logistics, and directing teams of employees and subcontractors to ensure Lucent's ability to provide the best product, at the best price, and within the customer's expected delivery date. "Latin America," Alex explained, "was a growing market because of all the investments being made by foreign companies, such as Telefónica and many others, so we capitalized on that growth in the region, and were quite successful at it."

Initiatives Alex Mesanza Is Passionate About

Looking back on his career, Alex Mesanza says he is particularly passionate about his involvement in two specific initiatives, one of which was Lucent's 'greenfield' operation in Campinas, Brazil. Commenting on the overall experience, Alex said, "I felt I was a part of a very pivotal moment for the corporation and for the industry as a whole in Latin America." It is interesting to note that Lucent's Campinas-based facility, originally established in 1997, is still in existence, which Alex Mesanza views as a testament to the validity of the initiative. "The manufacturing operation has morphed over time, as more outsourcing took place," Alex said, "and today it is less about manufacturing and more about integration; more about providing services to the end customer. Nevertheless, the fact that we established presence in Brazil at the right time was key for the company and key for the market."

Alex says he also feels passionate about the role he played in Lucent's decision to expand into professional services. In other words, not just selling the product, but actually integrating the product into the customer's network. "Because of all the intellectual property that resided within those teams in Lucent, it was very evident that we also had a capability to be very successful at integrating the products in a much more efficient and more cost-effective manner than the customer," Alex recalls. "A customer," he explained, "is more concerned with selling telecom services to the end user -- their expertise is not going to be in integrating and running the network as efficiently as they can, so Lucent found a niche, and was able to do quite well in that space, and I was able to contribute in that area with respect to reverse logistics."

Alex' involvement with the project included working in the capacity of post sales support, leading the team responsible for logistics support to the maintenance associated with the infrastructure. "When I took reins of the team, it was very disjointed - there was no clear vision with specific focus in Latin America. I was able to provide the needed leadership required to support a revenue stream of roughly \$10.5 million a year, growing at a 15% per year pace." To put those figures in perspective, Alex says it was grown from virtually nothing -- somewhere in the neighborhood of \$1 million for the first year. "It started to climb," Alex said, "as we were able to demonstrate what a great service experience we would provide to the customers. We were able to improve accuracy of the profit and loss prediction and we were able to increase the accuracy of the warranty-eligibility system, which led to generation of new revenue opportunities."

Unique Characteristics of Doing Business in Latin America

Alex Mesanza says the unique characteristics of doing business in Latin America revolve around import regulations that vastly differ from country to country. "Latin America, is not a one size fits all region," he explained, "you really have to understand the regulations in each country to develop the best possible supply chain for the customers in that country. Sometimes you're able to set up hubs that are located in places that are 'central' in Latin America, and close to key customers, while also enjoying favorable reciprocal relationships with certain countries; but that's not always the case."

In Alex' experience, the most challenging piece from a logistics perspective, is determining the documentation requirements of specific customs authorities. "Brazil is a prime example; the country's customs authority prides itself on really making a turnaround in their import practices. If you were to turn back the clock maybe fifteen, twenty years, it was common knowledge that to get products into Brazil, you had to know or "pay" someone to provide you assistance with customs clearance," he added. Over the years, Brazil has implemented processes and established a culture that is very different from the past. "Today," Alex said, "in order to get a product through what is called the 'Green Channel,' you must have some sort of track record with the Brazilian customs officials proving your paperwork consistently matches the product that you're importing; and that any errors are resolved expeditiously. This diligence will help you in the long run to establish a relationship that is based on performance as opposed to a relationship based on personal exchange of favors or funds."

What Makes Alex Mesanza an Innovative Thought Leader

As it applies to supply chain, Alex Mesanza believes one of the values he brings to the functions he supports is having a "big-picture" mentality. "I'm able to see beyond just what's important for supply chain," Alex said, "I'm able to see what's important for the sales teams, I'm able to see what's important for the product developers, for the product managers, and for the customer. So, my key contribution boils down to being able to connect all those dots and form a picture that is not just supply chain-centric, but really business-centric, and encompasses all the different organizations that play a vital part into the success of the corporation."

By way of example, Alex recalled his earliest days with Lucent in Latin America. "Back in 2001," Alex said, "one of my first challenges was to set up a sales and operations planning program (S&OP); and that was key, because there was the proverbial "brick wall" that divided sales and marketing from supply chain." Alex was able to bridge the gap between the two organizations by establishing a process and methodology for S&OP, and then communicating the plan to internal manufacturing locations, as well as to the company's external contract manufacturers, whose role was to provide Lucent with end products, and in essence, help the company successfully deliver to the customer. Alex added "that by educating sales teams about production cycles, and production teams about sales cycles, relationships improved, which ultimately enabled the corporation to adopt collaborative decision making. This resulted in not only more predictable product deliveries to customers, but also lower product costs and better margins derived from an enhanced planning methodology."

Meet Alex Mesanza

Alex is an experienced senior leader with advanced problem solving and communication skills that have taken him from global supply chain, customer operations, and post sales support positions with Lucent Technologies in Latin America and China to his current position as Procurement Operations Manager for one of the top US financial institutions.

Alex is an open networker and can be contacted via email at [Mesanza.Linkedin@gmail.com](mailto:Mesananza.Linkedin@gmail.com).

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