

CASE STUDY

## **CVRD**

### *Positioning an Iconic Company for Global Growth*

In Brazil, Companhia Vale do Rio Doce (CVRD) is larger than life. Launched in 1942 as a nationalized, government-controlled company, CVRD grew steadily over the last half of the 20th century to become the largest diversified mining company in the Americas with international operations and clients in more than 30 countries. During that evolution, the company made the transition from public to private ownership and diversified widely, branching out into the electric power and aluminium industries.

But one question loomed: could CVRD align its infrastructure to achieve its goal of becoming one of the three leading global firms in the mining industry? CVRD leaders were not afraid to be introspective. They assessed company strengths, and they counted a loyal labor force among them. But they also realized that the management needed new knowledge and skills to support the company's ambitious mission.

CVRD is a company that relies on leading edge technology, and its senior management team felt that a leading business school at one of the world's top technology schools was an ideal partner. "We needed to think hard how to lead the business as a whole and oversee its strategic transition from a state-based company to a private, globally-focused company," says Marco Dalpozzo, CVRD's Human Resources and Organizational Development Director. "In MIT Sloan, we found great people totally committed to our transformation."

MIT Sloan worked closely with CVRD to design two programs for the company's pivotal managers—the Senior Management Program for the company's top 100 managers and the Transformational Leadership Program for the next 150 leaders. Each program takes place over six months, including a six to eight-day term at MIT, followed by teamwork on CVRD-focused action learning projects, and concluding with presentations of the project teams' actionable recommendations to MIT faculty and senior CVRD sponsors. Teams often build upon projects from previous cadres, resulting in the quick integration of change efforts.

Program content has been customized to fit CVRD by MIT faculty teaching in the program. Professors Rick Locke and Gabriel Bitran visited CVRD to understand the company's history, internal dynamics, and short-and long-term goals. They integrated what they learned into a curriculum designed

#### **PROFILE**

The largest, newly privatized, diversified mining company in the Americas, CVRD is one of the most important and productive corporations in Brazil. Since its founding in 1942, CVRD has gone private, expanded and diversified its products, and now has clients in more than 30 countries.

#### **ACTION STRATEGY**

Prepare senior managers to realize the company's goal to become one of the leading firms in the mining industry world-wide.

#### **LEARNING MECHANISM**

This innovative learning program consists of four components—an introductory module in Brazil, an intensive one-week residential module at MIT, a work-based team project, and a three-day follow-up module in Brazil four months later.

#### **RESULT**

CVRD is reinventing itself for significant growth in global markets. Managers have a renewed sense of ownership of company goals.



*“In MIT Sloan, we found great people—good friends—totally committed to our transformation. MIT people are committed to solving problems. We realized we could tap their exceptional resources to set up processes and systems essential to making us a world class corporation.”*

Marco Dalpozzo  
Human Resources and  
Organizational Development  
Director  
CVRD

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to meet the needs of CVRD's leaders and wrote a CVRD-specific case study for use in the course.

With a strong emphasis on putting knowledge into practice, the custom curriculum comprises three major learning streams: global strategic management, integrated value chain management, and leadership. CVRD managers gain strategic global perspectives enabling them to compete on a worldwide scale. They learn customized financial frameworks to assess the impact of risks and decisions. And they learn to lead change and manage across cultures.

The MIT Sloan program has inspired CVRD to reassess critical decisions and processes that now position the company for future growth. The company is carefully analyzing and revising its supply chain, shared services, and internationalization strategies using the frameworks and tools provided in the program.

According to MIT Sloan Professor Bitran, the CVRD relationship has been as rewarding for MIT Sloan faculty as it has been for the company's management teams. “We can see that the program has energized the company and its managers, generating new ideas and a higher level of investment in the direction and future of the company. Senior executives are now advancing new projects with a sense of ownership and motivation.”

Bitran notes that managers participating in the program feel their company appreciates them—a result critical to CVRD. In fact, all levels of management have placed such value on the program that a seventh cohort is underway. “The program has grown to be so prestigious within CVRD, that managers want to be included,” Bitran says. “And that is a great measure of success.”