This publication is dedicated to all those who, over the course of a century, helped to build the great organization that Deloitte is today in Brazil. The legacy left by them is like the green dot that accompanies our logo throughout the world – consistent, complete, unique. Just like Deloitte’s history and solutions.
The recovery of Deloitte’s history in its first century of operation in Brazil gives us a chance to understand our own country a little better. The account written by people in our organization since 1911, when the company docked in Rio de Janeiro to audit British railroad companies, is interwoven with many of the most important events in the development of the Brazilian business environment.

Deloitte was present in every significant moment of national economic history during this period, supporting its clients – foreign and domestic companies – to meet the successive challenges presented amid deep and frequent market changes. More than just present, our organization was strongly engaged in Brazil – its economy, its companies, its people.

Our history, with many of its facts depicted throughout this publication, reflects Deloitte’s deep engagement in Brazil – narrowing the distance between local needs and globally recognized best practices and helping market agents accelerate the integration of the country into a global economy with ever more intense transformations.

Although we have joined the club of centennials, Deloitte Brazil continues to be a youthful organization. Our soul is that of those who love challenges – of any type, size and degree of difficulty. We bring to our workday the same pleasure felt by the pioneers who opened new paths in the history of mankind. And we want to remain in the vanguard, effectively positioned “always a step ahead,” believing that it is possible – and necessary – to always do everything better.

Over these 100 years in Brazil, we can state that there have never been more prosperous times than these we are living today. With strong economic fundamentals, high rates of growth, more investment, greater consumption and better income distribution, the country has advanced significantly. And, again, together with Brazil and our clients, Deloitte also grew.

There is a mutual commitment by the partners of our organization – to always hand down a better Deloitte to the next generation. We want to renew and expand this commitment over the next 100 years of Deloitte in the country – now, for all of Brazilian society. We will continue the work carried out during this centennial, contributing to build an ever better country – for the next generations of Deloitte, for our clients and for the future of Brazil.

Juarez Lopes de Araújo
President of Deloitte Brazil
Opportunity to reach new heights

Deloitte in Brazil has good reason to celebrate these days. Against the backdrop of the country’s unprecedented economic growth, the member firm marks a pivotal milestone in its history this year—100 years of service.

Established in Brazil in 1911, Deloitte is now a local leading professional services firm, working with more than 3,000 clients across the country. The growth and longevity of the Brazilian member firm are a testament to the quality of its leadership through the years and the dedication, innovation, and exceptional client service provided by its professionals. But, even with these achievements, I believe the best is yet to come for Deloitte in Brazil.

There is a new era dawning. With Brazil well on its way to becoming a major economic power, companies and investors throughout the world are taking notice. Doors that had never before been within reach are beginning to open, and new business opportunities abound. The fact that Brazil was selected to host the upcoming World Cup (2014) and Olympic Games (2016)—events that will bring the country significant visibility, revenue, and employment opportunities—illustrates this shift. This will be the first time in 64 years the World Cup will be held in Brazil and the first time in history the Olympic Games will be hosted in South America.

As economists have predicted over the last several years, Brazil’s time has come. And, along with it, comes the opportunity to take our Deloitte global network to new heights.

The Deloitte organization’s future success will be driven largely by those member firms whose economies offer the greatest opportunities for growth. So, as Brazil becomes a key player on the international stage, the Brazilian member firm becomes a key player in driving our global aspiration—to grow business by strengthening member firm and functions connectedness and operating as a more borderless global organization, “As One”.

As DTTL CEO, I cannot help but be excited about what I’m seeing. The future looks bright. Given the incredible strides Deloitte Brazil has made over the last 100 years and the climate in which it is now operating, there is no limit to what can be achieved.

Happy 100th anniversary! Thank to partners, professionals and clients’ Deloitte in Brazil for helping lead our global network to a future of boundless potential.

Barry Salzberg
CEO da Deloitte Touche Tohmatsu Limited – DTTL

“Given the incredible strides Deloitte Brazil has made over the last 100 years and the climate in which it is now operating, there is no limit to what can be achieved.”
Summary

6 The Beginning of it All
Who was involved and how one of the largest auditing and consulting organizations in the world came into being

38 A Talent Barn
Why and how Deloitte attracts its professionals: they enter as assistants and build careers with the firm

10 On the Rails of Brazil
What led an English audit firm to disembark in agricultural Brazil 100 years ago

18 The Years Go By
The most important moments of Deloitte’s trajectory, worldwide and in Brazil

46 On the Map of Brazil
The Brazilian cities where Deloitte keeps its flag
Growing with Brazil
The history of Deloitte is interwoven with the development of Brazil and of auditing and consulting practices

10 Years Worth 100
The evolution of the audit market in the last decade and a look at the role of consulting practices in today’s world

The brand of the leaders
The presidents that made history

Transition to the 2nd century
Consolidation of internal advances and global projection

From generation to generation
The commitments inherited and left by partners

External Views
Points of view of market personalities on what it means to be a centennial company

The Legacy We Leave
Deloitte’s contribution to knowledge dissemination, sports support and building of a socially responsible country
The Beginning of it All

Who was involved, where and how one of the largest auditing and consulting organizations in the world came into being which later landed in the Brazilian tropics.
When William Welch Deloitte died in 1898, the London where he had opened the office which was the forerunner of the current Deloitte was still the center of the largest empire in the world. It was from there that the most modern business practices spread to the rest of the world. The audit of financial statements was among them.

This book was written to celebrate Deloitte’s century of operation in Brazil, not only recovering the trajectory of the organization, but also a number of important episodes in the work environment of the country since the beginning of the 20th century. However, to tell this story that took place in Brazil, it is necessary to go far back in time and beyond the nation’s borders. The beginning of the company known today as “Deloitte” occurred at the end of the first half of the 19th century, in London, that was then enjoying its position as the largest city in the world. It was there, in the British capital, that the embryo of what would become one of the largest auditing and consulting organizations in the world was created, which today has 700 offices spread over more than 150 countries and an army of 182 thousand professionals.

This return to the first years of Deloitte’s formation in the world serves today to show that its journey is directly connected to the history of the very profession of the independent auditor, as we know it today. Particularly, that of William Welch Deloitte, who at the age of 15, went to work as a trustee assistant for the London Bankruptcy Court, where he acquired all the experience needed for the profession of auditor. The activity became
The Triad that gave birth to the “Deloitte” name

The three main entrepreneurs who built the base of the organization’s history beginning in 1845

William Welch Deloitte – One of the fathers of the auditing profession. The trajectory of William Welch Deloitte, grandson of Count “de Loitte,” a refugee of the French Revolution, from whom came the last name which would identify the future firm, is directly tied to the history of independent audit. Born in England, he began his career at an early age. He founded the embryo of what would be Deloitte in 1845, at 25 years of age, when he opened his own office in front of the Bankruptcy Court on Basinghall Street. In 1888, he was a founder of the Institute of Chartered Accountants. In 1893, he opened offices in the United States and Deloitte’s, as it was known, began to audit companies producing candles and soaps, a sector which was expanding.

George Touche – George Touch (still without the vowel he would gain later) had, from the start, a career based on reputation and integrity. He received his auditor passport (or license) in Edinburgh, Scotland, in 1883. Like many of his generation, he left for England in search of success. A visionary, he chose to add the vowel “e” to his last name, with the clever intention of avoiding a quite common mistake in pronunciation. So he then became George Touche. His well-known strictness in enforcing the law allowed him to expand business during a period of financial disasters in the segment of third party funds management. His success in saving and restructuring companies headed for failure opened the way for the formation of George A. Touche & Co., in 1899. In 1900, he opened the firm Touche, Niven & Co. in New York City, with John Niven, son of his first accounting professor. In the United Kingdom, the General Electric Company was one of his most important clients.

Admiral Nobuzo Tohmatsu – He always appreciated the customized service he provided to Japanese companies. After working as a naval attaché at the embassy in London and as a Naval Academy instructor, he became an auditor. In 1952, at 57 years of age, Tohmatsu received the title of Certified Public Accountant (CPA) and became a partner of the foreign affiliate of an audit firm and director of a private company. In 1967, he assumed the presidency of the Japanese Institute of CPAs. At the request of the Japanese government, which wanted to attract audit firms to the country, Tohmatsu encouraged the development of the sector. In May 1968, he established Tohmatsu & Co. (previously Tohmatsu Awoki & Co.). One of the determining factors of its growth was the decision to send partners and professionals to other countries to encourage the exchange of experience. This was an early revelation of the international organization that he would help build.
increasingly important due to the profitable business of managing bankrupt estates, and later, due to the advance of the capital market. In 1845, at 25 years of age, he opened his own office in front of the Bankruptcy Court on Basinghall Street, close to the London financial core. There were 200 accounting offices in the English capital because, at that time, important laws which formed the foundation for modern stock corporations were being approved.

Persistent, William Deloitte established a name for himself, particularly as a new industry expanded – that of railway transport. One has to remember the pace of industrialization underway at the time. In 1849, he became the first independent auditor hired by a company. Working for the Great North Railway, he found irregularities and created an accounting system specifically for railway companies, designed to protect investors from poor administration of funds. He became a specialist on the subject.

His connection to Great Western caused him to be seen as the world’s first independent auditor. The prestige of his work, conducted with care and quality, brought him many clients in the railway industry, like Great Western, Lancashire, Yorkshire and South Wales – all British companies with business operations throughout the world, including Brazil.

The right connections
Deloitte’s longevity, however, resulted, among other factors, from successful associations, made over many years. At the start of the 1950s, Deloitte and the American company Haskins & Sells, created a large scale organization with global reach. At the end of the 1980s, two other significant associations took place with the firm of the Scottish George A. Touche and that of the Japanese Admiral Nobuzo Tohmatsu. Like William W. Deloitte, each built his firm and focused on expansion. The union of the three then could only result in a case of success and international visibility.

Which company is the oldest in the world?
The respected book of records, the Guinness Book, gave this distinction to the English Favershaw Oyster Fishery, founded in 1189. But there is controversy. Exactly 596 years before, the Shitennoji Buddhist temple, located in Japan, already existed. It arose at the hands of the Kongo Gumi family. Currently, Kongo Gumi Co. has Masakazu Kong at the helm, the 40th representative of the family. In addition to maintaining temples, the organization manages and constructs churches, schools and asylums. The secret to its success? The company treats succession like a valuable treasure. Even though of Japanese origin, where the rule is that command passes to the eldest son, the administration always chose to select the son most committed to the business. A sound firm and, of course, current in its accounts. (www.kongogumi.co.jp).
On the Rails of Brazil

What led an English audit firm to disembark in agricultural Brazil 100 years ago, when the country was governed by São Paulo and Minas Gerais in a republic with Rio de Janeiro as its capital
It can be a curious and historically rich exercise to think about the Brazil of 100 years ago and consider what attractions a basically agricultural nation held for a British audit firm. After all, when it arrived here in 1911 – even before disembarking in major international markets like Chicago in the United States, or Montreal in Canada – Deloitte was already a six decade old company with large clients around the world. And Brazil was not experiencing the best of times. It was a young republic, with President Hermes da Fonseca at the helm, whose government was marked by renegotiation of the foreign debt. The economy was based basically on coffee, the “black gold.” The country was responsible for more than a third of the world’s production of the crop and foreign sales accounted for 60% of Brazilian exports. The logistics for transporting the product to ships was still poorly developed. There was, however, the great promise that the railroads would cut Brazil from north to south, replacing the mule trains, once and for all.

The big bet was on investment in expansion of its railway network, something that would drive its industrialization and support shipment of more agricultural products, in addition to coffee. This was the scenario in which Deloitte’s long and successful – as would be later seen – trajectory on these shores began. The English accountant William Welch Deloitte, who lent his last name to found the audit firm in England in 1845, gained fame abroad, due to his expertise in checking the financial statements of the railway companies.

“The English were investing in Brazil and Deloitte set up operations in the country to service them right,” remembers the Scot John McManus, a former partner who arrived here in 1959 and managed the firm from 1976 to 1992. “When I arrived, Brazilian companies did not need to be audited, but the subsidiaries of multinationals in Brazil needed to render accounts to their headquarters,” he adds.
Consequently, there was a strong demand from British companies for Deloitte services. Also in part, or primarily, because Great Britain continued experiencing and leading the new stages of the industrial revolution. To grow – and sustain the inevitable rural exodus – British companies raised capital through the sale of assets to investors, a practice still common in global capital markets. This activity led to the growth of the number of publicly held companies with shares listed on the stock exchange and, with them, appeared setbacks inherent in the industry.

Soon, auditing became compulsory. Which, as McManus remembered, favored the expansion of Deloitte’s Brazilian firm.

As companies from Great Britain expanded their business in countries like Brazil, it became interesting to be able to count on, wherever needed, an English firm to audit their accounts. It was from this initial base that Deloitte expanded its business to other sectors of the economy and to other areas of operation.
Why the “Wonderful City”? Deloitte landed in Brazil by opening its first office in Rio de Janeiro. In addition to being the seat of the capital of the republic, the state was responsible for 33% of Brazilian production, while São Paulo accounted for 17%. The city later recognized as the “Wonderful City” was living the glamor of its *belle époque*, with the opening of the Municipal Theatre, an authentic replica of the National Opera of Paris, and of Rio Branco Avenue, where large national and foreign companies would be headquartered soon afterwards. Political and economic decisions would attract important financial institutions to the capital. Among them were the London and Brazilian Bank, the largest English bank at the time, and the N. M. Rothschild & Sons banking house, which had been one of the main Brazilian creditors since the time of Dom João VI.

These were the financial institutions that financed, in large part, development of the national infrastructure: not only the construction of railways, but also of works in the electric power and gas industries. The government, at that time, granted concessions for public services. The electric power concessionaire for Rio, named The Rio de Janeiro Tramway, Light and Power Co. Ltd., for example, was a Canadian capital company. And, among other activities, it operated streetcar services in the traditional Santa Tereza neighborhood.

With a reasonably large consumer market and the headquarters for large banks able to finance investment, Rio was the most important hub in the country. There was a more complex social structure in the city, where sectors less dependent on agricultural activity were concentrated. There was, for example, a middle class of professionals and bureaucrats – the later formed by career military officers, some graduates of the traditional Military Academy, located in Angra dos Reis (RJ).
Locomotives into the depths of Brazil

Although its office was located in Rio de Janeiro, Deloitte’s interest ranged throughout Brazil. Initially, it was more focused on the iron rail tracks which promised to cut the national territory from north to south, with their steam powered locomotives. The steam engines, known as “marias-fumaça,” represented the progress of Brazil and the first railroad companies with English capital arrived in the country by way of the northeast. Therefore, in 1917, when it had already been here for six years, Deloitte opened another office. This time, in Recife. There, the Recife and São Francisco Railway Company was founded.

It began to be constructed in September 1855 and, soon after, was purchased by Great Western, another British company. Over the time that Great Western was active in Brazil, it came to own more than 1,600 kilometers of railways, crossing various northeastern states.

The British were present in other segments of the economy of the city and state of Pernambuco, such as communications, with Western Telegraph investments. And there was some socializing between the employees of Great Western Railways and Western Telegraph, who played soccer in the yards of their

An English village in Brazil

The Santos-Jundiaí Railway was constructed in several parts. The first stretch was between São Paulo and the Port of Santos. At the top of the mountain range, a station was built to serve as a camp for workers, called Paranapiacaba. It enabled the trains to change systems, or rather, it was the operational control and residential center for the employees of the São Paulo Railway, an English train company, audited in Brazil by Deloitte. In 1898, a new, more modern station was built, using wood, iron and French tiles brought from Great Britain. The main characteristic of this station was the large clock manufactured by Johnny Walker Benson, of London, which stood out in the middle of the fog – very common in that region.

At the end of the 19th century, with the inauguration of the new station, expansion of the railway with a second system was also discussed. At this point, the English started construction of the New Village (or Martin Smith) and also made improvements in the Old Village. The two together are known as the Low Part or English Village.

The English Village, created to house workers during construction of the São Paulo Railway, then controlled by one of the British companies audited by Deloitte.
homes. From the enthusiasm of these men, the Sport Club of Recife was born, the first soccer club in the city, founded on May 13, 1905.

“Recife always was a tradition for our organization, due to our history in Brazil with the railroads. And it gained strength, becoming an important center for Deloitte in the northeast,” says Claudio Lippi, the partner responsible today for the firm in the region, which includes the offices in Recife, Salvador and Fortaleza.

Even with Deloitte’s strong roots in Recife, the most important railroad it serviced in Brazil was that in the southeast. The São Paulo Railway Limited was a network that connected São Paulo to Santos, extending to Jundiaí (SP), its last station. Its embryo was created in June 1860, when English investors, convinced by the support of Baron Lionel de Rothschild for Viscount of Mauá’s enterprise, decided to bet on the project. A concession created by imperial decree, for a period of 90 years, the railway ran 146 kilometers in length. It was inaugurated in 1867, beginning São Paulo’s railway network which, at the start of the 20th century, already was 3,373 kilometers long. In 1910, Brazil had 21.4 thousand kilometers of railways, with 23% of this total in the state of São Paulo.

In the capital of São Paulo, some time later

In 1920, Deloitte opened an office in the city of São Paulo. Brazil was still an essentially agricultural country. According to the census of that year, of the 9.1 million active population, 6.3 million, or 70%, were working in agriculture, while 1.2 million were in industry and 1.5 million were in services. Reality showed that for the state to develop and reduce its dependence on agriculture, it needed to expand industry, increase the service sector and supply the internal market with agricultural products. The textile, metallurgy and paper manufacturing industries started to grow, betting on expansion of the domestic market.

From the beginning to the end of the 1920s, Brazil and the world changed. Here, it was the end of the First Republic and the “Coffee with Milk Politics” by which the São Paulo and Minas Gerais oligarchies had alternated their control of the federal government. And the political dissidents showed that a new Brazil had begun to emerge, the result of urbanization and a surge of industrialization. “The remains of the 1929 crisis resulted in several requirements for publicly traded companies, starting in 1933, which put even more pressure on subsidiaries based in other countries to render accounts,” states American Lyndon Johnson, a retired partner of the firm, who came to Brazil in 1972. One of the examples which illustrates this tendency is the service that Deloitte provided to the Salles Souto family, owner of the Lion
group—which, among other businesses, represented the American Caterpillar in its sales of tractors and harvesters—and to the Matarazzo Group, then an industrial and economic power that needed audit services to meet its commitments to Swiss banks.

For decades, Deloitte’s development had been limited to servicing this captive clientele. In December 1976, however, Law 6,404 made independent audit of publicly traded companies mandatory and imposed compliance with accounting principles on company bookkeeping.

Deloitte realized that it was time to accelerate its growth and also turn to the domestic market. “The partners of the firm wanted to participate in this new market and also open new opportunities,” states retired partner José Beisl Barretto—who, in 1992, became the first Brazilian to assume the presidency of Deloitte in the country. Until then, the organization in Brazil was a company controlled by foreigners to service foreigners.

Still in 1976, the firm merged with Revisora Nacional, one of the largest Brazilian audit and tax consulting
companies, bringing with it the partners Hilário Franco, Ademar Franco, Ernesto Marra, and Luiz Mussolini. “With the acquisition of Revisora Nacional in the 1970s, Deloitte began to service local clients,” says Marra, today a retired partner, with the memory of one who was an alumnus of the purchased company. Some important clients came along with Revisora Nacional. Organizations like Banco Mercantil, Banco Francês e Brasileiro, Banco Real and the Camargo Corrêa Group entered the portfolio. Mergers and acquisitions made outside Brazil led to the development of other businesses in the country, such as what occurred with Touche Ross – which was already associated with the Japanese firm Tohmatsu. Clients like Toyota, the Bank of Tokyo and Komatsu came from that operation. And with them a mixture of cultures throughout the organization, both here and abroad. After all, as Altair Rossato, the partner who currently heads the Deloitte Markets and Customers Programs, says, “our challenge is to look for opportunities wherever they are and help our clients succeed.”
The Years Go By

The most important moments of Deloitte’s trajectory, worldwide and in Brazil, in the context of the major economic and political events
The First World War (1914-1918)

From Deloitte’s arrival in the country through its first years here, there were significant events abroad that also had repercussions in Latin lands. The First World War was the greatest of these. The conflict redrew the geopolitical map: it put the British, French and Russian empires on one side – aided by the United States – and the German, Austro-Hungarian and Turkish-Ottoman empires on the other. Under the banner of the Triple Entente, the British and French, with the support of the Americans, won the battle. The victory, however, broke European hegemony and opened its flanks for expansion of American power on the international scene. The effects of the war were devastating for the Brazilian economy. The conflict disrupted the international commodities market and brought new difficulties for coffee exports, forcing the government to lower its price. This scenario brought new challenges for the national business environment in which Deloitte was already involved, offering its audit services to foreign companies established in the country.

The conflict destabilized the already fragile Brazilian economy.

1845 – William Welch Deloitte, at only 25 years of age, opens an office in London, starting an organization that would later be called “Deloitte.” The firm expands rapidly and even ends up offering services in Russia before the communist revolution of 1917.

1857 – Deloitte enters into its first partnership, with Thomas Greenwood, after an investment of £800 in the capital of the firm. With that it comes to be known as Deloitte & Greenwood.

1869 – The firm takes on a new partner, John George Griffiths, who has a large influence on the growth of the company until his retirement in 1902. The company is renamed Deloitte, Dever, Griffiths & Co.

1905 – Plender joins and the company becomes known as Deloitte, Plender, Griffiths & Company.

1911 – The Deloitte we know today opens its first office in Brazil, setting foot in Rio de Janeiro, the federal capital at the time.

1917 – The office in Recife, Pernambuco, is opened. At that time the city was the port of entry for ships coming from Europe. In spite of being primarily agricultural, like the majority of the country, the state attracted foreign families with other entrepreneurial ventures, in addition to agriculture.

1920 – At the start of the decade, Deloitte turns its attention to the state of São Paulo. In 1920, the firm opens an office in the São Paulo capital. A year later, an office is opened in Santos. The coastal city held an important part of the national railway network, which discharged right into the Port of Santos – the main channel for export of agricultural products, especially coffee. The Santos office remained active until 1933.
1930 – Deloitte establishes itself in the São Paulo capital, right at the time Brazil is going through a profound political and economic transformation. It is the time of the 1930 Revolution, with a coup d’état that puts Getúlio Vargas into power. His policies promise to establish a development plan for the country. There is a clamor for investment in basic infrastructure, supported by industries like steel manufacturing and mining. During that decade, which would end with the start of the Second World War, Deloitte, with three offices in the country, holds steady, accompanying the presence of foreign companies that have decided to operate in a Brazil undergoing profound changes.

The stock market crash (1929-1931)

Deloitte had already been in Brazil for almost two decades when the world seemed to be living in reckless times. The day of October 24, 1929 entered history. “Black Thursday” was the crash of the New York stock exchange, a tragedy which made fortunes disappear, traditional companies close their doors and millions lose their jobs. Between 1929 and 1931, the industrial production of the United States fell 30%. The domino effect was repeated around the world. It was no different in Brazil, which still had an economy based on agriculture and focused on the export of coffee, sugar and rubber. There was a sharp fall in commodity prices and a general scarcity of credit abroad. Brazilian export sales fell by more than 50% over four years.

1950 – 1952 – Deloitte merges with its competitor Haskins & Sells, the largest in the United States. The objective is to strengthen its presence in the American market where H&S is a leading firm, while Deloitte has offices in New York, Boston, Cincinatti, St. Louis and Los Angeles. It also associates with MacLaren, Goode & Co., in San Francisco.
Black gold (the 1920s and 30s)

The international price of coffee fell from 67.3 pounds sterling to 26.2 pounds sterling per sack between 1929 and 1932. The lack of international credit forced the government to end its 1906 “Taubaté Convention.” The Taubaté Convention allowed the government to borrow money abroad and buy excess production whenever demand fell, thereby managing coffee price swings. However, to pay interest on the loans, it charged a fee on exported sacks. The difficulties resulting from the world recession led the country to stimulate industry and, even more importantly, promote import substitution. Between 1920 and 1929, agriculture still excelled: it grew 4.4% per year during the period, while industry grew 2.8%. Between 1933 and 1939, however, it lost its shine and its rate of expansion, growing annually only by 1.7%. Meanwhile, industry picked up its pace, growing by 11.2% per year.

Inside Brazil

1959 – Under the name Deloitte, Plender, Griffiths & Co., with four offices and four partners, Deloitte decides to move its headquarters from Rio de Janeiro – which is still the federal capital – to São Paulo, a city in continual economic expansion, preparing to become the main industrial park in Latin America.

1953 – Deloitte opens its first office in Porto Alegre, Rio Grande do Sul. The purpose is to more closely service companies with business in the region, such as Pepsi, Quaker, Amforp, Wilson Sons and Sousa Cruz. The Rio Grande do Sul office would be closed years later to resume operations, with renewed strength, in the 1990s. A curiosity of this moment of Deloitte’s history in the country is that after the global company incorporates the Haskins & Sells branch in Paris, the American manager Henry Forbes is transferred to São Paulo, where he soon becomes a partner. In total, there are four offices in Brazil: Rio de Janeiro, Recife, São Paulo and Porto Alegre.

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The outside world

The advance of audit (1933-1950)

A consequence of the New York Stock Exchange crash was regulation, for the first time ever in 1933, of the capital market when U.S. representatives and senators approved the Glass-Steagall Banking Act. The purpose was to establish stronger market standards and reduce economic leveraging by companies and investors. The Securities and Exchange Commission (SEC) was created at the same time, with the mission to be the sheriff of the financial market, overseeing operations and companies. The new legislation changed the way financial institutions and audit firms operated. Banks were prohibited from operating in areas like insurance, real estate and consulting and were required to hire outside firms to analyze the delicate situation of some companies, like those in the pre-bankruptcy stage. This scenario contributed to rapid growth of accounting auditors and to the institutionalization of consulting companies.
1964 – The São Paulo office, now Deloitte’s national headquarters, is transferred to the Metrópole Building on Dom José Gaspar Square.

1967 – Deloitte bills its first million dollars in Brazil. And takes advantage to modernize its operations, installing a computer system to control client hours, expenses and billing.

Previously, these processes were handled manually.

1969 – The American firm decides to make the Deloitte firms in Latin America independent.

1976 – Deloitte’s Brazilian firm acquires Revisora Nacional, a Brazilian capital company, and opens an office in Salvador.

1979 – The Deloitte Haskins & Sells international company is created with headquarters in New York.
From corporations to the development of industry (the 1940s)

On the eve of Executive Order 2,627, of September 1940, the third legal standard to regulate corporations’ activities, the intention of some accountants to make the audit of financial statements mandatory by independent auditors could already be seen. In 1945, there were legal and technical advances since Executive Order 7,988 of December 22 was issued that year to regulate undergraduate programs in economics, accounting and actuarial science.

Industry flourished in Brazil during that decade. The decisive step was taken in April 1941 when the government established the Companhia Siderúrgica Nacional (CSN) in Volta Redonda (RJ). A year later, in June 1942, the Companhia Vale do Rio Doce (CVRD) was created. Both were mixed capital companies formed to stimulate exploration of Brazilian underground mineral resources, mainly iron ore.

“The oil is ours” (the 1950s)

President Getúlio Vargas created Petrobras in October 1953. In the heat of developmentalism, Brazil developed its capital goods sector, creating the embryo to manufacture equipment for basic industry. Soon afterwards, in 1956, Juscelino Kubitschek took over and established an economic policy focused on six large areas: energy, transportation, food, basic industry, education and the construction of Brasilia. With the motto “50 years in 5,” he wanted to attract private investment, both national and foreign, and improve the infrastructure with construction of hydroelectric plants and highways. From 1957 to 1961, the Brazilian GDP grew 7% per year, with a per capita rate of 4%.
1980 – With ten partners and 200 professionals in Brazil operating completely in the Audit and Tax Consulting area, the firm gains administrative autonomy from the global company.

1989/1990 – Deloitte Haskins & Sells merges its operations with Touche Ross – which was already associated with the Japanese Tohmatsu.

1992 – With 25 partners, Deloitte begins its big transformation in Brazil. For the first time, a Brazilian, José Beisl Barretto, occupies the presidency of the Brazilian firm, after the exit of the Scot John McManus.

1993 – The company adopts the name Deloitte Touche Tohmatsu.

1994 – The base of professionals is expanded and the Belo Horizonte office is opened in the state of Minas Gerais.

**Inside Brazil**

**The capital market gains momentum (the 1960s)**

Credit continued to be insufficient for production and consumption financing, hindering the expansion of the economy. To overcome this obstacle, the post-1964 military government modernized the National Financial System (SFN), created the Housing Financial System (SFH) to stimulate the civil construction industry and reformed the banking system, creating the Central Bank and the National Monetary Council. Law 4,728 brought the professionalization of the industry with brokers of public funds being required to become brokerage firms. Investment banks, stock exchanges and a directorate within the Central Bank were created, focused on the capital market. Law 4,728 also used the expression “independent auditors” for the first time, confirming the importance of specialized outside analysis of corporate statements. In 1967, with the emergence of brokerage companies and stock traders, the São Paulo exchange, created in 1890, became known as the São Paulo Stock Exchange (BOVESPA). Stock exchange trades began to be electronically recorded in 1970. That same year, the Law of Corporations made the audit of publicly traded companies mandatory.

The São Paulo Stock Exchange around the 1960s: independent auditors begin to receive greater public recognition in the Brazilian market.
1996 – The firm opens an office in Curitiba, in the state of Paraná.

1997 – The office in Brasília, the capital of the Republic, is opened.


2001 – The firm opens an office in Fortaleza.

2002 – Deloitte makes a big jump, taking in the professionals of the Arthur Anderson firm, and with that reaching the number of 2,500 professionals in Brazil.

2003 – The Deloitte Touch Tohmatsu brand is replaced worldwide simply by “Deloitte.”

2008 – After leading Deloitte Brazil for an entire decade, over a time marked by growth rates well above the national economic average and by the rapid advance of consulting practices, Alcides Hellmeister Filho transfers leadership of the firm to Juarez Lopes de Araújo and assumes the position of chairman.

2011 – With close to 4,500 professionals and 11 offices in the country, the Brazilian firm celebrates 100 years of local operation, as part of a global network of 170 thousand professionals, in more than 150 countries, committed to the goal of making Deloitte the standard of excellence in the market. Deloitte Brazil continues growing well above the national economic average pace, with the strengthening of its consulting practices, the integration of all its solutions under the “Deloitte As One” concept, the increased specialization of its professionals by industry and the strengthening of services for emerging companies.
Growing with Brazil

The history of Deloitte is interwoven with the development of Brazil and of auditing and consulting practices, confusing itself with the very modernization of the business environment.
It is known that independent auditing plays a very important role in market stability, due to the fact that it provides an independent opinion on the adequacy of companies’ financial statements. Based on audited financial statements, investors decide how to invest their resources, financial institutions set their interest rates for credit operations and companies make decisions about commercial agreements. If the auditor did not exist, it would not be possible to imagine how markets could function. There would be such an imbalance of information that investors, financial institutions and companies in general would have to spend invaluable time and resources, which would make it impracticable to finalize deals given the time required by markets today.

As this book shows, particularly in chapters “On the rails of Brazil” (page 10) and “The years go by” (page 18), Deloitte’s audit practice has always had a significant interaction with the Brazilian market, supporting foreign companies that established themselves here since 1911 and, in more recent decades, an ever greater number of companies with national capital. For a long time, when one spoke of Deloitte, one spoke of the audit of financial statements.

Deloitte’s operations grew stronger as the business environment became more robust and the regulatory scenario modernized. The 1970s would be marked by significant changes in this process, mainly due to Law 6,404 which required publicly traded companies in the country to use independent auditors. However, not only auditors were impacted by the changes, but the entire community of professionals related to accounting.

Enacted in 1976 and taking effect beginning in 1978, Law 6,404 represented a radical change in relation to Executive Order 2,627 (the former Law of Public Companies). “In addition to modernization of corporate treatment, the new law provided for several accounting modifications. To have an idea of the impact of the law at the time, many accountants preferred to retire rather than learn the new regulations,” remembers José Beisl Barretto, the first Brazilian to head Deloitte in the country.

Barretto affirms that, although Law 11,638/07 adjusted some points of the Law of Corporations, adapting it to the contemporary business environment and strengthening the capital market with the implementation of international accounting and auditing standards, the changes could not be compared with the “revolution” that took place in the 1970s. “6,404 was an extremely innovative law. It can be said that accounting and auditing changed significantly after its implementation.”
These were years of failures. From 1986 to 1993, six monetary stabilization plans failed in Brazil: Cruzado 1 (February 1986), Cruzado 2 (November 1986), Bresser (1987), Summer (1988), Collor 1 (1990) and Collor 2 (1991). On August 1, 1993, the government promoted its seventh currency change in Brazil, from the cruzeiro to the cruzeiro real, in order to adjust values. It was the start of the Real Plan, which unfolded in three stages and, unlike the prior ones, it was announced in advance to the public.

At no moment were prices frozen. The first stage, which lasted from the end of 1993 to February 1994, consisted of the Immediate Action Program – a set of measures which prepared the economy for the launch of the Real Plan. The program focused on some vigorous measures. Among them were the cut of public spending; the recovery of income by combating tax evasion, including that of large companies; austerity in the relationship with states and municipalities; adjustments in state banks; the redefinition of federal bank functions; and the privatization of companies in the steel, petrochemical and fertilizer industries. The government maintained that the public companies were hostage to corporate, political and economic interests.

The second stage of the plan was marked by the progressive quoting of prices in the Real Unit of Value (URV), a stable reference value. The cruzeiro novo did not immediately leave the scene. Goods and services continued to be paid in cruzeiros novos, but began to be tied to a stable unit of value. Thus, the URV allowed price alignment without the need for freezing. The third stage of the Real Plan began on June 30, 1994 with the issuance of the new currency, the real, in place of the cruzeiro novo. It was the beginning of the stabilization of the economy and the end of the times of hyperinflation.

With the economic stabilization, Deloitte intensified its operations throughout the country. Between 1994, the year the real arrived, and 2003, the firm opened an average of almost one office per year: Belo Horizonte, Curitiba, Brasilia, Porto Alegre, Campinas, Fortaleza and Joinville.

**Times of privatization**

In addition to economic stability, the 1990s also brought privatizations, public service concessions and the creation of regulatory agencies. The idea was to modernize the Brazilian state which no longer had the resources to invest in health and education or in basic industry. It was a new investment phase which brought foreign capital, new regulations and the requirement that private companies publish their financial statements. And Deloitte operated in many of the most important privatization processes conducted in the country at the time, especially in the financial sector.
It was in the 1970s that the role of the accountant changed with the advent of new regulations. The requirements for publicly traded companies became stricter. And the function of the accountant became fundamental, especially for preparing more complete financial statements than before when the legislation was not so strict.

The scope of operation, however, expanded significantly over the years, especially over the last two decades, as Deloitte added a strong consulting practice with specialization in several fields to its experienced audit business. Thus, it became a genuinely complete professional services firm. In this process of creation and strengthening of consulting practices, Deloitte participated in important undertakings and established its leadership position.

Deloitte always endeavored to monitor and participate in the development of business in Brazil and is proud to have been present at these different times: from the industrialization of the country, during the construction of railways, roads, and large national groups, to the recent processes of modernization of the business environment.

Opportunities in recovery of companies

Once the main privatization processes were completed in Brazil at the beginning of the 2000s, Deloitte knew that it needed big new challenges directly related to the vanguard of business development in the country. One of its new operational fronts, in the field of corporate finance, was in the area of recovery and restructuring of companies.

To recall this role, it is important to remember the new legislation that broke paradigms in Brazilian corporate history: Law 11,101, the so-called “new” Company Recovery and Bankruptcy Law, of February 2005. After 12 long years of working its way through the National Congress, the law took effect replacing the provisions of an executive order enacted 60 years before. The law was created with the mission to stimulate the recovery of companies in financial difficulties, but still viable.

“We could see that we had an important challenge,” said the now retired partner Luiz Alberto Fiore, who acted as legal administrator of Varig. Even before the law was approved, Deloitte studied the legislation in depth and its partners traversed the country, giving lectures – voluntarily – in schools of magistracy. The goal was to explain to judges how important it was to have administrative, financial, accounting and tax knowledge when deciding whether or not a company should be declared bankrupt. A judge knows the law, but does not necessarily understand business and accounting. The dedication paid off.

After comings and goings, Deloitte was named legal administrator of the Varig airline company. And its court-ordered reorganization was the largest in Latin America and the second largest in the world. It was almost three years of hard work which, sometimes, required more than 100 Deloitte professionals. It resulted in a new business line for Deloitte, which became a leader in this area. The firm also acts as a consultant by judicial appointment, in cases of non-mandatory out-of-court reorganization.
And the domestic market finally grew

The Brazil of the 2000s continued to modernize, now with income distribution and expansion of consumption – more opportunity for companies and Deloitte’s growth.

In the first decade of the 21st century, Brazil went through a profound social transformation due to three main factors: the rise of the poorer social classes, the establishment of consumer niches – from single people or those living alone to seniors and couples without children – and the start of a demographic bonus cycle (the economically active population becoming predominant).

More than 48 million Brazilian moved into the middle class between 2003 and 2011. The new consumption pattern has allowed a wide cycle of investments, stimulating from retail chains to manufacturers in general.

In this scenario, practically every area of Brazilian business is booming. And Deloitte has taken advantage of this moment to present the market with a diversified set of solutions. All business areas of the firm have prospered in this new stage of the domestic market.
It also contributed with its expertise toward the local growth and internationalization of Brazilian companies – which expanded their activities abroad with ADR operations, through the stock market, acquisition of other companies and the establishment of productive and commercial bases.

Over the years, it has played its role in helping clients deal with the circumstantial difficulties in Brazil: high interest rates, a high tax burden, the lack of credit lines, high financing costs, unfavorable foreign exchange rates for exports, government restrictions on the evasion of resources, infrastructure deficiencies, poorly trained workers and pressures of all kinds.

Deloitte has insisted on being present everywhere in Brazil where capital, companies, business opportunities and the development of the country are the issue. It has always chosen to be close to its clients, even geographically, establishing strategic branches in significant markets.

In the 1990s, Deloitte expanded business throughout the national territory, especially after the economic stabilization of the country, experienced beginning in the middle of the decade. It had a marked presence, for example, in the broad Brazilian process of privatization of that time, since its start, providing corporate consulting both in asset appraisal and sales modeling.

The company would arrive then at the 21st century ready to strengthen very solid bases in several consulting areas. The first decade of the 2000s would mark, for the history of Deloitte, a time of great transformation, as the following chapter of this book shows.
10 Years
Worth 100

The evolution of the audit market in the most critical, rich and prosperous period of its history
One hundred years hold many stories, and there are few companies that can be proud of having the amount of experience Deloitte has gained in Brazil. A secular trajectory is not linear. And it can be said that the last ten years of Deloitte’s first century in Brazil have held great challenges, but also new and enormous opportunities that the firm took very good advantage of, both in the areas of auditing and consulting. This is why these last 10 years were worth 100.

The 21st century brought new and strict rules for the practice of auditing, in a market that was becoming ever more complex. “The consequences of this change rocked the profession, there was pressure and more distrust of the role of the auditor,” points out José Roberto Carneiro, current partner in the Deloitte Audit department and leader of this business practice for the firm between 2001 and 2011. The Sarbanes-Oxley Act, which brought a democrat and a republican together for its conception, was the fruit of this time.

In the wake of the new standards, a new regulatory body for the profession was established – the Public Company Accounting Oversight Board (PCAOB). The idea of stricter regulation of the market also began to gain force in regulatory bodies in other parts of the world. In Brazil, the regulatory wave on the sector had already begun years before, when the CVM established the mandatory rotation of audit firms every five years for publicly held companies.

On the part of the audit firms themselves, what was seen, in addition to the commitment to adapt to the new scenario, was a strong effort to contribute to a market in transformation, which held the same objective as they did: the spread of transparency in business practices. It was precisely at this time that the firms strengthened a series of initiatives, such as continuing education, the rotation of partners – already implemented by most of them – and peer reviews, the review of work by peers.

The audit firms then intensified a process that had already existed since the 1980s and 1990s: the focus on training of professionals with excellent technical qualities, tuned in to the changes brought by the new regulations. The firms created real internal universities to overcome the deficiencies of the schools, which still graduate professionals unprepared for a global environment, with international accounting standards being adopted at full steam. They became talent barns for companies in diverse industries.
The turmoil of the first decade of the new century may have already passed, but the lessons are still valid. To be an auditor is still and will always be to search incessantly for integrity in a market that expects ever more results, in which efficiency is measured in the smallest details. It is a subtle balance that requires detachment and a calling.

“This is the profession of ethics,” observes retired partner Ariovaldo Guello, who worked at Deloitte for 40 years. He is an enthusiastic and great auditing associate in Brazil, very active in the Brazilian Institute of Independent Auditors (IBRACON). For him, the bad times contribute in some way to the improvement of audit professionals – those currently active as well as those to come. Auditors are professionals who must ensure honesty 24 hours a day, seven days a week. The lack of clear understanding of the role of the auditor made the profession abandon its usual, and justified, low profile position to adopt a more assertive stand in defense of its interests. Joint action was needed, in defense of a common cause. Regardless of the intense competition among firms, there was something without which none of them would survive: the integrity of the profession. In Brazil, auditors were already aware of the communication problems, as shown by the conclusion of an IBRACON study: “We urge the profession to speak out. We urge the profession to unite around a position which is technically defensible in any forum, consistent in any part of the world, beyond potential commercial interests. We urge the profession to position itself courageously based on its best technical truth, independently of whether the environment and climate publicly experienced is hospitable to us or not.”
A risk management practice

The fact is that, among the companies that experienced the difficult period at the start of the first decade of the century, the new era of increased regulation did not end up causing losses, far from it. These firms knew how to adapt well to the new times. In addition, companies had to ask precisely their auditors for help in an attempt to avoid new failures when the heavy load of demands fell on them, especially with respect to the enhancement of internal controls.

In the case of Deloitte, a new situation of market worries opened space for the expansion of an area of business that had become particularly promising since the turn of the 21st century: that of enterprise risk management consulting. The professionals of this practice worked to help companies improve their controls, by establishing internal audit mechanisms and, ultimately, by guaranteeing greater transparency and security before such instable business scenarios. Brazil was precisely one of the countries in which the risk management practice most prospered among the member firms of the global organization.

Consulting for global challenges

If, on one hand, the practice of auditing had to overcome many challenges during a time of profound changes in the global market – even learning to reinvent itself as many times as necessary in the first years of the 21st century – on the other hand the functions of consulting gained aspects previously unknown. And, this time, Brazil was not so far from the epicenter of the global changes that were affecting the economy, businesses and – as one would expect – the way consulting and auditing firms operated. Quite to the contrary, as a large emerging country that had learned to attract capital and demystify some of the clichés that historically had characterized it, Brazil intensified, more than ever, its entry into the global economy.

Distances were too short with the advent of the Internet, new technologies and the unprecedented opening of national markets. And the challenges for companies – Brazilian, Chinese, Indian, Mexican, American or for those of any country in the world – started to become very similar.

In the new flow of corporate relations, the new local transnational companies needed to worry even more about problems that were typical for multinationals of other countries. They now had to maintain strict and uniform internal controls, standardize management reports and financial statements in accordance with best practices, modernize their human capital and their governance structures, while coexisting with already known conjunctural difficulties: often unfavorable exchange rates, high interest rates, high
of good standards of corporate governance. This is a phenomenon also spreading today among emerging companies throughout the country.

And, as family companies or those of any other control model improve their governance models, the interest of other organizations and investors in potential purchase or merger operations is greater. The globalization of the economy itself, with more frequent operation of international investment funds in Brazil, promotes this process.

In the move toward the internationalization of many medium and large Brazilian organizations, the challenges came in the same proportion as the world they intended to conquer. In other markets of the world they were faced with local policies of economic restraint, peculiar legislation in the areas of labor, business and capital repatriation, and remittance of dividends.

Deloitte has always been at the side of companies that see opportunities, within and outside the country. Thus, it developed and expanded its various service lines. Tax consulting, business consulting, corporate finance, risk management and outsourcing were the names of the business areas under which the Deloitte consulting practices advanced in the first decade of the millennium, providing the firm with double-digit annual growth rates.
The first decade of the 21st century

A strong economy and new perspectives in consulting

Below are some of the numbers that show the evolution of the new Brazilian economy which opened the way for large demands on companies in the area of consulting. As a consequence, the 2000s coincided with a phase of large advances for all of Deloitte’s consulting practices, which supported companies in confronting their new business challenges, in the domestic market and abroad.

Sources: The Brazilian Central Bank, the Brazilian Institute of Geography and Statistics, the Institute of Applied Economic Research and Deloitte research (based on public data)
Why and how Deloitte attracts its professionals: They come to learn from many of the great consultants and auditors in the market and build successful careers in the organization
Deloitte is a company of people, formed by people, that considers people its main asset. It is a company that offers services and intelligence. Therefore, human capital is a treasure that the firm bets on and preserves. People management, in recent years, has been passing through a process of profound changes in the market. And organizations ahead of their time are able to see the real potential of the skills held by each of their employees.

“In this company, everyone has the space they need, it only depends on them,” says partner Altair Rossato, who heads Deloitte Markets and Clients Programs. “This was the feeling I had since my first day of work for the firm in 1988,” he adds. Rossato entered as a young talent and had the opportunity to grow, following a path that has gone from acquiring experience abroad to working in other business areas and the chance to become a partner. “Here, we can say that professional and personal development is encouraged,” he assures.

The Lead Partner for attending the infrastructure industry, Iara Pasian, who joined the firm in 1977 – when the presence of women in the audit market was an exception – is another one who also pursued a career with the firm and had the chance to enrich her curriculum abroad. In 1997, she was sent to Washington, D.C., where she participated in a specialization program for attending companies in the electric power sector. “I had already gained important experience in pension funds and the firm decided it could transfer me to the electric sector, a regulated activity that would certainly grow in Brazil,” she recalls. Today, Deloitte is a reference in this sector, both in auditing and consulting. The first woman to become a partner in the firm in 1997, Iara knows that her participation was important. “Today, more than 50% of the people who pass the New Talents Program tests are women.” They are everywhere and in different positions.

That is the case for Lucilene Domingos de Carvalho, a secretary in the Recife office. She tells that when she entered the firm it was still called Deloitte Haskins & Sells. The year was 1985 and Lucilene arrived only to cover vacation leave, as a typist. She ended up staying. She remembers that, although Deloitte already had electric typewriters at the time, she ended up taking shorthand.

It was only some years later that the electronic typewriters would come. “I was 18 years old, it was my first job and it’s here that I will retire,” she says with conviction. In the office, she did a little of everything – always in the administrative area, becoming a secretary in 1988.
The partner João Alfredo Branco, who headed the Tax Consulting department until 2011, joined Deloitte after 29 years with Arthur Andersen. “I am eternally grateful to Deloitte as an organization, for the way it welcomed the professionals that worked with us during so many years and believed in us all. I really wear the Deloitte shirt with the same love with which I wear the Corinthians soccer team shirt when I go watch my team play,” says the partner, jokingly.

This feeling is also shared by Almira Maria de Oliveira: “I love working at Deloitte.” This is how Dona Mira, who joined the firm on July 12, 1977, defines the importance of her work. Over more than 30 years of dedication, the kitchen maid tells how she saw many professionals enter the company as “new talents” and become partners, and was even able to see the retirement of many others. “I have no words to say how much I am grateful to Deloitte for everything it offered me. Everything I have, what I have achieved in all these years, I owe to my work in this company,” says an emotional Dona Mira.

Changes and advances
Constant change appears frequently in the most successful professional trajectories. The career of consultant Ricardo Balkins consists of a number of changes and paths taken. He arrived at Deloitte in 1989, hired to help assemble the Systems Audit department which had only four staff members at the time. The business flourished. In 1998, he became a partner and leader of the Enterprise Risk Management Consulting department. “We got even stronger when professionals leaving the Andersen firm joined us. It was a period of great learning,” he says. In 2006 he moved to the Business Consulting department that he heads today. Balkins is in charge of hundreds of professionals who, together, provide a wide diversified range of skills – from personnel to corporate risk management.

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greatest differential,” he says. “In life, you need to be a pioneer in order to win,” he advises.

For the talent that works in the firm, Deloitte established a strong image of an organization that “develops its professionals” and accepts path changes over the course of time – and why not say it, of history? “Imbued in our culture is the desire for change, for learning more, for investing in other areas of our lives,” says partner Michael Morrell, National Leader of Talent.

Those who chose to pursue their careers outside the firm recognize, however, what they learned. Augusto Flores was a Deloitte professional until April 2009 when he left to take a leadership position in the tax department of an automaker. “My passage through
Deloitte was fundamental. It formed my professional character and established a number of important personal aspects that were important for my career, like the need for continual study and learning, for sharing knowledge with those younger, for getting along well with others (colleagues, bosses, subordinates and clients), for teamwork and for always being a step ahead,” he says.

For Leandro Lecheta, who has been working in the United States as vice president and global CFO for a company dedicated to the agricultural and construction machinery sector, Deloitte taught him essential lessons. “I received solid technical training and was always required to give the best of myself,” he says. “I was always exposed to big projects (national and international) as well as many challenges and, at Deloitte, I had the support necessary to overcome them. In addition to the excellent technical training, development of professional and personal character was a key factor for success in my career.”

Those coming from the market also recognize the diversity of challenges that Deloitte provides. That’s the case for Eduardo Tavares Raffaini, a partner in the firm’s Rio de Janeiro office since 2009, who had the chance to see the work from another point of view. He tells how he had to change his mind-set at Deloitte. “I basically had to sharpen my skills to become more entrepreneurial, making me a much more complete professional. I always really admired Deloitte and dreamt of joining a centennial company in Brazil and market leader in global and local consulting,” he says.

That is how Deloitte is – people from everywhere, knowledge and aspirations are well received for growth and development of one’s talent – as with Bahian José Othon Tavares de Almeida. Currently Lead Partner for serving the manufacturing industry, Othon joined Deloitte at 23 years of age, “dreaming” of being picked for a disputed position in the firm in Salvador. He went through the competitive selection process with more than 300 candidates and, in the final interview, made a suggestion to the partner who interviewed him: “Hire me, you won’t regret it.”
It worked. He joined Deloitte in 1983. He became a partner in 1997 and remained in the office of the Bahian capital until 2005 when he was invited to work in the São Paulo headquarters. He became the leader of the Manufacturing industry area. “What matters is the knowledge you have, independently of where you come from,” he says, referring to the willingness of the firm to hire professionals with the most varied “accents” and nationalities.

Picturesque stories
In addition to providing space for growth, Deloitte also collects interesting stories from those who work daily at the company. A partner in the Business Consulting department, Ulisses de Viveiros, who has been with the firm for 30 years, recalls the time when technology was still modest and presentations and service proposals were always delivered personally. “We didn’t have this agility of the Internet.” Work was done on paper, manually, and there was a “typist pool” to transcribe reports. “The files were enormous and the most modern thing at the time was an imported paper hole puncher,” he says, remembering that he was once stopped at customs arriving on an international flight, because his luggage set off the red light. He had 30 paper hole punchers spread throughout his suitcase and purchased, innocently, to facilitate work at the Brazilian firm. “Today, changes are rapid, made simply by a click on a computer keyboard.”

How does one manage the ideas, aspirations and projects of many partners?
It is difficult, but proven viable. After all, this is what Deloitte has been doing, year after year – even faced with the growing number of partners admitted as a result of business expansion. The secret to success can be defined in a single word: consensus. Behind it, however, is a set of actions and, without doubt, a management strategy based on an efficient corporate governance structure.

Designed based on the premises of the global organization and appropriately adapted to local needs, the Deloitte Brazil governance program tries to consider the general objectives of all partners in a coherent manner. “We are an association of people who have come together to apply their knowledge in the form of a business. As we realize that we need to grow, we look inwards to find the best professional to meet our needs,” says chairman Alcides Hellmeister Filho, who today heads the board (internally known as the Policy Committee), made up of seven partners who represent the entire company. Every partner is required to leave upon reaching 62 years of age, to provide opportunity for new talent. In addition, as part of the governance model, the same partner may only remain as CEO of the firm for two terms of four years at the most. “The motto of the organization is to give the next generation a better firm than that which was given to us. We are all temporary partners, with an entry and exit date,” explains Hellmeister.

In the times of retired partner Ariovaldo Guello, the Audit department still had “surprise effects,” as appearing at a company to check its services without previous notice. “We entered a bank, for example, at five in the afternoon, and spent the night checking its services, which ranged from clearing to counting all its money bills, one by one,” he recalls. “The funny thing was that there were no cell phones or email and we couldn’t even call home, to not leak any information. After all, the aim of the operation was to be secret.”
The story of 37 year old partner André Gargaro was also amusing, in a picturesque way. His rise was meteoric, with a stint abroad, and he became a partner at 35 years of age. He joined the firm almost by chance, after seeing a tiny and discreet notice at college that said: “We are recruiting Systems Audit trainees.” It was the last day to send in his résumé and postal and public transport strikes seemed to conspire against the young man’s future. With the help of his mother, who lent him the car, he was able to get his CV into the hands of a firm receptionist, in the office then located at Italy building, in the old center of São Paulo. “I didn’t have the slightest idea what it was, nor where the company was from,” he recalls sincerely. A week later, he was called in for an interview and ended up getting the position.

Like André Gargaro, all Deloitte professionals have unique stories to tell. Today, they are proud of the company, because they know that they built a history and will leave a legacy for future generations.
More than just openings, career opportunities

The young Josiane Maria Poleski has a close and particularly special relationship with Deloitte. Hearing-impaired, she joined the firm in 2006. She works in the Curitiba office, Paraná, where she performs, among other functions, training in the Audit and Tax Consulting departments, in addition to recruiting new local professionals. She started tentatively in the firm, doing small jobs, here and there. “I grew and demonstrated my potential in the administrative area,” she says. “I learned a lot,” she adds. Until, one day, she was asked to accept a challenge in the Outsourcing department where she remained for six months before returning to the administrative sector.

For Josiane, the Deloitte initiative to include professionals with handicaps is a fundamental incentive. “The company bet on me, without requiring even one day of experience. I was insecure at the beginning, for being the first handicapped professional to be hired,” she says. “As time passed, I felt satisfied to be working at Deloitte, because today there are three of us with in the Curitiba office.”

These professionals were hired through the DeloitteIncludes program, which proposes more than the simple inclusion of handicapped professionals into the workplace. Its commitment is to hire and develop these people, always respecting their differences. There are currently more than 120 professionals active in several Deloitte offices in Brazil, in the most varied functions. On average, 30 professionals are hired every year through DeloitteIncludes.

In addition to professional advancement, Josiane also had the opportunity to contribute with her talent to give classes in Libras (Brazilian Sign Language), the language of the deaf, on Impact Day, an annual event on the calendar of the Social Intelligence program of Deloitte Brazil, which aims to promote a series of activities to benefit local communities.

The conquests jumped from the professional area to another field – yes, the pun makes sense. The professional is a futsal athlete and she has been enjoying victories since 2009. In 2010, she was a winner of the Brazil Cup of Futsal for the Deaf, for the São José dos Pinhais Association of the Deaf. In 2011, she was invited to represent the Brazilian national team in this sport category at the World Cup in Sweden.
On the Map of Brazil

A tribute to Brazilian cities where Deloitte keeps its flag flying as it marks 100th anniversary in the country

As a company that has at all times chosen to be geographically close to its clients, Deloitte already held branches in strategic places across Brazil back in the 1920s – as in Rio de Janeiro, Recife, and São Paulo – having greatly expanded since 1994, the year the Real Plan was launched. At that time, it disembarked at the capital city of Belo Horizonte and, two years later, it landed in Curitiba, capital city of the state of Paraná. Today with about 4,500 professionals, Deloitte operates from 11 offices across the entire country: São Paulo, Campinas, Rio de Janeiro, Belo Horizonte, Brasilia, Recife, Fortaleza, Salvador, Curitiba, Joinville, and Porto Alegre. Below, together with the profile of the cities, are testimonies of people who make Deloitte happen in each of these offices, revealing their relationships with the company, their life stories, their challenges – after all, their dreams come true.
Belo Horizonte
In 1994 when Deloitte arrived at the capital city of the state of Minas Gerais, Belo Horizonte had a population of more than 2 million people. In the 1990s the city went through many changes, such as urban space appreciation and the strengthening of the administrative structure, with approval of the Organic Law of the City, in 1990, and of the Master Plan, in 1996. As the third most representative state in terms of GDP, Minas Gerais made the best of the steel industry privatization and has a significant automotive hub.

“Sixteen years ago, I entered the firm as a junior clerk. Deloitte was, and is, everything to me. It is my foundation.”

Paulo Henrique Vieira, Financial Analyst, who entered Belo Horizonte office just over one year after its opening day

“The difference at Deloitte is its people. It may seem obvious since it is a service company, but it is exactly this that makes Deloitte a special company. People here are constantly concerned about performing their best to provide a service of the highest quality to our clients.”

Rodrigo D’Amico de Moraes, Consulting Manager at the firm since 2002

Brasilia
The federal capital city welcomed Deloitte’s office in 1997. With the special touch of architect Oscar Niemeyer’s drawing, Brasilia concentrates the country’s decision-making power: the federal executive, legislative and judiciary branches. It has a population of more than 2.5 million people and one of the highest per capita incomes in Brazil. Brasilia gained world fame for being the only planned city listed by UNESCO as part of the World Cultural Heritage of Humanity.

“The firm was and still is of fundamental importance to my life.”

Sandra Maria Ramos Maia do Vale, secretary, at Deloitte for about four years
Campanas
In 1998, the firm landed in Campinas, a city recognized as an important hub for innovation and technology in the state, accounting for 40% of the innovations that have emerged in the state of São Paulo and for 15% of the technological production in Brazil. It has become one of the country’s reference center for logistics. In the city and neighboring municipalities, there are computer and other electric-electronic manufacturers who established themselves there, anticipating large investments generated by the privatization of the Telebrás system – which, under the control of the private sector, would require new equipment. The public utility concessions in the state also attracted electric power companies, such as the CPFL and Elektro, both privately controlled.

“In 12 years of career, Deloitte made a significant contribution to my professional development. Today, my decisions take into consideration Deloitte’s needs, my own needs and the perspectives of continuous professional growth.”

Paulo de Tarso, Audit Senior Manager, 32 years of age, in the firm since 1999

“All projects at Deloitte are challenging, with moments of pressure and relaxation, whether together with the team, with time for playing around that strengthens fellowship and improves the work environment, or due to the specificity of some activities.”

Priscila Aparecida Martins, Consulting Manager at the firm since 2006

Curitiba
With a little over 1.3 million people in 1996, when Deloitte opened its office in the capital city of the state of Paraná, the city attracted investments from companies with wide-open eyes on the national market and the tax benefits generated by MERCOSUR. In the previous year, the state of Paraná was in the news for the automotive agreement signed with Argentina. Automakers like Renault, Volkswagen, Volvo and Chrysler set up shop in the state, injecting more than US$ 2 billion and generating over 50 thousand direct and indirect jobs. Today, the state accounts for a little over 6% of the national GDP.

“A short time ago a Deloitte promotional material was released with a very positive description of the internal environment we build each day, which is, in fact, what differentiates us from other companies. In short it said: ‘We are people obsessed with the challenge of doing things right, well done and in groups.’”

Marco Alessandro Letzow, Director of Outsourcing, with the firm for 10 years
Fortaleza

In 2001, the firm arrived at the capital city of Fortaleza, in the state of Ceará. With a little over 2.4 million people, it accounts for 47% of the state’s GDP. Substantial investments will be made available to the region as a result of the construction of the Nova Transnordestina railway, which will connect the town of Eliseu Martins, in the state of Piauí, with the ports of Suape and Pecém, in the Recife and Fortaleza metropolitan areas, respectively. The railway network will practically cross the entire territory from Pernambuco to Ceará states. As to Petrobras, it plans to build the Premium 2 Refinery expected to begin operations in 2017.

“The firm was responsible for a turnaround in my career. With Deloitte I share the merit of the professional and personal growth achieved over the last seven years.”

Cyntia Andrade Gurgel, Audit Manager, who entered the firm in 2004, while still a student

“In my family I was always encouraged to do good deeds. On Impact Day, 2006, I had a chance to visit a home for senior citizens, which was very gratifying, since I could experience in the company where I work the same lessons brought from my roots.”

Fabiano Moraes de Albuquerque, Tax Consulting Manager, with the firm for eight years

Joinville

Deloitte arrived at the most populous municipality of the state of Santa Catarina – and the second largest in the interior of the southern region – in 2003. With a population of a little over 500 thousand people, Joinville is the state’s economic and technological hub, accounting for about 20% of Santa Catarina’s GDP. It is especially known as a metal-mechanical hub where the largest companies of the sector are hosted. Among them, the giant companies Embraco, Whirpool and WEG. The city has one of the highest Human Development Indexes (HDI) among Brazilian municipalities.

“Deloitte is a fantastic school, offering career opportunities, in addition to personal and professional development.”

Alex Stasiak, Audit Senior Manager, working in the firm for nearly ten years, four of them in Joinville

“I learned to be a leader, made many friends, received support during the hard times and could also share happy moments. I am very happy here.”

Letícia Thais Henrique de Oliveira, Administrative Assistant, with Deloitte for six years
Porto Alegre

Capital city of Rio Grande do Sul, the most southern state in Brazil, Porto Alegre had a population of a little over 1.2 million in 1998, when Deloitte reopened its office in the city. Between 1990 and 2000, the Porto Alegre metropolitan area generated 13% of new jobs with the expansion of services, civil construction and retail sales. MERCOSUR creation and the Brazilian market fairly heated up attracted automakers such as General Motors. The investments had a positive impact on the city, awakening the interest of capital goods suppliers and service providers.

“The initiatives of the Social Intelligence (Deloitte’s social responsibility program) attract me very much. Last year, for example, I participated as a training volunteer in public schools, and it was great. We went to a school to give a lecture on the importance of studying and we were very well received by the ‘kids.’ I felt important for helping others, and I am very proud for being part of a company that is concerned with people.”

Cleunice Velleda Ribeiro, secretary, in the firm since 2002

“Deloitte is very concerned with the well-being of its people and offers its professionals opportunities for knowledge and career development.”

Carlos Eduardo Zanotta, Audit Manager, with the firm for six years

Recife

The capital city of the state of Pernambuco has always had a place in the history of Deloitte. The firm opened its office in Recife in 1917, six years after arriving in Rio de Janeiro. There was then a strong movement for the construction of railway networks that would cross the national territory from north to south and the largest investors were English companies such as Great Western. Today has 3.7 million people and boasts a strong economic hub that plays a central role in its state, with an area of influence extending to other capital cities, such as João Pessoa, Maceió, Natal and Aracaju. In a survey commissioned by MasterCard Worldwide, it appeared as one of the 65 cities with highest economic development in the world’s emerging markets.

“Friends are among the best things I got from the company all these years.”

Lucilene Domingos de Carvalho, Administrative Analyst, at Deloitte in 1985, when the firm was still named Deloitte Haskins & Sells

“We have the chance to work at a company in which the only thing certain is that tomorrow needs to be – and will be – different from today. We are always growing and innovating. This constant sense of movement and dynamism is fascinating for those who like challenges.”

Carlos Hunka, Corporate Finance Manager, with the firm since 2004
Rio de Janeiro

Entrance gate for Deloitte in the country, the Wonderful City was, in the beginning of the 20th century, the great headquarters for foreigners willing to invest new money in the development of the national infrastructure. The English London and Brazilian Bank and the N. M. Rothschild & Sons banking house were there. In 1911 Rio de Janeiro was the capital city of Brazil with a population of over 900 thousand people, a number that São Paulo would only achieve 20 years later. Rio lost its status as the capital city to Brasilia in 1960 following President Juscelino Kubitschek’s understanding of “pushing growth inland.”. Today, Rio is the second most important state in terms of national GDP. Known for its beautiful beaches and postcard-like scenery that represent the country abroad, the city is getting ready to shine again as host city for the 2016 Olympic Games.

“I spent my life at Deloitte. It was in this company, which now celebrates 100 years, that I had the opportunity to grow personally and professionally. I am very proud of being part of this growth.”

Maria Luzia Dias, Administrative Manager, in the firm since 1981

“Being part of the Deloitte organization is like being part of a big family that is always concerned with offering quality services and surpassing client expectations, without forgetting, however, that its main asset is the people who make up this family.”

Alberto Bertocco, Tax Consulting Senior Manager, with Deloitte for 16 years

Salvador

The firm arrived at Salvador in 1976, by the time the government of General Ernesto Geisel had the ambition to change the profile of the national industry, strongly concentrated in the southeast of Brazil. The goal was to reinclude the north and the northeast in the national economy, by creating industrial parks. The second Brazilian petrochemical hub was born this way – the first had been built in the ABC region, São Paulo, in 1972. The city selected for this was Camaçari, in the Salvador metropolitan area. The hub was launched in 1978, bringing significant changes to Bahia’s economy, both in terms of tax and industrial revenue.

“Means to overcome obstacles and challenges was a great contribution of Deloitte to my life.”

Cleide Ribeiro Lopes, Administrative Manager, in Deloitte since 1995

“It is gratifying to participate in the hiring processes of new talents at Deloitte and see the respect and recognition the firm holds. It is impressive to see young people trying, 1, 2 and even 3 times to join Deloitte. In the three years I have been involved in the New Talent Program dynamics and interviews, I have already seen many interesting presentations and attitudes from candidates. They memorize the history of the firm, mention experiences of their parents, try to show their best skills, it’s fantastic.”

Márcio Mourão, Consulting Manager, with the firm for eight years
São Paulo
The business heart of Brazil has been the headquarters of Deloitte in the country since 1959. When it moved from Rio de Janeiro to São Paulo, the city had a population of 3.5 million people and a throbbing and diversified economy. It was then – and still is – the largest industrial park in Latin America. From the 1950s throughout the 1960s, the industries of São Paulo employed nearly 600 thousand workers. The automotive industry entered a period of consolidation and over 90% of the auto parts industry was settled in the Greater São Paulo.

The capital city of São Paulo had already been living the “heat” of economic growth for decades, despite the automotive drive. It was so in the bygone days of 1886, when the country welcomed European immigrants who came in search of making a living in the coffee plantations and in the opportunities arising from the distribution of imported products entering the Port of Santos. Today, the state of São Paulo alone accounts for a third of the national GDP.

“One of the best rewards from working at Deloitte is the possibility to deal with people. Clients, work colleagues. Intelligent, courageous, persistent people. People who inspire me, teach me and end up becoming a family.”

Luciana Chmelik Pucci, Emerging Companies Senior Manager, who entered the firm through the New Talent Program in 2002

“I always looked for a place of work where ongoing learning, personal and professional development and high ethical standards were valued. I found all this at Deloitte and that’s why I’m here.”

Antenor Castro Minto, Tax Consulting Senior Manager, with Deloitte for 12 years
External Views

Points of view of market personalities on what it means to be a centennial company
The secret of companies’ longevity

“...Centennial companies seem to be anomalies in this framework of continuous change characteristic of the modern market economy. The speed of innovation, financial instability, the hyper-connectivity of companies, people, markets and business makes one believe, in principle, that everything old is immobile, locked up in a museum or even deeper. The modern world undermines our belief in long-lasting things, but, at the same time, economic theory recognizes (nearly) immobility and permanence as essential for what we call "institutions," which function as construction pillars or "infrastructure" of the market economy, or even as component parts of the stage upon which the great economic dramas unfold. Two Nobel prizes in economics in the 1990s went to economists whose works dealt with institutions or how the market functions over the course of time to form "institutions" as "solutions" which define, overall and generically, the rules for good economic behavior. Since then many economists, particularly those in international development banks, have worked to define countries as “good” institutions, for purposes of describing the quality of their laws, courts and codes, as well as their regulatory agencies, their business practices and their business ethics. Institutions, therefore, became one of the paradigms of virtue in the modern world, something that distinguishes and raises one country above the others. Perhaps this is the view that should be taken toward very old companies which have acquired techniques, values and practices which ensured an uncommon durability and a “status” similar to that of institutions. These companies, in general, are entwined with their very activities and markets, since they were “creators” of them, to the extent that it is hard to think of the activity without thinking of the company that engages in it. Such long-lived companies possess virtues whose expression is as simple as it is difficult to make happen, and my favorite three are: a strategic vision profoundly adjusted and focused on an activity and its present and future markets; flexibility in management and in present and future service to the client; and efficient governance that produces a perfect alignment of present and future incentives. Perhaps this expression reveals little about the uniqueness of these companies, except for a dimension that pervades all these considerations: the fact that these strategies always consider the present and the future. Perhaps this is the great secret for the companies’ durability: a special perspective of time, the certainty that they will be operating in the future, which is much more valuable than the present.”

Gustavo Franco
He was Assistant Secretary of Economic Policy for the Finance Ministry, Director of International Affairs and President of the Central Bank of Brazil. He is currently a partner of Rio Bravo Investimentos.

Confidence in the future

“...Brazil – like Deloitte – changed, is changing and will continue to change. In spite of, and because of countless challenges, because ignoring them is not an option – and because these challenges represent opportunities to be exploited.

It is not easy. It never has been and it will never be. But whoever has accompanied – as Deloitte has – the extraordinary evolution of the country’s business environment, can look toward the future of Brazil in the world with a very reasonable degree of confidence. The same confidence in the future with which Deloitte has worked in the country for the last 100 years.”

Pedro S. Malan
He was Minister of Finance during the two terms of Fernando Henrique Cardoso (1995-2002). An economist, he acted previously as negotiator of the Brazilian foreign debt and was one of the architects of the Real Plan, building one of the most respected careers in the country in public service.
Completing 100 years shows Deloitte’s competence in innovation and in its ability to change with the economic, social and cultural evolution of the country. A company characterized by its consulting and auditing services has the people in its organization as a distinction. Over these 100 years, Deloitte is to be congratulated for knowing how to attract and retain talented and committed people who interact and add value to the companies to which they provide services. It is this ability to distinguish itself with its team which made it centennial and will ensure that it celebrates other centennials in Brazil, helping companies become efficient and differentiate themselves competitively, also making them successful, like Deloitte, contributing to the growth and development of the country.”

Joaquim Kavakama
General Superintendent of the Interbank Payment Chamber – CIP

“A company that joins the club of centennials has shown that it was capable of adapting to the technological and environmental changes that took place over such a long period. It demonstrates that it has governance to not succumb to the crises typical of any company, particularly those related to issues of succession. The centennial company has survived its founders or family disputes, something that few accomplish? The centennial company will have lived through experiences that shaped the creation of internal mechanisms favorable to its continuity. It is more professional and will be better prepared to confront new challenges.”

Maílson da Nobrega
An economist, he was Minister of Finance after a long career at the Bank of Brazil and in the direct management of the federal government. Today, he is a partner of Tendências Consultoria Integrada.

“Since the start of its business in Brazil, Deloitte has participated directly in the development of independent audit in the country. By completing 100 years, the company establishes both a milestone and an important reference point for the sector, due to its time of operation and the history it has built providing services in Brazil. Deloitte’s contribution is also reflected as an important and concrete presence in the Brazilian Institute of Independent Auditors (IBRACON) itself, through its continuous participation and contribution to building the relevance and excellence of the profession.”

Ana Maria Elorrieta
President of the national directorate of the Brazilian Institute of Independent Auditors (IBRACON).
Over the last decade, the global economy has gone through the greatest changes of the last 100 years, with the rise of the emerging countries and the appearance of growing vulnerabilities in the rich countries. As global growth continues to be led by China and India this decade, a gradual, but marked change in the center of gravity of the global economy towards the emerging countries will intensify, creating spectacular opportunities and challenges for companies. Brazil, in particular, will continue to benefit from faster expansion, driven by agribusiness and by the civil construction, services and business sectors. More rapid growth in the interior of the country and in poorer regions, demographic change and a new round of social and economic changes will transform the country. Finally, in an environment of profound changes, the need for new strategies focused on the future rather than the past will create unique opportunities and challenges for Deloitte and its clients.

Ricardo Amorim
An economist and partner of RICAM Consultoria Empresarial Ltda.

Deloitte’s centennial in Brazil is the confirmation of the maturation of Brazilian companies. Accountability, transparency and auditing only become necessary when there are partners or creditors interested in financing the growth of companies, sharing with them the risks of entrepreneurship. Thus, the 100 year presence of an audit firm in Brazil is a recognition of the evolution of us all. Something for Brazil to be proud of. Congratulations to Deloitte for believing in the country of the future, now more present and vigorous than ever. The advances of recent years make one believe that the best part of this long-lasting partnership is just beginning.

Simone Azevedo
A journalist and Managing Partner of Capital Aberto magazine

The history of Deloitte in our country is interwoven with the path Brazil has tread over the last century and the start of the one we are currently living. Its pioneering initiatives were the natural path for a company that has contributed as a reference for the development of the Brazilian economy and our capital market. IBRI has been honored by partnerships and research with Deloitte that have kept investor relations professionals updated and contributed with ever more knowledge to Brazilian companies. Congratulations for one more conquest!

Ricardo Florence
CEO of the Brazilian Institute of Investor Relations (IBRI)
Deloitte stands out among the group of companies responsible for the development of auditing in the country. Its history is intimately related to the evolution of accounting science and the business of thousands of the most important companies. At the end of the 1960s, some of its most distinguished directors actively participated in the core group that founded the ANEFAC and, over more than four decades, this group has renewed itself and cooperated in strengthening the purpose of the entity. In addition, for 30 years, from the beginning of my career, I have had Deloitte as a high level reference and had the honor of enjoying the professional and personal friendship of dozens of its experts. Congratulations to Deloitte on its centennial and for the initiative of recording its development.”

João Carlos Castilho Garcia
President of the National Association of Finance, Management and Accounting Executives (ANEFAC)

The great advances and challenges experienced by our country over the last 100 years are entwined with Deloitte’s success story. The vast range of clients, including myself, experienced steady and competent growth in both the direct provision of services specialized in different and sensitive areas of operation and, indirectly, through research and other services covering society as a whole. These studies and research on trends and perspectives related to the Brazilian and global business environment form an excellent example. A company that operates in the areas of auditing and consulting, providing services of the highest quality for so long in an extremely competitive market is worthy of praise. The high standard of quality offered by Deloitte allows us to affirm, without risk of error, that the future of this organization is already guaranteed for the next generations of clients and users of the services and studies offered, and that they will certainly celebrate its bicentennial with the same gallantry. CFOs recognize in Deloitte a technical capacity always available to client companies through its offer of the most complex and sophisticated professional services.”

Sérgio Silveira Melo
National President of the Brazilian Institute of Finance Executives of São Paulo (IBEF)

An international company that bet on Brazil in 1911? There certainly cannot be many. And Deloitte not only accepted this challenge but also collaborated with Brazil in several ways: It was a great motivator and trainer of human capital in our country – something that can be verified by observing the quality of the professionals who started their careers at Deloitte. It also motivated the adoption of pioneering approaches, for example, in the area of sustainability – not only within the firm itself, but also by conducting important studies, by guiding companies in the direction of becoming more sustainable and supporting social organizations like Akatu and others in their work in favor of public interest causes. Few companies have the privilege of showing a work history so consistent over time. After all, there is no other way to reach the point of blowing out 100 candles on the birthday cake. Congratulations to Deloitte for 100 years in Brazil. And congratulations to Brazil for knowing how to attract and keep a company of this quality among us.”

Helio Mattar
Chief Executive of the Akatu Institute for Conscious Consumption
The great Niels Bohr, father of quantum physics and Nobel prize winner, said that ‘making predictions is very difficult, especially about the future.’ It is a true adventure to speculate about the future. But we economists are stubborn and always like to create visionary scenarios. So: what to think about the future of Brazil within 100 years? A difficult task, but let’s try.

We would be in the year 2111. As the third or fourth largest economy in the world, Brazil would affirm itself as a developed country having a high human development index, with ever cleaner sources of energy, continuous socially well shared gains in productivity, generating the necessary incentives for strengthening an innovative tradition and level of responsible savings, always with an eye on future generations. All this, without having engaged in wars, without terrorism and with a national unity and cohesion based on humanistic values and cultural boldness.

Sergio Wigberto Risola
Director of the Innovation, Entrepreneurship and Technology Center (CIETEC)
We live in a highly globalized world and, like everything in life, this globalization has its positive and also its negative side.

The positive is the easy access to information, to technology and to science in general. The negative is the increase of competition between companies of the north, the south, the east and the west of the terrestrial globe. In this context, the constant coalitions, incorporations or acquisitions of companies create giants and destroy the weak. And, in this intense process, ethics is a value that needs to be preserved. Hence, companies like Deloitte, ready to celebrate its 100 years of activity in Brazil, demonstrate their strength and capability in this tough market.

ABECE, which in the coming year will be celebrating its lawful age (18 years), congratulates Deloitte and proposes to reach the same milestone, if God so desires and the competence and union of structural engineering persist in the struggle.”

Eduardo Millen
President of the Brazilian Association for Structural Engineering and Consulting (ABECE)

The elixir of longevity

To have a long life, control does not necessarily need to be maintained by the same family. Alignment is essential. Deloitte, for example, chose the path of association, based on grouping member-firms around the world, united under a management of shared and continuous values. A solution that proved to be a winner both globally and locally. Cheers to its first century in Brazil.”

Chris Martinez

ABECE, which in the coming year will be celebrating its lawful age (18 years), congratuates Deloitte and proposes to reach the same milestone, if God so desires and the competence and union of structural engineering persist in the struggle.”

The history of the last 100 years in Brazil and in the world, is a sum of stresses and strains, challenges, adversities overcome and, of course, some survivors. A select group of companies already passed the 100 year barrier. Some of them in 2011, such as Deloitte. The “firm” joins a group of corporations that helped build this country of superlative dimensions and vibrant people.

Regardless of the sector, these organizations make up a list of survivors in a country where longevity is not common. Close to a third of national companies fail in their first year of operation and approximately 60% do not manage to reach their fifth anniversary, according to Sebrae-SP statistics. There are no detailed or precise studies which can determine how many centennial Brazilian or foreign companies can be found in Brazil. Most of them, however, are domestic capital companies still under family management.
Several studies demonstrate that our brain was selected by nature to try to find patterns in everything that happens around us. Those who associated, tens of millions of years ago, movement in the forest with the possibility of being attacked by a predator and always ran away—even when it was a fact in only 50% of the cases—were able to avoid being swallowed by a lion, unlike those who were unable to establish this relationship or others.

The constant search for a pattern in almost everything also gives us the feeling of understanding, of order, of mastery and, primarily, of the meaning of things and our existence. This, in part, explains why it is so pleasant to feel that we are completing some cycle and/or starting another and also why we so enjoy celebrating dates and anniversaries, mainly the “round” ones, that follow a pattern: There is no way to avoid the pleasure they bring us. It is also obvious that there are many other non-evolutionary and quite objective reasons why we feel happy when seeing a person, an artistic movement, a fact or a company complete 100 years. It is proof that they have an importance for society far beyond normal of surviving the passage of time.

But, focusing on the world of business: What explains the durability of some companies and brands? What makes them exceptions, since time usually corrodes dreams, energies, intentions, reputations and images? Not every company reaches one hundred years. And it was not just any 100 years: two bloody world wars, significant ideological, cultural, religious conflicts, unimaginable scientific advances, unprecedented and devastating financial crises, drastic changes in attitudes, consumption, relationships between people, countries and companies; a century that put the ability to remain relevant to the test like no other. What is the secret? Is there a secret?

Obviously, there is not a single answer and, perhaps, not even multiple answers would provide an answer. But it appears there is a common denominator to companies that last over time, a value that is born of the genuine determination to understand people and what motivates them, and to act in accordance with the historical moment of each age. And, thereby, make the imagined real; bring gestures the closest to intentions.

Curiosity. Sensitivity. Understanding. Action. This seems to be the common essence of successful companies over time. Not by coincidence, the essence of the work of Deloitte.”

Carlos Faria
President of the National Association of Energy Consumers (ANACE)
The Legacy We Leave

Deloitte’s contribution to knowledge dissemination, sports support and building of a socially responsible country

Shared knowledge
Deloitte has a consistent history of generating and disseminating knowledge about the economy and business – dozens of primary research, market studies and editorial content are conducted and released annually.
Support for sports

Deloitte supports Brazilian sports through sponsorships and the providing of services. The Brazilian Confederações of Rugby and Tennis, the Paralympic swimmer André Brasil and the “Fight for Peace” NGO – which rehabilitates young people in needy communities through boxing and martial arts – are the focus of initiatives in this area.

Social responsibility

Deloitte sponsors the Social Intelligence Program which establishes initiatives of volunteer professionals based in all offices throughout the country, always for the purpose of supporting the training of young people and development of the communities where the firm operates.

Paralympic swimmer André Brasil, athlete of the Brazilian Paralympic Team who broke the world record for swimming

“Fight for Peace”: audit services to the Rio de Janeiro NGO dedicated to the prevention and rehabilitation of children and teenagers living in violent communities, through boxing and martial arts

Brazilian Tennis Confederation: market study on the sport’s indicators

Brazilian Rugby Confederation: support to a strategic plan to develop the category in the country
The brand of the leaders

The presidents that made history

A life dedicated to Deloitte

At the end of the 1950s, the Scot Hugh McManus disembarked in Brazil to provide services on behalf of Deloitte. He was expected to stay for only three years. He is here until today, living in Rio de Janeiro. "Coming to Brazil completely changed my life," he says with a mixture of foreign accent with that of Rio de Janeiro. Nine in every 10 Deloitte professionals interviewed for this book mention his name. And, in fact, there is no way to separate his life from the history of Deloitte in the country. And vice-versa. After all, he can be considered one of the people with the most profound knowledge of the firm’s trajectory here.

In 1964, at only 28 years of age, he became a partner – a fact he is proud of still today. “At the time and until my exit in 1996, I was the youngest to become partner,” he states. His career began in the Rio de Janeiro branch, where he worked from 1959 to 1962. Soon after, he set sail for another Brazilian resort: this time, Recife, where he stayed until 1964. Once he became a partner that year, he moved to São Paulo where he worked in the technical department and then in Practice Development (marketing).

He returned to Rio in 1975. And, one year later, he experienced the best moment of his life: he became president of Deloitte in Brazil. The appointment required him to return to the São Paulo capital in 1980, when he was also put in charge of that office. He left the presidency in 1992, returning to Rio, where he resides until today when he is not playing golf somewhere in the world. He finally “hung up his boots” in 1996 when he reached 60 years of age.

Hugh McManus, last foreigner to head Deloitte in Brazil: an essential reference for the history of the firm
At 73 years of age, José Beisl Barretto has the vigor of a young man. “I’m a maverick,” he says emphasizing his independent and bold approach. An enthusiasm similar to what he had when he joined Deloitte in 1966, at 28 years of age. Currently, although he has been retired from the firm since 2002, he has dedicated himself to teaching courses related to accounting. “I teach classes for executives of large companies on contemporary topics, like IFRS,” he says while noting that he is sitting on the idyllic veranda of his house in Itanhangá, in Rio de Janeiro. “I’m looking at tucans and facing the Atlantic forest.”

This house, by the way, is a watershed in Barretto’s career. In July 1992, when he had finished building it, he became, at 54 years of age, the first Brazilian president of Deloitte in the country. And, consequently, he had to move with his family to São Paulo. “The house was closed up for ten years and I only returned when I retired.”

He guided the firm for a decade. As managing partner (president), for two terms, over the first six years, and as chairman for the following four. “It was difficult, in positions like these, success depends on the ability to lead and understand people,” this Bahian by birth and
In 1972, at only 19 years of age, Alcides Hellmeister Filho, a descendent of Germans and Italians, joined Deloitte as a trainee. The company was called Deloitte, Haskins & Sells and, in Brazil, it had little more than 50 professionals and only four partners, all dedicated to the only practice existing then: auditing.

Today, after an unquestionably successful career, which included the executive command of the Brazilian firm for ten years, Alcides holds the position of chairman, heading the company’s board.

Over the course of these years, he experienced changing times, with winds that altered the course of the firm and the market. At the start, when Alcides was an enthusiastic beginner, Deloitte was virtually focused only on foreign clients with business in Brazil. “For decades, Deloitte essentially assisted clients of foreign origin, in part, because there was no culture or obligation to produce financial statements in Brazil,” he recalls.

Under his leadership from 1998 to 2008, Deloitte adopted a clear strategy of growth and business diversification in Brazil. Alcides showed himself to be a visionary, identifying opportunities that the market offered and working to develop new business areas. He thereby was able to achieve the expansion and consolidation of the Brazilian firm, which ended up becoming one of the most successful in the Deloitte global network.

It was also Alcides who, in 2002, saw the opportunity to welcome the professionals leaving the Andersen firm to the base of close to 1,500 Deloitte professionals.

Alcides was the first Brazilian partner on the international board of Deloitte. During his management, Deloitte rose from an intermediate position in the Brazilian market to a position of recognized leadership. And, in this way, the firm realized exponential growth under his command, with expansion rates of around 20% per year.
Transition to the 2nd century

Consolidation of internal advances and global projection

When I assumed the leadership of Deloitte’s Brazilian firm in June 2008, I had the privilege of inheriting a company built with the legacy of a decade of significant accomplishments. Since then, I devoted all my efforts to consolidating a number of essential advances so that Deloitte could attain the milestone of 100 years enjoying enviable levels of expansion in the most diverse aspects.

From billing to the number of professionals, from the offer of services to the conquest of new clients, the Brazilian firm today is entering the second century of its history in Brazil with a strong and sustainable rate of expansion.

To continually improve the firm based on four strategic pillars – talent, clients, operational excellence and brand – we want to continue to be recognized as the standard of excellence in the market.

Within the Deloitte global network, the image of the Brazilian firm has gained important projection, which is today reflected in the fact that we are on the international board of our organization. This is a position only offered to the largest Deloitte firms in the world.

Adopting a model of increasingly close cooperation with the leadership of firms in the region of the Americas and with the entire global chain of Deloitte member firms, Brazil is playing an increasingly significant role in the dynamics of company decisions.

That is why the Brazilian firm has been selected as a priority market for Deloitte investments in the world. And it is thus that we are building, together, our transition to the second century of Deloitte in Brazil.

Juarez Lopes de Araújo
President of Deloitte Brazil
From generation to generation
This is the current generation of partners at Deloitte, who received from previous generations a company we can all be proud of. Their commitment is to hand over an even better Deloitte to the next generation.
Partners of Deloitte centennial

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