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CASE STUDY

INTERNATIONAL ENTREPRENEURSHIP AND THE DEVELOPMENT OF COMPETENCIES IN FAMILY BUSINESSES: CASE STUDY

EMPREENDEDORISMO INTERNACIONAL E DESENVOLVIMENTO DE COMPETÊNCIAS EM EMPRESAS FAMILIARES: ESTUDO DE CASO

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ABSTRACT

Purpose: Explain how the main competencies developed by a family business in an emerging market help to reach international markets.

Methodology/approach: A qualitative research was conducted with family members who participated in the expansion process, showing that the members' family organization is essential to develop each of the competencies during the internationalization process.

Originality/Relevance: Theoretical and managerial contributions are presented, as it adds new discoveries to the international business literature, focusing on companies from emerging markets that internationalize to developed markets.

Key findings: The results show that the internationalization of the business to Portugal occurred by the partners, who tend to centralize the business management decision-making processes. The knowledge acquired in Brazil improved the internationalization process and the establishment of the brand in Portugal.

Theoretical/methodological contributions: The study contributes to research on internationalization of family businesses, demonstrating that the creation of competencies oriented to entrepreneurial emerging markets is fundamental for the strategic development of this type of company in its process of internationalization. The research presents an empirical report of international entrepreneurship from qualitative emerging markets.

Keywords: International Entrepreneurship; Family Business; Competencies.

RESUMO

Objetivo: Explicar como as principais competências desenvolvidas por uma empresa familiar num mercado emergente ajudam a alcançar mercados internacionais.

Metodologia/abordagem: Foi realizada uma pesquisa qualitativa com familiares que participaram do processo de expansão, mostrando que a organização familiar dos membros é essencial para o desenvolvimento de cada uma das competências durante o processo de internacionalização.

Originalidade/Relevância: São apresentadas contribuições teóricas e gerenciais, pois acrescenta novas descobertas à literatura de negócios internacionais, com foco em empresas de mercados emergentes que se internacionalizam para mercados desenvolvidos.

Principais conclusões: Os resultados mostram que a internacionalização do negócio para Portugal ocorreu pelos parceiros, que tendem a centralizar os processos de tomada de decisão de gestão empresarial. O conhecimento adquirido no Brasil melhorou o processo de internacionalização e a fixação da marca em Portugal.

Contribuições teóricas/metodológicas: O estudo contribui para a investigação sobre internacionalização de empresas familiares, demonstrando que a criação de competências orientadas para mercados emergentes empreendedores é fundamental para o desenvolvimento estratégico deste tipo de empresa no seu processo de internacionalização. A pesquisa apresenta um relatório empírico do empreendedorismo internacional a partir de mercados emergentes qualitativos.

Palavras-chave: Empreendedorismo Internacional; Negócios de família; Competências.

1. INTRODUCTION

Within the field of research in International Business (IB), family businesses have gained increasing attention (Fernandez & Nieto, 2005; Pukal & Calabro, 2014), as these companies differ in their internationalization process from other businesses traditionally studied in IB due to factors related to the family and institutional environment (Arregle et al., 2019; Kraus et al., 2016), as well as to access to qualified labor, know-how in specific clusters in international markets (Dicken, 2011), organizational objectives and investment preferences (Lahiri, Mukherjee & Peng, 2020). In scholarly discourse is a recurrent pursuit to comprehend the influence of managerial competencies and entrepreneurial profiles on the internationalization trajectory of family firms (Floris et al., 2022; Hadryś-Nowak, 2018). Furthermore, delving into individual dynamics, certain studies (e.g., Cirillo et al., 2022) have delved into the impact of generational cohorts (e.g., Millennials, Generation X, Generation Z) on decision-making processes and internationalization strategies within family businesses (Hao et al., 2022; Kraus et al., 2016). Concurrently, research efforts (e.g., Basly, 2007; Schwens et al., 2000) have scrutinized how organizational competencies nurtured within the ambit of family firms can significantly shape the internationalization journey. In this context, Singla & Veliyath (2010) posit that competencies pertaining to financial and accounting governance, product development, and service provision emerge as pivotal for facilitating international expansion (Luo & Tung, 2007), while Alayo et al. (2021) underscore the significance of competencies in marketing, operations, and human resource management in facilitating international endeavors. Nonetheless, despite the delineation of such internal competencies, a dearth of studies persists at the intersection of International Business (IB) literature and family enterprises, aimed at discerning the significance of internal organizational competencies developed by family firms in an emerging market context and their role in the internationalization process towards a developed market (Gonzaléz & Gonzaléz-Galindo, 2022). Considering the scenario presented, this research aims to answer the problem: How do the competencies developed to serve an emerging market impact the internationalization of family businesses to developed markets? In this way, the objective of this paper is to explain how the main competencies developed by an emerging market family company help to reach international markets. In this sense, the present work proposes two important theoretical contributions.

Moreover, we argue that the local and non-local competencies of production, marketing, product/service development, finance and human resources management addressed by Fleury, Fleury and Borini (2012), Borini and Fleury (2009) and Rugman and Verbeke (2001) are fundamental to the internationalization process of companies. In addition, it uses researches that investigates the field of internationalization through the development of competencies (Raziq, Borini & Perry, 2014; Wang & Ahmed, 2007; Gnyavali & Fogel, 1994), to focus on the realization of a case study to understand how the phenomenon of international entrepreneurship can collaborate with the construction of competencies in family companies in the emerging brazilian market that intend to internationalize to developed countries (Andersson, 2000; Tracey & Phillips, 2011).

Finally, the study contributes to research on internationalization of family business, demonstrating that the creation of competencies oriented to entrepreneurial emerging markets is fundamental for the strategic development of this type of company in its process of internationalization (Gallo, 1996; Cavusqil, Ghauri & Agarwal, 2000, Kim, Kandemir & Cavusgil, 2004; Lahiri, Mukherjee & Peng, 2020). Second, the research presents an empirical report of international entrepreneurship from qualitative emerging markets and covering the research gap Brozowkski, Cucculelli and Surdej (2019) and Figueiredo, Guimarães and Woodward (2002) that shows the possibility of investigating the theme in a transactional way addressing the influence of investors decisions in the process of internationalization of companies from emerging markets to developed markets.

2. THEORETICAL BACKGROUND

Within the field of research in International Business (IB), family businesses have gained increasing attention (Fernandez & Nieto, 2005) as these companies differ in their internationalization process from other businesses traditionally studied in IB due to factors related to the family and institutional environment (Arregle et al., 2019; Kraus et al., 2016), as well as to access to qualified labor, know-how in specific clusters in international markets organizational objectives and investment preferences (Lahiri, Mukherjee & Peng, 2020). In scholarly discourse is a recurrent pursuit to comprehend the influence of managerial competencies and entrepreneurial profiles on the internationalization trajectory of family firms. Furthermore, delving into individual dynamics, certain studies have delved into the impact of generational cohorts (Millennials, Generation X, Generation Z) on decision-making processes and internationalization strategies within family businesses (Kraus et al., 2016). Concurrently, research efforts (Basly, 2007) have scrutinized how organizational competencies nurtured within the ambit of family firms can significantly shape the internationalization journey. In this context, Singla and Veliyath (2010) posit that competencies pertaining to financial and accounting governance, product development, and service provision emerge as pivotal for facilitating international expansion (Luo & Tung, 2007), while Alayo et al. (2021) underscore the significance of competencies in marketing, operations, and human resource management in facilitating international endeavors. Nonetheless, despite the delineation of such internal competencies, a dearth of studies persists at the intersection of International Business (IB) literature and family enterprises, aimed at discerning the significance of internal organizational competencies developed by family firms in an emerging market context and their role in the internationalization process towards a developed market. Considering the scenario presented, this research aims to answer the problem: How do the competencies developed to serve an emerging market impact the internationalization of family businesses to developed markets? In this way, the objective of this paper is to explain how the main competencies developed by an emerging market family company help to reach international markets. In this sense, the present work proposes two important theoretical contributions.

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2.1. International Entrepreneurship in Emerging Markets

In countries where economic, social and institutional uncertainties are factors that make managers and entrepreneurs adapt to markets with available resources, emerging markets stand out for being countries of rapid growth, low population income and taking advantage of economic liberalization as a step for social and economic growth (Tracey & Phillips, 2011; Knight, 2001; Zahra & Gravis, 2004). Cavusgil, Ghauri and Agarwal (2002) affirm that these countries are characterized mainly by being undergoing processes of socioeconomic reforms to combat poverty and increase the quality of living standards. The authors also point out that these countries tend to show growth during certain periods of time and may go through cycles of crisis and economic prosperity. O'neill (2011) illustrates countries such as Brazil, Russia, India, China, Turkey and Mexico as some of the emerging markets in the world.

Although these countries have a series of factors that hinder the entrepreneurial initiative due to socioeconomic situations, some entrepreneurs find opportunities to structure their businesses and expand their scope of international operations through large multinationals (Madhok & Keyhani, 2002), subsidiaries (Borini et al., 2012), small and medium-sized companies (Tesfom & Lutz, 2006), digital companies (Cahen & Borini, 2020), family businesses (Arregle et al., 2017) and startups (Cavusgil & Knight, 2004). Some of the advantages for entrepreneurs can be presented as institutional flow and creation of opportunities (Costa, Borini & Amatucci, 2013), learning and allocation with limited resources available

(Oviatt & Mcdougall, 2005), creation of a dense networking with local partners and institutions (Luo, 2003), specific and accumulated knowledge of internal management processes applied to the specific country (Bezerra, Costa & Borini, 2013), adaptation and standardization for product development (Knight, 2001) until the restructuring of business models.

Tracey and Phillips (2011) investigate the ways that international entrepreneurship is established in emerging economies. The strategies that international entrepreneurs appropriate are linked to (a) Institutional Brokering; (b) coverage of institutional voids; and (c) filling the institutional distance.

The strategy of (a) institutional brokering is linked to the ability of entrepreneurs to create business investment models that reduce the institutional uncertainties faced by market participants. The intention is that these models include ways to transact costs and create value when operating in the market. An example presented by Tracey and Phillips (2011) is the way to transfer amounts of money between countries, entrepreneurs and companies that create groups to make transfers and transactions of large amounts of money, transacting costs and providing institutional security to entrepreneurs.

Another point is the ability of models developed abroad to adapt to the formulation of contracts, promising notes, payment orders and possible existing forms that facilitate the allocation and investment of the revenues generated in the country which the company intends to internationalize. This type of strategy reduces institutional risk by directing investments and cash flows precisely to allocate activities in the market.

The "Institutional Voids" treated by the author Hensmans (2003) which means the absence of a network of prepared and specialized intermediaries and a fragile legal regulatory framework for the execution of contracts in an economy. This strategy is based on the term "institutional voids" as it aims to fill institutional voids with commercial practices, organizational structures, formation of agreements and contracts different from those that exist in the legal regulatory framework and process development alongside local partners to make the model feasible (Adomako et al., 2021).

According Hensmans (2003), his research presents that the greater the number of institutional gaps in emerging markets, the greater the opportunity for entrepreneurs in these markets. It is also evident that the entrepreneurial actions in these markets can generate filling in the institutional voids and start to be seen as an institutional entrepreneurship corroborating with the regulatory framework of these countries. Therefore, the role of the entrepreneur in these markets is fundamental, while helping to overcome existing challenges and gaps, thus enabling the development of unique competencies that can serve as a differential in the internationalization process (Tracey & Phillips, 2011).

The strategy of (c) filling the institutional gap concerns the facilitation of translation and transposition of entrepreneurial resources between countries with different institutional and legal environments. This makes it possible to create value for new companies in emerging markets when cultural and economic barriers are obstacles for the entrepreneur. This strategy relies on the rapid transformation and local adaptation of entrepreneurs so that the brand adapts to the institutional environment and shortens the existing distances between countries. In this strategy, the consumer is an important vector as it carries cultural and social contrasts that can be barriers to bridge the institutional gap. Tracey and Phillips (2011) propose that the greater the institutional distance between countries, the greater the opportunities for entrepreneurs to create value in emerging markets through the transfer of resources.

Andersson (2000), Mcdougall and Oviatt (2000) Jones and Coviello (2004) are some of the main authors studying international entrepreneurship within the line of research in International Business. For Oviatt and Mcdougall (2005) International entrepreneurship is the discovery, propagation, evaluation and exploration of opportunities to create goods and services in international markets.

Andersson (2002) demonstrates in his research that there are three profiles of international entrepreneurs who are (i) the technical entrepreneur; (ii) the market entrepreneur; and (iii) the structural entrepreneur. Each entrepreneur profile highlights the importance of issues such as technical innovation, choosing markets with new opportunities, carrying out mergers and acquisitions and other possibilities to be able to move forward with the process of internationalization in the market. The author also states that internationalization is a consequence of different strategies adopted by entrepreneurs.

For Andersson (2000) the technical entrepreneur (i) is focused on technological issues and technical innovation. The production and development of new products are fundamental pillars in the management of this profile. The technical entrepreneur believes that licensing of products or services is a path to internationalization. The market choice of the technical entrepreneur is reactive and can be considered a response to other players in the market.

The structural entrepreneur's profile (ii) is based on strategic implementation through the company's corporate levels. Corporate and industrial restructuring is the focus for the development of new ideas. Mergers and acquisitions in pursuit of market monopoly are a way for this profile to reach foreign markets. Andersson's (2000) surveys demonstrate that these entrepreneurs choose markets according to the competitiveness and attractiveness for mergers and acquisitions.

The quest to fill demands and enter in new markets are some of the motivations of (iii) market entrepreneur (Andersson, 2000). The development of products and services for this entrepreneur must consider he distribution and production channels to make the brand strength possible. Unlike the technical entrepreneur, the market entrepreneur is proactive to the market and believes that internationalization is part of the company's goals. The market entrepreneur creates and searches for new channels and ways to reach his customers. This type of entrepreneur is inclined to open international ventures and adhere to industry trends to penetrate markets. The network of contacts and personal preferences are motivations for this type of entrepreneur to internationalize.

Therefore, international entrepreneurship should consider both dimensions in reason to understand a whole phenomenon. According Nuhu et al. (2021) in their research both institutions in home or host country influence emerging market entrepreneurs to develop international entrepreneurship. However, the study agrees with Yang et al. (2020) about the importance in discover how personal conditions and characteristics, mainly in individual’s level, influence in international entrepreneurship, suggesting a holistic investigation considering all possible dimensions.

In the following sections, the concepts related to the competencies developed for internationalization and which are raised by entrepreneurs, their strategies as well as their profile collaborating for the development of companies (Andersson, 2000; Tracey & Philips, 2011; Fleury, Fleury & Borini, 2012).

2.1. International Competencies

Several studies in the international business literature address the firm's competencies as an engine for good performance in foreign markets (Prahalad & Hamel,1997; Fleury & Fleury, 2011; Knight & Kim, 2009). Prahalad and Hamel (1997) claim that competencies are structured from intangible resources and cannot be easily imitated. The authors emphasize in their research that competencies can present themselves in well-defined routines that are combined with the company's assets to allow the performance of various activities.

Fleury, Fleury and Borini (2012) point out that almost all companies need to deal strategically with 5 crucial competencies. These competencies are: (i) Production; (ii) Marketing; (iii) Product and Service Development; (iv) Finance; and (v) Human Resources

Management. The five competencies are crucial to the firm's strategic survival and are present in most studies on dynamic competencies in management and business studies. However, these competencies are not restricted to only their functions, but they can cover new competencies and categories so that they can develop in local and non-local markets.

In the international perspective, Knight and Kim (2005) identifies competencies for international business as the creation of knowledge that manifests itself in intangible resources and that can lead companies to a good global performance. According to them, the international competencies have cultural and market orientations that allows to adapt the organization to new markets. The dimensions found by the authors include marketing competencies, international orientation, innovation and market orientation are important dimensions for small and medium-sized companies.

The competencies can be local, non - local and specific (Rugman & Verbeke, 2001;Snell and Lau, 1994) explore local competencies in small companies, and which can be called competencies that carry attributions and values from the place of origin. Fleury, Fleury and Borini (2012) state that resource management is an example of competence that carries local values. Borini and Fleury (2011) in research with Brazilian subsidiary companies, claim that non-local competencies are those developed at the company's headquarters and have the possibility of being transferred to other subsidiaries and units.

In contrast, non-local competence can also be developed in a subsidiary and transferred to headquarters. The fact that a competence can be transferred is fundamental to characterize it as non-local, as not all competencies developed by a company can be transferable. Rugman and Verbeke (2001) and Fleury, Fleury and Borini (2012) present the specific advantages as a form of tacit knowledge and are built from resources available on local, making the transfer process unfeasible. This type of competence is extremely difficult to copy and transfer and depends on local adaptation factors for its construction.

For the present study, we will use the competencies addressed by Fleury, Fleury and Borini (2012, 2013) due to the fact that the work analysis unit is a company from an emerging country. In addition, the studies of the authors also allow a profile of a Brazilian company in the construction of competencies, which fits into the cultural context and the transfer of competencies from emerging countries to other countries in the world (Griffith, Cavusgil, & Xu, 2008). In this way the main competencies that are treated in the study are the five core competencies (Fleury, Fleury & Borini 2012) and the incorporation of technology and administrative organization operating competencies (Fleury Fleury & Borini, 2013). Thus, the following competencies are added as concepts for the realization of the article: (i) Production; (ii) Marketing; (iii) Product and Service Development; (iv) Finance; (v) Human Resources Management; (vi) Technological; and (vii) Administrative Operational Organization.

The table 1 presents the 7 competencies addressed by the authors and their characteristics that make these competencies be built and perform functions in companies. The table is a consolidation of the main concepts drawn from theories of international business and administration.

In the following sections, we will present about family business and their internationalization process, as well as family, network and institutional environment influence the pathways to internation entrepreneurship.

Table 1: The 7 competencies for internationalization, their characteristics and the source of extraction of the concept.

Competence	Features	Concept Extraction
Production	Creation of strategic value through excellence in production and operation; Ability in manufactured processes; Cheap and low cost production; Flexibility to meet the global quality standard; Flexibility in the production line; Ensure quality standard; Adaptation of production to the local environment; Ability to structure costs for production in global environments; Connection with local partners for low cost production without losing excellence; Technological or differential use to improve the production line; Ability to meet the local market demand..	(Fleury, Fleury & Borini, 2012; 2013)
Marketing	It refers to the managerial orientation for the creation of value in the products or services offered in different countries; To find opportunities in international markets; To offer products and services that consumers indentify value globally; Ability to attract and retain customers in different locations; To search for high profitability in foreign markets; Ability to adapt to institutional arrangements in foreign markets; Maintenance orientation of resources in relation to the marketing strategies adopted.	(Cavusgil & Knight, 2004); (Fleury, Fleury & Borini, 2012)
Product and Service Development	It derives from intensive knowledge and generation of innovations; Ability to adapt to the demand for products and services for different markets; Creation of different products as a strategy to win consumer loyalty; Ability to develop specific products / services to serve niche markets; Ability to develop products / services with existing resources; It depends on tacit knowledge for its development; By offering exclusive products / services, the customer needs are met, the advantages of local competitors can be decreased.	(Cavusgil & Knight, 2004); (Fleury, Fleury & Borini, 2012)
Finance	The use of technological resources to exercise entrepreneurial finances; To control and financial operation systems; Techniques and metrics used to assess financial performance; Bureaucracy of financial and management processes; Database and financial information of the firm; Financial data management; Accessibility to the company's financial sector; Financial health of the company; Team with knowledge and training in financial management; Ability to make investments for the internal structure with the company's own resources; Ability to receive foreign investment from shareholders; Systematization of financial management.	(Fleury, Fleury & Borini, 2012)
Human Resource Management	Creation or existence of organizational culture; Human capital prepared and satisfied; Proximity of the manager and employees; Number of employees and definition of their duties; Socialization among employees and managers to create knowledge and organizational culture; Team working conditions; Bureaucracy of financial and management processes; Internal verbal communication; Strategic information for the best performance of the company; Ability to engage the team to new challenges; Proactivity.	(Fleury, Fleury & Borini, 2012)
Technological	Diversification of digital interface for maintaining products and services; Training and ability to use technologies with the resources available in the company; Dynamic business processes articulated by technological systems (software or machinery); The use of technology to improve organizational and management functioning; The use of technology for the creation and development of new products and services; The use of technology to improve production processes; Generation of innovation; The use technological resources to systematize operations preventing and correcting errors; The use of technology to maintain stocks and internal business flows.	(Cantwell & Piscitello, 2000); (Fleury, Fleury & Borini, 2013)
Administrative Operational Organization	Knowledge of process management; Conducting training with teams; Physical structure of the organization; Dissemination of knowledge among managers of different team positions; Resources developed based on the training of the team and used for the good performance of the organization; Ability to manage people. Visualization of the organization in a systematic way contributing to organizational learning; Exploration of interrelationships for the creation of business processes and procedures; Holistic view of the organization and solid knowledge of all activities; Capability to disseminate information in the organization; Organizational strategic planning.	(Fleury, Fleury & Borini, 2013)

Source: Adapted and consolidated by the authors (2020).

2.2. The Internationalization of Family Businesses

Family businesses is a type of business structure that have unique features. They correspond to greater part of small and medium-size enterprises, being highly important for a several economies around the world (Lahiri et al., 2020). The presence of family involvement in routines and processes is the main factor that distinguish from their non-family counterparts, besides to influence how this companies behave in different contexts such as considering non-economics goals and some specifics scenarios (Metsola et al., 2020; Jones & Coviello, 2005).

In this study we consider as a family business when a company has one or more entrepreneur family member or CEO from next generation that can influence direct or indirectly decision-making process, following what is proposed by Zahra and Sharma (2004). Managers and decision-makers from family business tend to has similar characteristics such as risk averse and highly conservative. Additionally, they have a concern about losing business control due their relation with family ownership, perceiving internationalization as a risk.

On other hand, family business is very known about their characteristics as highly committed with their goals, frequently searching for leverage their network in different levels and prioritizing long-term relationships with rooted tacit knowledge by low turnover (Kasinkas et al., 2014). Therefore, such characteristics joined with patient capital from family business make it possible to reach success during their internationalization process (Boyd & Dyhr Ulrich, 2014; Jones & Coviello, 2005).

The internationalization of family businesses has been increasingly studied in the area of International Business (Fernandez & Nieto, 2005). With a different focus from the traditional, family businesses intending to internationalize clash with the largest of the small and medium-sized businesses, not interested in acting only in the environment domestic, but also in internationalization to new markets. In general, such companies are small and medium-sized, from tertiary sectors, such as food and clothing. Several authors have pointed out that there are key factors, linked to the family environment, organizational, relational and institutional, which directly influence the internationalization process of family businesses (Kontinen & Ojala 2010; Graves & Thomas, 2008; Arregle et al., 2019; Kraus et al., 2016).

In the family environment, one of the factors that is considered important in the internationalization process of family businesses is the way family members are distributed in international and national operations (Fernandez & Nieto, 2006, Bhaumik, 2009). Therefore, it is observed the importance of having family members with competencies to work in the foreign market. On the other hand, Tsang (2020), points out that the founder has a strong influence on decision-making processes related to the operation of the internationalization of family business. Therefore, in addition to having centralized control in the internationalization process, the author also highlights that intuition ends up being an effective way found by the founder of the family business to guide decisions.

In contrast, Erdener and Shapiro (2005), point out that organizational factors, such as the age and size of the family business, impact the internationalization process. Thus, larger and older family businesses are those that seek, in most cases, to internationalize. On the other hand, the resources of the family business are essential for it to become international, because they will make it possible to gain competitive advantages in the destination market (Graves & Thomas, 2006).

Regarding to the relational environment, that is, the establishment of relationships with business networks and local partners, Graves & Thomas, (2005), Basly (2007), Agbim and Eluka (2018), Kampouri and Plakoyiannaki (2017) point that it is of great value, as it influences the internationalization decision-making process of the family business. This is because, as the family business has a network already established in the destination country, there is a decrease in the barrier of entry that foreign companies usually find trying to achieve new markets. On the other hand, the relationship with local partners ends up generating new knowledge and access to new resources that can be used strategically by the family business (Basly, 2007).

Finally, the institutional environment is reported as an important aspect in the internationalization process of family businesses (George et al., 2005). According to the authors, when internationalizing, family businesses look for markets that have a low cultural distance compared to the country of origin. Thus, details such as language, customs and traditions are analyzed at the time of internationalization. On the other hand, the country's institutional maturation also impacts the internationalization process. According to Gama et al. (2016), family businesses tend to commit more resources in countries that have a less developed institutional environment.

Nevertheless, studies that have an inside perspective and search how family businesses enhance their resources to build competencies and considering different dimensions is still scarce, as we can see in studies as Metsola et al. (2020) and Arregle et al. (2021).

Table 2: Matrix (design, authors and indicators)

Concepts	Authors	Indicators
Institutional	George et al., 2005; Gama et al., 2016.	- Cultural distance (negative relation) - ex. customs, language, religion; - Institutional distance (negative relation) - ex. country's infrastructure.
Relational/Networks	Basly, 2007; Graves & Thomas, (2005), Basly (2007), Agbim and Eluka (2018), Kampouri and Plakoyiannaki (2017).	- Access to new resources; - Knowledge of the target market; - Relationship based on trust and adaptation.
Family Environment	Tsang (2020; Erdener and Shapiro (2005; Graves & Thomas, 2006.	- Patriarchal company (with decision-making power centralized in the founder); - Family members with competencies developed to be able to act in the target market (knowledge of language, financial, market structure, laws, local network).

Source: Adapted and consolidated by the authors (2020).

3. METHODOLOGY

The methodological path adopts a qualitative perspective and is based on a case study of a family chain of bakeries that has internationalized from Brazil to Portugal. Therefore, we conducted in - depth interviews and secondary sources are used to cover documentary analysis review of materials news, as well as articles in magazines and internal documents made available by the managers (Creswell, 2010; Yin, 2016). Thus, we aim to perform data triangulation, which will enable greater reliability to field research, since it makes it possible to gather data in different ways, analyzing data in complementary ways.

The case study method, for which in-depth interviews were conducted with the managers responsible for the internationalization of the selected family business. According to Yin (2016), the case study technique is suitable for use as a method that covers everything, because it deals with planning logic, the techniques of collection and analysis approaches. Gil (2010) still completes to the case studies are most recommended for descriptive exploratory studies, being also important for the understanding of certain phenomenon.

3.1. Case Study - Padaria Alvorada

The case analysis unit refers to the international family bakery chain: Padaria Alvorada. Padaria Alvorada begins its history in Praia Grande, Brazil, in 1985.

According to Fernando, one of the two partners (founders) in the business (along with his brother), the family already had experience in the management of bakeries. Thus, in 1985 they saw the opportunity to acquire a bakery that was already in operation, and later, in 1995, internationalizing your business through its branch in Vila Nova de Gaia, Portugal. For Fernando, the personal motivators for the bakery owners to choose to work in Portugal were linked to the presence of family members in the chosen city and the objective of returning to their homeland[1]. Currently, the head office has 39 employees and the branch has 10. In addition, it should be noted that the business has a basic training based on the characteristics of a family business, expanding its internationalization from an emerging market that is Brazil, to Portugal, a developed country. From the theoretical point of view, the internationalization process of the network was established by the development of a series of competencies motivated by entrepreneurs (Fleury, Fleury & Borini, 2012; Jones & Coviello, 2005) family, non-formal training and corporate contracts (Verbeke & Kano, 2012).

Figure 1 shows the headquarter in Brazil (Praia Grande) and the business unit in Portugal (Vila Nova de Gaia). Additionally, in figures 2 and 3 it is possible to see part of the product portfolio of the headquarters (Brazil) and the business unit (Portugal)

Headquarter – Brazil (Praia Grande) **Business Unit – Portugal (Vila Nova de Gaia)**

Figure 1: Headquarter (Brazil) and Business Unit (Portugal)
Source: Collected by Authors

[1] The data provided and the provision of the founder's name in the research was authorized and agreed for presentation for scientific purposes

Headquarter (Brazil) – Product Portfolio

Figure 2: Headquarter – Product Portfolio
Source: Collected by Authors

Business Unit (Portugal) – Product Portfolio

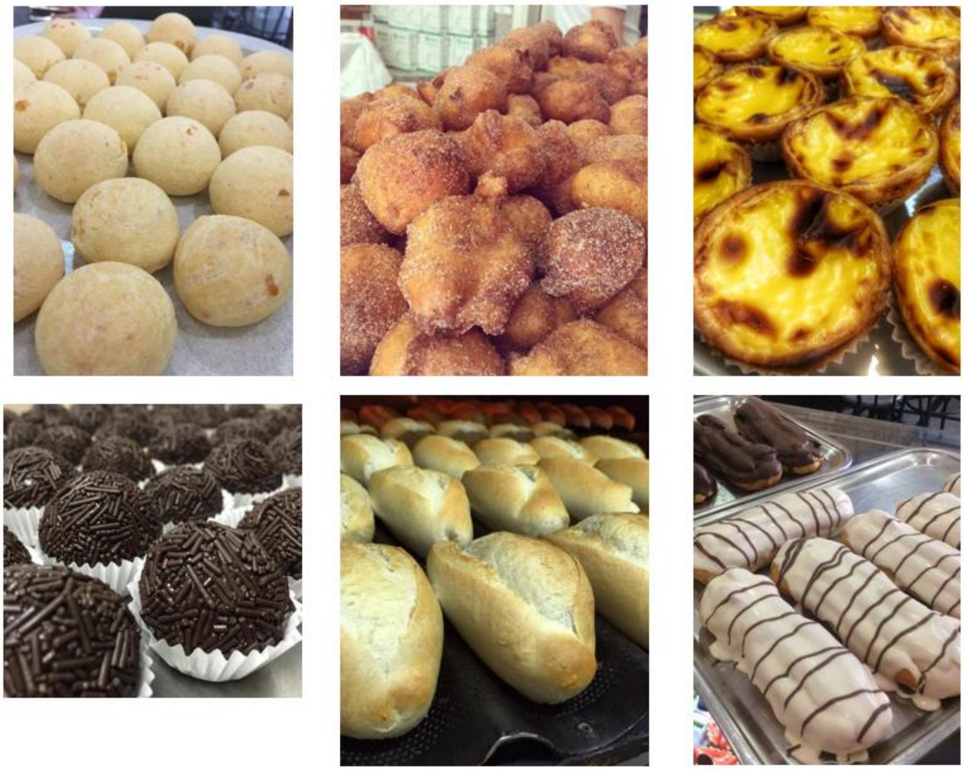

Figure 3: Business Unit (Portugal) - Product Portfolio
Source: Collected by Authors

3.2. Interview technique

The application of the interview technique allows the immediate capture of the desired information with different types of interviewee profiles and on the most varied topics. The interview allows corrections, clarifications and adaptations that make it effective in obtaining the desired information. Semi-structured interviews are based on a combination of open and closed questions, in which the interviewee has the possibility to discuss the proposed topic with some freedom. The questions would bear fruit to new propositions arising from the responses of the informants. In addition, the researcher must follow a set of previously defined questions, but the approach is similar to that of an informal conversation or meeting.

However, it is up to the researcher to lead the discussion to the topics of interest, asking additional questions in order to improve the collected data and to recompose the context of the interview in case the specialist in question “runs away” or deviates from the topic. The researcher is recommended to record all interviews for audio transcription and field notes made during the interview.

3.3. Evidence Collection Instruments and characteristic

According to Eisenhardt (1989), the application of the case study makes it possible to test the existing theory with reality, through the description of the phenomenon. In view of this, it is very important to choose the evidence collection instrument, which is responsible for collecting data related to the phenomenon. In this sense, we will adopt in this article the instrument of in-depth interview with the use of semi-structured questionnaires with managers and employees of Padaria Alvorada. According to Gil, 2010 (p. 137) the semi-structured interview allows, at the same time, the freedom of expression of the interviewee and the maintenance of the focus by the interviewer. According to Duarte (2005, p. 62), the in-depth interview is a methodological resource that seeks, based on theories and assumptions defined by the researcher, to collect responses from the subjective experience of a source, selected for having information that it wants to know.

The interviews were conducted in person, audio and video recording is performed to ensure greater reliability to the research. Additionally, regarding to the location (Portugal and Brazil) of the founders of the organization the interviews were conducted by considering their availability for doing the interviews in person or by video. The interview collection period was from September 2022 to November 2023.

After the interviews, the material was transcribed and passed through the Atlas.ti program, which assisted in the systematization of the data. Moreover, in order to enable triangulation data, a documentary analysis was carried out, linked to journalistic articles, as well as articles in magazines and internal documents provided by the managers.

3.4. Sample Characteristics

The sample characteristics were based on three main criteria (a) family hierarchical level (b) relationship with the internationalization process of the bakery chain and (c) involvement with the founding of the business and creation of products and services. Additionally, the sample characteristics are defined by the Table 3, considering the interviewees information. During the application of the qualitative questionnaire, 8 interviews were conducted, lasting from 22':54" to 57':16".

Table 3. Sample Characteristics

Interviewee	Position	Age	Location and Base	Family Hierarchical Level	Date	Time Interview
1	Founder	66	Portugal - Porto	Brother	September, 2022	48’08”
2	Founder	69	Portugal - Porto	Brother	September, 2022	41’:29”
3	Manager	54	Portugal - Porto	Cousin	December, 2022	52’:33”
5	Chief Baker	41	Portugal - Porto	Cousin	December, 2022	30’:12”
6	Manager	61	Brazil – Praia Grande	Brother’s son	February, 2023	57’:16”
7	Partner	32	Brazil – Praia Grande	Cousin	June, 2023	22’:54”
8	Chief Baker	54	Brazil – Praia Grande	Non-Family Member	October, 2023	44’:01”

Source: Authors

3.5. Qualitative Questionnaire

To compose the interview-qualitative questionnairet of this study, a total twenty-four questions were drawn from the existing theory, to be applied through in - depth interviews with the 8 interviewees of Padaria Alvorada. The questions were designed to meet different specificities being: one to set the profile of the interviewee, four related to the degree of influence in decision-making in the environment familiar, two on institutional factors in the target country choice, two related to Relational Development / Networks and fourteen on competencies.

The qualitative questionnaire is described below Table 4, organized by Block, Objective (Goal) of each question and Theoretical Background:

Table 4. Semi-structured survey questionnaire

Block 1: Interviewee profile and specific knowledge	
Question 1	What is your role as managers or collaborator in the bakery here in Brazil?
goal	To break the 'ice' with the interviewee and check the degree of specific and accumulated knowledge of internal management processes applied to Brazil.
Rationale	Bezerra, Costa & Borini (2013)
Block 2: Degree of influence on decision-making processes - Family Environment	
Question 2	Question addressed to the founders and partners: In the internationalization process of the bakery, what was the role of the founder(s)?
goal	To check if the founder has a strong influence on the decision-making processes linked to the operationalization of the internationalization of the family business.
Rationale	Tsang (2020)
Question 3	After how long of activity (existence) did the first internationalization initiatives start to happen?
goal	To point what is organizational factors such as the age and size of the family business impact in the internationalization process
Rationale	Erdener and Shapiro (2005)
Question 4	What is the role (performance) of the founders and partners in the Brazilian and international bakery operation?
goal	To analyze the way family members are distributed in international and national operations in the internationalization process of family businesses. Identify factors - key that directly influence the process of internationalization in family businesses.
Rationale	Fernandez & Nieto (2006); Graves & Thomas (2008)
Question 5	The choice or role of the founders and partners in acting for the internationalization process was made in what way (which criterion were used)?
goal	To identify which competencies were developed to be able to operate in the target market (knowledge of language, financial, market structure, laws, local network).
Rationale	Fernandez & Nieto (2006); Graves & Thomas (2008)
Block 3: Institutional factors in choosing the destination country	
Question 6	Name the factors that led to the choice of opening bakeries in Portugal.
goal	To confirm that in this case, when going international, the family business seeks for markets that have a low cultural distance (customs, language, religion) compared to the country of origin.
Rationale	George et al. (2005)
Question 7	What were the main legal and cultural differences in Portugal and how did they impact the investment used?

goal	To assess whether the institutional maturity of the country impacted in the internationalization process and if committed more (or less) resources.
Rationale	Gama et al. (2016)
Block 4: Relational Development / Networks	
Question 8	How was the process of attracting and selecting suppliers in Portugal and what did this add to the knowledge for the bakery?
goal	To check if the relationship with local partners has just generated new knowledge and access to new resources that can be used strategically by the family business.
Rationale	Basly (2007)
Question 9	How was the process to enter or establish business relationships with business networks (distributors, unions, trade boards) and local partners?
goal	To assess the influence of establishing relationships with business networks and local partners in the decision-making process for the internationalization of the family business.
Rationale	Graves & Thomas, (2005)
Question 10	Did the fact of knowing Portugal and having local contacts in any way facilitate the opening of bakeries? Describe which barriers were most easily overcome because of this.
goal	To confirm that in the case of the family business has a network already established in the destination country occurred decrease in entry barrier that foreign companies usually find in Portugal.
Rationale	Agbim and Eluka (2018), Kampouri and Plakoyiannaki (2017)
Block 5: Competencies	
Question 11	How were the competencies of production practices used in the internationalization process for Portugal?
Question 12	How were marketing competencies used in the internationalization process for Portugal?
Question 13	How were the Product and Service Development competencies used in the internationalization process for Portugal?
Question 14	How were finance competencies used in the internationalization process for Portugal?
Question 15	How were HR management competencies used in the internationalization process for Portugal?
Question 16	How were technology competencies used in the internationalization process for Portugal?
Question 17	How were operational and administrative management competencies used in the internationalization process for Portugal?
goal	Analyze the influence of the seven local competencies for the success of internationalization
Question 18	What were the learnings in the production area during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 19	What were the learnings in the Marketing area during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 20	What were the lessons learned in the area of Product and Service Development during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 21	What were the lessons learned in the area of Finance during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 22	What were the lessons learned in the Human Resources Management area during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 23	What were the learnings in the Technology area during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
Question 24	What were the learnings in the area of Operational and Administrative Organization during the internationalization process that could be transferred to the business (headquarter) and that can contribute to internationalization to other countries?
goal	Understand the gain (learning) of non-local capabilities and competencies for the business as a whole.
Rationale	Fleury, Fleury and Borini (2012), Borini and Fleury (2009) and Rugman and Verbeke (2001)

Source: Produced by the authors (2020).

3.6. Data analysis

For the analysis of the collected data it is intended to use a *Qualitative Data Analysis Software* (QDAS), more specifically the Atlas TI software with the purpose of performing the content analysis of the transcript of the semi-structured interviews. Bardin (2011) indicates that the use of content analysis must have three fundamental phases, as shown in Figure 4.

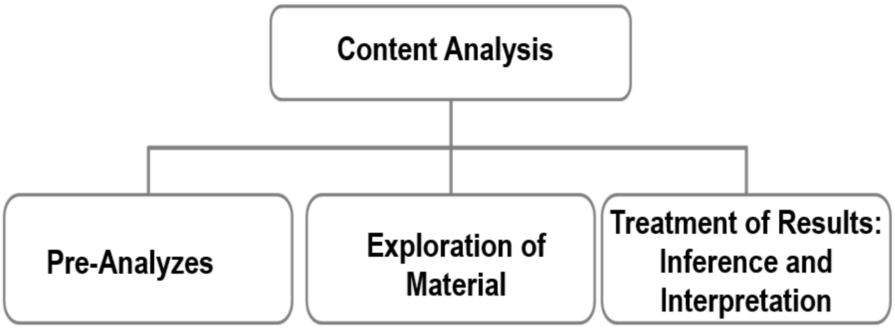

Figure 4. Three stages of Content Analysis
Source: Adapted by the authors of Bardin (2011).

The first phase of the content analysis, called (1) pre-analysis will be destined to the organization of the material to be investigated, in which case, the transcription of the interviews audio that will be made by an assistant hired for this purpose. Therefore, a first "floating" reading on the transcript will be made for an initial contact with the transcription files to insert the files with the extension ".docx or ".pdf " identified with the names of the interviewees in the Atlas TI software.

The second phase of the content analysis, (2) exploration of the material, in which the content is transformed into units of analysis or units that may have a semantic classification represented by the smallest cut that is extracted from the text, which may be a keyword, a theme, objects or characters (Bardin, 2011). The result of this process will generate different messages divided into smaller elements properly coded. The Atlas TI software allows the use of the Word Count feature, in which it is intended to work with textual analysis by tabbing all the words contained in the documents, in alphabetical order and with the number of occurrences of those words, transposed to a spreadsheet in Excel, for example. This procedure performed in Atlas T. I will allow the generation of analysis codes for the concepts: (i) Institutional; (ii) Relational/Networks; (iii) Family Environment.

The third and final phase is that of "Treatment of results: inference and interpretation", which consists of categorizing or classifying the units into categories. In order for the categorization to occur effectively, it is recommended to treat "the gross results obtained so that they are meaningful and valid and can provide the researcher with proposing inferences and advancing interpretations regarding the planned objectives [...]" (Bardin, 2011, pag. 101).

4. RESULTS AND DISCUSSIONS

Next, we will present how the institutional, family and relational dimensions influenced in the internationalization process of Padaria Alvorada.

In relation to the Institutional conception, the established literature addresses that aspects linked to language, customs, habits and tradition end up being important during the internationalization decision-making process (George et al., 2005; Gama et al., 2016). As highlighted by the three interviewees, the same language practiced in the country of origin (Brazil) and destination (Portugal) ended up being an important factor in the process of choosing internationalization of Padaria Alvorada to Portugal. According to Partner Fernando, however,

" The Portuguese have habits and customs different from the Brazilian, this being a factor that had an impact on the internationalization process of the brand (mid-nineties)". Interviewee 1

Furthermore, the interviewees emphasize that Portugal was more developed in relation to two institutional aspects: technological and the qualification of workforce. As for the technological factor, the interviewees pointed out that the machinery used to manufacture their products was of better quality and more technological than those found in Brazil. On the other hand, they also pointed out that the workforce in the destination country proved to be more qualified compared to that found in Brazil, facilitating the implementation of the business in the destination market. This facilitation of the implementation of products and services in the market supported by technology is also observed in research by Cahen, Mdmo and Borini (2017), demonstrating that technology is a mechanism that supports the transfer of competencies and capabilities between business units and corporate headquarters.

"The machines and ovens were of better quality and more powerful to make some products, such as pastel de nata. Bakeries in Portugal also seemed to adapt easily to the training and qualification of the bakery in Brazil" Interviewee 5

In addition, both partners interviewed reported that the chef de cuisine / bakery of the establishment was sent to open the branch in Portugal. According to the partners it was due to the knowledge that the employee could transfer to the subsidiary's employees and also the new knowledge that the chef / Brazilian bakery could absorb from the market developed. That findings meet with the international business literature that shows that the internationalization of companies from emerging markets to developed markets occur at the expense of the access to existing resources and expertise in these markets and that can later be replicated in the emerging market.

"Our main baker in Brazil agreed to go to Portugal. While working in Portugal, he absorbed the ability to develop products there. When he returned to Brazil, he made the products he learned in Portugal in Brazil and the Portuguese bakers started to create a portfolio that already existed in Brazil." Interviewee 2

On the other hand, however, three interviewees corroborate that the destination market was open to the product and service innovations proposed by the bakery on its arrival. With that, the branch's menu in Portugal contained not only typical Portuguese products, but also featured typical Brazilian sweets and snacks, such as "*brigadeiro*", "*pastel de vento*", "*empadinhas com massa podre*", cakes and "coxinha". In addition, it is emphasized that the use at the Portugal branch of techniques and services already practiced in Brazil added a lot of value to the brand. The addition of brand value is attributed to product differentiation that comes from emerging markets to developed markets in the form of innovation (Bezerra, Costa & Borini, 2013). According to the Manager of the Portuguese branch:

"The differentiated products and services brought from Brazil made the bakery very successful at the beginning of its operations". Interviewee 3

In a way, this ends up going in the opposite direction to the classic internationalization theory, in which the consumer market in developed countries is responsible for developing and commercializing products that will be replicated in emerging markets, meeting the new theoretical lenses of innovation, in particular the concept of Reverse Innovation, in which products are developed in emerging markets and later replicated by branches in developed markets.

"We went from the bakery in Brazil to opening a bakery in Portugal with a Brazilian concept. We took the products we knew how to make and when we opened the business, those sweets and foods were an innovation for the market that had few options or only Portuguese options." Interviewee 8

In addition, in relation to the family context, the findings point to a centralization of decision making by the partners in the strategic and management sphere, while both reported "making decisions related to changes in the company's layout, interventions in human resources in making purchases and developing menus". The process of centralizing the founders' decision-making gave the company flexibility to create a strategy for a developed market (Portugal), opening space to transfer skills that were already practical in the context of a developing market (Brazil) (Arregle et al., 2019; Cantwell & Piscitello, 2000). However, the partner reported that there are no differences in the management of the headquarter and branch's resources.

"The difference in product management was introducing new ideas to the market that were not innovations in Brazil. It wasn't much different from the headquarters and the bakery we were opening. It was a gradual process and adapting the menu according to customer requests" Interviewee 7

On the other hand, as noted in the literature, it is important to note that the menu has a strategic bias for the company, the measure that serves as a portfolio of products and services offered by the company, and also managerial and operational, since it needs to be carried out respecting limitations existing resources in the establishment. Accordingly, it was reported by founder that:

"All changes in the menu, often suggested from magazines and recipe videos, end up having the knowledge and endorsement of the chef / bakery of the Brazilian unit, which may or may not be replicated by the Portugal branch". Interviewee 1

In addition to this information, the branch manager affirms that there is a constant implementation of novelties in the menu of the Portuguese branch, in order to create differentiation in comparison with competitors. This corroborates the notes made previously that the Portuguese subsidiary ends up benefiting more from the innovations of the Brazilian headquarter than vice versa. Taking advantage of innovation between business units guarantees flexibility in the management format, maintaining the characteristics of a family institutional environment (Nahapiet & Ghoshal, 1998). On the other hand, these skills and resources of bakeries are operated independently, favoring the implementation and adaptation of new products and innovations to attract different consumer niches (Borini et al., 2012).

"The product portfolio is the innovation that comes from Brazil and is still an innovation today because Portugal has many Brazilians who look for food for some emotional memory and find brigadeiros and cheese breads in the bakery, as well as traditional products such as Pasteis de Nata and Jesuitas" Interviewee 4

Furthermore, in relation to financial management, the partners pointed out that there is no contribution of financial resources from one unit to another. Therefore, there is a clear division between the head office and the subsidiary, with no financial dependence between them for operationalization.

Therefore, we can improve our understanding about internal environment of family business during internationalization process. We present in Figure 5 the flow of internal processes and routines that are inputs to create family business competencies. In case of Padaria Alvorada, we could notice that considering dimensions such as family involvement, relational and institutional the outputs generated by its competencies are reverse innovation and a creation of organizational social capital, resulting in Padaria Alvorada internationalization.

Figure 5. Flow of internal processes and routines
Source: Developed by the authors

We found reverse innovation as result because all competencies allow Brazilian headquarter to share and create new products for portugueses branch. Those innovations on bakery range, make it possible to acquire competitive advantage and become its business more known, besides to bring more Brazilian costumers (Nahapiet & Ghoshal, 1998). In addition, Padaria Alvorada creates in its internal environment an organizational social capital through people trusting, share of knowledge without asymmetry, patient capital and its network structure in different levels, making possible to internationalize keeping its competencies (Nahapiet & Goshal, 1998).

Finally, regarding to the relational aspect, it was observed that Padaria Alvorada develops an interorganizational relationship based only on economic factors within its business network both in Brazil and in Portugal, always seeking to keep suppliers and distributors who guarantee the quality of their products combined with a low cost. On the other hand, it was reported that the interpersonal relationship in the company is very important, and the trust that exists in the chefs / bakers of the head office and the branch is essential for maintaining the business.

In this sense, also, it was reported by the founders that there is constant exchange of information and knowledge between the kitchen chefs/bakers of the head office and the branch in order to improve the products and services offered in both bakeries, with a standardization in the prescription of both units. This corroborates the studies by Maurer et al. (2011), who point out the importance of obtaining an intra-organizational quality relationship, in order to generate an environment that improves the exchange of knowledge, information and consequently innovations.

5. FINAL CONSIDERATIONS

The present study aimed to explain how the main competencies developed by an emerging market family company help to reach international markets. The results show that the centralization of business has always been considered important for the partners of Padaria Alvorada, including in the internationalization process. In addition, the choice of internationalization the business to a developed market (Portugal) is thanked practiced language and knowledge of the local market. In addition, the bakery used the knowledge already acquired in the emerging market to add value to the brand in the destination market. On the other hand, when opening the branch in Portugal, Padaria Alvorada took advantage and sent the chef / kitchen of Brazil to provide knowledge and information to the employees of Portugal and also acquire knowledge and information available from the destination market. On the other hand, it is evidenced by the partners about the importance of having confidence with the chef / bakery of both units, since they are responsible for the standardization and operationalization of the recipes, in addition to assisting in the process of developing new products at be inserted into the menu.

The competencies presented in the theoretical framework are operationalized in a sense of technological approach to reduce the costs of production in the internationalization process. This technology is also absorbed by the developed country context (Portugal). Additionally, the main competencies pointed out with the interviewees are related to the production, service and product development, finance and administrative. The competencies of marketing, human resources are not shown to be relevant in the research because the governance structure was leaded for the partners which don't focus on this business practices.

The scientific contribution of this paper lies on that Family Environment, Network and Institutional are antecedents in the process of creating competencies in Family Businesses, leading to facilitating the transfer of innovation from developing markets to developed economies, thus culminating in a process of reverse innovation. Still as a scientific contribution, the influence of investors' decisions in the internationalization process is the organization's main social capital, which is rooted in the ability of family members to make decisions quickly and by consulting their support network and expertise based on suppliers and distributors and family precedents. The findings (*a) Reverse Innovation* and *(b) Organization Social Capital* proved to be facilitators for the internationalization of companies from developing markets to developed countries.

The practical and managerial contribution of the article lies in demonstrating the basic principles for generating skills that will be necessary for a family business in a development market to expand its business to global markets. Furthermore, the process of reverse innovation and social capital practiced by managers can be understood as a competence that provides the basis for other family businesses to succeed in their international expansion plans (Noronha, et al., 2023).

5.1. FUTURE AVENUES AND LIMITATIONS

When identifying findings associated with Reverse Innovation and Organizational Social Capital, it was not possible to delve deeper into the managerial and theoretical particularities of the degree of influence of each competency in the internationalization process. Therefore, it is suggested as a research avenue that future researchers investigate, in a quantitative or qualitative approach, the degree of influence of international competencies in family businesses to generate Reverse Innovation.

Furthermore, as another suggestion for future research, it is relevant to investigate the role of Organizational Social Capital in decision-making capacity in family businesses. The investigation of this phenomenon is especially due to issues of organizational hierarchy of family businesses, as it was identified throughout the research that the corporate model may or may not impact the ability to make quick decisions.

Also in this study we had some limitations. The first is linked to the limitation of interviews with other employees who exercise a management function, such as the head chef / bakery of the head office and the Padaria Alvorada branch. Another limitation is linked to the analysis of secondary data from the context of Padaria Alvorada. Finally, a third limitation of this study binds the qualitative nature of the same, which ultimately can not reflect a statistical way on the studied phenomenon. Therefore, we suggest that future studies seek to better observe how the menus adapt in the internationalization process of bakeries and other family establishments in the food and beverage sector, whereas this variable seemed to be fundamental for the internationalization success of the analyzed case. In addition, for future studies, it is suggested that quantitative studies be carried out in order to observe how the analyzed variables impact on the internationalization process of family businesses in the food and beverage sector.

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