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**DYNAMIC CAPABILITIES IN ACTION: ON THE INTERRELATION BETWEEN BIOGRAPHICAL
DATA AND BUSINESS PRACTICES**

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Pontifícia Universidade Católica
do Rio Grande do Sul

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Thesis presented as partial requirement for
obtaining the Doctorate in Administration at the
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Supervisor: Prof. Dr. Éder Henriqson

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*“What do you do with an idea?
Especially an idea that’s different,
or daring, or just a little wild?”*

Kobi Yamada (2013)

ABSTRACT

Previous studies highlighted the importance of the cognition resource for the existence of dynamic capabilities. Lately, scholars acknowledge dynamic managerial capabilities. We here explore that dynamic capability is not a matter of typology. It is about uniqueness. We suggest that dynamic capability serves both individual and firm levels and that it is visible when it plays a role in mediating individual and firm relationship. We define the individual as the business pioneer, who act as the entrepreneur, manager, and leader while performing firm's history since its ideation, passing through different business transformations. We define the firm as a transient system, intentionally resource-articulated to achieve higher business purpose through the relationship it establishes with the environment. We conducted a biographical narrative investigation, combined with a series of interviews with key scholars, and qualitative analysis of three biographical narrative reconstructions where we came up with facts to suggest that dynamic capabilities can only really exist "in action", while individual and firm relationship develop as a living state of strategic adjustment.

Keywords: Biography; Business Practice; Innovation in Management

RESUMO

Estudos anteriores evidenciaram a importância do ativo cognitivo para a existência de capacidades dinâmicas. Ultimamente, os estudiosos reconhecem capacidades dinâmicas gerenciais. Nós demonstramos que o fenômeno de capacidades dinâmicas não é tratado por uma questão de tipologia. Trata-se de singularidade. Sugerimos que o conceito capacidades dinâmicas atende aos níveis indivíduo e empresa, e que é visível quando desempenha um papel de mediação no relacionamento entre eles. Nós definimos indivíduo como pioneiro de negócios, que atua como empreendedor, gerente e líder ao realizar a história da empresa desde sua ideação, passando por diferentes transformações de negócios. Nós definimos empresa como um sistema transitório, intencionalmente articulado em recursos para atingir uma finalidade comercial mais ampla, através da relação que estabelece com o meio ambiente. Realizamos uma investigação utilizando a abordagem de narrativas biográficas, combinada com uma série de entrevistas com estudiosos-chave e a análise qualitativa de três estudos de reconstrução biográfica que apresentam fatos sobre a existência de capacidades dinâmicas "em ação" entre dados biográficos e práticas de negócios, onde a interrelação entre indivíduo e firma se desenvolve em um estado ativo de ajustamento estratégico.

Keywords: Biografia; Prática de Negócios; Inovação em negócios

LIST OF CHARTS

Chart 1: Developmental pathways in “One Story of Two Faces”.....	116
Chart 2: Example in pioneering of an industry.....	117

LIST OF FIGURES

Figure 1: Research design.....	66
Figure 2: Process for data analysis.....	73
Figure 3: From Blondie.....	104

LIST OF TABLES

Table 1: Origins of dynamic capabilities.....	31
Table 2: Arrangement of dynamic capabilities orchestration.....	53
Table 3: Data gathering.....	68
Table 4: Data organizing.....	71
Table 5: The self-made pioneering of an industry.....	80
Table 6: The self-aware pioneering a global network.....	84
Table 7: The self-centered pioneering type.....	88
Table 8: Composition: Idea-asset creation.....	94
Table 9: Arrangement of idea-asset creation and dynamic capabilities.....	101
Table 10: Orchestration of dynamic capabilities.....	109
Table 11: A bricolage in business pioneer.....	125
Table 12: Firm as a transient system.....	126
Table 13: Dynamic capabilities “in action”.....	127

LIST OF CONTENTS

1. INTRODUCTION.....	15
1.1 The researcher and research context.....	19
1.2 Theoretical approach.....	21
1.3 Research questions.....	23
1.4 Objectives.....	24
1.5 Justification.....	25
1.6 Format.....	26
2. THEORETICAL REVIEW.....	29
2.1 Origins of dynamic capabilities.....	31
2.2 Conceptual underpinnings.....	35
2.2.1 Notions of dynamic capabilities “in action”.....	36
2.2.2 “Seeing the invisible” in dynamic capabilities.....	40
2.2.3 Notions of “equilibrium behind transformation”.....	43
2.3 Dynamic capabilities in the framework.....	46
2.3.1 The sketched outline: Processes, position and path.....	48
2.3.2 The cluster of sensing, seizing and transforming activities.....	52
2.3.3 Framework: A genuine format to be construed.....	56
2.4 Remarks on the theoretical review.....	58
3. RESEARCH METHOD.....	60
3.1 Epistemological position.....	61
3.2 Biographical narrative approach.....	62
3.3 Unit of analysis.....	64
3.4 Research design.....	66
3.4.1 Literature and theoretical review.....	67
3.4.2 Data gathering.....	67
3.4.3 Data organizing.....	70
3.4.4 Data analysis.....	72
3.5 Final chapter remarks.....	77

4. THE MUTUAL CONSTITUTION OF BUSINESS PIONEER AND FIRM.....	78
4.1 The self-made type.....	78
4.2 The self-aware type.....	82
4.3 The self-centered type.....	86
5. THE MEDIATING ROLE: ADVANCEMENTS FROM BIOGRAPHICAL DATA TO BUSINESS PRACTICE.....	90
5.1 The match of idea-asset creation.....	90
5.2 The interaction through relationship magnetism.....	97
5.3 The amalgamation of a mutual exchange.....	103
6. THE ACTION IN DYNAMIC CAPABILITIES.....	112
6.1 Underlying rule undergirds decisions.....	112
6.2 Example: Developmental pathways in “One Story of Two Faces”.....	116
7. CONCLUSION AND FINAL REMARKS.....	123
7.1 A bricolage in business pioneer.....	124
7.2 Firm as a transient system.....	126
7.3 Dynamic capabilities “in action”.....	127
7.4 Business pioneer in dynamic capabilities.....	128
7.5 Biographical narrative approach and business management practice.....	130
7.6 Research limitations and opportunities for future research.....	131
Bibliography	133
Appendixes	140
Appendix A: Preparation for Data Gathering	141
Appendix B: Documents and Data Organizing	148
Appendix C: Biographical Narrative Approach	163

1. INTRODUCTION

The act of (idea-asset) creation in business is about bringing novelty to the center of innovation in management.

Pioneering an idea and working it all the way from conception to implementation is regarded as the province of a special kind of individual in the business environment we investigated. Business pioneers are central in discussing idea-asset creation and innovation in management. We found that business pioneers represent a *bricolage* of well-known actors and that they are a source of co-specialized assets.

The “bricolage” involves the mix of characteristics presented in entrepreneurs, leaders, and managers combined in the concept of a business pioneer. Entrepreneurs are boosted by the spirit of determination and the endless energy of non-stop action to accomplish their own idea-asset creation. Leaders are full of power to influence followers, bringing purpose and energy in personal relations. Managers effectuate the combination of science, technology, and people to implement actions that build, test, and transform ideas into reality. We found that “the darkness of the unknowns” is pioneering an idea in the business environment and creating the things we wish to exist over time.

An exploration of the pioneering path from a firm’s ideation to existence over time juxtaposed the investigation of the business pioneer’s role. Firms are transient systems being resonated by business pioneers as means of realization. Thus, the firm represents a nexus of contracts that are put together over time to facilitate agreements for asset transactions. Additionally, the firm institutionalizes idea-asset creation in the social, economic, and political environment that surrounds its business. The firm responds to the intention of its principal, as a possible method of his/her realization. We found that in the beginning the firm consists of the business pioneer’s heritage. The business pioneer’s intention mirrors the firm’s response; the business pioneer’s endowment enables the firm’s foundation. Thus, the firm shares co-specialized individual assets combined during idea-asset creation, and it evolves over time.

The establishment of the business pioneer and the firm interrelationship catalyzes wealth creation. In this sense, the firm’s dynamic capability is needed to respond to change in business environments, as much as to motivate the business pioneer’s learning about orchestrating change. The converse is important, too. The business pioneer’s ideation is needed to create the things wished to exist, as much as to increase the firm’s honing of dynamic capabilities. Knowledge of economics and organizational studies can be combined

to find links that amalgamate the relationship between individuals and firms. We posit that this linkage comprises dynamic capabilities¹, both concept and framework.

In economics, this is an organized activity subjected to a temporary state of equilibrium. Accordingly, pioneering actions designed to provide users with something unique and difficult to imitate rapidly become obsolete. In organizations, the ability to accomplish the organized activity in a way that creates a consistent recognition of value creation is a capability. This is mostly done in the process of exploring and exploiting temporary equilibrium of the firm's capabilities for creating value through the creation of things their business pioneers wish existed. We have identified empirical examples in this research demonstrating that individual and firm interrelation is a source of innovation in management.

We relate the firm's dynamic capability to the mutual constitution of the business pioneer and firm. Over time, the idea once created by the business pioneer is activated in the form of the firm. As a firm develops its living state, new ideas are created and the firm develops a capability that differs from the pioneer's heritage, and is more adapted to the environment that allows its value creation to be sustained. This is a very important point. Once the firm achieves this position, the firm transfers the learning path of the business pioneer into a new setting. In this path, the pioneer encounters the new possibility of combining assets and new cospecializations that must be learned.

Developing position and path is not a linear process, not sequential, and maybe not even rational. It is the result of reasonable action, as we identified in our investigation. Dynamic capabilities nurture the business pioneer and the firm's state of creativity. Many possibilities can be realized when the business pioneer orchestrates the firm's capability to make them real, unique, and difficult to imitate for users need. This is what we called the instart up exercise. There is inter-independency in the relation of the business pioneer and firm. In addition to the one-way process from business pioneer to firm and firm to business pioneer, we note that there are neighboring entities that affect the establishment of this relationship.

¹ This research posits dynamic capabilities in its original concept to explore the interrelation of individual and firm e.g., their mutual constitution, their behavior towards each other, and their living state.

² Mediation is commonly used in positivist and functionalist approaches. In this research, mediation is applied

The firm hones its capability to respond to the business pioneer's intentions, as the business pioneer learns how to orchestrate sensing, seizing, and transforming activities. The perfect harmony in orchestration gives the firm a new collection of assets to be honed. In this situation, the firm can reach a new position, because a new pioneering path has been created. New assets are created, selected, combined, and co-specialized through a dual process in which sensible information flows from firm to business pioneer and from business pioneer to firm, interacting with external market conditions. This is a simplistic view.

Many other possibilities of paths and positions are created. Sometimes it is possible for the business pioneer and firm to encompass heritage and develop a shared position and path; at other times they are not synchronized at the same point and course. Firms can become bigger than the business pioneer (i.e., representing tangible and intangible assets in a position that limits and/or freezes the idea-asset creation of the business pioneer) or the business pioneer can become bigger than the firm (i.e., standing up to create the things he/she wish existed through the firm and/or outside the limits or boundaries of the firm). The difference in fitness is based on interpretation, mostly related to not controlling, but, learning and reconfiguring decisions. When idea-asset creation is catalyzed, the business pioneer and firm are "partners in wealth creation."

We note that the business pioneer and firm heritage affect the whole process. Facts in the history of the business pioneer and firm interrelation forge a vision of possibilities. Bridging whats (i.e., the business pioneer's past findings) and hows (i.e., the limits of the business pioneer imposed by his/her own nature) they re-create the meaning of these facts. The orchestration activity is an exercise that renews the meaning of position (i.e., the firm's assets from past decisions) and the path already traveled, creating new value from it. Sensing, seizing, and transforming in the present consciousness stimulates the business pioneer to avoid the trap of repeating the past or bringing the past into the envisioned future. This is an opportunity for learning and reconfiguring the past to create a new future. When the business pioneer learns something new, he/she reconfigures it in a new set of decisions applied in the orchestration of the firm's capabilities. This is how he/she acquires a new co-specialized asset to be transferred to the firm.

Dynamic capabilities are context dependent. The dependency in the business pioneer and firm interrelationship is also related to the context of how information is accessed, and this interferes in the mediation of dynamic capabilities². In this context, a multitude of perspectives can be identified that affect the business pioneer's reasonable decisions and the firm's ability to respond to such decisions. The external environment is subjected to the business pioneer's interpretation and sense-making. Additionally, it is sensible to its past experience and the élan of finding realization channels.

There is a set of conditions for the business pioneer and firm relationship to come into being, and dynamic capabilities nurture them to the extent that a business pioneer is focused on performing sensing, seizing, and transforming activities with excellence, and the firm's dynamic capability is created and developed. This is a daily activity. We learned that sensing, seizing, and transforming activities interfere with each other. Sensing interferes with seizing as it interferes with transforming. Transforming and seizing are very strongly related to the action of renewal, and sensing and seizing are very influential in finding the direction of transformation. This simply explains how the activities are all connected and influencing each other. In this situation, the quality of wellness matters. The business pioneer is in the center of these activities and lucidity is crucial for understanding what is the true intention of his/her idea. This is very important because when leading the uncertainty of unknowns, the business pioneer sometimes gets lost in his/her purpose, and we found that wellness helps the individual to rediscover his/her purpose.

Over time, the business pioneer and firm renew the way we, as managers or scholars, think as we observe this relationship maturing. By transforming old information into new information through activities that settle firm and business pioneer inter-independencies, the new information becomes outdated. We observe this is not "a repeat the process" mode. This is more an instart up exercise. Professor Miles once said, "*your generation holds a big challenge in innovation, because you have everything already created.*" We found that this may eventually be a trap reserved for dynamic capabilities in action. It uses theories in economics and behavioral science, among other disciplines, to explain a sequence of interconnected explanations related to how firms differ, how they build capabilities that will

² Mediation is commonly used in positivist and functionalist approaches. In this research, mediation is applied in the context of social interpretative research to explore a specific set of qualities that enable dynamic capabilities to occupy a middle position between business pioneer and firm.

lead to sustainable competitive advantage over time, the role of managers, what they do, and how they do it matters. How, then, are firms different? In the end, no new theory is created by the dynamic capabilities concept or framework. But, many new combinations of theories and/or methods are possible to be created by dynamic capabilities concept or framework. And, out of this, what is innovation in management? This may be the refuge for dynamic capabilities. Innovation in management is pioneering experiences of idea-asset creation. It means dynamic capabilities mediating the interrelationship of the individual, to combine specialized knowledge assets, and firm, to produce things that are unique, difficult to imitate, and attentive to user needs.

This thesis is part of the endeavor of creating the things we wish existed.

1.1 THE RESEARCHER AND RESEARCH CONTEXT

This investigation acts as a follow up to my master's dissertation on the subject of dynamic capabilities and their influence in the process of a firm's continuous strategic adjustment. My research aspiration was based mainly on my empirical experience working in large firms in a variety of industries, such as automotive, banking, and professional services; teaching graduate courses on business and managing people; and observing the history of firms – large and small, local, and global. My initial motivation was based on my practical experience observing and living the daily routines of the firms I worked in and having contact with individuals that I now define as business pioneers (i.e., the ones who ideate, put ideas into practice in a firm) and can be, under some circumstances, entrepreneurs (KNIGHT, 1921; SCHUMPETER, 1934; KIRZNER, 1973), founders (SCHEIN, 1983), executives (BARNARD, 1938), leaders (SELZNICK, 1957), and entrepreneurial managers (TEECE, 2007, 2012; AUGIER; TEECE, 2009).³

During this period of my life, a recurrent question developed regarding how firms existed throughout time (i.e., how they kept functioning when adverse conditions threatened their existence). By adverse conditions I mean not only the environment outside the firm but also the internal environment. These questions motivated me to look for answers outside the

³ To mention others: board of directors (Teece *et al.*, 2017), top managers (Chandler, 1962; Augier; Teece, 2010; Helfat; Peteraf, 2014), researchers (Gioia *et al.*, 2012), principals and owners (Pitelis; Teece, 2009; Augier; Teece, 2009). The concept of business pioneer will be explored further in the theoretical chapter.

firm, in the academy, where I dedicated three years to examine the firm's dynamic capabilities and the underlying mechanisms of the firm's process of strategic adjustment. My study demonstrated that, throughout time, firms develop dynamic capabilities intrinsically related to their business pioneers. Intangible resources and competences formulate dynamic capabilities and confer upon them an "invisible" condition (HERRMANN, 2013). Dynamic capabilities are present in entrepreneurial motivations that consistently define and redefine resource allocations; in managerial actions that address a never-ending sensing, seizing, and transforming cycle; and in the leadership role that formats and re-formats business management (HERRMANN, 2013).

A new series of questions regarding where dynamic capabilities reside and how they function alongside research advancements in the dynamic capabilities field of study inspired this doctoral research venture. When I asked business pioneers whether the firm was related to their own decisions as a person or whether it was a completely independent organization, they usually answered as if the firm were so inextricably tangled with their own biographies that this relation came to be the main theme of my doctoral thesis.

During the advancement of my Ph.D. research, I encountered the German biographical narrative approach that, for the first time, allowed me to investigate dynamic capabilities while the relationship between the business pioneer and firm takes place. When positing the focus of our analysis in the mediating role that dynamic capabilities play in the interrelationship between the business pioneer and firm, we avoid falling into a dualist approach to dynamic capabilities. At the same time, our use of a method from sociology, the biographical narrative, represents an incipient approach in the field of strategic management. Scholars tend to associate dynamic capabilities with individual managers (e.g., dynamic managerial capabilities) or to exclusively elucidate the individual firm and the market environments in which it is embedded. The division within individual and firm levels partially explains dynamic capabilities today. These approaches usually reduce the complexities of the interrelationship that is established between them by deepening our understanding of the combination of theories underlying this framework. The dynamic capabilities concept has been deemed a tautological social scientific object, and the dualist separation has not been adequate to fully explore its explanatory potential.

1.2 THEORETICAL APPROACH

Dynamic capability has its roots in the 1990's as a topic concerned with modeling technological and organizational change in the strategic management literature (see TEECE; PISANO, 1994; TEECE; PISANO; SHUEN, 1997). Approximation of constructs that originated in social science, including sociology, economics, entrepreneurship, business history, behavioral decision theory and strategic management constitute the theoretical foundations of the dynamic capabilities framework. Differing from the neoclassical economic theories for neglecting capabilities⁴ and traditional models of strategy that lack a response to treat a firm's heterogeneities,⁵ it has become clear that dynamic capabilities stress overall omissions to appropriate the entrepreneurial, economic, and leading role of individuals (TEECE *et al.*, 1997; TEECE, 2007, AUGIER; TEECE, 2007, 2009; TEECE, 2017).

The concept of dynamic capabilities is articulated in underlying differences between the ability of firms to adapt and change and the ability of managers to choose particular strategies and unique paths (TEECE, 2017; PISANO, 2015). The definition of dynamic capabilities is "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (TEECE; PISANO; SHUEN, 1997, p. 516).⁶ However, it is "the ability of the entrepreneur and/or the enterprise to properly sense opportunities and threats and properly calibrate strengths, weaknesses, and technological and market trajectories" (TEECE, 2007, p. 1325) that has begun to assume distinctive importance for the division of individual or firm levels of analysis. As Teece recently recognized, "dynamic capabilities lie partly with the firm and partly with the management team" (HERRMANN; SANGALLI; TEECE, 2017, p. 284). The interrelation

⁴ See in Teece (2017, p. 6) the fundamental lacunae in the Theory of the Firm is to remain silent on critical managerial issues such as "how firms innovate, why firms have capabilities that transcend the sum of individual skills of their employees and contractors, and how individual firms evolve so as to build and sustain competitive advantage over rivals".

⁵ The resource-based view was proposed by Penrose (1959) and then reframed by Richardson (1972) with the idea of firm's resources to include knowledge, experience and skills. It was emerging around the same time in the strategic management field to explain the intra-industry performance differences with firm-specific "resources" theorized by Teece (1982), Rumelt (1984), Wernerfelt (1984), Barney (1991) and Peteraf (1993). Critics are also addressed to Structure – Conduct – Performance (S-C-P) paradigm (Mason, 1949, and Bain, 1959) and Five Forces framework from Porter (1980).

⁶ The dynamic capabilities approach encompasses several authors and variations on the topic (Eisenhardt; Martin, 2000; Galunic; Eisenhardt, 2001; Zollo; Winter, 2002; Rosenbloom, 2000; Zott, 2003; Collis, 1994). Our approach relies on the definition of David Teece (1997; 2014), as presented in the theoretical chapter.

of the individual and/or firm as the level of analysis may unpack the “collective” meaning introduced by the firm’s dynamic capability concept.

Empirical studies have recognized that individual interventions enable the existence of the firm’s dynamic capabilities (ROSENBLOOM, 2000; ADNER; HELFAT, 2003). Subsequent research proceedings have debated the types and typologies of dynamic capabilities at the individual level (e.g., dynamic managerial capabilities and managerial cognitive capabilities) and its microfoundations (HELFAT; PETERAF, 2014; HELFAT; MARTIN, 2015). To illustrate the extant dimension of the field, Hodgkinson and Healey (2011) encourage researchers to work closely with the individual perspective, testing propositions that integrate feelings and affective reactions with strategic issues and choices, thereby integrating multiple modalities of thought related to sensing, seizing, and transforming (i.e., orchestration activities) to enhance managerial cognitive capabilities. Helfat and Peteraf (2014) suggest that researchers explore the relationship between dynamic managerial capabilities and organizational dynamic capabilities and their joint contributions to strategic change and organizational performance. Recently, Dong, Garbuio, and Lovallo (2016) have identified framing and abduction as key individual cognitive acts that underpin dynamic managerial capability and can be aggregated towards organizational dynamic capabilities. There is a growing interest in further exploration of the cognitive underpinnings of dynamic managerial capabilities approach and/or building a bridge between the two traditions.

Even though the exploration of dynamic capabilities at the current stage does not empirically address specific questions regarding whether an individual possesses dynamic capabilities, or what the specific functions of dynamic capabilities are that enable the linkages of individual and firm capabilities, we indicated that this group of scholars is transitioning to the individual side of the paradigm shift. We see an opportunity to move in a direction that enables a new research design to explicitly treat the individual side or whether to investigate the role that dynamic capabilities play in the interrelationship of individual and firm, to enable its existence, as Dong, Garbuio, and Lovallo (2016) intended to do.

It is a fact that individuals and firms are important in understanding the essence of the organizational experience (BARNEY; FELIN, 2013; FELIN; FOSS; PLOYHART, 2015) and gaining a deeper knowledge of dynamic capabilities (TEECE, 2014; TEECE *et al.*, 2016). In the last decade, increasing attention has been given to the research of the microfoundations of dynamic capabilities (TEECE, 2007; HODGKINSON; HEALEY, 2011; HELFAT; PETERAF, 2014; DONG; GARBUIO; LOVALLO, 2016), and much

remains to be done in the field.⁷ The research of dynamic capabilities recognizes that a theory is not formulated only on microfoundations (i.e., particularities of individual parts); nor is it formulated based on generalities of the environment and its constraints. Moreover, it adds lucidity to the matter of exploring the inter-independency of the whole's collective integration of its parts – how the theory connects the dots and aligns them with the object of study (TEECE *et al.*, 2016).

In this dimension, we posit the interrelationship of the business pioneer and firm as the center of our analysis. We bring contributions to the debate that move its focus from a linear boundary that sets individual or firm dynamic capabilities to a set of microfoundations moving beyond the nature of a particular dynamic capability, which must be as precise as possible (TEECE, 2007). Additionally, we illustrate the interdisciplinary nature of microfoundations, or whether they contain “half-truths or misconceptions,” as suggested in Barney and Felin (2013).

My thesis underlies the discussion of microfoundations as a fundamental paradigm in the social theories proposed by Durkheim and Weber, illuminated by Barney and Felin (2013) and recently discussed by Felin, Foss, and Ployhart (2015), among others. Durkheim indicates the study of the macro while Weber assigns to the social interaction an understanding of micro and macro foundations. With this in mind, by applying the biographical approach (ROSENTHAL, 2014) that accounts for the mutual constitution of both firm and business pioneer, we shed light on dynamic capabilities “in action” and observe its evolution. Through an investigation of how the firm articulates resources and how the business pioneer orchestrates this articulation, and how dynamic capabilities are constituted in business pioneer and firm relation, we focus on the constitution of the phenomenon of the dynamic capabilities in the interrelationship between individual and firm.

1.3 RESEARCH QUESTIONS

We consider dynamic capabilities to comprise a social scientific object. Even though it may not be possible to uncover this object's phenomenological reality or to speak about an

⁷ See in Argote; Ren (2012); Kleinbaum; Stuart, (2014); And Dixon, Meyer; Day, (2010).

empirical materiality of it, one may investigate the social constitution of this scientific object. Facing the intriguing assertion that dynamic capabilities reside partly in the firm and partly in the individual, we observe an opportunity to explore dynamic capabilities in the strategic management field in a mediating role that streamlines the interrelationship of the business pioneer and firm, whose outcomes are consciously managed by both sides. Bearing in mind the epistemological consequences, our main research endeavor is to understand: *What constitutes dynamic capabilities in the business pioneer and firm existence?* Accordingly, we investigate dynamic capabilities a) in the constitution of business pioneer and firm interrelationship, b) in their dynamic interaction (from a firm's ideation to the firm's existence), and c) in their construe of meaning.

By addressing these issues, we provide the means to empirically demonstrate the mediating role of dynamic capabilities in the interrelationship between individual and firm as we understand the qualities of dynamic capabilities underlying the process of establishing a relationship between the business pioneer and firm, how the history of this relationship develops, how the business pioneer and firm adjust to the business environment, and how they deal with innovation and obsolescence.

1.4 OBJECTIVES

The main objective of this research is to explore the mediating role of dynamic capabilities in the interrelationship between the business pioneer and firm. We cover specific objectives:

- (a) to understand the genesis and history of the business pioneer and firm interrelation;
- (b) to explore the business pioneer and firm interrelationship through a dynamic capabilities framework;
- (c) to design dynamic capabilities "in action".

The accomplishment of these objectives should extend the understanding of the microfoundations of the original dynamic capabilities concept formulated in Teece, Pisano, and Shuen (1997); Teece (2007); and subsequent theoretical advancements. Indeed, we investigate the effects posited when the strategic choice is consciously presented to a business pioneer and he/she takes for granted the firm's transformation insights that elucidate his/her need for self-transformation. This is a reflection about managerial and business practices underlying the application of dynamic capabilities. We identify this as a

potential contribution to a new paradigm in which dynamic capabilities possibly integrate in the future.

1.5 JUSTIFICATION

There is a need to advance the existing research field that proposes dynamic capabilities (TEECE *et al.*, 1997; TEECE, 2007, 2014, 2017) and the distinctive concept of dynamic managerial capabilities (ADNER; HELFAT, 2003; HELFAT; PETERAF, 2014; HELFAT; MARTIN, 2015). The field may benefit from a deep discussion about the microfoundations of the dynamic capabilities framework (TEECE *et al.*, 1997; TEECE, 2007) and empirical findings about the functionality of dynamic capabilities in the interrelation of individual and firm. We identified an opportunity to clarify the consequences of the division between individual and firm; with this as our level of analysis and support, we use empirical data in the debate regarding the contributions of dynamic capabilities to the relation of individual and firm.

The value of operating with a concept or framework lies in the possibility of increasing the repertoire of analysis and synthesis for any individual that pioneers a firm, as our empirical findings demonstrate. The empirical grounding of our research reinforces the utility of dynamic capabilities as a social scientific object. We also suggest a field of studies within the dynamic capabilities paradigm that situates dynamic capabilities not exclusively in the firm or individual, but instead in their mutual constitution. The focus of this investigation of the interaction between the business pioneer and firm advances the epistemological and theoretical discussion. This explanatory framework poses an analysis level that is neither exclusively in the individual nor in the firm, but in both.

We identify the role of the individual in this research as business pioneers (TEECE, 2010, p. 188). The role addressed to individuals in dynamic capabilities has received a myriad of definitions. Recently the role of entrepreneurial managers has been acknowledged as the most comprehensive (TEECE, 2014). We describe the conjectured role of a business pioneer as a *bricolage* of well-known actors (i.e., managers, entrepreneurs, and leaders) to explore business and managerial practices amalgamated in ideation and co-creation. These activities are as important as the orchestration of asset specializations and labor divisions

(see Teece, 2017 in discussions of economic and capability theories and the recent work presented in Wernerfelt, 2015).⁸ The business pioneer building a sustainable firm might be an outcome of the practical application of the original concept of dynamic capabilities (TEECE *et al.*, 1997; TEECE, 2014), which has not been sufficiently explored (PITELIS; TEECE, 2009; TEECE, 2014; TEECE *et al.*, 2016).

In utilizing the biographical narrative method (ROSENTHAL, 2014), an approach borrowed from social interpretive research, we suggest a specific method to investigate dynamic capabilities in empirical cases. Empirical cases allowed us to establish biographical analyses of the way business pioneers experience the path from a firm's ideation to the management of the firm's existence, as well as the way firms respond to it, providing insight into the process of development of the business pioneer through time. In doing so, we explore the interrelation of all things concerned with dynamic capabilities, which reside partly in the individual and partly in the firm, as we investigate the intrinsic complexities of the mutual influence business pioneers have over their firms and vice versa. Based on these analyses, we suggest attributes of dynamic capabilities in action when mediating the interrelation between biographical data and managerial and business practices. These attributes not only have theoretical interest but also may be applied to the education of business pioneers and the development of innovation in management.

1.6 FORMAT

We organize the presentation of this thesis into 7 chapters, as follows.

The first chapter introduces the subject theme of this research. It describes the researcher and research context, theoretical approach, and research questions, objectives, and justifications. The second chapter establishes the theoretical review from which the investigation departs. Concerning strategic management, innovation in management, and the interrelationship of business pioneers and firms, we built this review from a Teecean perspective, presenting the origins of dynamic capabilities and the intellectual underpinnings of the framework. We emphasize approximation of the constructs originated in interpretative sociology, economics, and behavioral decision theory. Additionally, we outline the sketched

⁸ See more in Wernerfelt, Birger. "The Comparative Advantages of Firms, Markets, and Contracts: A Unified Theory." *Economica* 82.236 (2015): 350-67.

framework (TEECE *et al.*, 1997) and the subsequent version of the framework presented in microfoundations (TEECE, 2007). We dedicated attention to demonstrate that, first, the conceptual structure is conjectured in process, position, and path related to the firm and, second, in the cluster of orchestration activities performed by individuals and debates around the levels of analysis. Additionally, we observe that qualities of the framework preserve the firm's heterogeneity built on capabilities that strongly relate strategy and competitive advantage.

In the third chapter, the nature, strategy, and procedures of our research method are outlined. We include observations about our epistemological position. The fruitfulness of the biographical narrative approach and its adequacy in the proposed investigation is explained, as well as its principles and unit of analysis. This explanation is followed by the general figure of our research design schema and details of data processing. We also note that empirical data and analysis are presented in Appendixes A, B, and C.

Our findings, from biographical data to business and managerial practices analysis, are formatted in the next three chapters. First, we present three empirical cases (i.e., self-made, self-aware, and self-centered) for the discussion of how the mutual constitution of the business pioneer and firm interrelationship is construed (e.g., the genogram tends to be reproduced in the organizational chart, presentation interest of the business pioneer is translated into the firm's presentation statements, and the structural hypotheses for narrated and lived life emerge). Second, we presented three theoretical assumptions aligned with our empirical findings to explore the interrelationship of the business pioneer and firm through the dynamic capabilities framework. Our three theoretical assumptions are contrasted with empirical data. By investigating the path designed by the business pioneer and firm and locating the elements of the framework (i.e., process, positions, path, and microfoundations of dynamic capabilities), we explore the interrelation of the individual and firm levels of analysis and demonstrate how this combination is intrinsically related to transformation. We suggest idea-asset creation, relationship magnetism, and mutual exchange as microfoundations of the business pioneer and firm interrelationship. Third, we present the design of dynamic capabilities "in action." We provide details of the role addressed to dynamic capabilities when the firm is posited in the business pioneer biography, as well as when the business pioneer is posited in the firm's managerial and business practices, revealing that this entangled relation is intrinsically related to amalgamation. We then consolidate our findings to support a discussion about how dynamic capabilities nurture the interrelation of the business pioneer and firm in longevity and obsolescence. The last chapter

presents our final remarks with suggestions for future research. We highlight a potential explanation of dynamic capabilities for ideation, transformation, and amalgamation in the role of business pioneers and in the scope of firms.

2. THEORETICAL REVIEW

Dynamic capabilities have been considered to comprise a framework that integrates knowledge of the real world with the interdisciplinary theories embedded in social science (e.g., the Austrian school of economics, the Carnegie school of organizational studies, Penrosean resources, Knightian uncertainty, and Schumpeterian knowledge combinations). The framework conjectures that the existence and strategic management of a firm's heterogeneity align with the ability of entrepreneurial managers to accomplish the firm's potential for growth and to achieve sustained profitability in highly competitive markets (TEECE *et al.*, 1997; TEECE, 2007; TEECE, 2014; TEECE, 2017). Comprehensive literature reviews are presented in Helfat and Peteraf (2009), Di Stefano *et al.* (2010), and Peteraf *et al.* (2013) and Di Stefano *et al.* (2014) regarding the framework's foundation and definitions. We follow the definition of Teece *et al.* (1997) within a research domain that explores thoughts further developed by David Teece, Richard Rumelt, Gary Pisano, Constance Helfat, Margaret Peteraf, Mie Augier, and Sohvi Leih, among others. We propose this chapter of theoretical review to identify key and complementary concepts that are central to our research.

The theoretical foundations of dynamic capabilities are broad in scope and deep in complexity (HELFAF; PETERAF, 2009). Because it is a framework, it encompasses many variables with complex interactions (TEECE, 2007) connecting the dots of a (new) coherent notion of strategic management. The bibliographic investigation (DI STEFANO; PETERAF; VERONA, 2010; 2014) helped us understand that most of the research is performed around conceptualizations, interpretations of definitions, and foundational levels, which is useful to capture the paradigm. Scholars in this group are traditionally researchers from the fields of economics (e.g., Helfat) and behavior sciences (e.g., Augier), who are initially interested in the study of firm heterogeneity and firm-specific factors of strategic change beyond the neoclassical view of the black box and market power. In the advancement of their studies, the influence of individual entrepreneurial managers has become important, and some (e.g., Peteraf and Adner) are moving towards exploring individual factors or the role of the individual in the context of the firm's dynamic capabilities.

We found it fruitful to highlight the origins and theoretical underpinnings of dynamic capabilities in this review and convey the spirit embedded in the Teecean perspective. Helfat *et al.* (2007) mention the overlap in definitions (e.g., ROSENBLOOM, 2000; ZOTT, 2003;

GALUNIC; EISENHARDT, 2001; PISANO, 2000; COLLIS, 1994) that capture different attributes of the phenomenon. There is a bifurcation in the dynamic capabilities concept presented by Teece *et al.* (1997) and Eisenhardt and Martin (2000) that leads to a fundamental divergence in how the phenomena are viewed and analyzed (see PETERAF *et al.*, 2013). In this chapter we fixed our position in the original definition as “the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (TEECE; PISANO; SHUEN, 1997, p. 516). We elucidate that the dynamic capabilities framework is centered on the interrelationship between entrepreneurial managers and firms to build the capability of change (e.g., the interrelation of Professor David Teece and the dynamic capabilities framework and Terman and the research park) as we advance in this review.

We also include in this review an outline of the dynamic capabilities framework and microfoundations to explore the linkages of firm and individual interrelationships. The essence of dynamic capabilities in terms of the framework is presented in Teece *et al.* (1997) in firm factors. The framework lies in processes that are shaped by positions and paths. Further argumentation is followed by new research developments (in TEECE 2007, 2014, 2016, 2017). Behind the dynamic capabilities framework, there is a set of interrelationships that encompasses the individual, firm, and market. In 2007, Teece introduced microfoundations and described the nature of sensing, seizing, and transforming activities. Our literature review identified some key contributions to deepen the theoretical understanding of dynamic capabilities in the interrelation of firm and individual. The work delineates the managerial actions required to orchestrate these activities and incite discussion of the dynamic capabilities of the firm and individual and their interrelation.

While the outcome of debates around the nature of the dynamic capabilities concept are important and clarifies its vague and elastic terms, attention on the contributions of the framework to the real business world is apparently limited (PISANO, 2015). In 2016, a special issue of dynamic capabilities published by the California Management Review offered a collection of empirical examples. However, the development path of dynamic capabilities in the last 20 years demonstrates that we are building an integrative theory to be explored and investigated more deeply to better inform strategic management decisions in investments and innovation (PETERAF *et al.*, 2013; TEECE, 2014, PISANO, 2015). Many scholars are conscious and auspicious regarding the contributions of the dynamic capabilities framework to building a better theory of firm performance (TEECE *et al.*, 1997), the dynamic capabilities (economic) theory of the firm (HELFAT *et al.*, 2007), the

foundation of a meta-theory in strategic management (TEECE, 2014), or, recently, a capability theory of the firm (TEECE, 2017).

2.1 ORIGINS OF DYNAMIC CAPABILITIES⁹

The origins of dynamic capabilities are framed in the review of literature preceding the seminal paper published by Teece, Pisano, and Shuen (see Table 1). The theoretical review raises provoking questions that underlie the research of dynamic capabilities over time. The course of action (and its content) provides understanding about the original formulation of the dynamic capabilities concept and framework and parts that are commonly missed or misinterpreted (e.g., the role of the individual entrepreneurial manager). The themes remain present over time, suggesting that key concepts embedded in the definition of dynamic capabilities result from deepening theoretical reflection on the trajectory of this intellectual frame's development.

Table 1: Origins of dynamic capabilities (Continued next page)

Provoking questions	How do individual firms differ? How is it related to the ability of managers to choose particular strategies and unique paths?	How do firms develop or acquire new resources and strategically manage them over time?	How do firms capture value from technological innovation, and what are its implications for competition, cooperation, and antitrust?
Theme	Firm, managers	Competences	Innovation, environment
Theoretical and Contextual Challenges	Explores an alternative to the traditional microeconomics response or “black box” model	Critics the static view of the competitive advantage obtained by amassing the right resources	Responds to an emerging context of rapid growth driven by technological innovation
Dynamic Capabilities Concept	The firm's realistic conceptions (e.g., rationality is bounded, history matters, change is costly, and firm endowments are heterogeneous)	Capabilities (e.g., activity that can be done and that can change over time) that the firm can bring into operation (e.g., proprietary know-how or the common	The business ecosystem inherent in its existence (e.g., the presence of an entrepreneurial climate, the panoply of supporting institutions and enterprises,

⁹ This chapter benefits from conversations with Professor David Teece and Raymond Miles in Berkeley, US (May 2015 and October 2016).

		and recurrent use of a specialized and indivisible asset) and its effect as a successful advantage of the firm, as an organizing economic activity	the local people, its culture, and motivations) coupled with intangible assets and their complements, and sense, seizing, and transforming activities
Literature Review	Teece (1986); Chesbrough, Birkinshaw; Teubal (2006)	Teece's Early Studies (1980; 1982); Penrose (1959); Richardson (1972); Rumelt (1984); Wenerfelt (1984); Peteraf (1993); Leonard-Barton (1992)	Teece; Jorde (1989, 1990); Teece (2007); Teece; Leih (2016); Teece (2011); Herrmann, Sangalli; Teece (2017); Steiber; Alange (2016)

Source: Author (2017).

In the 1980's Professor Teece was concluding a major study on profiting from technological innovation (TEECE, 1986) and teaching microeconomics to MBA students at Stanford University and the University of California, Berkeley (two well-run and well-led business schools). The dynamic capabilities concept lies initially in the lack of explanation of the black box model taught in microeconomics to respond to differences between firms and the ability of managers to choose particular strategies and unique paths. Teece explored the firm's realistic conceptions (e.g., rationality is bounded, history matters, change is costly, and firm endowments are heterogeneous), instead of viewing the firm as a production function or simply as a black box (to use Nathan Rosenberg's term). Chesbrough, Birkinshaw, and Teubal (2006), among other scholars, recognized the utmost importance of his contribution. The "realistic conception of the firm" underlies the concept of dynamic capabilities and is discussed in the framework. The findings of Teece's early studies (1980, 1982) emphasized the scope of the firm and the distinctive properties of organizational knowledge (i.e., fungible and tacit) and his learning introduced an implicit view about capabilities. The firm brings into operation proprietary know-how, or the common and recurrent use of a specialized and indivisible asset, to create internal efficiency properties, as an economic activity. He also indicated the effects of allocative efficiency derived from instances in which managers usurp the role of financial markets (1982, p. 54).

Moreover, the resource-based approach substantiated the development of dynamic capabilities, in both concept and framework. In the 1980's and '90's, the efficiency model supported by the resource-based view of the firm was in the mainstream in the field of

strategic management, explaining how the firm earns rents from resources (e.g., leveraging the firm's unique resources, solving problems to monetize them, and making use of exchange for fees). Rumelt (1984) and Wernerfelt (1984) are cited as important scholars influencing thoughts from resource-based to dynamic capabilities approach. Rumelt (1984) argues about "heterogeneous resource endowments" and "isolation mechanisms" to explore intra-industry differences and the firm's performance. Wernerfelt (1984) considered new strategic options in an attempt to look at firms in terms of their resources analogous to their products, such as the "resource position barrier" to entry.

Over time, it became evident that strategies in the resource-based approach were focused on exploiting existing firm specificities (e.g., LEONARD-BARTON, 1992; PETERAF, 1993; AMIT; SCHOEMAKER, 1993). In 1991, Rumelt demonstrated that firm-specific factors are important sources of economic rents by comparing differences in profits between intra- and inter-industry figures. Wernerfelt (1995, p. 173) identified differences in the firm's resource endowments, the time and investment to change, and the fact of being a continuous valid premise in strategic management because "basing strategies on the differences between firms should be automatic, rather than noteworthy." However, these were not sufficient indications that the resource-based approach satisfied the lack of intriguing responses in environments of rapid change and innovation. Questions remained open regarding how firms develop or acquire new resources and competence to be competitive across numerous turns of the technology cycle (TEECE, 2017) and how the absent role of an individual to (strategically) manage them over time and context-dependency affect the firm's heterogeneity. Teece's critics were tied into the static view of competitive advantage obtained by exploiting the right amassed resources and the stream of services that a firm can deploy (TEECE, 2017).

Life experience in the center of high-tech industries (i.e., Silicon Valley) is also important for the nurturing and development of the dynamic capabilities concept. The shift from the traditional semiconductors industry to personal computer manufacturing and then to computer software and internet-based business characterized the environment of rapid technological change. Moreover, it revealed the insufficient response of the traditional

models of strategy¹⁰ emphasizing the exploitation of market power (i.e., competitive forces and strategic conflict) and efficiency (i.e., the resource-based approach).

During the transitional period (1986–1992), manufacturers demanded market protection against foreign innovation-driven competitors from the government. Inside the firm, it was possible to find an advantage and accumulate assets of human and intellectual capital forged by leading universities.¹¹ However, the articulation of internal and external resources and agility for change were determinants in the renewal of the firm's competences. Executives (e.g., Gil Amelio, from National Semiconductor) needed to pull entire systems back from the brink. They were challenged to re-establish the (new) logic of organizing activities and lead through uncertainty while new organizational processes for product and technology innovation emerged. Some were successful at pivoting and growing both in global scope and scale (e.g., IBM), at least for a while (e.g., National Semiconductor operated until 2011). These ideas and context are presented in Teece's publications of 1989 and 1990 (i.e., how the firm captures value from technological innovation and its implications for competition, cooperation, and antitrust). The subject established the origins of dynamic capabilities and contributed to advancements in combining economics, strategy, and innovation in management theories.

Looking back on the experience of living the turnaround and rise of Silicon Valley and fostering innovation environments in other regions, Teece recognizes that the dynamic capabilities concept is intrinsically related to individuals, the firm, and the firm's business ecosystem (i.e., the presence of an entrepreneurial climate, the panoply of supporting institutions and enterprises, the local people, and its culture and motivations), and is important in creation and continuous development. The Stanford provost Frederick Terman (1955–1965), pioneering a research park in Silicon Valley, provides an example of this (see TEECE, 2011; LEIH; TEECE, 2016).

The relationship established between Terman, in performing his entrepreneurial managerial activities, and Stanford, in honing the internal and external competences of a research park, influenced the integration of high-tech industries (the market) and the

¹⁰ Strategy is defined as “a coherent set of analyses, concepts, policies, arguments, and actions that respond to high-stakes challenge”(RUMELT, 2011, p. 6).

¹¹ From Robert H. Miles, Corporate Comeback. It was an insightful reading and offered details to contextualized the challenge of executives during this period, as Gil Amelio acting in the renewal and transformation of firm's capability in National Semiconductor from 1990-94.

creation of Silicon Valley (the environment). A particular contribution to the rise of Stanford was that Terman and his leadership team coupled intangible assets and their complementarities with the performance of strong sense and seizing activities such as created incentives for grouping high qualified faculty, and provided compelling insights to students (and later to entrepreneurs and venture capitalists) in the engineering and business disciplines among others, fostering university-government-firm collaboration. This reflects the impact of the transformation of a research park on an entire business ecosystem, which today uses Silicon Valley as a model of innovation in management (STEIBER; ALÄNGE, 2016).

In origins of dynamic capabilities, we outlined the roots nurturing the approach of the dynamic capabilities concept and explored the historic context that empirically sustains the framework in a Teeceian perspective. The seminal paper that introduces the concept of dynamic capabilities and sketches the framework was first published in 1997. The work done by Teece, Pisano, and Shuen (1997) has gained notoriety for providing a mainstream perspective in management studies and in post-industrial and knowledge-based societies, resulting in an award from the Emerald Literati Network in 2009. Since then, it has received attention from many scholars interested in better understanding how firm performance and managerial acumen are related (HERRMANN; SANGALLI; TEECE, 2017). Nevertheless, Teece's early research and recent studies (2014, 2017) continues to foster the integration of different fields of study in creating a framework (or theory) that effectuates capabilities, the firm's heterogeneity, and the appropriation of entrepreneurial managers (e.g., Terman and the research park) as a strategic source of competitive advantage.

2.2 CONCEPTUAL UNDERPINNINGS

The indication that dynamic capabilities reside partly in the individual and firm, because it is partly a matter of strategy and partly a process of change, creates complexities that neither reduction nor isolation in levels of analysis (i.e., firm or individual) enables an understanding of the intrinsic elements conjunctured in the concept. We introduce a collection of insightful thoughts in the form of three notions to explain the intellectual underpinnings of dynamic capabilities. They were tailor-made to present theoretical foundations, complementary concepts, and other variations that frame our understanding of dynamic capabilities and the interrelation of the individual and firm.

In dynamic capabilities “in action” we discuss the notion of individual action to build the logical concept of the firm’s dynamic capabilities in aggregation. This notion introduces theoretical insights embedded in dynamic capabilities as a source of the firm’s heterogeneity and change. Special attention is given to entrepreneurial managers’ role in creating value and effectuating hybrid coordination in economic systems, together with the market. The implications of individualism and the interaction of individual, firm, and market were also untapped. In “seeing the invisible” we cover the implications of dynamic capabilities for managerial decisions and organizational processes that are subject to interpretation and abstraction. These implications elucidate the presence and role of cognition and tacit knowledge. We discuss the importance of achieving congruency between dynamic capabilities and strategy. We highlight the fact that this is developed in conversation with two distinct research paradoxes that support the existence of a juxtaposed concept and framework for dynamic capabilities. In the notion of equilibrium behind transformation, we highlight that dynamic capabilities lie in a process of continuous strategic adjustment, where equilibrium is a temporary state. We explain that this involves a strategy to operate the organization’s agility and payoffs and bold decisions from entrepreneurial managers to effectuate path breaking in the current logic of investment. In addition to strategy and decisions, we discuss a continual process of change with a view that explains the relationship of dynamic capabilities to strategic behavioral change frameworks and fitness that is anchored by aligning the firm within technical and evolutionary changes.

This conceptual review identifies our investigation’s position and the gap in the literature that it fills. We found it productive to outline these notions, as they molded our way of thinking about the dynamic capabilities concept and framework, which is covered in detail next.

2.2.1 Notions of dynamic capabilities “in action”

In microfoundations, per Teece (2007), dynamic capabilities are the firm’s capabilities that exist in the nature of sensing, seizing, and transforming activities. Attention has been given, and in some way reflected, in the nature of the individual action (e.g., astute managerial sensing, seizing, and transforming) introduced by methodological individualism. A combination of social and economic theories allows for debate about dynamic capabilities

in the individual view being a basic source to explain a collective phenomenon.¹² This notion formulates the dynamic capabilities “in action” to describe linkages of microfoundations within theoretical and methodological approaches that elucidate the importance and magnitude of the individual role given in this framework.

For this approach, we found a basis in Weber and Simmel, recognized as influential scholars, and in Hayek. They developed the notion that an individual’s intention occurs in the course of action and can explain the logic of an economic mode of organization. The action is an understandable level of analysis, in which resides interpretative access to explore the underlying rational motivation that guides actions and interactions among individuals. Accordingly, a collective phenomenon is scientifically explained by the basic notion of the individual and his/her social interaction and by showing that it is a result and a mode of organization. Recently, Barney and Felin (2013) and Felin, Foss, and Ployhart (2015) created reference works for literature about this subject. They argue about individuals and organizations and the theoretical and methodological implications of collectivism and individualism paradigms in strategic management. Dynamic capabilities are commonly treated in collectivism. Adner and Helfat (2003), Helfat and Peteraf (2014), and Helfat and Martin (2015), however, have demonstrated the potential to combine insights from both perspectives (i.e., individual and firm factors).

The particular historical act of individuals contains elements from which to build a logical structure of types. This is useful in microeconomics to explain the firm’s heterogeneity or in sociology where we find the biographical narrative providing sources for generalizations. By understanding the systematic “start” concept that guides individuals in their action, scholars in this paradigm investigate reasoning and limitations from the perspective of the individual actor. By exploring the limitations of individual actions, Hayek (1945) investigated the advantages of a market coordinating the firm’s specific assets, which emphasizes the organizing power of markets.

The coordination reputed to markets is called into question in the dynamic capabilities framework. In the beginning of Teece’s theoretical approach (i.e., in the 1980’s), the explanation of resource allocations performed by markets was not sufficient to

¹² The individualism and collectivism, research of microfoundations in Barney and Felin (2013), provides source to deepen paradigm discussions. Neoclassical theories of economics and in strategic management commonly apply collectivism to explain competitive advantage mostly from macro to micro levels (e.g., market regulating firm’s performance).

understand how the black box operates the firm's heterogeneity in changing environments. Teece *et al.* in 1997 started to bridge the (new) concept considering the individual in the role of manager. He described the importance of managerial acumen to choose particular strategies and unique paths to create a firm's heterogeneity and competitive advantage. The role addressed mostly to the entrepreneur (e.g., creating profit through managing their own businesses) or to managers (e.g., earning compensation through performing contracts) was too limited in scope and narrow in action (WINTER, 2006; AUGIER; TEECE, 2006). This was later discussed in microfoundations (2007), business strategy and the economic system by Augier (2009, 2010), and others. Recently, the entrepreneurial manager (TEECE, 2014) has gained attention to identify the role where coordination resides inside the firm. He describes the entrepreneurial manager as responsible for creating firm-specific assets through the orchestration of sensing, seizing, and transforming activities that shape the internal and external business environment.

In Teece (2012) we note, for the first time, that he expresses the deep breadth expected for dynamic capabilities in a distinctive difference between routines and other capabilities to organize the firm's social and economic activities. He recognizes the importance of governance, structure, and process, which are maintained through routines and ordinary capabilities. However, he argues for the significance of dynamic capabilities to create and embrace the firm's existence in the long run. Considering that innovation and knowledge assets drive the economy, he provides the utmost recognition of entrepreneurial and managerial action in the role of coordinating internal and external assets effectuates influence in the organizing power of markets – more clearly the usurpation of coordination performed by markets, as cited in the 1980's work.¹³ The dynamic capabilities have yielded a theoretical framework to explain the hybrid coordination of economic systems (TEECE, 2017). Dynamic capabilities concept and framework debates among managerial practices have little to do with analyzing and optimizing, as noted in Chandler and Barnard's logic of managerial capitalism (HELFAT *et al.*, 2007). Coordination in a hybrid entrepreneurial

¹³ Entrepreneurial managerial capitalism explains the individual action (in the micro level of managerial decisions) impacts firm's differentiation (macro level) and affects markets (macro levels), as the other way around. Teece in 2012, together with Lazonick, reviewed business history from the records of Alfred Chandler in *Scale and Scope*. It offers arguments to build the logic of managerial capitalism, which brings the business enterprise (and its management) as central actor. Chandler used firm and individual histories, among others, to examine what he labels *competitive managerial capitalism*, in the United States, *personal capitalism*, in Britain, and *cooperative managerial capitalism* in Germany. Also, these offered important insights about the difference of pioneers, managers and owners.

managerial economic system improves the engagement of business practices that sense and understand technological, organizational, and market opportunities, problems, and trends, and get things started inside the firm and outside in the market, nurturing the business ecosystem.¹⁴

The literature and management courses reflect the growing interest in this subject. Pisano (2015) describes IBM strategic capabilities in the evolution of technological markets to demonstrate the informative and practical impact of dynamic capabilities in identifying and selecting capabilities that lead to competitive advantage. Helfat (2017) argues about the importance of understanding change that emerges from dynamic capabilities in *Deconstructing Apple*, an elective course in the Tuck School of Business. Understanding action underlies the dynamic capabilities to identify inputs and outputs related to individuals, firms, and the market and how all-integrating parts affect the competitive advantage of an organized social and economic activity that is beyond the limits of the firm.

Hybrid coordination (i.e., managerial and market power) in economic systems is an ambitious endeavor that conceptually dynamic capabilities seek to achieve. As we advance in this approach, we may encounter a point of commonality on building through individualism and collectivism. This might sufficiently address theoretical and methodological gaps that can be bridged or approximated. We posit that dynamic capabilities lie in the managerial action of sensing, seizing, and transforming the firm's capabilities (i.e., acting towards hybrid coordination). This recognizes that the firm's heterogeneity is not only due to the firm's routines and processes (NELSON; WINTER, 1982), nor to individual factors (ADNER; HELFAT, 2003), but instead to the interrelationship of the two. We propose dynamic capabilities "in action." Doing so, we propose a logical structure that centers on individualism and/or collectivism to explore the explanatory potential of dynamic capabilities in the interrelation of the individual (micro) and firm (macro) that is evident in the framework.

¹⁴ This is also related to the three-ponged investment strategy from Chandler (1990), and the asymmetries of knowledge and incentives from Alchian and Demsetz (1972), at the time you have to filter and interpret information about evolving technologies and marketplaces.

2.2.2 “Seeing the invisible” in dynamic capabilities

In the history of business firms told in *Strategy and Structure*, Chandler relates how executives did strategic management work and how they shifted strategic direction to achieve firms’ competitive advantages over time (LAZONICK; TEECE, 2012).¹⁵ Noteworthy quotes from Steve Jobs and Jeff Bezos are also used to illustrate explanations about dynamic capabilities in the course of entrepreneurial and managerial actions (TEECE, 2014, 2017). Teece (2007) argues that orchestration (i.e., the re-statement of coordination of assets in the activities of sensing, seizing, and transforming) is an individual exercise that depends on the use of *right brain* skills combined with imagination. More than bringing real world knowledge into the discussion, these examples illustrate that the proficiency required to perform orchestration/coordination combines sharp interpretation and abstraction. This notion notes the presence of elusive elements in dynamic capabilities, the “seeing of invisibles,” and where they reside.

Dynamic capabilities are strategically articulated in the linkage of content (e.g., what to observe in dynamic capabilities) and process (e.g., how asset orchestration makes it happen). Helfat *et al.* (2007) explain that strategic management scholars often approach these issues in distinct and paradoxical fields of study. Teece *et al.* (1997) argue that the bundle of resources is part of a static view that can be (im) perfectly done. In dynamic capabilities, because the focus is on the change in this bundle, we seek to understand the dynamic interaction of resources that render them valuable, idiosyncratic, and difficult-to-imitate assets (BARNEY, 1991; MILES *et al.*, 1978; TEECE, 2007). One of the implications of combining both sides of this paradox is the way we usually capture how change occurs (i.e., in the past, based on the history, or in the future, based on prediction or imagination) and the capability of change. This combination is used to foster the necessary congruency of strategy and dynamic capabilities to build a coherent framework and delineate pathways that allow the firm to escape from the efficiency/agility tradeoff (TEECE, 2007, 2017; TEECE; PETERAF; LEIH, 2016). Rumelt (2011) is the main reference when Teece (2014) explains the definition of good strategy to help explain the analogous relation of orchestration activities into sensing and diagnosing, seizing, and

¹⁵ Teece recognizes the contribution of business historians, as Alfred Chandler, to describe the role of entrepreneurial managers in dynamic capabilities since the seminal paper Teece *et al.*(1997) til more recent ones in 2010, together with Augier, and in 2014, when presenting the restatement.

guiding policy, and transforming and acting coherently. Building this into a logical frame is complex and involves abductive reasoning and imaginative hypothesis (microfoundations of sensing in dynamic capabilities).

In addition to this explanation and connection, dynamic capabilities are inextricably attached to managerial decisions and organizational processes that configure the property of the firm's capability, not that of individuals. The discretion of managerial (individual) decisions and the underlying organizational and managerial (firm) processes are subjective to the individual making sense and building a shared vision into a collective intellect.¹⁶ Past strategic choices undergird managerial decisions. This is an important note from organizational behaviorists, such as Miles and Snow (2003). In this sense, major decisions made by management serve to define the organization's relationship with broader environments. This is important in the dynamic capabilities framework, as one of the origins of the explanation comes from the combination of organizational behavior and economics. Managerial decisions (i.e., strategic choices) interfere in the nature of the assets to be created and their specialization. In an economic view, managerial decisions are concerned with creating, identifying, selecting, and developing the firm's capabilities to leverage and appropriate rents and improve tangible and intangible asset structure positions (TEECE *et al.*, 1997; PISANO, 2015). In this sense, managers decide to act in certain specific competence domains with quasi-irreversible investment commitments. In this circumstance, the development of the firm's capabilities can occur at inflection points of technological and market evolution. Accordingly, investment commitments made in the past drive the firm to obsolescence or longevity (PISANO, 2015). The choice to commit significant up-front investments undergirds managerial decisions and enables the firm to pivot and shift strategic direction towards a different competence domain when sense and seize activities lead to a breakthrough (TEECE, 2007).

It is becoming clear that managerial cognition undergirds managerial decisions and leads to dynamic capabilities. Biases afflict individual decision makers in the face of risk and uncertainty, as noted in Kahnemann and Tversky (1979). Research from Danneels

¹⁶ In this extent, dynamic capabilities can turn to be elusive, and more over, circular and tautological (Helfat *et al.*, 2007). A long debate in the literature, specially related to routines, competences and capabilities is dedicated to this (e.g., ZOLLO; WINTER, 2002) to the point that Pisano (2015) argues about the normative and descriptive power of dynamic capabilities being lost in the discussion of definitions to fine grain of its elusive or tautological aspects.

(2010) in Smith Corona's case explored managerial decisions as a fool's errand and showed that biases of top executives mislead processes of transformation. Hodgkinson and Healy (2011) argue that dynamic capabilities require the firm to harness the cognitive and emotional capacities of individuals and groups. Helfat and Peteraf (2014) recently demonstrated that managerial cognitive capabilities are the underpinnings of dynamic capabilities. They examined the role of mental activities (e.g., attention and perception in relation to sensing, problem solving, and reasoning in seizing, and language and communication in transforming) and suggested that controlled mental processing may help counteract potential biases. These studies mention the introduction of a very new and important field of study to be further explored.

To the extent that managerial decisions are routinized in organizational processes, they are likely to focus on "signature processes" (GRATTON; GOSHAL, 2005) and can become an important source of a firm's heterogeneity (JACOBIDES; WINTER, 2012). Signature processes are the firm's valuable identity, and they are nurtured deep in firm-specific roots. They are difficult for other firms to imitate, at least for a period of time (e.g., Toyota lean manufacturing). They are high in a tacit component that comes from an underlying knowledge of organizational and managerial processes in coordinating/integrating irreversible investment choices (MARITAN, 2001), learning in a specific context (ZOLLO; WINTER, 2002), and reconfiguring prior managerial actions (see Rumelt in LAZONICK; TEECE, 2012). While they are created as firm-specific assets, they can be translated into and leverage asset creation for a whole industry, misleading the appropriation of rents (e.g., lean manufacturing became an ordinary capability in the automotive industry). In this sense, signature processes, while effectively maintaining the firm's proprietary competitive advantage, satisfy the criteria defined by Barney (1991) and act as a source of dynamic capabilities development (HELFAT *et al.*, 2007).

Underlying organizational and managerial processes override certain "dysfunctional" features of established decision rules and the resource allocation structure that binds a firm's capacity in core rigidities and constrains the adaptation of the firm (TEECE, 2007; PISANO, 2015; TEECE; PETERAF; LEIH, 2016). This is one of the insights of March and Simon's (1958) pioneering work describing how managers search for solutions to problems and reach decisions in the face of uncertainty. The dynamic capabilities framework benefits from organizational behavioral scholars, such as Miles *et al.* (1978), who argument regarding the existence of process and structures organizing a firm-specific domain (i.e., standard procedures, complementary assets, and/or administrative routines) with changes over time.

Strategic choices undergirding managerial decisions (i.e., cognition) and underlying signature processes (i.e., tacit knowledge) are sources that create and develop a firm-specific asset structure and frame how such structures are built inside and outside the firm's business environment. The "invisible" character nurtures qualities of dynamic capabilities, as specific to the firm, intangible, valuable, idiosyncratic, and difficult to imitate. Teece (2007, 2014) has explained that dynamic capabilities are very difficult to buy in the market or transfer as a best practice. Entrepreneurial managers are the ones, as we mentioned in the first notion, encountering new and better ways of configuring dynamic capabilities that sustain their firms and create profits from their intentional purposes.

2.2.3 Notions of "equilibrium behind transformation"

The transformation of an organization (even a nascent one) requires the consistent renewal of internal and external competences through additions, deletions, or modifications to the resource base and involves strategic processes for achieving these changes (TEECE, 2012). In the original concept, dynamic capabilities are embedded in a temporary state of equilibrium subjected to the timing of change (i.e., the ability to sense must integrate, build, and reconfigure internal and external competences). This is partly related to a strategy of building the firm's capabilities as a source of competitive advantage via greater efficiency or exploration of new opportunities (TEECE *et al.*, 1997). The other part is related to the inherent process of strategic adjustment. The potential transformation envisioned when the firm has strong dynamic capabilities goes beyond narrow notions of "strategic fit" that are seen as optimal in the "adaptation" school of organizational change (HELFAT *et al.*, 2007).

The temporary state of the firm captures the equilibrium behind the transformation. A static picture is assumed in the resource-based view. Inside the firm, entrepreneurial managers perform asset allocations and make short and long-term investments based on sense (i.e., diagnosis) and seize (i.e., according to a set of decision rules). Outside, in the markets, clients, competitors, and the whole business ecosystem are tied to policies and regulations that yield these investments and effectuate resource allocations that match within the firm. Thus, dynamic capability configures the interaction of competences into a state of equilibrium that allows the firm to perform as an organized economic activity, "producing" something unique, difficult to imitate, and that meets users' needs, creating a position of advantage over the competition (i.e., a match within the market). Asset allocation is performed in a (perfect) state of equilibrium to an extent that allows competitive advantage from the exploitation of the firm's efficiency and isolation because firms own difficult to

imitate resources. Scanning the market and technological evolution over time bring firms into a favorable position to access information and seize internal and external forces that permit new possibilities. On the other hand, clients change tastes, government change commercial and tax policies, and so on.

Teece highlights the importance of combining the Schumpeterian view of entrepreneurs in creative disruption with the Kirznerian approach to entrepreneurship as a mechanism by which the economy moves back towards equilibrium. Both forces offer fundamental explanations of the continuous industrial evolution and revolution (TEECE, 2007). The temporary state of equilibrium is subjected to a (strategic) choice that keeps the firm's capability isolated from the dynamics of change until it finds the right moment to pivot. The shift of strategic direction changes the logic of an organized economic activity. Teece, Helfat, and Leih (2016) use a Knighian approach to explore the fact that entrepreneurial managers are embedded in environments of deep uncertainty, where knowns are unknowns. In this condition, temporary states of equilibrium are unstable. In addition to a good strategy, entrepreneurial managers are entitled to make bold decisions and find a profitable avenue in the process of continual change (TEECE *et al.*, 1997).

The ability to effectuate the transformation of investments is costly, and the payoffs are little known. This bold decision involves action regarding when to build agility, when not to, and when to sacrifice it to gain an advantage. The invisible hand of the market is no longer sufficient to hedge such uncertainty, as one of the arguments of entrepreneurial managerial capitalism is hybrid coordination (TEECE; PETERAF; LEIH, 2016). Dynamic capabilities are, therefore, designed to reconceptualize entrepreneurial managers' daily activities in the face of uncertainty, and hence to scale the impact of change. The essence of strategy involves continual activities (in the process) of selecting and developing technologies and business models that build competitive advantage by assembling and orchestrating difficult-to-replicate assets, thereby shaping competition itself (TEECE, 2007). In this sense, dynamic capabilities do not result from an *ad hoc* decision and consist of more than an aggregation of routines and the knowledge of how to perform them correctly. It involves doing the right thing (TEECE, 2012, 2014).

During studies conducted in the 1970's, Miles and colleagues demonstrated that the change and adaptation of firm strategic behavior emerge from purposeful rationalization and articulation of strategy, structure, and process mechanisms. Their work indicates that a prosperous organization engages in the process of continuous adjustment to enable its innovation. Teece (2007) argues that, in many ways, much of the traditional literature on

organizational adaptation and “fit” (e.g., MILES *et al.*, 1978) is consistent with dynamic capabilities. The concept of the firm and organization commonly share bases in the resources view and the ability of management in strategic choice. Both are recognized frameworks to observe the change and transformation of the firm and accept that firms can create their environment and that management shapes the organization’s structure and process.

Miles and Snow (2003) and Teece (2014) share an understanding that structure and process can constrain strategy. They accept that path and context dependency is intrinsically related in a coherent decision that articulates strategy, process, and structure. The work proposed by Miles *et al.* (1978) observes that the continuous adaptation process implies that decisions needed by the organization to maintain an effective alignment with the environment and that it influences strategic change in organizational behavior. Teece (2007) observes that dynamic capabilities are not patterns of behavioral change; change is a capability in itself, and dynamic capabilities transform it in a consistent process to sustain the firm’s profit and longevity. One can argue for a conceptual approximation of the adaptive cycle of entrepreneurial, engineering (technological), and administrative problems (MILES *et al.*, 1978) and the role of managers in performing the orchestration of entrepreneurial, managerial, and leadership actions that integrate decision making to transform the firm’s resource base (AUGIER; TEECE, 2009).

The scope of transformation fostered by dynamic capabilities is broader than the framework presented by Miles and Snow (as illustrated in 2003, p. 219). The framework from Miles and Snow emphasized that the adaptation of the firm’s organization behavior is only preordained by environmental conditions. They recognized that management is in a position where strategic choice does not only involve adjustment of internal strategy, structure, and process. When necessary, management is required to make choices that reach the environment itself to create conformity within the firm. Teece (2007) and Helfat *et al.* (2007) emphasized that a “fit” is broader than the firm’s outreach. Teece (2017) explains the calibration of capabilities in dimensions of the market, business model, and technological distances. The interaction of the environment influences the development of the firm’s capabilities (e.g., closing technology gaps, reaching new pools of customers, and operating business models) and includes learning and transforming relations with partners, customers, and the business environment (i.e., the panoply of institutions). Helfat *et al.* (2007) proposed technical fitness (e.g., quality of capability performance) and evolutionary

fitness (e.g., survival and growth) to measure dynamic capabilities. Strong dynamic capabilities are needed to achieve a fit within all these dimensions (TEECE, 2014).

Dynamic capabilities are embedded in the stimuli of action and in sensible information underlying organizational and managerial processes and undergirding management decisions. Additionally, we argue about dynamic capabilities being intrinsically related to the understanding of time and change. This notion describes the “equilibrium behind transformation” (i.e., in the strategic process of continuous adjustment), which implies that change occurs in learning about the time necessary to sustain the temporary state of the organization through the firm’s dynamic capability. The strategy path (i.e., a way of producing competitive advantage) and process (i.e., to consistently fit, adapt, and adjust) are the intellectual underpinnings of this notion. Understanding time and change is not a matter of getting things right. It is about identifying the right thing to do in the present moment. Dynamic capabilities are built with bold decisions (i.e., astute entrepreneurial managers acts) that both accept and challenge the hybrid coordination of the economic system to reach the next level of achievement. Accordingly, these bold decisions enable astute entrepreneurial and managerial individuals to alter the state of the firm’s asset allocations (and capabilities), and thereby reach out into the market. Additionally, it may happen in reverse, causing new possibilities to be seen in the market.

2.3 DYNAMIC CAPABILITIES IN THE FRAMEWORK

The origins and intellectual underpinnings introduced theoretical foundations and influential thoughts with a broad scope and complexity combined in the dynamic capabilities concept, in what we are calling a Teeceian perspective. Our purpose in reviewing the outline of the dynamic capabilities framework is to center our attention on the seminal work from 1997, to show its original frame, via its nature and microfoundations presented in 2007, to present the role of management in orchestration. We intended for this chapter to conclude our theoretical review at a point where the dynamic capabilities framework strongly embraces the relation of the firm (i.e., factors of the process, position, and path) and individual managerial action (i.e., the act of orchestration in sensing, seizing, and transforming activities).

The essence of dynamic capabilities in terms of integrating a conceptual framework is presented as a sketched outline in Teece *et al.* (1997). Pisano (2015) explained that the dynamic capabilities framework conjectured the firm’s distinctive competence in

capabilities that were rooted in three factors, or organized into three categories (as in Teece *et al.*, 1997): processes, positions, and paths. We demonstrate that they are the foundations of the firm's dynamic capability to build, maintain and enhance its "asset structure for which no ready market exists, as these are the only assets of strategic interest" (TEECE *et al.*, 1997 p. 518). Our literature review showed that the firm factors remain important and have been revised to aggregate new terminologies and features (e.g., coordination and orchestration activities in Teece, 2007), complementary concepts (ordinary capabilities, as in Teece, 2014), and new perspectives (e.g., capabilities responding to environments of deep uncertainty, as in Teece and Leih, 2016). In the nature and microfoundations of dynamic capabilities, Teece (2007) posited the hypothesis that managerial proficiency in orchestration capacity undergirds the firm's capacity to innovate and capture value from superior long-term firm performance. From this work, we explain the aggregation of sensing, seizing, and transforming as a cluster of activities, and show how they become an arrangement of dynamic capabilities orchestration. We present the bricolage of management roles addressed to match the requirements of a changing environment, and even to create change and shape environments. This occurred when we located the discussion about where dynamic capabilities reside and the lack of explanation about the function that dynamic capabilities play in this condition. Dynamic capabilities are conjectured to offer descriptive and normative guidance for strategic management. In this sense, we observed that Teece presents the logical structure, nature, and microfoundations of dynamic capabilities as the basis for a genuine format to be construed, as it allows dynamic capabilities to preserve the heterogeneity of the firm (and the whole ecosystem of which it is a part) and the role of management.

Dynamic capability brings out the distinctiveness of other capabilities, within the firm and among inter-firm dynamic capabilities. The framework comprises an exercise that involves, in addition to sharpening interpretation and abstraction, a deep understanding about the firm's structure of assets and the entrepreneurial and managerial capacity needed to make bold decisions promoting innovation and competitive advantage. It is meant to avoid games with employees, costumers, and competitors or to prescribe industry specific directions. The dynamic capabilities framework is about appropriating the intangible asset of managerial interventions in strategic management and, from it, rewarding the driver of change and innovation in the firm's process, positions, and the path that enables change in its whole ecosystem.

2.3.1 The sketched outline: Process, position, and path

Teece *et al.* (1997) provide a “process, position, and path” approach to competitive advantage that can be discerned in joint functions of how one plays the game (i.e., process), what “assets” one must play with (i.e., position), and how these assets can be deployed and redeployed in a changing market (i.e., positions and path). What the firm can do and where it can go are thus constrained by the firm’s assets (i.e., position) and past (i.e., path). Profits and sustainability thus tend to flow not just from the asset structure of the firm, and the degree of imitability, but also from the firm’s ability to reconfigure and transform.

The framework lies in processes that are shaped by positions and paths. Processes comprise an organizational and managerial set of routines or patterns of current practice and learning. Positions are an (specific) asset structure with endowments (i.e., technology and other types of income from donations and a person’s natural capability or talent) and its external relations. Pisano (2015) recalls the term used by Teece and Pisano (1994), “assets,” meant to define broadly the legacy of resources (e.g., knowledge, technical skills, organizational competences, and so forth) that shape the firm’s options for future capability expansion. Paths are the available ways of doing things and the strategic alternatives to follow in evolutionary and co-evolutionary fitness. Competences and capabilities are considered “intriguing assets, as they typically must be built because they cannot be bought” (TEECE *et al.*, 1997, p. 518). The framework articulates the relations between and among these elements: processes and positions collectively encompass the firm’s competences and capabilities; the essence of competences and capabilities is embedded in organizational processes; and paths mold the firm’s processes and position. These are described as firm factors, and the interrelationships, therefore, explore the firm’s distinctiveness (and/or heterogeneity) and the durability of its competitive advantages.

Organizational and managerial processes provide the essence of the firm’s specific competence and capability (i.e., content and opportunities) for longevity or obsolescence. The framework involves understanding “the congruence and complementarities among processes, and between processes and incentives” (TEECE *et al.*, 1997, p. 520). Organizational processes are tied to concepts that maintain the firm in a temporary state of equilibrium (i.e., the static force in coordination/integration balancing with the dynamic in learning and the disruptive transformational concept in reconfiguring) and to the incentives of appropriability. Teece and colleagues explain that organizational and managerial processes are continuous and that firm-specific internal and external assets significantly shape them, along the evolutionary path the firm has adopted or inherited.

The process of coordination and/or integration is related to internal and external resource allocations. In the dynamic capabilities framework, coordination/integration processes are part of the static concept concerned with the capability of maintaining linkages of resources in routines and competences that configure the firm's specific asset structure (i.e., technical fitness). These processes involve managerial tasks for analyzing or optimizing asset allocations and routines for scanning the market, gathering and processing information, creating new possibilities for customer experiences and engineering developments, and mobilizing resources to address needs and opportunities. As important as market strategies, Felin and Powell (2016) demonstrated structural integrative mechanisms' effects in converting distributed information into collective intelligence for designing organizations with dynamic capabilities.

If coordination and integration are parts of the static concept, learning processes are meant to be dynamic. Learning is about repetition and experimentation to improve efficiency and identify new opportunities. Processes involve organizational knowledge and individual skills. Additionally, organizational knowledge generated by learning activities resides in a "new logic of organization." Learning can help unlock "dysfunctional routines, and prevent strategic blindspots."

Reconfiguration processes are tied to the transformation concept of the firm's asset structure. These processes imply a change from recombining and modifying assets that exist in the firm's structure. Managerial decisions in reconfiguration processes are needed to minimize low pay-off changes. They reflect the astute ability of entrepreneurial managers to calibrate the requirements for change (i.e., scan the environment and evaluate markets and competitors) and effectuate necessary adjustments (i.e., quickly accomplish reconfiguration and transformation ahead of the competition).

The role of processes in the dynamic capabilities framework is to direct and lead the flow of strategic capabilities that "must be honed to a user need (so there is a source of revenue), are unique (so products/services produced can be priced without too much regard to competition), and difficult to replicate (so profits will not be competed away)" Teece *et al.* (1997, p. 517). Despite certain similarities between the old and the new, coordination effectuates the mismatch between the set of organizational processes needed for a conventional product/service and the requirements of the new. Felin and Powell (2016) argue that most organizations can find better ways to design new architectures and incentives for innovation, while actually able to sacrifice the centralized controls that perpetuate cognitive and social inertia. Finding congruence of internal and external changes

requires integration of the market (i.e., technologies) and entrepreneurial and managerial coordination (i.e., external activities), and the other way around. Learning and reconfiguring are part of this arrangement.

The dynamic capabilities framework identifies that the firm-specific assets structure is difficult, if not impossible, to imitate. Managers have the ability to allocate current assets from endowments and external relations and create the firm's specific asset structure when performing organizational processes of internal and external coordination/ integration and learning. Financial, technological, and other asset endowments are subjected to experimentation and tested to assert new asset combinations, specializations, and co-specializations that formulate the firm's specific asset structure. This includes tangible and intangible assets, such as "difficult-to-trade knowledge assets and assets complementary to them, as well as, its reputational and relational assets" (TEECE *et al.*, 1997, p. 521). The asset structure identifies the firm's position of competitive advantage at any point. Position is a strategic posture of the firm determined by the coherence of coordination and learning processes.

In Teece *et al.* (1997) assets are identified as technological (i.e., knowhow), financial (i.e., firm cash and degree of leverage), and reputational (i.e., a good deal of information about the firms/individuals that shape the responses of customers, suppliers, and competitors with high external value). Organizational structure is an asset that involves formal and informal organizations of the firm (varying in degree of hierarchy), the level of vertical and lateral integration, governance, and external linkages to the rate of innovation and how competences and capabilities co-evolve. Teece and colleagues also mentioned institutional assets that identify the firm's posture towards regulatory systems, intellectual property regimes, antitrust laws, the system of higher education, and national culture. Assets are also identified as a market when product position is important but often overplayed. These assets can be configured as complementary assets when necessary for the firm's established activities and other uses.

The dynamic capabilities framework enables articulation of multiple asset structures. However, there are not unlimited positions and paths to follow. Teece explains that position and path are narrow because of past strategic choices. Paths represent where a firm can go as possibilities tied to the firm's current position, and path managers are able to see ahead. Teece *et al.* (1997) explain that the current path is what and how the firm has "traveled." Managers are the ones responsible for innovating to pivot in a new direction. The notion of path dependencies recognizes that "history matters" and bygones are rarely bygones. The

firm's previous investments and its repertoire of routines can formulate a reasonable history but can also constrain the firm's future behavior. This follows because learning tends to be local, configuring dependencies. It will be close to previous activities, and it often occurs in the process of trial, feedback, and evaluation.

Paths are the strategic alternatives available to the firm (HELFAT *et al.*, 2007). Because most capabilities are cumulative and develop over time through a series of coordinated investments, they involve commitments to "paths," rather than discrete projects. A key strategic problem for firms is to identify and commit to paths of capability creation that lead to competitive advantage. Managerial discretion in the selection of paths, along with constraints imposed by pre-existing asset positions and processes for reconfiguration, can lead to differences in firm capabilities (PISANO, 2015). From the capabilities perspective, strategy involves choosing among and committing to long-term paths or trajectories of competence development.

Managers may fall into decisions of replication and imitation of the firm's asset structure. Teece explores the fact that replication involves processes for transferring or redeploying competence from one concrete economic setting to another (e.g., transmitting information). He argues that replication of dynamic capabilities underlies a deep understanding of the coordination, learning, and reconfiguring processes needed to adjust the asset structure. Replication and transfer are possible when all the relevant knowledge is fully codified and understood by people. However, even when understanding all the relevant routines that these processes support, it may not be fully transparent (e.g., tacit nature). Thus, competences and capabilities, and the routines upon which they rest, are normally rather difficult to replicate. Teece recognizes that the strategic value of replication flows from geographic support and product line expansion to an indication that the firm's foundation for learning and improvement are in place. Teece defines imitation as a replication performed by a competitor. It can be hindered by the fact that few routines stand alone. Imitation determines the sustainability of competitive advantage and implies the dissipation of rents. He explains that the ability to capture the profits an innovation creates is a barrier to imitation; however, because of intellectual property rights and antitrust laws, it is a protection that cannot be overestimated. Teece discusses how replication and imitation influence how the firm captures value from its asset structure. The ease and difficulty of appropriation determine how readily competitors can clone a competence or capability and indicate the durability of its advantageous position.

Understanding the role of organizational and managerial processes, asset allocations and position, and path and dependencies are the basics for building the firm-specific-asset structure. This could be simplified in an organizational chart, where positions and paths are seen inside an organization to display career streams and the growth of incentives. When transposing it to the endeavor of building, maintaining, and enhancing an asset structure for the firm, for which no ready market exists, though, it seems too plain. Pitelis and Teece (2009) argue that the essence and nature of the firm are related to the intentional purpose of its principal. This provides an example of the good amount of intention and strategy behind the articulation of the firm in process, position, and path. In Teece (2010), intentionality emerges as the center of discussion for business modeling. In Teece (2017), the business model is one of the dimensions to measure the fitness of dynamic capabilities. However, intentionality may be related to controlling (i.e., equalizing asset structure to fit the standard), which is different from coordinating (i.e., allowing change in the firm's specific asset allocations). We found that process, position, and path comprise the sketched outline of the dynamic capabilities framework. Indeed, they are fundamentals to ground the orchestration of sensing, seizing, and transforming activities, where intentionality may find its role and position.

2.3.2 The cluster of sensing, seizing, and transforming activities

There is a set of various classes of capabilities, organizational processes, procedures, systems, and structures involved in sensing, seizing, and transforming activities. Teece (2007) made an effort to separate the nature of dynamic capabilities into a set of aggregated capabilities, with microfoundations being described by a range of processes and routines that undergird them. Microfoundations are purposefully “incomplete, inchoate, and somewhat opaque and/or their implementation must be rather difficult” to preserve the sustainable competitive advantage envisaged in the dynamic capabilities concept. The cluster of sensing, seizing, and transforming activities involves coordination, learning, and reconfiguration from astute entrepreneurial managers who delineate relevant strategic considerations to enhance the firm's longevity and avoid the trend of obsolescence. We explored the nature and microfoundations presented by Teece in the arrangement of dynamic capabilities orchestration.

Teece (2007) explains that coordination processes support sensing and seizing activities. They implicate the manner in which asset allocations and investments are required to change (i.e., sensing involves scanning market opportunities, interpreting and shaping

responses, and seizing involves mobilizing resources and making investment decisions). Reconfiguration processes are tied to transformation activities (i.e., enhancing, combining, and protecting intangibles and tangibles in the firm's asset structure). Additionally, learning processes are embedded in sensing, seizing, and transforming, and they undermine the orchestration development capacity. The arrangement of dynamic capabilities orchestration (see Table 2) identifies the integration of sensing, seizing, and transforming activities and the organizational and managerial process of coordination, learning, and reconfiguration. Additionally, it provides a view of the nature and microfoundations related to each of these clusters. The table summarizes the scope of orchestration from Teece (2007, 2014) and contributions from Teece, Peteraf, and Leih (2016). It indicates the purpose of entrepreneurial and managerial action, the nature of capabilities related to them, and managerial routines that are combined in building each cluster of activity. In addition, it presents the direction of investment decisions, variations that affect the timing of building capabilities, and outcomes expected from performing these activities.

Table 2: Arrangement of dynamic capabilities orchestration (Continued on next page)

Orchestration	Coordination		Reconfiguration
	Sensing	Seizing	Transforming
	Learning		
Purpose	Sensing and shaping of unknown futures	Preserve agility	Sustained achievement of superior profitability
Capabilities	To probe and reprobe latent demand, structural evolution of industries and markets, supplier, and competitor responses.	To invest (and maintain) heavily in the particular technologies and designs most likely to achieve marketplace acceptance.	To soften rigidities from asset accumulation, standard procedures, misappropriation of rent streams, or radical new opportunities.
Managerial routines	To develop, test, and synthesize hypotheses and informed conjectures of how technologies will evolve and how and when competitors, suppliers, and customers will respond.	To (re) create a particular business model for its commercialization strategy and investment, get the timing right to increase return advantages, and leverage products/services from one application to another.	To develop a practical approach towards navigating the efficiency/agility tradeoff.

Direction of Investment Decisions	In research and assessment of technological opportunities (and threats) and in scanning, and interpretative and creative processes.	In decisions to estimate the interdependent future of revenue streams, cost trajectories, and a panoply of continuous and interrelated co-specialized investment issues.	In creating special value, particularly when an asset owner is not cognizant of the value of its assets to another party that owns assets whose value will be enhanced through combinations.
Variations for timing to build capabilities	The shape of the “rules of the game” is the result of co-evolution and complex interaction between (business) ecosystem participants.	The manner and time at which the firm needs to place its bets depend on competition, the input markets, and the identity of the firm itself.	Decentralization that brings management closer to new technologies, the customer, and the market, and to the logistics of specialization, cospecialization, and complementarity assets.
Outcomes	Sense and/or generate options for growth before the market rationales of those options become apparent to all.	Value enhancing investments inside the knowledge-based firm are often co-specialized with each other.	Over time, firms will develop hierarchies, rules, and procedures (routines) to constrain certain interactions and behaviors unnecessarily.

Source: Author (2017).

The cluster in Sensing involves activities for scanning, creating, learning, and interpreting unknown futures. We identified in Teece (2007) a set of capacities for probing and reprobing customer needs and technological possibilities and understanding latent demand; the structural evolution of technology, industries, and markets; and responses from partners and competition. Teece, Peteraf and Leih (2016) indicate that this cluster is built through generative sensing, sensemaking, use of scenario planning, and the purchase of real options. While suppressing a tendency to apply known rules, Sensing enables entrepreneurial managers to proactively create and test hypotheses about observed events and trends, understand their future implications, and make informed conjectures, so that hypotheses become pathways for new products, services, and business models. As important as creating, materializing opportunities ahead of rivals is a crucial component of dynamic capabilities (HELFAT; PETERAF, 2015). Acquiring proficiency in sensing and shaping enables entrepreneurial managers to view the world differently, as inventors do.

In “Seize Opportunities,” Teece (2007) addresses mobilization of asset allocation and investment decisions. Managers are required to have a limited commonality with those

acting as investors, distinguishing themselves by understanding the illiquidity and irreversibility of most managerial investment decisions and the need to achieve continuous alignment amongst assets while the firm is at work. In “Seizing,” Teece (2007) and Teece, Peteraf and Leih (2016) indicate that capabilities are found in a set of routines and governance structures needed to make high quality, unbiased judgments (i.e., under uncertainty about future demands and competitive responses associated with multiple growth trajectories) and interrelated investment decisions (i.e., measuring pay-offs from intangible assets) in the context of network externalities (i.e., innovation and change). Managerial routines are required to consistently enhance business models and combine tacit investment skills and analytics to get the timing right for increasing returns and leveraging products/services from one application to another.

Maintaining competitiveness through continued renewal is in the “transforming” cluster of activities (TEECE, 2014). In this cluster, entrepreneurial managers are leaders and “persuade others to undertake different courses of action and adopt different states of mind” (HELFAT; PETERAF, 2014). Capabilities in this cluster are built to sustain the achievement of superior performance. This involves the design and creation of mechanisms inside the firm that prevent the dissipation of rents by interest groups (both management and employees). In addition, transforming relates to monitoring and managing “leakage,” misappropriation, and misuse of knowhow, trade secrets, and other intellectual property. Managerial routines are to assist the flow of technology, while protecting intellectual property rights from misappropriation and misuse. As the firm grows and the separation between ownership and management widens, governance mechanisms become relevant to manage accountability and oversight and to avoid abuse of discretion and the use of corporate assets for private purposes (TEECE, 2007).

Periodic, if not continuous, asset orchestration (involving achieving asset alignment, coalignment, realignment, and redeployment) is necessary to minimize internal conflict and maximize complementarities and productive exchange inside and outside the firm. The “asset orchestration” function (TEECE, 2007) is the core of dynamic capabilities (TEECE, 2014). Accordingly, astute managerial activity is needed to achieve semi-continuous asset orchestration and renewal (including the redesign of routines). Additionally, all three classes of activities must happen simultaneously. Teece highlights tensions (i.e., timing and skills needed in sensing and seizing opportunities and seizing and transforming asset allocations) and interrelationships between and among the three cluster activities (i.e., since all three classes are unlikely to be found in individual managers, they must be represented

somewhere in top management, and the principal executive officer must succeed in getting top management to operate as a team).

The orchestration of sensing, seizing, and transforming activities is subjected to development and exercise, and Teece (2007, p. 1320) writes that it “lies at the core of enterprise success (and failure)” and is measured by “how the business environment rewards its heritage.” Danneels (2010) explored biases in limited management decisions in the case of Smith Corona, which drove the firm to obsolescence. This was a study case for reflection about dynamic capabilities “in action.” Recently, Felin and Powell (2016) introduced insights to think more cohesively about links between strategy and structure in designing flexible mechanisms for structural differentiation (i.e., response to environment) and integration (i.e., organizational processes) that enable the development of dynamic capabilities. Additionally, Dong, Garbuio, and Lovallo (2016) present generative sensing in Valve Corporation to bridge the interaction of individual and firm levels of capabilities, while Pisano (2015) identifies the normative applicability of dynamic capabilities for competitive advantage, bridge the firm and market levels. These are examples of the multiple directions our literature has taken to explore the dynamic capabilities framework, the functionalities brought to it inside and outside the organization, and/or the potential to inform entrepreneurial and managerial decisions.

The orchestration of “sensing, seizing, and transforming” is seen as the “mantra” and breadth of dynamic capabilities. The summary offers guidance. The development path of astute entrepreneurial management involves a “right brain” exercise in this framework. Our examples elucidate some applications of dynamic capabilities and relations among individuals, firms, and the market. Thus, we indicated that there is not a chart to explain the dynamic capabilities framework, although a genuine format may be construed.

2.3.3 Framework: A genuine format to be construed

Since its original formulation in 1997, the dynamic capabilities concept has aimed to provide a descriptive and normative framework. Rather than merely encompassing conceptual bridges, dynamic capabilities have been design to provide an explanation for the sources (or foundations, in 2014) of firm level competitive advantage over time (and associated firm value creation and maintenance, in 2014) and guidance for management decision-making. “The Logical Structure of the Dynamic Capabilities Framework” came the closest to achieving this objective as an illustration that captures the body of knowledge.

Teece emphasized strategic nature; the framework is not meant to determine general management rules for success and survival. He argues that the framework endeavors to reveal how much we “get it,”¹⁷ when responding to innovation, technological (evolutionary) change, and the unknown nature of future competition and difficult to determine markets. Because it delves deeply into strategy and change, it conjectures the creation of distinctive and difficult to imitate asset structures that are costly, generally occur incrementally, and creates advantages by steering managers to think and act. Teece adds that capabilities can be harnessed as a set of current or potential activities (in semi-routinized fashion), because they enable the firm’s performance in adverse circumstances (e.g., environmental conditions of uncertainty). That is one of the arguments given for why “capabilities cannot easily be bought; they must be built” (TEECE, 2011).

Indeed, dynamic capabilities are intended to govern strategic capabilities to produce a high payoff. Teece (2014) addresses the framework, stating that “strategy, capabilities, and the business environment co-evolve” and that it builds foundations to respond to innovation and co-creation. If dynamic capabilities reside partly in the organization and partly in the management team, entrepreneurial managers are the ones inside the organization (in the first instance) sensing, seizing, and transforming organizational processes; setting the firm’s position and path; and creating the change (i.e., innovating and co-creating inside the firm and outside in the environment). Their activity is constrained by the way business was done (managed) in the past, but this is not seen as a trap (i.e., learning and reconfiguring options). Teece (2014) accepted that the prominent future of the firm’s dynamic capability could be to explore the ability of managers to recognize a key development or trend, then delineate a response and guide/lead the firm in its path forward, influenced by findings from Adner and Helfat (2003).

In 2016, Teece, Peteraf, and Leih introduced the dynamic capabilities framework in environments of deep uncertainty, which challenges readers to think of strategic management on the far side of risk and volatility. The framework offers insights to describe where resources originate (i.e., how they can be built) and how resources should be deployed for determining targets and facilitating redeployment. Teece, Peteraf and Leih center their discussion on the fact that management is required to act beyond the predictable

¹⁷ From Teece (2014, p. 332), insights from Steve Jobs’ statement.

future, because of the increased interdependence of economic and innovation systems (i.e., increased speed to propagate information, ideas, and technology). They indicate that deductive and inductive approaches are not sufficient to support management decision-making, business organization, and business strategy. In this sense, the normative perspective of strategy and management that conjectures the dynamic capabilities framework involves more than identifying alternative futures with known probabilities or conditionals of risk, including how to create things out of the unknown.

Dynamic capabilities are a genuine format to be construed. We have learned that there is a good amount of work and research. Bringing knowledge from the real world to theory and from theory to the real world is not an easy task. It requires one to abdicate the “things going right” and construe the “right things to do.” It involves a capacity to renew “old knowledge” present in theory through an exercise that explains the current state. The dynamic capabilities framework is concerned with action for identifying and selecting tools, creating hypotheses, and investigating them, probing latent demand, making investment decisions, and softening rigidities from asset accumulations to redesign new asset structures.

2.4 REMARKS ON THE THEORETICAL REVIEW

The theoretical review concludes with a body of knowledge to support further advancements of our proposed research in dynamic capabilities focusing on the interrelationship between individual and firm. In the origins of dynamic capabilities, important insights were given to contextualize the concept and its foundations. We presented the view of the firm (e.g., heterogeneity) and the role of individuals (e.g., entrepreneurial managers) acting to promote innovation and the environment as an influence on the nursery and development of the dynamic capabilities concept. The conceptual underpinnings presented a set of three theoretical notions. We identified individual action in the notion of dynamic capabilities “in action.” An intricate understanding of dynamic capabilities (i.e., in underlying strategic processes of the firm and undergirding managerial decisions) was treated in the notion of “seeing the invisible.” Additionally, an understanding of the time of change and the temporary state of an organized activity was presented in notions of “equilibrium behind transformation.” The strategy path and continuous process of adjustment supported the building of this notion. These concepts were offered as intellectual roots integrated mainly by a combination of theories from sociology and economics.

From a sketched outline of nature and microfoundations, the framework has been theoretically formulated in a model of the firm in interaction with its environment (i.e., the individual and market). We explored the basics of the firm's specific asset-structure of processes, position, and path and offered a summary to guide and explore the arrangement of dynamic capabilities orchestration through the cluster of sensing, seizing, and transforming activities. These are a source of managerial proficiency in orchestration and dynamic capabilities that undergird the firm's capacity to innovate. We tried to build, from firm factors to the role of management, a knowledge structure of design to explore the point that deserves further analyses: dynamic capabilities in the interrelation of the firm and individual.

3. RESEARCH METHOD

This chapter presents a research method for investigating dynamic capabilities in the interrelation of individual and firm. We first present the epistemological and phenomenological posture adopted for this research, which is social interpretative, presented in a qualitative and exploratory manner that seeks to integrate knowledge from the sociology, economics, and strategic management fields of study. Regarding the idea that individuals interpret and construe understanding about their experience of social construction, we found in the biographical narrative approach a method for reconstruction of meaning from the business pioneer's point of view. In the unit of analysis, we introduced the concept of biography to access pioneering experiences and the meaning they had at the time when they happened. We suggested that besides being a social scientific object, the meaning implied in dynamic capabilities in the interrelation of the individual and firm might also be subjected to appropriation (i.e., an emergent social and economic scientific object).

In the research design, we present our schema and describe the process of biographical data analysis.¹⁸ In data gathering there are principles and procedures for accessing the unit of analysis, building consistency of criteria for selection, and conducting narrative interviews with business pioneers and other sources (i.e., scholars and subject matters). In data organizing, there are procedures to assist the researcher in the field and in analysis, such as interview transcripts and memoranda and tables of content. In data analysis, we considered procedures for biographical data analysis. Alternative empirical data analysis was used to discuss our findings and examine the literature when presenting our theoretical review.

We developed this research method by discussing important concepts and definitions, and strategic choices were made to approach our unit of analysis with a biographical narrative approach. The investigation is process-oriented in the development of the firm, business pioneer, and dynamic capabilities.

¹⁸ For more details about the biographical narrative approach applied in this research: *Uma face, duas histórias: A visão de capacidades dinâmicas na relação que se estabelece entre a pessoa e a empresa* (Herrmann; Sangalli, 2017) in press.

3.1 EPISTEMOLOGICAL POSITION

It has become clear that dynamic capabilities highlight the genuine individual who acts as principal, entrepreneur, manager, and leader (e.g., any other role indicated by the aforementioned authors) and the heterogeneity of the firm (e.g., the firm is conjectured in a specific asset structure). In recent years, researchers have explored dynamic capabilities in the epistemological and methodological dimensions of the individual and firm levels of analysis, which affect the bases of this paradigm of research (i.e., dividing the field of research into dynamic managerial capabilities or dynamic organizational capabilities and unlocking the potential of exploring the relation involved).

This investigation is embedded in the dynamic capabilities epistemological construct, which systematically integrates multiple theories to explain how the individual and firm “pursue the *evolutionary* interpretation of technological and economic dynamics modeling” how firms respond to, and co-evolve with, change (TEECE; PISANO, 1994, p. iii). We indicate the nature of our research investigation, which resides in the combination of knowledge acquired from studying sociology (i.e., the social constitution of the individual and firm), economics (i.e., the individual in the role of management, building the firm’s structure of specific assets), and strategic management (i.e., a dynamic capability inextricably tangled with strategy and innovation in management). We identified these as foundations intrinsically related to the paradigm of this investigation and the boundaries of knowledge accumulation.

In strategic management, people frequently rely on the foundational works of Émile Durkheim and Max Weber. The first emphasizes the macro dimension of social phenomena while the latter calls for attention to the causal influence of the micro over the macro in the production of social phenomena. The developments of this understanding are vast and have led to multiple approaches in sociology, which accounts for the mutual constitution of the individual and society. In this research, we imply focus on the means by which individuals interpret and understand their experience, recognizing the individual and firm as comprising a social construction process. We considered social interpretative research when searching for “appreciative” methods (e.g., qualitative and observation-based) to describe dynamic capabilities (TEECE, 2014). Indeed, we considered many concepts presented in economics that cannot be measured empirically, or proved scientifically, but which provide logical and historical scrutiny, such as acceptance of the firm as a black box in microeconomics (TEECE, 2014). We found that social interpretative research (i.e., interpretative sociology

from Max Weber, 1922) enables the accomplishment of this investigation, preserving the phenomenon throughout the journey of exploration.

We designated the phenomenon of study as dynamic capabilities in the interrelationship of the individual and firm. In this sense, we encountered the phenomenological sociology proposed by Alfred Schütz (1967), which advances the Weberian approach to studying this phenomenon not only as part of an interpretivist format, but as a result of the meaningful lived life in everyday life-world conditions (e.g., it accepts the fact of the temporary state of equilibrium tied to the intentional consciousness). We found that this is a potential explanation of why dynamic capabilities have been *ex post facto* (e.g., findings that rely on the meaning of past decisions), but not how they are understood by individuals in the present, nor the self-presentation interest posed behind of his narrative. Further, we identified that this method can bring lucidity to qualities related to dynamic capabilities being tautological and elusive (e.g., findings normally result from the analysis of chronological data and descriptions about sensing, seizing, and transforming activities), because it provides an “evolutionary” interpretation that can be captured by understanding the continual change of meanings addressed to an event. Phenomenological sociology addresses questions about the meaning of the lived life experience and finds in the social constitution of reality, per Berger and Luckmann (1991), the structure of methods that allow for the investigation of conversations (i.e., between present and past, individual and organizations) and insights to explain how social relations are maintained through time.

3.2 BIOGRAPHICAL NARRATIVE APPROACH

The biographical narrative in social interpretative research relies on principles derived from the knowledge theory of Schütz (1967) and Peter Berger and Thomas Luckmann (1991). Rosenthal (2014) supports investigation from the standpoint of the individual and the firm’s intricate relation in everyday life, presented by biographical narrative and a set of procedures that seek rigor in the qualitative research process. We identified this method as useful for its purpose concerning the meaning of the life story (i.e., narrated life at the moment) and providing sources to reconstruct the biographical meaning appropriated in a life history (i.e., lived life as experienced).

The biographical narrative approach suggests an abductive reasoning process, from data gathering (ROSENTHAL, 2014), and this is another contribution to the research of microfoundations in dynamic capabilities (i.e., sensing is an activity based on interpretive

research; Teece, 2007; Teece, 2012). In this approach, one forms a theory based on empirical data, and then, derives theory from them. This accounts for both synchronic and diachronic process perspectives (ROSENTHAL, 2014). Thus, we may observe the development of the dynamic capabilities phenomenon in the present and over time. The urge to understand the context and the order and sequence of long-term events associated with the history of the firm allows one to study the synchronic processes of transformation in the firm and its business pioneer, (i.e., the mediating role of the dynamic capabilities). This approach gives insight on the transformation of categories, variables, concepts, phenomena, and its interrelationships through time. On the other hand, it also represents a high risk of overlap and circularity. These are also identified in the dynamic capabilities literature (BOWMAN; AMBROSINI, 2003).

A diachronic study, as proposed, allows for the reconstruction not only of the genesis of the phenomenon, but also its development and transformation through time (ROSENTHAL, 2014). The biographical approach, while allowing access to a diachronic perspective, satisfactorily addresses temporality-related issues of the dynamic capabilities study. In a clear contrast to a case study, biographical case reconstruction does not merely describe a case and its superficial characteristics but explains the processes of formation and development of the phenomenon in the past and its manifestation in the present (ROSENTHAL, 2014).

In addition, despite focusing on a particular case, the biographical narrative approach suggests theoretical generalizations if it centers its focus on patterns associated with structural constraints, such as social determinations. The comparison of cases allows for generalizations that are valid for other cases and replicable in terms of methodology. The details of procedures for biographical case reconstruction will be outlined in the next sections of this chapter.

We recognized Gabriele Rosenthal as an influential scholar and contributor. The procedures proposed by Rosenthal (2014) helped us link individual and firm perspectives and observe dynamic capabilities “in action.” Our investigation is particularly influenced by Miles *et al.* (1978) for their description of the adaptive cycle of strategic behavior adjustment; Greiner (1998) for an explanation of the transformation of managerial practices during phases of organizational growth; and Van de Ven (1992), Langley *et al.* (2013), and Gioia *et al.* (2012) for seeking rigor in qualitative and process research for strategic management studies. These scholars focused mostly on the research of organizations and combining process and content research (e.g., a longitudinal perspective of study). They

complemented our procedures from an organizational standpoint, as we tried to approximate the biographical narrative approach.

3.3 UNIT OF ANALYSIS

Most of our field of work is focused on the explanation of dynamic capabilities (i.e., concept, definitions, and qualities). Increasingly attention has been given to exploring microfoundations, beyond the nature of a particular capability, in the sense that dynamic capabilities constitute a nexus of individual and firm capabilities that govern higher order capabilities. In this way, the debate has shifted its focus from a linear boundary that sets individual or firm dynamic capabilities to the center of our analysis, the interrelationship it encompasses.

The conceptual construction of the unit of analysis, object, and locus presented in this research lies deeper in the epistemological nature implied in the biographical narrative approach. It uses a set of procedures to explore the unit of analysis, describing qualities of its object and locus of analysis throughout the investigation. The biographical approach as applied in this investigation relies on the concept of biography as “a social construct of social reality” (ROSENTHAL, 2005, p. 26). We understood biography to be a narration of events and experiences from individuals’ own lives in the everyday life-world. Accordingly, there are assumptions that must be acknowledged, as Gabriele Rosenthal (2005, p. 28) suggests:

- 1) To understand and explain social and psychological phenomena, we have to reconstruct their genesis – the process of their creation, reproduction, and transformation.
- 2) To understand and explain people’s actions, it is necessary to find out about both the subjective perspective of the actors and the *courses of action*. We want to find out what they experienced, what meaning they gave their actions at the time, what meaning they assign today, and in what biographically constituted context they place their experiences.
- 3) To be able to understand and explain the statements of an interviewee/biographer about particular topics and experiences in his/her past, it is necessary to interpret them as part of the *overall context of his/her current life* and his/her resulting present and future perspective.

Fischer-Rosenthal and Rosenthal (1997) argue that the biography constitutes data related both to present life (i.e., data from text segmentation and thematical content) and past life (i.e., data from genogram and chronology). As Rosenthal (2012, p. 29) points out:

The present of the biographer determines the perspective on the past and produces a specific past at times. The present perspective conditions the selection of memories, the

temporal and thematic linkage of memories, and the type of representation of the remembered experiences. [...] Just as the past is constituted out of the present and the anticipated future, so the present arises out of the past and the future.

As Rosenthal (2014) describes, biography centers attention on the individual narrative in a retrospective look at the past in a present experience (i.e., both the current social discourse operating in the present and the current interaction situation) to understand the object of study. The biography results from the recollection process (i.e., the way memories are presented and the way they are expressed in communication), in a dependency relation with the experienced past. At the same time, as Fischer-Rosenthal and Rosenthal (1997) and Rosenthal (2014) explain, biographical analysis is used to understand the fundamental differences between present and past perspectives. This is affirmed or transformed, within the dialectical relationship between life stories and histories, in the reconstruction of the past in present experiences.

Rowlinson, Hassard and Decker (2014, p. 250) noted “if history matters for organization theory, then we need greater reflexivity regarding the epistemological problem of representing the past; otherwise, history might be seen as merely a repository of ready-made data.” Research strategies adopted for organizational history spawned debate. This is explored in a myriad of studies. We propose an observation concerned with the validity of knowledge outside of the biography for studies in our field.

Rowlinson and colleagues demonstrated that organizational theorists are often occupied with identifying the explanatory potential in a subordinate narrative for analysis, unlike historians, who focus on the narrative construction. As we presented in the theoretical review, business historians collaborate with dynamic capabilities to construct theory¹⁹ and organizational theorists to complement or enhance arguments.²⁰ The biographical narrative approach combines the work of understanding the logical structure of the narrative (i.e., the relevance system of the individual) as the basis for further analysis with the construction of theories (i.e., a type that encompasses similar cases).

When discussing evidences, historians use verifiable documentary sources, while organizational theorists use constructed data. We identified that the source of evidence in the

¹⁹ We aforementioned Lanzonick and Teece (2012), Teece ascribe insights from managerial capitalism, among many other theories formulated through out the business history in the view of Alfred Chandler.

²⁰ We previously mentioned Miles *et al.*(1978). Teece (2014) indicates partial consistency of his explanation about the continuous process of a firm’s transformation within the dynamic capabilities approach for fitness.

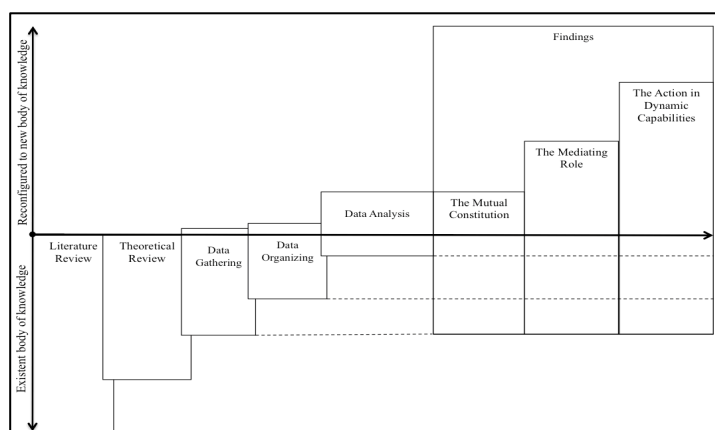
biographical narrative approach is biographical data captured from one event (i.e., the narrative interview section). We understand that evidence consists of a fact presented in biographical data, which is more or less subjective to interviewer or interviewee interpretation (i.e., genogram and chronology or text content and theme). This fact is further explored through the records of the interview and written documents (i.e., memoranda, annotations, and documents the interviewer presented at the meeting). It is true that, if the interview happens again, it will provide new elements (i.e., a new narrated life story) and will be treated as complementary, or as another biographical narrative data (i.e., a new source of facts). Thus, the fact is a one-time datum created and captured in records.

In the case of temporality, historians construct their own periodization and organization theorists treat time as subjected to chronology. The biographical narrative approach accesses temporality in the chronology of the narrated lived life (i.e., as it is presented by the interviewer) and in the segmentation of thematic fields (i.e., in the content of the narrated lived life). We found this to be an opportunity to bridge the past (e.g., decisions) and the present (e.g., reconfigured meaning). In this sense, it is reasonable to acknowledge that the present moment is a result of past decisions and that the future is limited by decisions made in the present (TEECE *et al.*, 1997). We identified that the ascribed meaning of the business pioneer in the present, where the focus of this research lies, is what matters for future changes in the firm.

3.4 RESEARCH DESIGN

Figure 1 shows the research design schema.

Figure 1: Research design



Source: Author (2017).

3.4.1 Literature and Theoretical Review

Our literature review involved articles in the fields of strategic management, psychology, decision-making, neuroeconomics, knowledge and learning, strategy, organizational behavior, and change, searching for dynamic capabilities in the relation of the individual and firm. Recently, we consulted discussions about microfoundations of dynamic capabilities led by Felin and others, and we understood the challenge of bridging two traditional perspectives to assess the relation of the individual and firm.²¹ We designed our theoretical review as an examination of literature containing insightful discussions with scholars (e.g., David Teece and Raymond Miles). This is part of the existent body of knowledge from which this investigation departs. Followed by the theoretical review, we discussed the foundations and approach of the method. In the sequence, we started to process empirical data. We presented procedures for data gathering, organizing and analysis.

In the research design schema (Figure 1) one might note the line crossing from the literature review to the end of findings. We propose this line to identify the sequentiality presented in our procedures, as a chronological state and as a thematic approach (e.g., from existent knowledge to its reconfiguration, transformation, and change). We highlight Figure 1 as a static view of the research process, contrasting with the dynamic quality intrinsically related to this investigation. We started an investigation within the principle of openness, and we ended by creating possibilities for future research that can help generalize our types, bringing novelty from biographical data into business and managerial practice.

3.4.2 Data gathering

Data gathering is summarized in Table 3. We identified three sources for data gathering (i.e., business pioneers, scholars, and subject matters). For business pioneers, we identified the biographer (i.e., individual contributor for biographical data), for scholars we identified Professor Dr. David Teece and Dr. Raymond Miles (both theoretical influences for this research), and for subject matters we identified a group of 15 researchers and practitioners from the fields of sociology, innovation, and business management. We collected data from interviews, observations, and notes from meetings and interview sessions. We selected data from interviews/meetings as this research advanced, with an

²¹ More details from our literature review are presented in the Appendix, and discussed in our Findings.

estimated 225 hours of research engagement from May 2015 to July 2017. Next, we explored procedures for data gathered through selected interview and meetings.

Table 3: Data gathering

Source	Business Pioneer	Scholars	Subject matters
Interview	Narrative Interviews	Semi-Structured Interviews	Meetings
Observation	From first contact to the end of this research	From email, calls, and meetings, conference, and work-life routine	At meetings and conference
Notes	Key words, insights, data narrated from interview, hypotheses	Recommendations for literature review, insights	Annotations and sketches
Quantity of interviews/meetings	15	4	12
--Selected	7	2	3
Hours of engagement	135	18	72
Period	Nov. 2015 to 2016	May 2015 to July 2017	Nov. 2015 to June 2017
Reference	Rosenthal (1993, 2014)	Rosenthal (1993, 2014); Langley <i>et al.</i> (2013); Gioia <i>et al.</i> (2012)	Rosenthal (1993, 2014); Langley <i>et al.</i> (2013); Gioia <i>et al.</i> (2012)

Source: Author (2017).

Through our experience in the field, we observed 75 potential business pioneers. We invited people to participate through phone calls, email, or in person. We received responses from 15 business pioneers who agreed to participate. We made a series of assumptions to consistently describe the business pioneer in the role of creating an idea and orchestrating resource and competence allocations, and to describe the firm in the role of honing the business pioneer's idea and priorities about the business, as discussed in the findings. Regarding the theme of the research, we observed biographical narratives that provided a combination of (a) individuals pioneering the firm from the sketch (creation of the business venture); (b) doing it by his/her own effort (executing his/her purpose/intention); (c) running the business for more than 10 years (the business pioneer and firm face strategic adjustments when undertaking transformations); and (d) an individual acts as the protagonist who makes strategic decisions (the business pioneer and firm relationship is alive). We had five

interviews rejected (e.g., the format of the interview section was not adequate, there were interruptions by the interviewer, and equipment malfunctioned). As we advanced in our observations and in the practice of the method, we rejected three business pioneers for not qualifying based on the criteria (i.e., the time of experience in the firm was less than 10 years, the firm was not formally constituted, or the firm was managed with associates). A group of seven was selected, and we presented three empirical cases.

Our findings rely on analysis of three biographical narratives of pioneering experiences. The biographies were not restricted by gender or social status of the family of the informant (i.e., we analyzed interviews with both men and women that came from well-established families in the capital city of the Southern region of Brazil and from families that had no wealth and came from the countryside of the state). We provided a sample of case reconstructions not limited to family origin or socioeconomic homogeneity. We made efforts to identify the absence or presence of other entrepreneurial activities in the family to be aware of the family *milieu* in which the business pioneer grew up, as well as the influence of entrepreneurial values in his/her education. The firms are situated in the Southern region of Brazil, and were founded around 1985. They are in the services to industry sectors, and are currently facing change (i.e., an ongoing process of joint venture, market repositioning, and investment reallocations). The narrative interviews were analyzed globally (in all step procedures proposed by Rosenthal, 2014), generating empirical cases and a typology established at the end of and throughout the reconstruction of the lived life as experienced (which we will explore further).

In a narrative interview, we asked an opening question to motivate a full extempore narration, which included an introductory description regarding our research theme and a question such as, “How do you experience pioneering a firm?” The question was modified and reconfigured according to the context of the interview section (i.e., “Tell me your story about pioneering your firm”). At some point, we signed a form agreeing to actively participate in the research under an anonymity clause for both the business pioneer and the firm’s activities. During the interview, we made notes and observations about the interviewer’s biography that are also recognized as biographical data subject to analysis. As biographical narrative lies in the information gathering process, all empirical observations are used to generate, verify, modify, or reject hypotheses. The interviews were conducted in Portuguese, the native language of the interviewees. They ranged from one and a half hour to four hours. We held 12 hours of interviews. Appointments were scheduled for the business pioneer’s convenience of time and location.

This research benefited from interviews with key academic scholars dedicated to the study of organizational behavior and dynamic capabilities. We had direct contact with UC Berkeley's professors Raymond Miles and David Teece, for whom we are deeply thankful for the insights and suggestions. Professor Raymond Miles and Professor David Teece, both regarded as key scholars in their field of studies, received a first draft of this thesis with the theoretical assumptions and made considerations that were later taken into account to assist the theoretical advancements and insights regarding the mediating role of dynamic capabilities. We made semi-structured interviews to explore our theoretical lacunae and insights for future research. In data organizing, we explained the content and procedures taken for preparing data for analysis.

We created three groups of subject matters: one from sociology, one from business management, and one from innovation. Five scholars (with three to eight years of experience and 20–100 articles published), six graduate students (master and doctorate programs) and four business practitioners (20–50 years of experience) formed these groups. We discussed our biographical data, notions of dynamic capabilities “in action,” and the concepts of the business pioneer and firm. We discussed within subject matter samples for biographical narrative interviews, semi-structured interviews, tests, and validation of tables for data analysis. The participants' input was of fundamental importance since they served as informal interlocutors for the discussion of the empirical cases, theoretical approaches, and view of dynamic capabilities “in action.”

In Appendix A, we present notes on gathering our empirical data.

3.4.3 Data organizing

Data organizing relates to the formulation of samples, documents and presentations, and procedures to implement grounded rules (i.e., code of conduct and transcription of narrative interviews). It consists of the systematic organization of data into the proper structure of analysis.

We relied on procedures described in the biographical narrative approach (i.e., a process to transcribe narratives, organization of biographical data into a chronology, and segmentation in thematic fields). We organized data according to the source (see Table 4), so we could maintain the files and format required for analysis (i.e., biographical interviews should be transcribed according to methodological procedures, and interviews with scholars were transcribed on demand). We designed tables and charts to assist in the process of

analysis, as suggested in discussions with subject matter groups (e.g., picture of research format and tables for theoretical review and for dynamic capabilities in action).

Table 4: Data organizing

Source	Business Pioneer	Scholars	Subject matters
Interview	Record (audio)	Record (audio and video) and photo	Record (audio) and photo
Notes	Protocol	Emails and draft versions	“Stick” notes
Observation	Protocol	Protocol	Protocol
Input for	Biographical analysis	Theoretical advancements in mediating role	Dynamic capabilities “in action”
Reference	Rosenthal (1993, 2014)	Rosenthal (1993, 2014); Langley <i>et al.</i> (2013); Gioia <i>et al.</i> (2012)	Rosenthal (1993, 2014); Langley <i>et al.</i> (2013); Gioia <i>et al.</i> (2012)

Source: Author (2017).

Data gathered from business pioneers were organized in a set of procedures per Rosenthal (2014). Beginning before the first meeting, we made notes and observations about the first contact, complemented later by the notes made in the interview section and again when new contact was established. These data were processed in protocols (e.g., memorandums of interview). The interview transcription made use of Rosenthal (2014) norms and codes, and data was organized into lines and pages to facilitate further analysis on segmentation. Additionally, we organized data in genogram and organogram charts and tables for sequential analysis (i.e., chronology and thematic) and segmentation (type of text and content).

Data from scholars were kept in records and annotations in draft versions of this thesis as they were discussed in person during meetings, including via email exchange. In addition, interviews with Professor Raymond Miles (registered in hand notes and voice-recorded) and Professor David Teece (video-recorded) were conducted with a focus on the continuous adjustment process and the role of dynamic capabilities. Data from these interviews were presented and discussed with subject matters during a workshop at the

ENANPAD Conference.²² Content from the interview with Professor David Teece was published in a *pensata* article at RAE in 2017 (see HERRMANN; SANGALLI; TEECE, 2017).

Data from the subject matters were organized in an introductory presentation about this research (i.e., “One Story of Two Faces”), and mostly were kept in records and accessed for findings, theoretical advancements, and dynamic capabilities “in action”. We kept notes from discussions on “sticky” notes, along with observations in a specific protocol that offered support for examination of theory (i.e., in the three notions of the theoretical review), description of key concepts (i.e., tables in the definitions of dynamic capabilities, business pioneer, and firm) and in the exercise of testing our theoretical assumptions within empirical cases (i.e., testing logical structure).

In Appendix B, we present documents used to organize our empirical data.

3.4.4 Data analysis

We presented procedures for analyzing biographical data, per Rosenthal (2014). Data organized from other sources (i.e., scholars and subject matters) were analyzed and discussed in our findings (i.e., in contrast with the theoretical review and our empirical data analysis). We present analytical procedures undertaken from biographical data to biographical reconstruction (i.e., empirical cases). In the biographical narrative approach, reconstruction is a finding resulting from the analytical process.

The biographical analysis aims to reconstruct the relevance system used by the interviewee to interpret and orient his/her actions (ROSENTHAL, 2014). In the three empirical cases of this research, this means the reconstruction of the business pioneer’s relevance system to interpret and orient his/her actions inside the firm and outside (i.e., in the related business ecosystem). The term *reconstruction* suggests avoiding the use of categories established *ex ante* by the researcher to explain the case. The term *sequentiality* implies that transcribed text units are interpreted in the order they were presented by the business pioneer during the interview (ROSENTHAL, 2014).

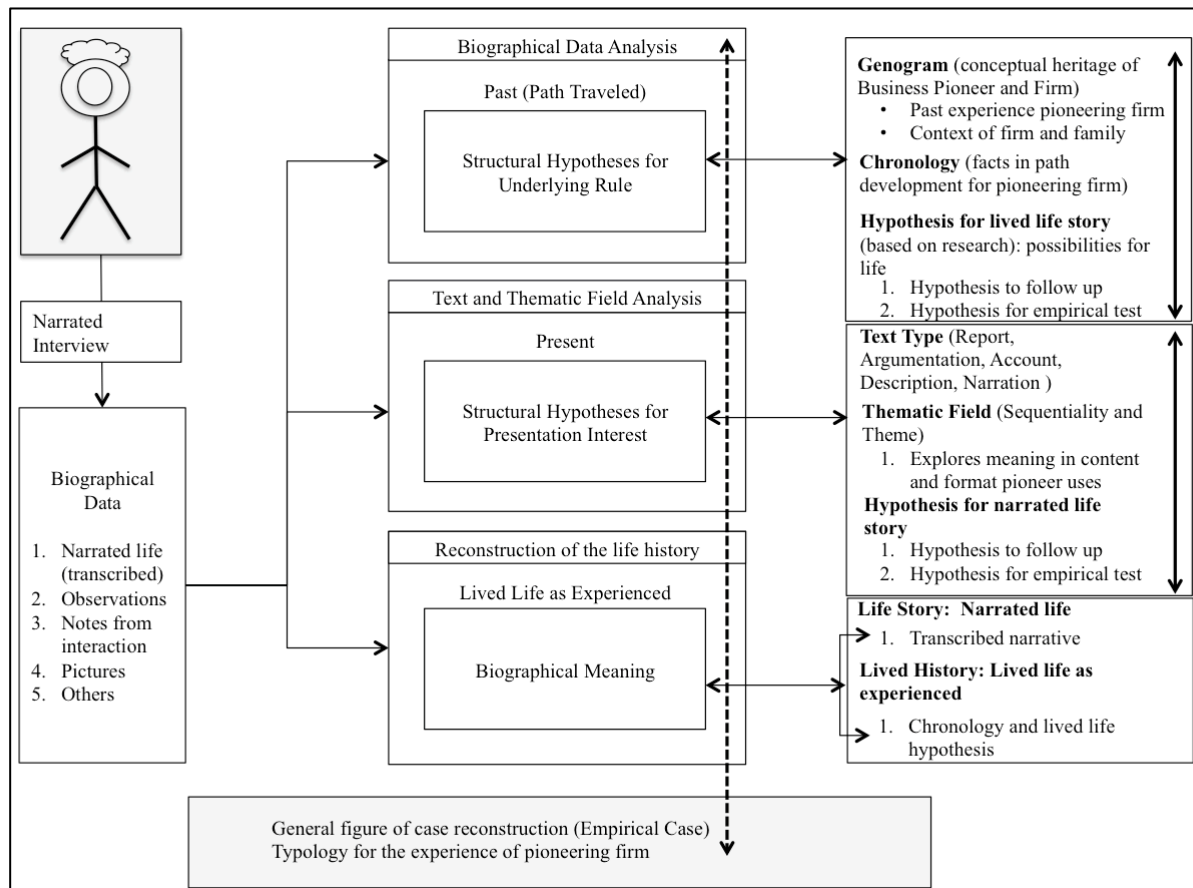
In contrast to a logically subsuming, classificatory approach, reconstructive analysis avoids confronting the text with pre-defined systems of variables and classifications.

²² XL EnANPAD Conference, The Mediation of Dynamic Capabilities in the Relationship of Business Pioneer and Firm, September 26th, 2016, Brazil.

Instead, the researcher progresses “reconstructively from the explication of the structuring of a given concrete social sequence to the general structural type” (Oevermann *apud* Rosenthal, 1993: 5) [...]. The principle of *sequentiality* makes allowance for the process aspect of social activity. It starts from the assumption that every action represents a choice between the alternatives potentially available in a certain situation [...] a methodological approach, therefore, requires a procedure of analysis that takes into account such aspects as the range of possibilities open to the subject in a certain situation, the selection he or she makes, the possibilities he or she ignores and the consequences of his or her decision (Rosenthal, 1993, p. 5–6).

The biographical analysis was conducted in six concomitant steps (ROSENTHAL, 1993, 2014). In Figure 2 we present the sequential process of biographical data analysis, thematic field analysis, reconstruction of the life history, general figure of case reconstruction, and typology for the experience of the pioneering firm.

Figure 2: Process for data analysis



Source: Author (2017).

We highlight that biographical data analysis is an interpretative analysis made by the researcher of the past (lived life) narrated by the business pioneer. This consists of a genogram (including the situation at birth and currently), chronology (data sequencing), and

hypotheses for lived life. We included an analysis of memorandum of interview and secondary data about the individual and firm, such as the organogram, along with current public information. The first step of the analysis of biographical data consists of creating a hypothesis for facts that is less dependent on the interviewee's interpretation (Rosenthal, 2014): "in terms of the method of abductive reasoning, sequential analysis involves generating hypotheses on the possibilities contained in a given unit of empirical data, deducting hypotheses as to possible further developments (follow up hypotheses) and, in a third step, contrasting these with the actual outcome (empirical testing)" (ROSENTHAL, 1993, p. 6). In doing so, it is possible to reconstruct "underlying rules to be discovered which are influencing his or her decisions" (ROSENTHAL, 1993, p. 6). Hypotheses demonstrated the underlying rules of the individual and firm interrelationship. We investigated the consistency of "underlying rules" with the notion that dynamic capabilities are embedded in "underlying signature processes" and "undergirding managerial decisions" (TEECE, 2014). This provides data to investigate sources that create and develop the firm-specific asset structure present in the dynamic capabilities framework (TEECE, 2007) and elements to discuss the set of (strategic) management notions (e.g., of bounded rationality, path dependency, and strategic choice).

The facts used in this phase are presented in the transcription of the business pioneers' biographical interviews and in documents such as the firm's archives or interviews with other employees or family members. In this particular phase, "all data that can stand more or less independently of the narrator's own interpretation are extracted from the interview" (ROSENTHAL, 1993, p. 7) and organized in a chronology that serves as a starting point for the establishment of explanatory hypotheses. This helps us understand the alternatives the business pioneer had at hand during his/her time running the firm and other specific events in his/her life that were inherent in his/her activity. This effort allows an understanding of how the business pioneer made decisions during different moments of his/her life and indicates the intentional purpose and other decision-making patterns that might play an important role in his/her firm's organization. During this phase, the researcher reconstructs the business pioneer's situation at birth using a family genogram and writes a structural hypothesis for the business pioneer's lived life.

The text and thematic field analysis constitute a biographical self-presentation structure and reconstruction of the life story – the narrated life. The thematic field analysis aims to "reconstruct the form and structure of the narrated life story (i.e., the way in which it is temporally and thematically ordered in the interview)" (ROSENTHAL, 1993, p. 8). In this

particular phase, the transcribed interview is summarized respecting the order in which it was presented by the business pioneer. This analysis reveals which text format the business pioneer used to recollect specific biographical events. After the text segmentation, the researcher generates hypotheses for each segment of the text, considering why the interviewee used a specific textual type to present his/her experience; why the event was addressed at a specific point of the interview; why the account was presented in brief or in-depth; which thematic fields correspond to the segment; and which topics are presented or omitted in the interview (ROSENTHAL, 1993, p. 9). Unlike in the first phase, the hypothesis in this phase focuses on the present to identify why a particular text format was used and to determine the business pioneer's self-presentation interest (ROSENTHAL, 1993). This differs from the biographical data analysis, since the first phase referenced the lived life (the past), and this phase addresses the interpretation of the biographical event at present (ROSENTHAL, 2014). In this sense, we have an opportunity to understand position and path elements together.

The reconstruction of the life history constitutes the lived life as experienced. The following phase reconstructs the lived history (i.e., how biographical events were experienced by the business pioneer) (ROSENTHAL, 2014). This clearly establishes the separation of two levels of analysis, as life history and life story:

The analysis of the lived through, the experienced life history (the genetical analysis) and the analysis of the narrated life story. The purpose of the genetical analysis is the reconstruction of the biographical meaning of experiences at the time they happened and further the reconstruction of the chronological sequence of experiences in which they occurred. The purpose of the analysis of the narrated life story, mainly based on the procedure of thematic field analysis, is the reconstruction of the present meanings of experiences and the reconstruction of the temporal order of the life story in the present time of narrating or writing. [...] Life story and life history always come together, they are continuously dialectically linked and produce each other; this is the reason why we are forced as sociologists to reconstruct **both** levels no matter if our main target is either the life history or the life story (Rosenthal, 1993, p. 2).

The objective of the reconstruction of the lived history “is to reconstruct the biographical meaning which the experiences had at the time when they happened” (ROSENTHAL, 1993, p. 7). To do so, the biographical data presented in the chronology from the first phase is contrasted with the interpretations of the business pioneer present in the transcribed interview. To help reconstitute the business pioneer's past, we rely on his/her self-presentation interest and on his/her life situation at present, which helps the researcher identify the position from which the pioneer speaks (ROSENTHAL, 2014).

The comparison of life history (lived) and life story (narrated) “provides us with insight into mechanisms of selecting experiences for the life story, the way they are presented and the differences between past and present perspective, in general insights into the differences of the temporality of narrated and lived life” (ROSENTHAL, 1993, p. 8). This phase relies on information registered in the interview’s memorandum (the description of the interview setting, how the interview developed, and interviewee behavior), the results of the thematic field analysis (the pioneer’s self-presentation interest), the case reconstruction (the chronological disposition of the pioneer’s life history combining both lived and narrated life), and the final remarks (ROSENTHAL, 2014). This phase is the final analysis and presents a general figure of the case reconstruction.

After this, the research question is used to establish a typology that focuses on the social and subjective experience of the individual (ROSENTHAL, 2014). In this case, we depart from the question of “how the pioneer experienced his firm” to suggest a theoretical generalization for similar cases encompassed by the specific type (ROSENTHAL, 2014). According to Rosenthal (2014, p. 91), “a type encompasses similar cases, and this is not dependent on the frequency of its occurrence. In the process of determining a case’s typicality, [...] its regularity is irrelevant.” That means that even cases that have a single occurrence in reality (such as Steve Jobs and Apple) may configure a type, even though its empirical frequency is not high: “It is perfectly possible that not so frequent cases of a specific type may exert more influence over the social reality than more frequent cases related to a different type” (ROSENTHAL, 2014, p. 93). As Rosenthal (2014, p. 91) puts it, “what really matters to determine a case’s typicality are the patterns that produce it, the rules that ordinate the diversity of its parts” – in other words, what structures the case.

Since it is impossible to determine a type’s structure based only on the external similarity of its elements, a typology is possible only after a reconstructive analysis (ROSENTHAL, 2014). In this case, we are not speaking in terms of establishing a descriptive type or detailing its typical specificities: “only after the researcher reconstructs and compares more than one case, it is possible to establish if they are two different manifestations of the same type or if they are two completely different types” (ROSENTHAL, 2014, p. 92).

While developing the typology, we looked for patterns regarding the subjective interpretation of the business pioneer about his/her firm, how the decision-making process occurred in these firms, and how it connected to the maintenance of the firm through time. Then, based on general patterns, we built a typology regarding the interrelationship between

the business pioneer's personal history and the development of the firm. These typologies defined a framework to approach the managerial activity of the firm taking into account not only the firm level of analysis but also the individual level. This was possible due to the use of the biographical narrative approach that helped us build the gap between different levels of analysis.

A full detailed version of our biographical analysis is in Appendix C.

3.5 FINAL CHAPTER REMARKS

This chapter presented the epistemological and methodological foundations of the study. We argued that our unit of analysis is subject to investigation under the social interpretative research. We observed that the biographical narrative approach combines and aggregates value in its potential for observing the interaction dynamic capabilities of the firm and individual and for bringing new concepts to theory, and that it enhances the analysis of temporality. We noted important concepts (i.e., biography), principles (i.e., openness and sequentially), and procedures (i.e., abductive reasoning process and synchronic and diachronic perspectives) for future research projects.

We suggested categories to process data for the purpose of organizing our report. The narrative biographical approach is emerging for the purposes commonly applied to strategic management. We highlighted that Rosenthal (2014) does not use these divisions (i.e., data gathering, organizing, and analyzing). It is important to mention that the biographical narrative approach considers that procedures of analyses are in place since data gathering. Biographical data are recognized in this study as empirical data.

We acknowledged contributions from key scholars (such as David Teece and Raymond Miles) and from subject matter groups. It is worth stressing that we applied the code of conduct of the Academy of Management and we kept confidential the information from business pioneers and firms.

4. THE MUTUAL CONSTITUTION OF BUSINESS PIONEER AND FIRM

The objective of this chapter is to describe the mutual constitution of business pioneer and firm. The existence of business pioneer and firms is subject to the existence of an interrelationship that cultivates the individual to become a business pioneer. Only the experience of the individual pioneering the firm and doing it by his/her own effort is able to constitute him/her as a business pioneer. This experience also cultivates the achievement of the business pioneer's intentions while constituting a firm. In order for the business pioneer to achieve his/her intentions she/he has to pursue them through the constitution of an organization, herein deemed as firm, acting as the protagonist who makes the strategic decisions. Data from three biographical narratives were organized in typologies of how business pioneers experienced firms: the self-made, the self-aware, and the self-centered. Such typologies are a result of biographical narrative analytical procedures, as presented in Appendix C. This is an outcome of the biographical reconstruction of events experienced by the business pioneer while pursuing the constitution of a firm, as well as the analysis of business pioneer self-presentation interest and structural hypothesis for his/her lived life. For each type, we present one empirical case with a short description of individual and firm interrelationship²³. The case represents a typical example for each typology. Therefore, it is worth stressing that these typologies are already a part of the analytical interpretation of empirical data.

4.1 THE SELF-MADE TYPE

The self-made type estimates a set of qualities for the explicit fact that individual and firm interrelationship originate from the individual intentional pursuit to change his/her socioeconomic life conditions by pioneering a firm. Even though what the firm would sell and how it would do it is not clear at the beginning, the business pioneer eventually figures out which activities are profitable in the market where she/he works through his/her own experiences. This "learning through experience" process departs from a general idea of the

²³ The business pioneer name as well as of its firm was modified to maintain anonymity. Any other names or functions, such as the product manufactured by the firm, were changed to avoid identification due to the sensitivity of the data collected in this research. These substitutions were made under the principles suggested by Rosenthal (2014).

firm (e.g. from an employment experience) and has its climax with the planned retirement of the business pioneer (e.g., a firm can be acquired by a foreign investor).

The family constellation acts as a strong motivator. The business pioneer fights against the idea that she/he may find him/herself in the same socioeconomic environment as his/her parents when she/he grows up. She/he does not deny the family influence, nor wants to get rid of them, but she/he does not wait for the family to act on his/her behalf. Moreover, the business pioneer strengthens the idea that his/her parents (close family members) would not do anything on his/her behalf, which means that the pioneer's future depends exclusively on him/herself. This seems to be related to the strong self-perception she/he has of independence and self-determination, both professionally and in terms of family relationships.

The behaviors regarding planning and decision-making in a firm are strongly concentrated within the business pioneer. She/he does not plan the company before its activities, but rather, learns through his/her mistakes (learning through practical action). She/he does not strongly differentiate between handwork—such as wiping the floor—and the job of managing a firm. She/he presents him/herself as someone that can be trusted, because she/he built his/her reputation by working hard. These characteristics have a direct impact on the firm-specific asset structure.

The business pioneer dedicates a significant portion of his/her time to activities related to his/her firm's functioning. She/he presents traits of workaholic behavior, finding it hard to stay away from the firm or to share responsibilities within it. This indicates a difficulty—if not the nonexistence—of a distinction between a personal and a work agenda. She/he also perceives him/herself as someone who worked hard to get what she/he has achieved. The constant dedication to work is a recurrent theme in the personal narration, and it permeates many parts of his/her biography.

Most of the actions taken by the firm are based on access to privileged information, such as the current state of the market for a new product and/or business supplies. In addition, the business pioneer has the capacity to quickly mobilize his/her network of partners—even its competitors—when facing unexpected outcomes, such as environmental catastrophes. This ability is due to the fact that the competitors and partners hold the business pioneer in high esteem. It is because of this that the firm is strongly resilient when it has to deal with production shortages or natural disasters. These characteristics seem to be related to the business pioneer's reputation for credibility and trustworthiness.

The firm's meaning arises as an adaptive capability. It is possible to suggest that the firm's profile is strongly related to empirical conditions created by the market and captured by the business pioneer. The current firm comes into being as the result of an adaptive capability of the prior firm's structure to be strategically adjusted to a new aim (e.g., the firm goes from being a retailer to a manufacturer) of changing its own nature in the course of its activities.

The business pioneer presents the firm as something completely detached from its own biography. She/he is not aware of the extent to which his/her firm is intertwined with his/her own choices and personal trajectory. At the same time as the business pioneer centralizes decision-making in the firm, she/he also, paradoxically, verbalizes the desire for the firm's emancipation.

Ricardo Marelo represents the self-made type, who had planned and worked towards the day that the firm would fulfill its potential of living state, while overcoming the menace of failure. This, then, is the case representing the transformation of the business pioneer's birth situation through "hard work" and the creation of his own business.

Table 5: The self-made pioneering of an industry (Continued on next page)

Timeline	History of pioneering firm	Context
1965	Marelo was born in region constituting the border between Brazil, Argentina, and Uruguay. He relies on his mother's inheritance to rent a house, where he lives with his sisters and parents. Marelo had to quit his studies to work as a cleaner at a tools retailer, for his family needed help to maintain their income.	Youth in the countryside and then move in to Capital
1970 1979	At the tools retailer, he accumulates money to invest in his own firm. Along with two partners, he quits and opens a tools distributor in a garage. He multi-tasks many of the firm's functions.	Immersion in firm's operation and market
1981 1984	Firm keeps growing and has to move to a bigger place, opposite his former employer. Marelo decides to end their partnership.	Own firm's operation
1990 1996	Firm starts to commercialize glue while selling other tools. Constant problems with Brazilian suppliers and tool market competition with his former employer is particularly difficult. Firm starts to import glue from the US, but moves on to import directly from China, increasing his profit margin.	Brazil opens market to importation; firm starts to operate in new Market
1997 2003	Marelo receives a letter from Rustmann, one of his contacts, informing him of a wide panorama of the suppliers of glue, final price they are able to offer to commercialize their product, and initial investment costs. He consults	Acquires first family house

	other executives about the glue market in Brazil.	
2005	Marello travels to China to prospect glue machinery and buys the machinery necessary to produce glue in Brazil.	Shift retailer to industry
2008	Marello hires a glue expert to develop his product, but after years of trials, the outcome is not good. He invests more money in a more qualified chemist. He starts to produce high quality glue and consolidates his presence in the domestic market.	Industry operation and domestic market position
2014	One of his machines explodes, halting the firm's production and compromising the firm's functioning. Marello uses his connections to buy glue production from the competition and honors a compromise with his clients. The rapid response to the crisis by his firm maintains its position in the market as a highly competitive glue producer.	Operating through alliances
2016	Marello is offered the opportunity of a joint venture with a French multinational.	Jointventure

Source: Author (2017).

We identified Marello as the first, and only, entrepreneur in his family. This suggests that he had to learn about entrepreneurial activities outside its family realm, either through employers or through business administration courses (i.e., immersion in 1970-1979). The first-generation of his family members, including Marello's parents, had professions that did not earn a lot of money. Marello's presentation interest is centered on the thematic field of overcoming a difficult life situation (i.e., to quit his studies to work as a cleaner at a tools retailer) and succeeding as a businessman/accomplishing his intentions of buying his own house (i.e., 24 yrs after opening his own business) and providing a wealthy life for his family (i.e., in 2015 Marello buys apartments for his children). Marello wants to be seen as someone who is honest, humble, and a hard worker (who works tirelessly, better, and more than others), as well as someone who works honestly and with accomplished credit with former business partners because of his competence, someone who is transparent to others, and as someone who has the courage to take risks. He wants to show that even though he could not have access to formal education, he is still very successful.

The hypotheses confirmed about his lived life are the ones related to the increasing of the independence of the firm, such as the decision to manufacture a product when faced by the threat of strong competition by foreign investors. This might be related to the fact that Marello presents a strong duality between work and formal education, for he abandoned the latter in this biography (i.e., Marello succeeds and doesn't go back to school, and thinks poorly about formal education). He made his life about work and learning by doing.

The business pioneer senses the menace of having to close the firm, from the beginning of the business. This menace may act as a motivator for the decision to do a joint venture, decreasing the responsibilities of the individual, and the abandoning of the idea that the only way to develop a future depended exclusively on him/herself. It is also possible to see a structure of frequent challenges posed to the functioning of the firm led by Marelo. The environment in which the firm is established constantly changes, and Marelo's decisions seem to follow a pattern of self-determination in order to navigate constant risk. This may indicate a quality in Marelo to take venture risks in unknown situations. It is also possible to notice the fact that Marelo relies on the thrust of the worthiness of sensitive information about new market and investment opportunities.

The self-made type relates to the typical case of a business pioneer experiencing the firm as a way to change socioeconomic conditions, and the firm as an adaptable source of this creation. The business pioneer and firm establish a relationship that is very intense, but at the same time, detached. The living state relies on overcoming challenges through hard work and embracing new experiences for learning by doing.

4.2 THE SELF-AWARE TYPE

The pattern for the self-aware type defines the biography of the individual profoundly intertwined with the firm's own strategies. The business pioneer is absolutely aware of the limitations his relationship posits on the firm's evolutionary fitness. With that in mind, a series of measures are taken in order to adapt the capabilities of the enterprise to cope with the departure of the business pioneer. As the firm's purpose becomes reliable, a strong influence of future outcomes of what may happen to the firm shape the business pioneer's decision at the present.

The social milieu seems to play a determinant part in this pattern of pioneering experience: a big family structure with enough economic resources to invest in their children's education, as well as the possibility that one of the parents will spend his/her time at home taking care of the children and, in doing so, sharing his/her knowledge of business practices with them. The confluence of all these influences seems to act as a strong motivator for children's desire to become entrepreneurs.

It seems that "self-awareness" has a strong individual motivation to open his/her own firm: the business pioneer, in this specific case, does not work in order to provide for his close family members (parents and spouse). In fact, not only does the spouse have a high

income, but so do the parents. With that in mind, it is possible to suggest that one of the main motivations for this type of business pioneer to create a firm is not necessarily related to fulfilling the needs of the family. In this specific type, the motivation seems to be related to the inherited family “work ethic” and also to the will of experience of the work environment accumulated through lived life experiences.

A pattern of action taken in the self-aware pioneering experience is based on personal belief (e.g., about the commercialization of goods in the domestic market). This type of business pioneer perceives the government as a provoker (i.e., more as an obstacle) to foster collaboration for his entrepreneurial activities. The influence of the individual perception about market conditions interferes in the firm’s path. Another pattern is the access to privileged information (i.e., personal contact with state ministers and other well-established entrepreneurs and managers). The relational asset built through the contact with national institutions and other private firms and the personal engagement in governmental business missions supports the firm with a solid network, managerial knowledge, as well as negotiation skills. This symbolic and economic capital makes itself clear in the influence that the business pioneer gains over his/her peers.

The “self-aware” type manifests strong ascendancy over the firm’s strategic decisions. In other words, the decision-making process of the firm is closely connected to the perceptions of its business pioneer. This usually shows through the selection of a main sector for investment. Another trait of this type is its openness to new information and knowledge. This means that rather than a central authority; the business pioneer prioritizes collaborative and cooperative management and decision-making. In order to implement his/her belief, the business pioneer fosters the development of practices by universities and other institutions that are enforced in the firm. She/he expects the organizational process to be influenced by innovation in management, as it is in production, service and market relations. The sources for these innovations come from different backgrounds, such as employees, costumers, specialists, universities, consulting firms and even the pioneer’s family members.

One of the defining characteristics of this type is the planning of the firm’s succession, (i.e., how the firm will go on after emancipation). The business succession planning turns out to be a concern for the firm’s longevity and obsolescence. This can also be perceived as a strong personalization of work relations inside the firm, for only after a “personal issue” takes place, does the business pioneer begin to plan the succession years in advance of his/her *de facto* retirement.

As a result of this characteristic, it is possible to suggest that this type of business pioneer has a strong will to make its firm effectively independent from him in order to maintain the firm's smooth functioning. The awareness of this process is the defining trait of this type for two main reasons: a) even though the idea that "a firm's activities must not rely exclusively on its business pioneer's presence" seems to be a simple notion to acquire, other empirical case reconstructions demonstrate that few business pioneers successfully address this notion; and b) far from other issues, this is one that is inextricably related to the dynamic capabilities of a firm to maintain itself over time. In other words, if a firm is not capable of separating itself from its business pioneer's biography, it is impossible for it to exist after its business pioneer's retirement or eventual death.

Elis Herrmeister is the self-aware type. Following is the history of inheriting an entrepreneurial mindset and relying on education to create one's own business.

Table 6: The self-aware pioneering a global network (Continued on next page)

Timeline	History of pioneering firm	Context
1969	Elis is born. Her father was the provider in the house, and her mother was a housewife responsible for informal education.	Entrepreneurial family hood
~1980	Elis wins national and international championships. She graduates in Physical Education and majors in Business Administration.	Graduation
~1987	Elis marries a wealthy entrepreneur. Elis starts to work as a teacher in a public school.	Marriage
~1991	Teacher's strikes at Elis' school. Elis has her third child, a girl.	Union Strikes
1994	She starts her firm to sell elastic bands, and then clothing under a premium license from her job. She earns R\$3.000,00 under an agreement for her dismissal and reinvests the money in her own business, increases sales, becoming a supplier for a large department store.	Experience as supplier of a large regional retailer
1996	Elis launches her firm's website in three languages. The firm receives a demand order from Panama.	International scene
1996	Elis is invited to meet the Minister of Commerce and to help create an exportation apparatus for small businesses. She takes part in official trade missions with executives from large firms.	Small firm, national presence
1996	Elis senses that an appeal for her brand relies on her country's origin. She imports machinery from Germany in order to meet international standards and ceases to sell to domestic department stores. Elis establishes her firm mainly as an exporter in detriment of the domestic market.	Experienced working in foreign countries
2001	The firm operates in more than twenty countries. Elis helps to forge and establish a government entity designed to support small businesses	Starts to plan her firm's succession

	wishing to export product, and hires a manager.	
2008	Firm catches fire and loses machinery, documents and supplies. Elis considers closing due to the nature of their losses, but accepts the help of former customers.	Clients US, Mexico and China
2015	Elis decides to focus not only on the international market, but also on the domestic. Currently, Elis' firm operates in more than 60 countries, but faces difficulties in increasing the domestic market share.	Sensitive information to competitor

Source: Author (2017).

Elis's presentation interest is centered on the thematic field of being a resilient person who learned, during the time when she was a professional gymnastics athlete (her childhood and early youth), to be open-minded, determined, professional, overcome challenges, highly competitive, independent, and self-assured. She wants to be seen as someone who inspires and empowers her followers as well as those who are loyal to her, while also being someone who is important enough to do big things (such as the creation of national associations of entrepreneurs in her field). She makes an effort to be seen as someone who has knowledge to be transmitted.

The analysis of Elis' biographical data indicates that her firm strongly benefits from Elis' personal network of contacts. The biographical events recurrently manifest the presence of political facilitators, foreign supporters, and a strong family education. It seems that the resilience of her firm might be associated with the inter-personal network Elis managed. The turning point event of the fire (which occurred in 2008, when she considered closing) indicates that she had a strong relationship with her consumers, who helped her to re-establish her business. Furthermore, the connections present in this data indicate that she has better customer relationships outside the country than inside the country, despite having direct access to high level politicians in the 1990s. Another point of interest is the recurrent presence of education and innovation in the data. Elis had access to two bachelor's degrees in a period when it was uncommon for women in her region to have access to these opportunities. The investment in technology (internet) might be associated with her education.

The self-aware type relates to the typical case of business pioneer, such as Elis, experiencing a firm as a way of becoming independent from a former job and family, as well as the materialization of family education (the "entrepreneur ethic"). The firm is a source of knowledge and recognition among family and peers. A business pioneer and the firm establish a relationship that is innovation-friendly, open to new information and

knowledge. Their living state relies on entrepreneurial initiatives and a strong network of partners and educational institutions.

4.3 THE SELF-CENTERED TYPE

The self-centered pioneer draws a typology of a business pioneer that comes from an ethnically diverse family with a strong sense of diaspora. This characteristic seems to influence his/her decision to pursue a strong reputation (e.g., an undergraduate degree in a liberal profession, as medicine or law, and specialization outside the home country), which puts him/her, at first, in direct conflict with leverage expertise (recognition). At another moment, reputation is used for prospecting and attracting clients, and the pioneering experience of a firm relies on a global network of partnerships to advance new techniques and methods. This is what makes a business pioneer a “scientific pioneer.” The business pioneer also has to manage the reputation of pioneering firms because she/he is not willing to let go of his/her management powers. The difficulty of delegating functions and allowing others to act in his/her name are perceived as his/her incapacity to control the firm, which leads him to the decision to reduce it at his end.

The business pioneer’s family has varied ethnic backgrounds, which strongly relates them to migration flows during World War II due to persecution by authoritative governments or the diaspora motivated by the access to technology and information. This characteristic may be associated with the willing pursuit of knowledge-based assets as sources of a living state. The access of education (e.g., in a foreign country) seems to have influenced the business pioneer’s self-perception of his/her own capacities (e.g., in the sense of superiority in relation to his/her peers who have studied in the home country).

The strong sense of individualization may be related to the exercise of a liberal profession (this case observed a liberal worker in the healthcare sector). The social and intellectual capital associated with this exercise yields high payments and even political influence. It might be possible that the high income leads to a further individualization process of the business pioneer, for it is possible to provide for his/her family and to invest in his/her individuality. The social position associated with his/her liberal profession might be suggested as a strong determinant of the business pioneer’s worldview. Diversity is not taken in high regard by this type of business pioneer, as it is seen as an obstacle rather than as a positive asset to firm development and transformation.

The setting of the firm is one of high hierarchy and centralization. The business pioneer responds not only to the main income, but also has its signature attached to the name of the firm. The business pioneer takes full responsibility for the firm and is reluctant to accept its expansion if this means the delegating of functions and managing a large team. This worldview has a sense of “superiority” embedded in it.

The managerial decisions of the firm reside exclusively in the business pioneer’s will. Even though she/he invests in new technology, these investments are strongly related to the knowledge the business pioneer acquired through his/her private network of peers and formal education. This may indicate that she/he is not completely open to innovation, but rather invests in acquisition of information from people who come from a similar background. The firm might even be downsized when the business pioneer’s and the firm’s private issues are commented upon by other employees, which is seen as interference. The business pioneer would rather downsize the firm than let go of the decision-making power.

Even though the business pioneer undertakes a practitioner career, she/he dedicates part of his/her time to academia and the publication of papers. She/he perceives the publication of scientific knowledge as a way of promoting his/her own work and attracting clients, since many of them value the fact that she/he is not only recognized by his/her peers as practitioner, but also by academia. In doing so, the business pioneer invests in research and development. This perception may be seen as a guiding policy for the use of technology and research as a marketing strategy.

The business pioneer is a householder and thus uses the firm’s revenues to sustain domestic expenses. Even though the business pioneer constantly reinforces the idea that she/he is not very focused on the accumulation of capital, it seems she/he is unaware of the high living standards they maintain. The high income she/he earns seems to put him/her in a privileged position in relation to his/her spouse, which depends on his/her earnings. This seems to reinforce the gender prejudice manifested through the firm. She/he constantly reinforces the opinion that she/he is “humble” with a modest life-standard.

The joint action of the dimensions of a centralized decision-making process and a self-concern with signature under the brand name poses a succession issue: the business pioneer deliberately (or not) does not create a successor to maintain the firm’s existence after his/her departure. This seems to be related to the strong sense of individualization of the business pioneer and the recurrent need to differentiate him/herself from peers and to build a reputation. This might create a problem where the business pioneer is never truly committed to educating and mentoring a business successor. The need to differentiate

him/herself from peers gives the impression that she/he is the only one capable of developing the activities that sustain the firm. The experience is often embedded in his/her own condition of pioneering techniques and ownership of the firm. The sense of the firm's profit appropriation is juxtaposed with the sense of his/her own reputation. Furthermore, the business pioneer develops a narrative that suggests she/he is the only one capable of running this business. No other peer could assume the position inside the firm. The pioneer fails to adequately identify the firm's management needs, and changes and transforms his/her signature as an intrinsic quality attached to the signature process of the firm. The business pioneer deliberately manifests his/her intention to terminate the firm with his/her departure.

Next, Carlos Riemann's case is presented as an example of a typical self-centered type. In Riemann's biography, a case of relying on an international diploma to bridge the technological healthcare gap between home country and Europe was observed.

Table 7: The self-centered pioneering type (Continued on next page)

Timeline	History of pioneering firm	Context
1961	Riemann is born. His parents came from Poland during World War II. Information regarding the past history of his family was lost.	Difficult financial conditions
1987	Riemann graduates from a private medical school and moves to Europe to study. He meets an American colleague and develops a series of innovations in their field. After finishing his PhD, Riemann returns to Brazil.	Innovation as scholar
1990	He works at hospitals and private institutions and faces opposition by his peers for the recognition of his diploma.	Adaptation to home country
1993	Riemann starts to apply a chemical substance new in his home country combined with advanced technological equipment. He is invited to develop research for this technology in Europe.	Technology and chemical applications
~1995	Two acquaintances introduce another new healthcare treatment. Riemann buys the equipment necessary to offer this treatment.	In Argentina
~1997	Riemann's firm increases its demand and buys a new place in a region that is rapidly growing.	Firm expansion
1998	His new healthcare center opens. Riemann is recognized by a series of associations in the healthcare field. His healthcare center increases its activities and Riemann hires new employees.	Market recognition
After the 2008 crisis	Riemann's clients in the US slowly increase their demand for his treatments. He has another opportunity to leave his home country, but chooses to stay due to his family. He opens healthcare centers in cities in the countryside as well as in bigger urban centers.	Participation in domestic market and international experiences

2016	Riemann's working hours are severely reduced. He gives away some of his equipment, and rents part of it to other healthcare centers. His center operates in a much smaller space and some rooms are rented to other professionals.	Downsized
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Source: Author (2017).

Given the fact that Riemann went to medical school in a private university, we suggest that he was born in a family with resources to invest in his education. Even though Riemann's grandfather and his father-in-law were entrepreneurs, he explicitly says that they did not influence his decision to open his own healthcare center. His firm's structure does not resemble his family's genogram.

Riemann's presentation interest is centered on the thematic field of being an important researcher and physician who benefited from an international experience to pioneer the usage of technological equipment and substances in healthcare treatments in his home country. He presents himself as not interested merely in the accumulation of capital but also as someone with refined tastes. He wants to be perceived as someone who has control over his business and family name, and acts with parsimony and wisdom. He reinforces the difficulties of being accepted as a pioneer by his peers in his home country. He wants to show that he is well connected internationally and acts as a bridge between scientific advancements in foreign countries and his home country.

An analysis of biographical events of Riemann's life shows a strong relationship between his biography and work. The event of being introduced to laser technology seems to play an important role in this biography, for after that, he gradually downsizes his clinic. There is the possibility that he had to act under high levels of stress, which might have eventually led him to dedicate more time to his family (who might have been neglected in this biographical configuration) and to himself. It is clear that the intensity of the involvement of Riemann with the professional dimension of his life has taken its toll in this biography, which might be one of the motivators for him to decide to downsize his clinic.

The self-centered type relates to a business pioneer experiencing a firm as the extension of the individual. The firm is a source of control and privilege achieved through reputation. A business pioneer and the firm establish a relationship that is centered on the decision-making power. Their living state relies on the will of the individual.

5. THE MEDIATING ROLE: ADVANCEMENTS FROM BIOGRAPHICAL DATA TO BUSINESS PRACTICE

The self-made, self-aware and self-centered types of experiences present distinctive qualities related to the genesis and history of the business pioneer and firm interrelationship. The mutual constitution comes from an abstract drive that underlies the business pioneer's path as an individual and the path traveled for the achievement of the firm's existence as well as through its longevity. This chapter presents empirical data in contrast to theoretical assumptions that demonstrate dynamic capabilities in the interrelationship between the business pioneer and firm, from how it influences their mutual constitution, how the business pioneer goes from a firm's ideation to the firm's existence, to how it affects both business pioneer and firm in the case of business continuity. The following describes our findings.

5.1 THE MATCH OF IDEA-ASSET CREATION

Coordination (TEECE; PISANO; 1994) or orchestration (TEECE, 2014) is usually the notable role assigned to entrepreneurial managers in dynamic capabilities approach. By being so, they are consistently described while performing the cycle of “whats and hows” firm which (i) attends user needs – so it will be the customers; (ii) provides something that is unique – so it will have a price; and (iii) makes it difficult to replicate – so profits won't compete away. This should be foster by the congruence of an inextricable tangle of good strategy (i.e., in concept of Rumelt (2011)) and sensing, seizing and transforming activities (i.e., in microfoundations of Teece (2007)).

Teece (2014, p. 345) recognizes the importance of ideation, co-creation, and coordination (orchestration), as it is the asset allocation in terms of specialization and labor division. Even though ideation seems to be undertaken in the role of entrepreneurial managers, it seems to neglect the fact that “Inside an organization, the exchange cannot take place in the same manner that it can outside an organization, not just because it might be destructive to provide high powered individual incentives, but because it is difficult if not impossible to tightly calibrate individual contributions to a joint effort” (TEECE; PISANO, 1994, p. 539). We indicate this is something that deserves our further consideration.

We observed that most of the experience related to coordination and orchestration is related to firms, whether the newly formed, or the ones already operating, to become known

as incumbents (i.e., sustainable, profitable and “desirable”). They are easily defined in scope and scale (i.e., technical fitness), and rely on transformation to either respond to, or create, new markets in the environments they act upon (i.e., evolutionary fitness). Sometimes, they are the “unicorns” that might become a mature organization.

We faced three empirical cases, from firms that were formed around the same time that dynamic capability concept was articulated (i.e., it was founded around the 1980s), through the lenses of the ones that share qualities to observe a genuine context and act towards an intentional pursuit, and so we called them business pioneers. As Teece’s observation, pioneer has been commonly attributed to firms, but one may observe “those entrepreneurs who understand ‘deep truths’ and can figure out what customers want and design a better way to satisfy them (...) are business pioneer” (TEECE, 2010, p.188). We suggest this is aggregated to the concept of the principal inside the firm, organizing certain types of economic activity, through his notions of social interaction, in ways he cannot do using markets (see more in Teece *et al.* 1997, p. 517; Coase, 1937). Independently of being concept or firm, and the context, as well as other natures of idea-asset creation, we identified that a fundamental question for the business pioneer might be: how do I pivot on the path I already traveled?

Instart up, we suggest. If the firm is already departing from the orchestration activities, we identified this may be a trap to pivotal change. We demonstrate the way through pioneering experiences of idea-asset creation. In the late 1970s, Professor Miles and colleagues indicated, through examples of Prospector, Defender, Analyzer and Reactor, those types of organizational strategic behavior, and innovation is centered as an administrative problem – and is the focus for a pivotal change²⁴. This has led our understanding about innovation in management. Firms have been involved in configuring and reconfiguring processes, or managing decisions, in a way to consistently change and innovate and to capture value out of it, as individuals are as well. In the early 1980s, Professor Teece and colleagues centered innovation on orchestration of managerial decisions (individual) and organizational processes (firm) to indicate that the firms have

²⁴ This is an excerpt: “Solving the administrative problem, however, involves more than simply rationalizing the system already developed (uncertainty reduction); it also involves formulating and implementing those processes which will enable the organization to continue to evolve (innovation). The conception of the administrative problem as a pivotal factor in the cycle of adaptation deserves further elaboration” (MILES; SNOW, 2003, p. 22)

dynamic capabilities. We observed “Dynamic Capabilities” is an idea-asset created, such as firms, and it is constituted through self-made, self-aware and self-centered type of business pioneering experiences.

Having said that, our first assumption is *pioneering idea-asset creation enables a firm to build dynamic capabilities as sources of valuable property*. The advancement of this approach received a lot of attention, but we identified that dynamic capabilities harness individual and firm levels of action. So then, we operate in dynamic managerial capabilities, or dynamic organizational capabilities. However, what if we investigate pioneering events that occurred within individual and firm relationships encompassing dynamic capabilities, which partly reside in firm and partly in the individual (as Professor Teece recently re-stated)?

We observed that orchestration implies pioneering idea-asset creation. Orchestration is very important in bringing conformity and governance in such a way that innovation is a matter of organization. However, in reality, it usually depends on composition and arrangement of idea-asset creation at the bottom line. We suggest that these are unique and valuable property established by individual action of wealth creation. This is beyond the integration and coordination of a firm’s specific asset structure previously conjectured, or one that the individual easily buys or imitates.

Pioneering idea-asset creation is, in fact, where we identified the beginning of a dynamic process that combines individual and firm capabilities for ideation and asset creation. This is what is stressed as an important characteristic of the pioneering activity. Ideation means conjecturing “why” a firm is a source of value creation, followed by the cycle of “whats and hows” it configures for valuable property. Asset creation means finding an adequate format of specific asset allocations feasible for the strategic posture idealized firm. Pioneering ideation distinguishes and complements pioneering asset creation, and vice versa. This is prior to orchestration activities. This is, thus, more related to composition. It is tested, verified and nurtured by the biographical meaning of everyday life she/he experiences.

We observed that a business pioneer and firm interrelationship has its genesis at the idea-asset creation. The business pioneer is the one who constructs his biographical meaning to construe congruency (i.e., strategic posture) of purpose (“whys”), product/service (“whats”) and operation (“hows”), and encounters in the relation with the firm a possibility to bring it to life. Over time, she/he sustains it as encapsulated, until the moment the business pioneer and firm relationship becomes alive. The interrelationship discloses an

establishment (i.e., in the formal nexus of contracts). In fact, we observed that, even before the firm's formal foundation (i.e., date of birth), the business pioneer is the one inside the firm passing through all different business transformations that sustain their relationship. She/he is absorbed in finding the most adequate composition for the idea-asset creation.

We suggest this is the exercise of instart up. A process of innovation in management requires that the individual utilize a consistent "right brain" exercise for the matching of idea-asset creation. Instart up exercise is the foundation for the individual and firm to construe their mutual relation. It is based on configuring and reconfiguring the biographical meaning, and building a firm's dynamic capabilities. A business pioneer instart ups his everyday life experiences. We did not observe all this in a business model, or intentionally articulated for proving a firm's existent conditions. We also did not find facts organizing this in a rational process. In truth, we observed serendipity as a "guiding policy", especially in self-made types²⁵. Business pioneers tend to be highly concentrated in the present, notwithstanding the fact that it arises from the past and future. We observed that ideation is triggered by what happens at the present as a consequence of an experienced, lived life (e.g., self-made experiences of his own firm's operation), but it is combined with re-assessments of past experience (e.g., firstly working as an employee) that do not hold back novelty (e.g., manufacturing his/her own products) to act in the present towards his whys (e.g., transform birth's situation), while working out the whats and hows (e.g., selling products through hard work).

Business pioneers spend time studying new possibilities and learning to not commit the same errors and omissions. This is how we identified that the business pioneer learns to become astute in sensing and seizing market opportunities (e.g., the self-made accesses "privileged information" to shift from retailer to industry, or the self-aware makes use of the internet to explore the international market in the early 1990s) and transforming through uncertainty (e.g., the self-made is "addicted" to re-assess the meaning of "menace for closing firm"). The learning experience is based on doing the right thing now, and this is related to a discerning critic of "living in the moment" (i.e., the "nowist" as an urban concept). We observed that "to sense" includes intentionally ideating business conditions, trying to mitigate risks. We observed that business pioneers are astute in learning, as they

²⁵ We thank you Leigh Teece for this observation.

are bold in decision-making (e.g., for the self-made type, specialized knowledge accumulates capital). They are strong in using inductive or deductive logics for reasoning their course of action. However, business pioneers also perform abductive to configure new alternatives and possibilities to test, verify and act towards idea-asset creation.

The instart up exercise in Table 8 is supported by the contrast of an *ex post facto* reconstruction of lived and narrated life to present empirical examples of idea-asset creation for self-made, self-aware and self-centered types of pioneering experience. These findings show the individual intentional pursuit of experiencing a firm through biographical data analyses of business pioneer's narrative (e.g., genogram, presentation interest, and structural hypothesis of lived life). We indicate that the formulation of idea-asset creation happens in between ideation and asset creation (as an exercise). We used chronology to understand the sequence of facts (i.e., ordain provoking questions in ideation) and thematic field analysis to understand text and content (i.e., for combinations, coordination, specializations made in asset creation) and to organize it in the course of action (i.e., finding what is reasonable for suggesting the idea-asset creation). From contrasting hypotheses of lived life to the narrated life, we observed the conceptual match of pioneering idea-asset creation, and the outcomes of it in a firm's constitution. We suggest that this is the sketched view of an instart up exercise happening from conjecturing individual's intentional pursuit of the realization of firm.

Table 8: Composition: Idea-asset creation (Continued on next page)

Characteristics	Self-made	Self-aware	Self-centered
Individual intentional pursuit	To overcome socioeconomic life conditions	To sustain autonomy and independence	To build reputation and status
Ideation	How will I have my own firm?; What is my business?; How will I manage it?; How will I overcome competition?; How do I build credit?; How will I bring my clients?	What type of product/client?; Who should I hire?; What is the technology I need? How do I operate my business? Who is able to help/collaborate?; How do I sense this?	Where should I open the business?; What will it look like?; How much do I need to invest?; How will I finance it?; Who is the sponsor?; How do I appear (to others)?

Asset creation	Accumulate capital to invest in his own firm; Start a firm based on knowhow; Build alliances to have the credit to go to market; Commercialize one product while planning another; Develop new channels of supply; Access information about the market; Invest in machinery to produce own product	Produce based on former experiences and knowhow; Build on high quality standards; Communicate it globally; Adjust identity and manage brand; Foster excellence to meet users' need; Allow diversity in product line; Collaborate with government agencies; Build partnerships; Learn with others and share experiences	Aggregate value on research and practical experience; Negotiate with peers to recognize accreditation of international institutions; Work alone and through managing multidisciplinary teams; Work through alliances; Define standards and procedures; Invest in continuous renewal of expertise; Communicate with clients and peers
Pioneering idea-asset creation	Specialized knowledge accumulates capital	Combined technical expertise with values for entrepreneurial action	Coordination of accredited self- developments
Firm's constitution	From employee > retailer > pioneering a manufacturer	From a user > employee > pioneering a global network	From a researcher > practitioner > pioneering technology

Source: Author (2017)

Our empirical cases suggest that the business pioneer ideation is limited by his/her previous experience (as an individual, as a manager, as a mother/father, as a researcher and so on) and motivations (so as to change social condition or experience autonomy or build reputation). “Why” type of questions help to understand the meaning of the individual intentional pursuit so as to engage on a pioneering experience. We also observed that questions and answers undertaking the effectuation of individual actions are the presiding factors to pivot. The individual intentional purpose is the underlying rule of the mutual constitution of business pioneer and firm.

We noted that pioneering idea-asset creation is not a linear process, nor sequential, but reasonable, so we then suggested it as an instart up exercise. The ideation is intertwined with asset creation, and we observe it through inductive, deductive and abductive activities and reasoning idea-asset creation. This seems to be an intense and intimate exercise. At the same time, it is very sensitive to sensemaking and interpretation. It is quite challenging to define exactly where the idea-asset creation came from, and why it is there. To the point the question turns out to be, ok, so what do I do with the idea? We propose that the business pioneer is the one who accepts the challenge to bring the idea to fruition and that the instart

up is an exercise of long-lived life (i.e., business pioneers' narratives allow us to observe that they are still performing it).

One source of ideation we observed is regarded as the biographical meaning of lived life events at the moment (i.e., of the narrated interview). Biographical meanings are facts of value appropriation. Experiences, such as the ones that forge the relevance system of the business pioneer, are collected during everyday life. They are subjected to meaning and appropriation of both tangible and intangible value. It may be the meaning and appropriation of capital to acquire property or to plan for eventual retirement (in the case of self-made type), or of negotiating international agreements to pursue accredited diploma or to build a reputation (in the case of self-centered type).

We also observed that a business pioneer identifies assets embedded in his/her heritage. The biographical narrative analysis helped us to describe asset creation from an individual's origins in family constellations, in former education, and in personal and cultural principles. Besides the nature of heritage, assets are created through combinations, specializations and coordination of available resources (e.g., an existing garage as a physical place to initiate operations). We understand that the business pioneer is already a source of co-specialized asset, and this marks his/her shared position within the firm (i.e., he shares it with the firm through endowments). The self-made type builds his/her own business by combining strong work ethics and hard work. The self-aware co-specializes in self-determination with knowledge of a user's need and inherent entrepreneurial principles to build a firm's specific asset structure. There are multiple combinations for creating assets out of knowledge, networking, technology, relations, and so on.

Finding the turning point where ideation matches asset creation is part of an individual effort to understand the *technological and economic dynamics* related to the idea-asset creation. Interpretation is endlessly subjected to both: individual, reasonable and rational boundaries, as well as path dependence. It can be further aggregated in levels (e.g., being performed by managers) and functions (e.g., quality, engineering). The business pioneer initially performs it in multiple levels and in myriad functions. When modeling a firm as a response to his/her intentions, the business pioneer—who ought to realize its intent purposefully—creates an organized economic activity domain. This is a solution that helps respond to Weick's question (1995, p. 18): "How can I know what I think until I see what I say?" We show that this might be the point from which to initiate the firm's history, the turning point to materialize it. There is no other way to figure out what to do with an idea, except until one sees it happening.

A firm's constitution is not a static event, but rather an exercise. As Teece and Pisano (1994, p. 540) argue, a firm's "properties of internal organization cannot be replicated by a portfolio of business units amalgamated through formal contracts or lead by an entrepreneurial act of entering market and piecing the parts together overnight." We observed that this involves the organization of idea-asset creation (e.g., development and deployment of idiosyncratic non-traded—and hence non-priced—assets), without clear signals as to their value, in order to achieve efficiencies and appropriate returns, as pointed out in Augier and Teece (2009). At the turning point, the business pioneer pivots towards his idea-asset creation and the firm becomes a source of valuable property. Thus, a "firm exists in order to (because they can) serve the objectives of their principals" (PITELIS; TEECE, 2009, p. 4) and dynamic capabilities are a firm's capability for technical and evolutionary fitness.

5.2 THE INTERACTION THROUGH RELATIONSHIP MAGNETISM

Examining a firm through the work of Professor Miles and his colleagues in *Organizational Strategy, Structure and Process* (first published in 1978, as a seminal publication, and then reprinted in 2003 as a new edition) helped to understand that a firm's existence is dependent on the dynamic interaction of valuable assets (i.e., resources and competences). We indicate the adaptive cycle and typologies from Miles *et al.* (1978) for examining mechanisms undertaking a firm to be a property of idiosyncratic non-tradable assets. It is quite difficult to recognize a firm in one distinctive type of strategic behavior, which confirms the view of firm heterogeneity. However, in the longitudinal study of a firm, typologies are helpful to indicate the underlying rule formulating patterns of firm strategic behavior and how their diversity is organized in a whole coherent part (HERRMANN, 2013). Entrepreneurial, engineering and administrative decisions are conjectured in an adaptive cycle that happens along with a continuous organizational process of strategic adjustment (i.e., alignment, or adaptation, or fitness²⁶) to transform a firm into an intended objective, and (as well as) the intended objective into a firm. Teece (2007) has indicated roots of dynamic capabilities in organizational behavioral theory (e.g., Simon, Cyert and

²⁶ that creates healthy organizations (in Fit, Failure and Hall of Fame, Miles; Snow, 1994)

March) change for examining the process of evolutionary fitness. We understand dynamic capabilities are not patterns of behavior change²⁷, but they developed through the change of behavior patterns (e.g., in the continuous process of strategic adjustment)²⁸. This research has advanced on understanding the change, but in the standpoint of business pioneer experiences. By reconstructing history of life and examining them in contrast to typologies of self-made, self-aware and self-centered, we indicate the mutual constitution of business pioneer and firm is source of valuable idiosyncratic assets, yet to be traded, and hence priced.

As Teece (2014) indicates, protection and deployment of a firm's specific assets need systematic attention, and orchestration. Back in the 90's, Teece and Pisano (1994, p. 553) observed: "Because it is hard to transform organizational processes, the dynamic capabilities approach sees value augmenting strategic change as being difficult and costly. Moreover, it can generally occur only incrementally." Twenty years later, achieving a strategic posture through congruence with user needs and technological and business opportunities is a purpose that evolves as "priority of doing the right thing" (TEECE, 2014, p. 331).

The fact that the firm's existence is subject to rapid change environments and transformation in its interior being arguably difficult, costly and incrementally posing a constant threat to the firm's existence. One may question: How firms and their environment become so odd? It seems that the concept of a firm's concept undertaken as a black box allowed it to grow bigger and heavier than the hold-capacity of the market's invisible hands. Or the invisible hand became too weak to support the size and power of firms. In fact, this was the initial call that turned dynamic capabilities it one of the most attractive fields of research in the strategic management. Teece argues for the entrepreneurial managerial capitalism, where we might find the hybrid mode of firm and market modeling evolutionary

²⁷ (i.e.) Prospectors are dynamically capable, whereas defenders are not. For example, prospectors tend to continually modify the product-market domain, so they usually maintain agility and capability for rapid adjustment. While, in another extreme, defenders' choice is of a narrow, stable product-market domain, so they usually are capable to of penetrating deeper in their current market and cautiously and incrementally growth. In cases for a *quasi-pure* prediction of prospectors, resources and competences are assembled in a dominant coalition around marketing and research development functions, while defenders rely in on production, finance or engineering functions. (see more in Miles; Snow, 2003)

²⁸ This is examining its own pattern of strategy, structure and process, recognizing its costs and benefits and making adjustments in the pattern, when change is desired or required, is a capability to be developed "frequently with outside aid" (MILES; SNOW, 2003, p. 151).

change. But, how do people are empowered to make it happen? Should we rely that firm will do it for them? How they (firm and individuals) grasp the opportunity for advancement? And how individuals and firms find parts to joint in the constant velocity of rapid change environments? In this sense, transformation and change seem to be innovations, but, at the same time, also seem to be obsolete. So, how is life in this “paradise”?

Our second assumption is *the dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm*. This assumption is based on empirical facts that indicate the relationship of magnetism between business pioneer and firm that allows the dynamic interaction of valuable assets between them and within their surrounding environment. Our empirical cases identified that business pioneers are the ones inside the firm to protect specific assets, to care for it, to nurture it, to work with it, to play with it, and most of all, to give it proper attention, but also the one who poses limitations. A firm and a business pioneer are both attracted to each other, for example. Usually in the self-made type, the business pioneer suffers from the imminent threat of the failure of the business, because this is the worst that can happen in his/her view. The firm being adaptable is the underlying rule. The self-aware is highly perceptive, so that type of business pioneer understands the intricacies of a firm’s capabilities and relies on the firm’s technical fitness to build and sustain a position on the evolutionary path. The self-centered leverages his reputation as a valuable asset of the firm (and of the firm to be that of the business pioneer). So, the firm tends to pursue its technical fitness, even though it may mean a retardation of business evolutionary fitness. We show that the purpose of the firm is connected to the intentional pursuit of the business pioneer, in return, allowing magnetism in their relationship.

The magnetism to attract business is formulated through the question of “why” the individual does what, and how she/he does it. The intentional purpose we suggest is that of taking a lead by the business pioneer. Examining the experience of the pioneering firm, we observed a synchronic and diachronic process of change. Business pioneers change (e.g., due to a re-assessment of the biographical meaning of his/her past decisions) and firms change (e.g., due to open local operations instead of investing in a global economy), the market can pose challenges for a firm and that affects the business pioneer (e.g., regulations to favor importation, or in favor of domestic trade), or users’ needs change and thus, the business pioneer and firm are both subjected to change (e.g., substitute techniques for healthcare treatments). The consistent change observed in the mutual constitution of idiosyncratic assets towards appropriation of value and return turned out to be a logical

structure for the development of dynamic capabilities. In their essence, dynamic capabilities are a firm's property of the internal and external organization subjected to an individual and firm's transformation.

One of the reasons we identified the importance of sustained dynamic capabilities being a firm's capability residing partly in the firm and partly in the individuals (i.e., business pioneer) is related to the dynamic interaction of valuable assets through the relationship of magnetism. We observed that firms are able to transform, and even though the transformation is very difficult and costly, but is still manageable (e.g., self-made firms are adaptable to change from one nature to another, self-aware firms are capable of adjusting their product line to attend users in a global network, self-centered firms are efficient to build technical procedures that preserve reputation and cash generation). The fact is business pioneers (or entrepreneurial managers) seem to have been forged to become astute learners and decision-makers for combining techniques to survive through uncertainty.

We identified the fact that a firm's dynamic capabilities are undergirded by business pioneers strategic decisions. We related entrepreneurial, engineering and administrative problems in finding and solving decisions, and underlying organizational and managerial processes. They are developed as dynamic because of the interaction of assets available between business pioneer and firm interrelationship, and also among other interactions embedded within the environment. They are configured as a capability, because a firm is expected to respond to business pioneer's intentions appropriating value and return on their idiosyncratic asset, so it cultivates existence.

We organized the view of decisions and processes through the adaptive cycle proposed in Miles *et al.* (1978) combined with the sketched outline in Teece *et al.* (1997). Table 9 shows the arrangement of idea-asset creation and dynamic capabilities. A firm's purpose and the structure of entrepreneurial (i.e., decisions of product-market domain), engineering (i.e., selection of technology) and administrative decisions (i.e., areas for future innovation, or ones that also yield rationalization of structure), are entries of the adaptive cycle that lead a business pioneer and the firm towards a continuous process of strategic adjustment. This was then conjectured as a set of processes for integration (i.e., the organizational and economic activity is consistently replicated), coordination (i.e., so it attends users and acts in the market domain), learning (i.e., so it develops its capability) and reconfiguring (i.e., so it changes). Decisions and processes were seen as layers dipped in a fluid dynamic integration of assets (e.g., decisions for entrepreneurial problems influencing engineering and administrative problems, and encompassing integration, coordination,

learning and reconfiguring processes). We understood the development of dynamic capabilities as juxtaposed with the transformation of firm and business pioneer interrelationship, as arrangement.

Table 9: Arrangement of idea-asset creation and dynamic capabilities

Characteristics	Self-made	Self-aware	Self-centered
Firm's purpose	Adaptable	Reliable	Efficient
Entrepreneurial decision	Product-market domain based on individual's specialized knowledge to rapidly accumulate capital for firm to be adaptable	Product-market domain that allows a combination of technical expertise and values for entrepreneurial actions, so firm is reliable	Product-market domain for efficient coordination of accredited self-developments
Engineering decision	Selected technology for distribution and then production	Selected technology for production and then distribution	Selected technology for production and distribution
Administrative decision	Commercial, finance and purchasing functions	Commercial and quality functions	Marketing and research and development functions
Integration	Business pioneer acts as multitasking firm's functions, to a point firm operates in a broader scope and scale and shift business operations	Business pioneer develops operation and market, to the point firm collaborate in business policies that benefit the whole market and entry of new players	Business pioneer is directly involved in managing firm, develops research and applications for new technologies, to a point he represents a category of professionals worldwide
Coordination	Firm coordinates purchasing and financial resources to actively operate on sales network	Firm coordinates business relations globally to maintain brand identity	Firm develops technical procedures and branding
Learning	Learning by doing business and management (product diversification, revenues)	Learning through alliances, collaboration with education, research and suppliers	Learning through formal education and experiments with peers
Reconfiguring	Product and client portfolio to address business pioneer's intentions of capital accumulation	Operation is structured to meet quality standards and expansion in domestic market	Reconfiguring operation to preserve reputation and cash generation

Source: Author (2017)

We organized empirical data through biographical narrative analysis, as they are presented in the lived life reconstruction (i.e., resultant of the contrastive hypotheses of narrated life and lived life). We encompassed facts related to dependencies (i.e., congruencies and complementarities) of a firm in an individual domain, which was leveraged by qualities presented in business pioneer's self-presentation interest (i.e., perceived or will powered incentives). We also observed events to reveal the organizing activity created by the individual who turned out to be rewarded by clients (i.e., so it was sustained), and government (i.e., so it was regulated). It was mostly by a firm being recognized as an effort to encourage team behavior (i.e., adaptable, reliable, and efficient). So, through facts describing social interactions, we note how a firm operated under environmental conditions of change.

As a firm becomes operational, we noted that the business pioneer becomes aware and sensible to the organizational structure and process that requires integration, coordination and learning, and they are configured throughout the operation of the firm. Structure and process are supported by, and interfere in, the firm's purpose, as the mechanism is articulated to achieve a firm's objective. We note that they can be called signature processes, as they support the living state of purpose. A firm is built as a valuable property for its business pioneer and others, as a way to recognize that the pioneering signature stories are valuable.

As indicated in Teece *et al.* (1997), we prepared the arrangement using the logic of dynamic capabilities underlying sets of organizational processes that undergird a business pioneer's decisions. We observed that entrepreneurial decisions are related to the product-market domain for pioneering the idea-asset creation, engineered for selected technology for operations and administration on the dominant coalition function. Self-made business pioneers seem to be focused on the commercial aspects, self-aware on quality, and self-centered on research and development. These are related areas that may enable a firm to continue to evolve through innovation, considering the logic of Miles *et al.* (1978).

The business pioneer integrates internal properties of a firm through his/her direct involvement (by doing, supervising and managing as well as learning) to the point a network needs to be managed. He/she is involved in integration of external properties so the firm is involved in an operation that has scope and scale, collaborates in business policies and relations with institutions. We indicate that idiosyncratic non-tradable assets of a firm are not endogenous, but that they are hybrid. They are built through social interaction of individual with the firm, market and the environment surrounding their relations.

We observed that the business pioneer is the one assuming a myriad of roles inside the organization (e.g., the buyer, the salesperson, the clerk, the investor; but also leader, entrepreneur, and manager), so she/he manages the firm to adequately address unexpected outcomes that threaten its existence, even when she/he has the structure of a team to perform the task. In the end, the business pioneer is the one who construes the intrinsic value of the idea-creation, and the firm is a way to test it to aggregate value. In other words, the firm is tested for its value appropriation, such that it becomes something that attracts clients and investors for applying new technologies. So, it is possible for a firm's products and services to be distributed through channels to expand its scope and scale, to be articulated in processes to manage innovation and/or obsolescence. However, we observed that the opposite is possible as well. A firm challenges the capability of the business pioneer, such that the biographical meaning of the pioneer-experience is consistently tested and verified. As we posited earlier, the transformation might be related to a type of instart up exercise from the composition of idea-asset creation that takes the individual and the firm to look inside and find an opportunity to remain viable²⁹. We observe through this investigation that innovation in management comes silently. It requires someone to work it out (e.g., innovation in management is achieved through learning by doing, or by collaboration or by experimentation). So, not only does a firm transform, but its business pioneer transforms as well. We posit that transformation is not a matter of mind play, but that it is the play of composing, arranging and orchestrating a "body" game of mutual exchange.

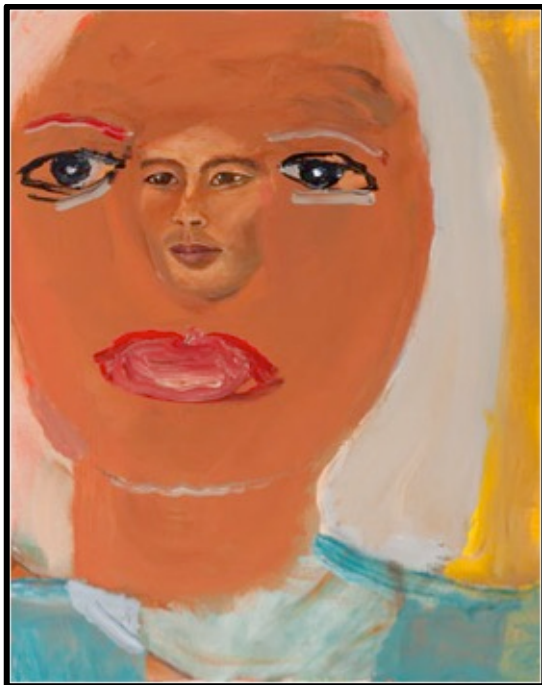
5.3 THE AMALGAMATION OF A MUTUAL EXCHANGE

We pay attention to the fact that the adaptive cycle of decisions and the process of continuous adjustment (coordination, learning and reconfiguring) are not aligned or synchronic. Decisions implemented for processes after feedback for decisions is received, are too complex to be perfect. We posit that there are dynamic capabilities at the turning point between individual and firm, such as managerial decisions and organizational

²⁹ One may relate this to commentaries of Rumelt in conversation with Teece, as related in Teece *et al.* (1997) "As Richard Rumelt has explained it in conversation, the capabilities approach suggests that if a firm looks inside itself, and at its market environment, sooner or later it will find a business opportunity." We also indicate gesture to the work of *Conscious Capitalism* (2014), from by John Mackey and Raj Sisodia.

processes³⁰. Based on the strategic choice approach for organizational adaptation, as dynamic capabilities are configured to be sources of, the firm “hinges on the dominant coalition’s perceptions of environmental conditions and the decisions it makes concerning how the organization will cope with these conditions” (MILES; SNOW, 2003, p. 21), or even create new ones (TEECE *et al.*, 1997). We understood that the picture that could better illustrate the model of business pioneer and firm interrelationship is reflected in the work of art *Blondie*, by Bergman (2009). Figure 3 is a picture taken by the author at the Chicago Museum of Contemporary Art, during the exhibition titled *Unbound: Contemporary Art after Frida Kahlo*, in 2014. My visit to the exhibition was both before and after interacting with business pioneers and conducting interviews, but before interacting with key scholars. The unbound concept was one of the insights for partly answering the question: “how can I know what I think until I see what I say?”. Margot Bergman explores the interdependency of the whole’s collective integration of its parts. We indicate that the narrative process was adequate to analyze the experience of business pioneering a firm as the juxtaposed faces expressed in one story, such as the experience from *Blondie*.

Figure 3: From *Blondie*



Source: Picture taken by the author (2014)

³⁰ So one another difference to be further discussed among process, routine and capabilities.

Understanding dualities, paradoxes, and paradigms of technological, social and economic dynamics is context-dependent and subject to interpretation. A business pioneer and a firm's relationship are represented in the picture, as a very straight context-dependence that is when the faces of an individual (e.g., Marelllo) and business pioneer (e.g., self-made pioneering experience) are juxtaposed. We understand it as a part of their social interactions. Business pioneers live other types of experiences, as family-members, and community activists, among others. A firm lives through interaction with others relative to the adaptive cycle, such as an employer, a supplier, or a distributor. These experiences affect the business pioneer and firm inter-independence as the whole collective integration of the complex relationship.

A business pioneer seems to be consistently acting and doing, more frequently than planning and controlling. As we observed in notions, equilibrium lags behind transformation. We observe that decisions may not be a process, but that they cannot be implemented without being processed, and while being processed, they require new, either "smaller" (unenterprising), or "bigger" (bold) decisions. Decisions are effectuated in a chain, as a sequence of events. In this sense, a business pioneer can become bigger than the firm, but sometimes it can turn out to be smaller. That is to say the relationship is very sensitive to interpretation, as is shown by the following citation from a typical case of a self-aware pioneering experience:

E. I think succession is one of – one of the things that is a big problem and it is what I am thinking a lot about and:: and analyzing it:: and it searching how I will do the succession also because you achieve sixty countries and you work twenty two years and you have a strong brand like I tell you and yes she is strong and she is not really strong ok but like if you start getting in the hands of people that don't know I don't say it only to my children I tell you to everyone because like the production department you have to understand inside of it //E1 uhum // if I leave tomorrow it has to walk it has other families inside of it so it will have to walk (Porto Alegre, 2016, p. 23 / l. 31-34 e p. 24 / l.1-5).³¹

³¹ "E. eu acho que a sucessão uma das uma da princ.- uma das coisas que pra mim é um grande problema e é o que hoje eu tô pensando muito e:: e analisando e:: e vendo como eu vou fazer essa sucessão porque também tu conquista sessenta países tu trabalha durante vinte e dois anos tu tem uma marca forte como eu tô te dizendo e aí assim ela é forte e ela realmente não é forte oquei mas assim ó se tu começar a deixar na mão de pessoas que não conhecem eu não digo só meus filhos eu digo todo mundo porque assim o departamento de de de produção tem que entender lá de dentro // E1 uhum // se eu sair daqui amanhã aquilo lá tem que andar tem outras famílias lá dentro então assim como é que vai andar (Porto Alegre, 2016, p. 23 / l. 31-34 e p. 24 / l.1-5)".

We propose that business pioneers are able to block the power chain in order to pivot (e.g., self-made reconfigure new product and client portfolio to address business pioneer's intentions of capital accumulation). They might be aware that the power chain is important for their technical fitness (e.g., self-aware structures operating to meet quality standards and expansion in domestic markets), but it is also a driver for their core rigidities and obsolescence (e.g., self-centered preserves reputation and cash generation). Idea-asset creation may become even more valuable if a business pioneer pivots (e.g., create new product to meet user's need, new operations, collaborate on business policy, or represent professionals worldwide), as observed self-made pioneering experiences can typically become:

M. that's why I say who wants to build a firm from scratch has to think in the future what you can do in the future you can be a multinational ok and this if for any tiny entrepreneur and so one day you may make a big a big deal a big one and do fine in the story and I years ago I thought about it that one day I could have done a merger something with someone and also it came out great alright // E1 uhum // and I think that everybody the tiny entrepreneurs work for for one day do this so one day do a merger with a bigger company so you have all this support that they take care- they have the means to work with computing ok alright so they have everything to give you so this (2) was the biggest step that we made and definitive now now (Porto Alegre, 2016, p. 5/ 1.1-9).³²

The length of time ahead depends on the path already traveled. We observe that the pioneering experience is active in learning. Processes were observed through learning by doing, by collaborating and by formal education and experimentation. We observed that the return to the organizational learning happens by mentoring. We also observed that the business pioneers in our research were usually involved with education. Business pioneers are, thus, able to narrate life experiences to enable mentorship. The path ahead seems to be dependent on decisions about how to arrange the connection of learning, coordination and integration to reconfigure those between business pioneers and firms. The cases demonstrate a reliance on the present, where individuals were able to focus attention on narrating how

³² “M. por isso que eu digo quem vai fazer uma empresa pensa no futuro que no futuro tu pode ser uma multinacional tá e:: isso serve pra todos os caras pequenos e tal um dia tu pode fazer um grande um grande negociação um grande e ficar bem na história e eu lá atrás eu tinha pensado nisso que um dia eu poderia ter feito uma fusão alguma coisa com alguém e também deu certo tendeu // E1 uhum // e eu acho que todo mundo trabalha os pequenos pra pra isso aí um dia fazer uma fusão com um grande que aí tu tem todo esse suporte aí que eles cuidam- o pessoal tem ferramenta de trabalho computação né entendeu então os cara tem tudo pra te dar então isso aí (2) foi o grande passo que nós demos e definitivo agora agora (Porto Alegre, 2016, p. 5/ 1.1-9).”

they go for acting, interacting with assets, composing the arrangement of dynamic capabilities to orchestrate path creation to the point ahead. This is the face of the “new” play, the one that has shifted from chess to mixed martial arts (TEECE; PETERAF; LEIH, 2016, p. 16). The knowledge accessed at the present is driving the transformation in markets and disrupting firms in through new asset structures, as the other way around. A firm’s new asset structures disrupt the market, and even creating new ones. This implicates on acting with lack of predictability and deep uncertainty. It seems that a firm became plugged into a transforming mode, and their principals became restless on for the ability to effectuate the necessary adjustments, and the costs and the benefits of continual change, and for suddenly to encountering a way to pivot suddenly. We observed that among the self-centered types, experience balanced the effort required for the course of acting towards these dimensions.

R. The context began to like change ok I mean the money wasn’t as important to me as it used to the more important as it always was was my tranquility of course that you have to have to professionally ascent I have to have my life and so but but it’s you have to have peace and quality of life and I was not having that (2) (Porto Alegre, 2016, p. 22/l. 5-9).³³

The cadence of the business pioneer’s choices in regards to the firm’s existence are strategic managerial decisions (MILES *et al.*, 1978) and an aggregate of strategic decisions make up for organizational and managerial processes (TEECE *et al.*, 1997) that are inextricably linked to the advancements of dynamic capabilities as sources of value creation. Assumptions 1 and 2 demonstrate that a business pioneer and firm fundamentally share object and nature in the strategic choices of their actors. History has two aspects, which are inherent in one story; life history is life as experienced by both the business pioneer and firm. The story is the narrated life at the moment by the business pioneer and firm amalgamation. Understanding the limits is imperative, and the boundaries, that are hard to be appropriated (WINTER; PISANO, 2006), help us characterize the reciprocity of the two domains of action by the business pioneer and firm, overseeing the experience of an individual pioneering a firm. Teece (2017) indicates the dimensions of transformation articulated in the business model, market and technological distance from firm’s current state to a target state.

³³ “o cenário começou a assim a mudar né quer dizer o dinheiro não era o mais importante pra mim o mais importante como sempre foi foi minha tranquilidade claro que tem tem que ascender profissionalmente eu tenho que ter minha vida e tal mas mas é tem que ter tranquilidade e qualidade de vida e eu não tava tendo (2) (Porto Alegre, 2016, p. 22/l. 5-9).”

Bearing this in mind, our third assumption is *dynamic capabilities mediate the business pioneer and firm relationship for amalgamation*. Numerous studies identified the fact that dynamic capabilities are context-dependent and also dependent on cognition (e.g., Peteraf, Helfat, Adner, and Hodgkins). We first argue that distances may be related to the interpretation of the business pioneer and firm interrelation. Idea-asset creation, originally, is an asset cultivated through the business pioneer's bounded rationality and logical reasoning for the establishment of his/her biographical meaning into a firm. Historical experiences of pioneering idea-asset creation are not necessarily value creation for the firm; as the example of Smith Corona (2010) and many others became available, it became apparent that they are for the establishment of relationship, and magnetism³⁴. Second, a specific set of qualities enable dynamic capabilities to mediate the interrelationship of business pioneer and firm: (a) undergirding business pioneer decisions and firm capacities, (b) shared inherent heritage, (c) underlying organizational processes, (d) guiding trajectories of path dependence, and (e) configuring positions. These are actions related to the dynamic interaction of idiosyncratic assets. Third, composition, arrangement and orchestration are activated during the interaction of business pioneer and firm through dynamic capabilities. Mutual exchange happens between biographical data and business practices, and vice versa.

As discussed earlier, while performing duties (taking decisions, capacities and inherent heritage), a permanent activity becomes a configuration of business pioneer and firm interrelationship. The inherent heritage is an idiosyncratic, non-tradable asset. The initial position sets it as tradable for entering in a market that already exists, or even creates new ones. Teece and Pisano (1994, p. 541) refer to firm position as the “endowment of technology and intellectual property, as well as its customer base and upstream relations with suppliers.” In the first instance, the firm's strategic posture originates from the business pioneer's position, such as knowledge and relational assets. Additionally, Teece (2007) indicates that dynamic capabilities are orchestrated through the firm's capacities (i.e., processing entrepreneurial, engineering and administrative decisions) in (a) sensing and shaping opportunities and threats, (b) seizing opportunities, and (c) maintaining competitiveness through enhancing, combining, protecting, and, when necessary,

³⁴ We are grateful for Professor Teece's teaching note “The Strategy and Dynamic capabilities of Sherwin-Williams”, Institute for Business Innovation, Haas School of Business, UC Berkeley November 20, 2013. And for Professor Raymond Miles we thank you for The Corporate Come Back reading.

reconfiguring a firm. The orchestration of dynamic capabilities was observed in our empirical cases, as demonstrated in Table 10. We show that inherent heritage is intrinsic related to the underlying rule motivating a business pioneer for the experience of a firm (i.e., individual intentional pursuit). We analyzed it through biographical narrative while testing the structural hypotheses of lived life. We indicate the initial and current position for business pioneer and firm from case reconstructions, also influenced by findings presented in tables 8 and 9 (e.g., pioneering idea-asset creation, firm's constitution).

Table 10: Orchestration of dynamic capabilities

Characteristics	Self-made	Self-aware	Self-centered
Inherent heritage	Change socioeconomic background	Become independent and autonomous	Build reputation
Business Pioneer initial position	Inherent work ethic, self-confidence and knowledge from previous job	Inherent entrepreneurial values, financial stability, strong networking and privileged social position	Specialized knowledge gained through international experience and scientific publications
Firm initial position	Retail in specific market domain and region	Manufacture and retail in specific market domain and region	Service provider and content distributor in specific market domain and region
Sense - questioning	Emerge to produce own product to participate in domestic market	Possibilities to create demand for a specific type of product, and provide it	Technological advancements and business relations, brand reputation
Seize - verifying	Capital for investment in new product (shifted product focus) and other assets needed to move operation from retail to industry	Investment in technology, global communications and in relations to sustain growth of business based on international trade	Investment on research and practice, and content distribution
Transform - redefining	Merged with a multinational to remain competitive	Growth as a global network of retail stores	Downsize to increase value added through reputation
Business Pioneer current position	Partner in a global firm, leader in the industry	Principal preparing for succession	Individual service provider and active scholar
Firm current position	Manufacturer of products for domestic market	Manufacturer and distributor for a global network	Service provider and content distributor

Source: Author (2017)

We note that these are demonstrations of how dynamic capabilities can be conjectured. We have included in the Appendix complementaries for sensing, seizing and transforming activities. We observed that these activities happen in cycles, and that they interact with each other. Conversely, Miles *et al.* (1978, p. 547) bring similar capacities identified in organizations that engage in an ongoing process of evaluating their purpose by (a) questioning, (b) verifying, and (c) redefining the manner of interaction with their environments. Professor Teece and Miles indicate that a firm's capacity is intensely based on entrepreneurial development. Teece is highly influenced by a Shumpeterian view, and we suggest that Miles is influenced by Weick (1969, 1977) in the concept of environmental enactment. Both indicate that a firm, or organization, acts to create a specific environment. One of the elements for the interrelationship between a firm and business pioneer is entrepreneurial experience. However, we show that it is intense in leading the way through, and managing, the coherent "logics" of the organization (where innovation was observed as pivotal factors to be further explored). We show that dynamic capabilities are the hinge (or interconnection) of the relationship of magnetism between a business pioneer and a firm. We observed that this is not a mechanic tool, but that it is a type of an "engineer system"³⁵.

Table 10 shows a stationery view from one period of the course of action that we analyzed and presented to demonstrate a typical example organized using a coherent logic proposed by Teece for orchestration. Business pioneers may not be aware of orchestration activities. We suggest orchestration is part of the action inherent to pioneering firm's existence over time, as a living state. This is systematically combined with composition (i.e., idea-asset creation) and arrangement (i.e., relationship of magnetism) through practicing instart up exercises.

We posit that dynamic capabilities reside in the turning point of a business pioneer and firm interrelationship. We observed that a business pioneer's history and a firm's history are amalgamated. Both business pioneer and firm act in cooperation, based on the composition of the pioneering idea-asset creation to the orchestration of a firm's capability to perform it. The business pioneer may find his decision to be "smaller" than the firm. Thus, a firm and a business pioneer act in amalgamation, which demonstrates the

³⁵ Quote from GKN Industries, the CV Joint System: "GKN invented the CV Joint System for the first Mini, enabling a compact transverse engine layout that revolutionized car design. We have since equipped more than hundreds of millions of vehicles worldwide with successive generations of the technology." Statement in August 6th, 2017, accessed in <http://www.gkn.com/en/our-divisions/gkn-driveline/about-gkn-driveline/vision/>

organizational power over the individual, from a firm's orchestration to the composition of the business pioneer. We suggest that self-made, self-aware and self-centered pioneering experiences reveal dynamic capabilities in mediating roles that allow the amalgamation of biographical data and business practices.

Business pioneers assume their role of orchestration when they act towards the firm's arrangement of dynamic capabilities, such as building client and business relations and partnerships with a panoply of institutions that compensate their effort. In this sense, we observed that the firm becomes a transient system that consistently tries to mirror the business pioneer's intentions, and that the business pioneer is consistently challenging the firm to change, so she/he is taken to the next position (i.e., grows in scale, scope or both) to transform itself to prosper competitively and not fall into obsolescence.

The firm's existence is its actual participation in market operations, creating a demand for its products and addressing its customers' needs, and thus building the dynamic capability to respond to its principal's intention. In a broad sense, this represents the influence of the firm over the environment in which it is embedded, both responding and reacting to it. As the business pioneer moves on, the firm emerges as a transient system, intentionally articulated to achieve higher business purposes (i.e., adaptable, reliable, and efficient) and able to respond to the business pioneer's intentions of pursuit. When the business pioneer believes he/she found the right composition, he/she pivots the idea-asset creation, and the firm begins to epitomize it.

We show that the composition-arrangement-orchestration of dynamic capabilities in the interrelationship of the business pioneer and firm happens in pivotal cycles. Biographical meaning converts into business practices, and business practices into biographical meaning (such as signature stories into signature processes, and signature processes into signature stories). We argue that this may be the point where dynamic capabilities transition from a social scientific object into an economic-scientific object. There is a material property surrender of pioneering experiences that have meaning at the time when they happened, and they are appropriated in the present.

6. THE ACTION IN DYNAMIC CAPABILITIES

We observed that a business pioneer composes idea-asset creation through the entirety of the relationship lifetime. Composition is the source of innovation in management, once it sustains a business pioneer and firm interrelationship. From the instart up exercise, a business pioneer composes and creates the arrangement for a firm to respond to his/her intentions. She/he is the one dedicating valuable assets for a firm's response, while the firm is the one providing pioneering opportunities to individual action. This is the development of the firm and individual relationship of magnetism and dynamic capabilities for value appropriation. A business pioneer leads the orchestration of a firm's dynamic capabilities to capture profit from value creation assets.

6.1 UNDERLYING RULE UNDERGIRDS DECISIONS

A firm and a business pioneer may either face synchronism in path and position, or not. We suggest that this is more of a diachronic relationship; thus, their relationship is adjacent (i.e., having the vertex and one side in common), but inter-independent. We observed that sensing, seizing and transforming activities are an exercise for a firm to renew, just as, we suggest, instart up renews a business pioneer's biographical meaning for creating things she/he wished existed; it is possible that it may not be attached to the firm's pioneering experience anymore.

Path dependence is also a key element in explaining why dynamic capabilities center humans in the strategic management field, which is also the reason for its uniqueness. Entering markets or creating new ones is part of the firm's path creation. We observed, in the short run, that the business pioneer is the one responsible for leading new path creation and reversibility of the existing one because she/he is in the role of deciding the adjustment of the firm into his intention as well as rendering meaningful the firm's purpose. The business pioneer's decision-making role leads to an overlap of the firm's and business pioneer's paths as well as their emergence as inter-independent paths, a condition for their living states. We observed that dynamic capabilities cultivate the relationship of the firm and business pioneer for amalgamation.

The matter of history differentiates and distinguishes a business pioneer and firm's position in the long run, as the biography of the business pioneer is detached from the firm. In taking into account those differences, "biographical research allows us to reconstruct the

interrelationship between individual experience and collective framework, so when we reconstruct an individual case we are always aiming to make general statements” (ROSENTHAL, 2005, p. 53). We observe that this approach reveals business pioneering experiences in three typical cases that we built in deep investigation³⁶. The sequence of events describes the interrelationship of a business pioneer and firm, and also indicates their transformation into a new position.

The typology is a collection of the business pioneer’s traits identified through the contrasting comparison of the life history and the life story. The characteristics describe what qualities underline (i.e., what is beneath the interrelationship between business pioneer and firm, or, what are the individual motivations for the business pioneer to create a firm) and what qualities undergird (i.e., what strengthens the interrelationship of firm and business pioneer, or, how does the firm accomplish a business pioneer’s intentions) the firm and business pioneer interrelationship, as well as why and how these qualities constitute a defining trait of this interrelationship.

The defining traits aforementioned are a synthetic view of “why”, “what” and “how” a business pioneer and firm establish their interrelationship. It is possible to identify similarities in these traits. Self-made, self-aware and self-centered experiences relate strong work ethics; strong inter-personal network (resilience); and family provider is common traits. In theories of management based on collective notions of the macro for the explanation of the micro, the similitude could be attributed to the influence of the social and cultural environment, which is the social context of the Italian and German migratory heritage present in the Southern region of Brazil. Even though, behind the stated communalities, we identify a set of unique characteristics of the individual responding to the motivations she/he assumes for his/her life that affect the living state of the firm.

It is then comprehensible how the business pioneer and firm are mutually constituted in their interaction along the processes of ideation and asset creation, as well as during the actual existence of the firm though time (i.e., a transient system). It is so that the typology presented in the previous chapters is not restricted to traits present in the business pioneer, but they should be understood as a typology for how she/he experiences the firm from the sketch. That is due to the fact that, in the cases in question, the business pioneer is also the

³⁶ Although we observed specific cases, key active scholars and their research studies also represent a living state of strategic adjustments.

owner/founder of the firm, the entrepreneur, leader, and its first executive, and, in being so, the firms are intrinsically entangled to the decisions of this individual. That is to say that to focus on the business pioneer's decisions is also to focus on the firm's decision. To speak about the business pioneer's presentation interest is also, and in great measure, to speak about the firm's branding and marketing strategies. This is a reminder that when we speak of pioneering experience's typology, we are also speaking of a firm's typology and we shed light over its patterns for a mutual constitution.

Business pioneer and firm interrelationship aid or hinder their mutual exchange. We observed that self-made experiences might aid a mutual exchange that allows amalgamation. Business continuity tends to be sustained through merging and acquisition. The self-centered and self-aware business pioneers might hinder the mutual exchange, but it is clear that the business pioneer and firm mutually affect each other's development. We observed times when the firm's limitations exerted strong constraints over the business pioneer's decisions; there are also situations when the business pioneer's biography frames the firm's business practices (this is mentioned in the recent work by Dong, Garbuio; Lovallo, 2016).

Business pioneers in our cases seem to transmit their power to their firm, as they compose idea-asset creation and the firms pass power back to the business pioneers as they orchestrate dynamic capabilities:

M. you know that I'm a versatile person cause to do all of this without studying (2) you have to be versatile you have to take up from everyone and it is through our mistakes that we learn there is no other way ok Julia you'll learn you'll make mistakes you'll learn you'll make mistakes but today you have to learn today I'd do many things differently cause I'd hire more specialists (Porto Alegre, 2016, p. 20/ l. 28-32).³⁷

E. I always was open to it so i can say I am: more than a bachelor degree thirty years ago I- people are always here reformulating always going around and bringing new things back (Porto Alegre, 2016, p. 21/ l. 6-8).³⁸

R. Pioneering comes with its difficulties too mainly other's ignorance and envy we say that every new technic undergoes three initial phases when it comes to your peers more or

³⁷ "M. tu sabe que eu sou um cara versátil porque pra fazer isso aqui sem conhecer nada (2) tem que ser versátil tem que levar paulada de tudo que é lado e é errando que tu vai aprender não tem outro jeito viu Júlia vai aprender vai errar vai aprender vai errar mas hoje tu tem que aprender hoje eu faria muita coisa diferente porque eu pegaria mais profissionais do ramo (Porto Alegre, 2016, p. 20/ l. 28-32)."

³⁸ "E. eu sempre fui aberta a isso por isso que eu tô dizendo eu é: por mais que eu tenha tirado a faculdade há trinta anos atrás eu- as pessoas tão sempre aqui reformulando sempre to indo atrás de trazer coisas novas (Porto Alegre, 2016, p. 21/ l. 6-8)".

less the first i::s is the discredit ‘no this treatment does not work’ the second when you realize that the treatment works then it is critic critic ((changes his voice)) ‘no Julia uses that treatment she is a one trick pony she doesn’t study it doesn’t work” ok and then the third phase happens when they realize it really works then you start to use the treatment too ‘oh no I also use this treatment it’s very interesting’ so in every field that you you you venture yourself in some matter correct you’ll face resistance (Porto Alegre, 2016, p. 10/l. 2-10).³⁹

By power, we mean valuable assets (i.e., the endowment of resources and competences) that allow traction and progress from one initial position (i.e., idea-asset creation) to another (i.e., the firm’s existence) that is notable and provides incentives. We suggest that dynamic capabilities encompass individual power aggregated to firm, if not constrained by organizational strategy, structure and process.⁴⁰

A business pioneer and firm undergo the process transformation together, inflicting limitations one over the other, as well as unveiling new opportunities. The firm’s resources accumulated during its history must be of greater use for the transformation of a firm into a more dynamic organization if the business pioneer becomes aware of its latent capacities and is bold enough to assume the risks that arise when venturing into the unknown (new markets, new processes, new strategies, or new products). The influence of the assets present in the firm, such as its personnel, its machinery, or its brand, over the business pioneer’s perception suggest new paths that might be followed by the firm if the pioneer decides to do so. When these are actually put in practice, new outcomes emerge from the firm’s new configuration, and they exert new transformations over the business pioneer’s perception of the firm’s latent potential.

³⁹ “o pioneirismo te leva a algumas dificuldades também principalmente o desconhecimento e a inveja a gente fala que toda técnica nova ela passa por três fases mais ou menos em relação aos colegas a primeira é:: é o descrédito ‘não esse tratamento não funciona’ a segunda quando vê que o tratamento tá funcionando é é a crítica ((muda a entonação da voz)) ‘não a doutora Júlia usa aquele tratamento é picareta não estuda e não funciona’ né e na terceira quando vê que funciona mesmo aí tu começa a abraçar ‘não eu também utilizo esse remédio muito interessante e tal’ então em todas as áreas assim que tu tu tu te aventura de uma maneira assim correta tu vais encontrar resistência (Porto Alegre, 2016, p. 10/l. 2-10)

⁴⁰ Jeff Bezos in Amazon seems to maintain idea-asset creation in the practice of 6 pages narratives, avoiding deck presentations.

6.2 EXAMPLE: DEVELOPMENTAL PATHWAYS IN “ONE STORY OF TWO FACES”

Based on our theoretical assumptions and grounded in one of our empirical cases (i.e., self-made pioneering experience), we present the story chart of the business pioneers’ and firms’ developmental pathways, designed to demonstrate how dynamic capabilities function “in action” in the business pioneer and firm interrelationship. Our format identifies behaviors for dynamic capabilities in the mediating role of business pioneer and firm interrelationship.

The business pioneer cited in the example of a self-made pioneering experience is Marelo. We first present the logical structure. This is our interpretation “frame” for examining dynamic capabilities “in action.” From this, we organize the pathway to describe, through biographical facts, the experience of the pioneering firm. One may read the whole story through the chart, and observe the dynamic interaction of assets and the mutual exchange as well as the activity of dynamic capabilities mediation of their relationship.

Chart 1: Developmental pathways in “One Story of Two Faces”

Dynamic capabilities mediate business pioneer and firm relationship for amalgamation (AIII)			
Dynamic Capabilities configure Positions and Path dependence that can be traced by events (marked in numbers) during course of action (direction in connectors)			
Business Pioneer: Finds the necessary match between idea and asset creation		Firm: Yields dynamic interaction of resources and competences to respond to it	
Pioneering idea-asset creation enables firm to build dynamic capabilities as source of valuable property (AI)		The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm (AII)	
Ideation	Asset Creation	Response	Dynamic Interaction of asset
Dynamic Capabilities underlies business pioneer coordination (D), learning (E) and reconfiguring (F) decision-making processes		Dynamic Capabilities undergirds business pioneer decisions (entrepreneurial (A), engineering (B) and administrative (C) through sensing (G), seizing (H), and transforming (I) activities	
Turning points: Business pioneer and firm interrelationship pivot.			

Source: Author (2017)

Marelo entered the supply business as a sales representative and experienced the pioneering story for manufacturing supplies. This is an example from a self-made pioneering experience. This should be in contrast to the timeline presented in the previous

chapter (see Table 5: The self-made pioneering an industry). We have also included, in the Appendix, the same story in content form, and presented it here as a chart.

Chart 2: Example in pioneering of an industry (Continued on next page)

Dynamic capabilities mediate business pioneer and firm relationship for amalgamation		
Pioneering idea-asset creation enable firm to build dynamic capabilities as source of valuable property		The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm
<p>He started pretty young with basic education in the cleanup services at one of the biggest companies at that time in his region. (E)</p> <p>Seventeen months later, he was already recognized as the top seller. (E/F)</p>	<p>1 →</p> <p>← 2</p>	<p>The first thing he decided was to save 40% of his earnings for private investment in his firm. (D)</p>
<p>He set an example, kept earning recognition among colleagues while increasing his customer base and following the rules of the company by the letter. (E)</p>	<p>3 →</p> <p>← 4</p>	<p>Besides financial assets, he envisioned that inter-personal relationships matter. (D)</p>
<p>At that point, the company was a leading one in the region, and Marelo was reporting to the owner. (E/F)</p>	<p>← 5 →</p> <p>6 ↓</p>	<p>The employer recognized his integrity, and offered his referral for credit if he needed while running his own business. (D/F)</p>
<p>They had a no-complaints relationship, aside from the fact that indirect sales commission was always the reason for law suits afterwards. They both knew these were going to come out in their conversation, and Marelo posited that so far he was working under the rules of the company – he did not agree with the indirect sales commission policy, but he accepted the job as it was. So, he understood that it was not his right to complain about that. (G)</p>		
		<p>Two colleagues decided to join Marelo, and a day later they started their business in the garage of Marelo's partner. (A)</p> <p>7 →</p>
		<p>Marelo and the two partners started the company with limited resources, no inventory, no employees, no phone, but full of energy to become entrepreneurs. (G/H)</p>
<p>Marelo was pursuing his business firm and he felt that the two partners were following up with him. (H)</p>		<p>8 ↓</p>

(Continued...) Dynamic capabilities mediate business pioneer and firm relationship for amalgamation				
Pioneering idea-asset creation enable firm to build dynamic capabilities as source of valuable property		The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm		
			Sales were running well, and they were able to bargain for good purchases for their supplies. (B)	9 10 Till the day came when the garage was not sufficient and they were able to move to a new building. (I)
			During this move, one of the partners decided to leave the business. (C)	11 Marelo and the other partner decided to keep running it together. (G/H)
Marelo felt the partnership was not well balanced, once his sales were substantially more than the sales by his partner. (I)				12
		13	They tried different role arrangements, such as internal and external sales divisions. (C)	
	Marelo envisioned opportunities to go further on his own, and offered to split the property with his partner. (D)	14	They ended up doing it. (C)	
		15	a good size when (A)	
Marelo was running the business already in (E/F)	16			he found out that referral of credit was imposing limits on expanding market domain. (G/H)
As good as it is to have a credit backed up by the leader of the market, it is also restrictive. (G)				
		18	His purchasing power to bargain was preordained by the conditions of the leader. (A)	17
				This was understood to be a chase and/or a relief. (H)
	19		He acknowledged it was time to lead work in new market segments of products and/or new sources of suppliers. (D)	
He found something big to do. (E)				
Years later, the country's international commerce policy was benefiting imports – and in his own words: “the market got opened to the world.” Internet was also blooming at this time. (I)				
		20	With the help of a good friend, he started to import products. (B)	21 New suppliers in the United States helped break down the barrier placed by the market leader. (G/H)
He mentions how impressive it was to see suppliers in the US with a whole diversity of products, high quality standards, affordable prices and feasible logistical arrangements. (E)		22		
		23		

(Continued...) Dynamic capabilities mediate business pioneer and firm relationship for amalgamation				
Pioneering idea-asset creation enable firm to build dynamic capabilities as source of valuable property		The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm		
		Marelo builds a new set of products and the challenge of developing a new base of customers. (B/C)	24	
Marelo was driving the firm in his own path with no more than gratitude to his ex-employer and partners, and the honor of following business principles learned as code, such as integrity, respect and work. (G)				
			25	Over time, Marelo was focused on expanding a new product line. (I)
		After discovering the United States, he found new sources of supply in Chile, and then, China. (A)	26	
Without speaking English or leaving the country, (H)				
			27	Marelo reached the point that 70% of his sales were based in imports. (H)
He developed it through relations with trading companies, besides investing in his son's education. (I)				
		As soon as his son graduated from Business School, and enrolled in an English course, he joined the company with a mission of supporting growth and developing a new set of suppliers in China. (B/C)	28	
			29	Sales and purchasing were running well to the point that Marelo faced difficulties in meeting market demand. (G)
And it was understood as a new opportunity, just opened and deflagrated after him. (G)				
Scarcity of products and high import dependence were signals that it was time to be a manufacturer of his own product, something that could be owned and sustained for an entire lifetime. (D)	30			
		While China was a supplier of his sales purchasing, it could also be supplier of machines to manufacture his products. (E/G)	31	
		He and his son worked on this plan until they found a reason to go for it during a business trip to China. (A)	32	
			33	Marelo found the machinery he had been looking for and bought it out of pocket. (H)



(Continued...) Dynamic capabilities mediate business pioneer and firm relationship for amalgamation			
Pioneering idea-asset creation enable firm to build dynamic capabilities as source of valuable property		The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm	
<p>Coming back home, he got asked by his wife, "where are you going to install all these machines?!" (E)</p>	34		
This was just the beginning of his industrial journey. (G)			
		<p>Marelo did not have the expertise to run a plant to manufacture anything, but he was passionate for it, as he relates the story to me. (D)</p>	
		<p>He started looking for a piece of land for the construction. (C)</p>	36
			<p>After a while, he found the location with energy, power facilities and close to a logistic hub. (B/H)</p>
		<p>He bought the land, and built the manufacturing plant, while running the store as its principal. (B)</p>	
Pioneering at this point involved one year and half of twelve to fifteen daily working hours. (I)			
		<p>Marelo had to overcome the challenges of hiring a new set of competences and services, establishing relationships with the local government to enable infrastructure and access to distribution. (D)</p>	
		<p>Machinery completed in China, ready to be shipped to Brazil, but the plant was not done yet. (C)</p>	40
		Building was under construction. (G)	
		<p>After plant was all set, Chinese technicians were not able to attend the try out, forcing Marelo to wait. (A)</p>	41
			<p>When they arrived, they found the machines already assembled, just awaiting electronic assistance, which surprised them. (G/B)</p>
		<p>Marelo was at the point of developing his own product. (H/B)</p>	43
			<p>He wanted it to have quality. (H/C)</p>
		<p>he learned that hiring the right people is crucial for resource allocations, as it is the content agreed upon in the contract of work (E/R)</p>	44
		<p>Marelo hired a specialist to help (B/I)</p>	45



(Continued...) Dynamic capabilities mediate business pioneer and firm relationship for amalgamation					
Pioneering idea-asset creation enable firm to build dynamic capabilities as source of valuable property			The dynamic interaction of valuable assets underlies the development of dynamic capabilities and the transformation of business pioneer and firm		
				46	The investment was higher and it took more time than he expected. (A/H)
Marelo thought that this part of the story was hard, although opportunities to advance and build his product and his brand were right there and “my payback came through”, as he now says. (H)					
			47	48	market share that expanded his original regional limits of distribution. (C/I)
			49	50	
					He already feels that the advantages of being the manufacturer of his products place him in a different position when competing against distributors of imported products. (G)
				51	
A month before our interview was arranged; his firm signed a joint venture contract with a global manufacturing company. (H)					
Marelo and Firm are about to pivot = live the next carve out phase of pioneering idea-asset creation.					

Source: Author (2017)

The first six steps taken by the business pioneer were fundamentally a demonstration of how the pioneer articulated his idea-asset creation of his firm, as discussed in Assumption 1. We posit that the foundation of the firm, in this case, was laid when Marelo began his professional career in sales. Over time, he found matches of idea and asset creation and built his business purpose based on a set of complementary assets. Coordinating the combination of financial and relational assets helped him to create his firm’s endowment. He found that his business could lie about his working capacity and his competence acumen in marketing and sales. Organizing it as a trusted economic activity took time, which was presented in six steps. He learned that it was a consistent arrangement when it also became attractive to his colleagues, and understood it was a sign of approval. This demonstrates that a business pioneer grants his/her path dependence to enable a firm’s foundation.

The instart up exercise in the case of Marelllo demonstrates that a firm could be a sales facility and have an active set of capabilities for sensing market demands, and seizing the opportunities to adjust asset allocations (i.e., division of labor) into standards of a newborn venture. Undergirding these capacities, the business pioneer was supported by his attained management of relational assets, the network established with his ex-employer, his partners, customers and suppliers, besides his work effort in pursuing business growth.

In the meantime, the business pioneer and firm relational of magnetism evolve through amalgamation. Moreover, a magnetism of relationship between individual designing firm and firm responding to individual, help the transference of business pioneers' reputation (i.e., signature story) acquired from his/her past decisions for the firm. As soon as it gets recognized as a strategic pattern of the firm's behavior (i.e., signature process), it becomes the firm's valuable property. The sharing of complementary assets keeps an individual and firm relationship connection receiving inputs and delivering outputs in both its sides to a point where someone can find difficulty to identify how/what is the individual and how/what is the firm asset. Herein, a business pioneer and a firm are connected by an overlap of behavior and performance patterns because of their path dependence effects.

When this happens, the ability to integrate, build and reconfigure internal and external competences no longer resides in the individual, but in the firm. Dynamic capabilities expand this perspective (as an approach) by showing the individual perspective in the explanation of the firm's continuous change and its heterogeneity, as it is a source of valuable property. In that direction, we suggest the adaptive cycle and types of strategic behavior, as presented in Miles *et al.* (1978), which captures the qualities of organizational behavior patterns to enable exploration and description of dynamic capabilities "in action."

We have also observed that the content of how the process relates cannot be isolated from the continuous and strategic adjustment process itself. This is one argument that may explain how a firm's internal dynamic capability is built while the firm is in a reconfiguration process. Miles *et al.* (1978) indicate that the Analyzer type of behavior is the typical case where firm adaptation occurs through the exploration of the already existent structure, and exploitation of new ones. In evolutionary economics using the dynamic capabilities approach, this seems to be explained through the temporary state of equilibrium. The fundamental question seems to still be faced in administrative problems: How to choose between a lead and a lag?

We suggest that this might be at the starting point of the pioneering experience: the instart up exercise.

7. CONCLUSIONS AND FINAL REMARKS

This thesis is part of a research endeavor to create meaning out of firm and business pioneer interrelationship using the dynamic capabilities approach. This is effectuated through social interpretative research to investigate their context of dependence and qualities that enable this phenomenon. The combination of behavioral theory and economics, with biographical narrative approach reveals the interconnection of organization and individual at the action level of analysis. As in the adaptive cycle of strategic behavior, or as in the orchestration of dynamic capabilities, we propose the living state of continuous strategic adjustment (i.e., for the organizational behavioral theory; or the evolutionary fitness for the evolutionary economists) to consider three important elements: composition-arrangement-orchestration of business pioneer and firm interrelationship, which, in turn, unlocks the mediating role of dynamic capabilities.

We suggest that composition-arrangement-orchestration is a source for wealth creation. Behavior and performance patterns direct a firm's continuous strategic adjustment to business pioneer's intention, or vice versa. Pioneering strategic decisions and processes that lead to his/her own individual path of creation also reflect a setting of the firm's specific asset structure of creation. We suggest that the business pioneer and firm walk through a dual hand process that is not synchronic, yet diachronic. In this sense, path dependence is key in explaining why dynamic capability centers humans in the strategic management field, and so, its uniqueness, and innovation.

There is also the matter of history that differentiates a firm and the individual's position in the long run. Teece argues that a firm's current position and its path ahead were shaped by the course of the existing path left behind. We demonstrate through the biographical narrative investigation, that a business pioneer is the one responsible for leading new path creation and reversibility of the existent one. This learning opportunity is present. We observed that it creates non-tradable (i.e., priceless and valuable) idiosyncratic assets. We also indicate that it happens to be "in action" (i.e., instart up exercise). We further comment on the business pioneer, firm and dynamic capabilities concepts, and the contributions of the biographical narrative approach to the investigation of dynamic capabilities in the mediating role of individual and firm interrelationship.

7.1 A BRICOLAGE IN BUSINESS PIONEER⁴¹

The concept of business pioneer in this research implies the creation of a new venture and moves on to embrace actions that have little to do with organizing its administration, but are more deeply involved in effectuating how to sustain a firm and make it profitable over time. Overall, we bring facts to demonstrate that a business pioneer acts in both ways—building through a network of relationships and creating a firm’s business environment (an ecosystem) from the sketched. He ideates the business model and effectuates the practice of it. He designs the firm’s specific-structure of processes and governance, and all other activities that support the individual to promote the social interaction that he needs to enable the firm’s existence. We suggest that business pioneers are central to discussing the idea-asset creation and innovation in management. We observed that the business pioneer is required to constantly make sense of the business idea and decide asset allocations for putting this idea into practice. In this sense, the business pioneer is the one accountable for the firm’s existence.

Teece (2017) remarks on the constraints of neoclassical economic theories (i.e., omission of the role of management) to appropriate tangible and intangible assets that end up not being described in traditional financial statements. In this case, the position of individuals was addressed to managers, or embedded in the top management team. We noted that, from 1997 until approximately 2009, most of the literature frames managerial position and entrepreneur as a skill and activity. However, as the foregoing discussed, entrepreneurial activity is genuine in the dynamic capabilities approach (i.e., present since a working paper in 1994) and this scope is aggregated to the one described in the role of managers. Since 2010, we identified the individual in the role of entrepreneurial managers.

⁴¹ From our experience in the field, besides meeting business pioneers, we became aware of the large body of knowledge about on studies that could be related to our cases, although in under different conditions from the ones posed in this investigation. We observed also research lead by the University of São Paulo (FEA/USP) and business historians (e.g., Jacques Marcovitch) which aggregates contributions about *pioneers* who are have incited relevancy and impact in the history of Brazil (e.g., the Gerdau Family). In addition, we identified scientific and pratitioner work related to *Bioneers*. A group of scholars in the University of California, Berkeley, and University of New Mexico observed the case of biological pioneers, social and scientific innovators who are crafting and implementing ideas to solve environmental and socio-economic problems. Moreover, we noted the movement from large professional service consultant companies bringing back the spirit of founders to the context of business management (e.g., Founders Mentality from Bain&Company).

In the same period, in his work about business models, Teece indicates business pioneers for building business models.

Table 11: A bricolage in business pioneer

Role	Motivations
Entrepreneur	To create an environment through things she/he wish existed.
Leader	To adopt different states of mind with resilience towards realization.
Manager	To pursue logic to change the organization of a socioeconomic life condition as the realization of his/her idea-asset creation.

Source: Author (2017).

We observed through the investigation that business pioneers represent a bricolage⁴² of position for well-known actors embedded in the dynamic capabilities framework, and source of co-specialized assets. We indicate that the business pioneer combines motivations presented by entrepreneurs, leaders and managers. Entrepreneurs envision the idea-asset creation from the consumer's point of view, approximate existent products to new technological possibilities, and/or get involved in creating disruptive technologies and pursue a logic to change the organization of a socioeconomic life condition as the realization of his/her business model. Leaders persuade people to join and collaborate in the path of idea-asset creation, understand when it is time to shift from one path to another, undertake different courses of action to sustain the existence of its creation and adopt different states of mind with resilience towards realization. Managers are decision-makers to keep a firm flexible and are enablers to execute a business plan, testing new experiments for business models. This is meant to describe the role of business pioneering action that is not restricted to the opening of a new venture or bringing to life an existent one.

⁴² From Merriam-Webster, Bricolage is a noun, the definition of which is: "construction (as of a sculpture or a structure of ideas) achieved by using whatever comes to hand; also: something constructed in this way." It is referred to as "that process of making do as bricolage, a term derived from the French verb bricoler (meaning "to putter about") and related to bricoleur, the French name for a jack-of-all-trades. Bricolage made its way from French to English during the 1960s, and it is now used for everything from the creative uses of leftovers ("culinary bricolage") to the cobbling together of disparate computer parts ("technical bricolage")."

7.2 FIRM AS A TRANSIENT SYSTEM

We posit the firm as the articulated purpose of business pioneer, as a transient system being resonated by business pioneers as means of realization. We characterized a firm as built through a specific asset structure that is subjected to dynamic, coexistent and ongoing decisions undertaken by its business pioneers. Decisions are based on the nature of challenges for keeping a firm profitable and sustainable.

There is a myriad of decisions related to business pioneers and firm interaction, but we can center the discussion on three decision categories (as indicated by Miles *et al.*, 1978, p. 549). Entrepreneurial decisions are related to specific goods or services, a target market or market segment. Engineering decisions are the ones that appropriate engineering and other scientific theories and methods for producing and distributing chosen products or services. Management decisions relate to processes that enable the organization to continue to evolve. In order to keep profits and be sustainable, we observed the process of continuous and strategic adjustment (i.e., coordination, learning and reconfiguration) and from where a firm develops strategic capabilities to support a business pioneer's decisions throughout its life time (i.e., meets user needs, is unique, and difficult to replicate). The continuous strategic adjustment process ensures technical and evolutionary fitness.

Table 12: Firm as a transient system

Decisions	Capabilities related to
Entrepreneurial	Coordination and integration process of a target market or market segment or environment
Engineering	Learning process of an appropriate engineering, technology and/or science and method for producing and distributing
Management	Reconfiguration process of an operation that will enable the organization to continue to evolve

Source: Author (2017).

We observed that a firm's processes communicate within (or underlies) the learning process developed by the individual while pioneering his/her own business (i.e., finding a congruence of internal and external changes that are required to be integrated and coordinated, and also learned and reconfigured). As Teece *et al.* (1997) indicate, coordination and integration processes are related to internal and external asset allocations, learning repetition and experimentation of new possibilities and reconfiguring to minimize

the low pay-off of change. We observed linkages of entrepreneurial decisions to coordination and integration processes, engineering to learning processes and management to reconfiguration, as presented in Table 12. We observed that learning permeates all decisions, as well as internal coordination and integration processes, while reconfiguration is more related to management.

7.3 DYNAMIC CAPABILITIES “IN ACTION”

We introduced the nature and meaning for dynamic capabilities “in action”. In this definition, the original meaning from Teece *et al.* (1997) was complemented by characteristics to describe the level of action being analyzed and how we envisioned dynamic capabilities, while in the field, considering our empirical data. In this definition, we reinforced the course of action and the processual approach.

Based on the notion of dynamic capability we adopt in this study, we highlight the business pioneer’s role in creating an idea, orchestrating resource and competence allocations, and the firm in the role of honing the business pioneer’s idea and priorities for the business. We envision dynamic capability (see in Table 13) as a constant velocity joint engineering system (or a hinge in the mechanic tool) that transmits power from business pioneer to firm, and from firm to business pioneer, when it challenges it to happen in the most efficient, adaptable and reliable way possible.

Table 13: Dynamic capabilities “in action”

Qualities	Research
Fixed joint	Business pioneers perform sensing and seizing activities and firm processes coordination and integration
Interconnection	Business pioneers experience learning and firm processes learning
Flexible joint	Business pioneer performs transforming activities and firm processes reconfiguration

Source: Author (2017).

We also propose that the phenomenon occurs when business pioneer and firm abilities encounter its moment to emerge, as a diachronic process, more than synchronic. We propose that being efficient, adaptable and reliable are drivers for a consistent path of strategic adjustment. Dynamic capability is not a process in itself, but it is embedded in the strategic adjustment process. Dynamic capability is not a competence, but it is constituted

by the encounter of organizational and individual competences. Dynamic capabilities are not the strategic behavior, but intrinsically related in the transformation of behavior patterns. Dynamic capabilities are related to the uniqueness of the individual and firm capabilities to effectuate equilibrium behind transformation.

In this context, the dynamic capabilities are a social scientific object and reside in the turning point of the interrelationship between business pioneer and firm. This is only visible when we interpret Margot Bergman's picture from a static perspective. We do it through observation, interpretation, abductive reasoning, deduction, induction, serendipity, and mentoring, which are part of the instart up exercise. We have access to it as we examine the business pioneer and firm story while it becomes history; we discovered that this is path dependent and achieved through the biographical narrative approach. The more we know the structure of this dependence, the more we acknowledge the action of dynamic capabilities. Of the utmost importance should be the business pioneer becoming aware of it in the present and taking advantage of it for the future. It is the firm that acknowledges the influence of the business pioneer in its history and protects the boundaries that maintain its emancipation from the business pioneer's biography.

7.4 BUSINESS PIONEER IN DYNAMIC CAPABILITIES

This research proposes to be an in-depth investigation of the mediating role of dynamic capabilities in the living state of strategic adjustment developed by a business pioneer and firm. We indicate that: (a) Business pioneer and firm idiosyncratic assets are reciprocally connected by proposed intentions, and possibly one defined in a business model. By executing the business operation in a lived life experience, (b) the business pioneer performs sensing, seizing and transforming activities; originating (c) the firm's capacity to purposefully create, extend, or modify its resource base, namely dynamic capabilities. As a result, (d) a business pioneer and firm perform continuous processes of adjustment that renews the individual and firm's idiosyncratic assets, which become non-traded (hence priceless and valuable).

We indicate that dynamic capabilities "in action" are the reciprocal transformation process between business pioneer and firm. Teece (2012) points out that the business pioneer is the protagonist of the firm's history, and the entrepreneurial manager is the one leading the hybridization of managerial capitalism. In fact, a business pioneer in dynamic capabilities is the one who composes idea-asset creation, making it an arrangement of

orchestration that enables the achievement of new positions and changing routes of the trajectory of the firm, the individual, and the market, and so a social interaction of the environment. We suggest that the business model can be an entry for the living state of a business pioneer's intention into a firm's purpose. We also indicate that strategic choice, or managerial decision-making, is a way to investigate the coherent action for the guiding policy and diagnosis of individual and firm mutual exchange and amalgamation.

Business pioneering firm is an experience of everyday life. The instart up exercise is the match of engineering, administrative and entrepreneurial decisions consolidated in idea-asset creation, as an individual intentional pursuit, and juxtaposed position to the tally of coordination, learning and reconfiguration that consolidate it in the firm's intentional purpose (i.e., adaptable, reliable and efficient) and to the renewal of the firm's constitution (e.g., from retailer to manufacturer) by sensing, seizing and transforming. Those are business transformational moments of major change in the business pioneer and firm interrelationship: turning points to pivot. Individual intentional purpose for an entrepreneur, a leader, a manager, or a researcher to become a business pioneer is key to realize its intentional purpose through composing idea-asset creation to orchestrating dynamic capabilities. A firm's consolidation of intentional purpose and the renewal of the firm's constitution are inter-independent on the individual intentional purpose of the pioneering firm. Over time, the elements we suggest support dynamic capabilities in mediating the permanent and reciprocal relationship between a business pioneer and the firm. We first found the perspective that dynamic capabilities matter as a social scientific object of study, but in the end, we unlocked the potential to configure it as a subjacent economic scientific object (i.e., in the related meaning of its intentional purpose lies an economic activity), in the sense that an individual experiences the firm throughout time, to the point that it configures issues regarding the appropriation of capital (i.e., tangible and/or intangible)⁴³.

⁴³ Appropriability is discussed in economics, strategy and innovation. Teece (1986) and Pisano (2006) present the implications of capturing value in appropriability regimes (we commented it on it in the case of replicability and imitation).

7.5 BIOGRAPHICAL NARRATIVE APPROACH AND BUSINESS MANAGEMENT

We considered an important decision to be made for characterizing our conclusion as a history or a story, as the data and facts are embedded in the biography of the individual pioneering the firm. We also indicate epistemological (e.g., individual vs. organizational dimensions) and epistemic (e.g., rationality vs. reasonability) issues that are recurring reasons for debate and confrontations. Therefore, the need for an investigation of dynamic capabilities that are microfoundations for mediating the relationship of dynamic capabilities (i.e., for the investigation of pioneering idea-asset creation) with the orchestration of dynamic capabilities experiences of lived life stories. It is important to be in the front-and-center of methodological issues of individualism and/or the collective, which may be at stake. Our purpose is to incite discussion about the light of the “illusion separation” of a social scientific object in the field of organizational behavior and strategic management.

We suggest that the debate around methodological procedures should be applied to this type of investigation. It allows us to analyze and structure longitudinal data into a process research of how individual and firm change over time. The synchronic and diachronic processes, which we call the unique strategic adjustment process, may constrain the living state of individual and firm interrelationship. This is present in everyday life experiences. We indicate this happens as an exercise that activates social interaction and creates things that we wish existed – as through pioneering types of experiences.

We argue in favor of the biographical narrative approach, in which the researcher experiences the reconstruction of lived life experiences, and as much as we ground biographical narrative expertise, the more we acquire knowledge about how people experience their relationships. However, by contrasting one experience with another, it is possible to interpret patterns of behavior, describing them as strategic. They demonstrate the business pioneer’s underlying rules that are also undergirded by his/her strategic choice. By contrasting underlying rules with undergirded decisions, we can exercise driving the learning of new combinations of idea-asset creation and block chains to pivot.

We observed the dialectic of story and history, and also the bridge of content and process research through biographical data analysis. In this sense, we understood that it is reasonable to include the debate for recognizing the unit of analysis. The interpretation of technological and economical dynamics is a process that allows being recursive. It is not linear, but instead, it is of adjacent interaction (i.e., creation, magnetism and amalgamation) of individual and firm. Histories of biographical experiences describe meaning of pioneering

idea-asset creation. This could be achieved from the narrated lived life reconstruction comparing similitudes of self-made, self-aware and self-centered pioneering experiences.

7.6 RESEARCH LIMITATIONS AND OPPORTUNITIES FOR FUTURE RESEARCH

We observe this research is experience-based. The biographical data analyses are rich for understanding individuals and their interrelations. We identified this research is limited by the narrative of business pioneers located in the Southern region of Brazil, and business pioneering experiences from 1985 to 2016. Business pioneering experiences can be studied in other regions, and in a diversity of circumstances. Just to cite as an example, we had conversations with potential business pioneers in the region of Silicon Valley, New Mexico, and São Paulo, and they narrated life experiences that could be further explored. We also introduced this research theme to Brazilian business executives from large corporations and they have demonstrated the interest in learning more about dynamic capabilities in the interrelation of individual and firms.

We noted, as an advantage, the biographical narrative approach enables the research of a business pioneering experience from one biographical narrative interview. Although we point out the detailed analytical procedure requires research expertise. We suggest that training (e.g., interview, data analysis) and technology (e.g., for data analytics) can enable the growth of this type of research in scope and scale. We observed the narrative interview procedures are subjected to the expertise of the interviewer. The biographical narrative approach relies on a sequence of activities, and also on their integration as a whole. The researcher should be attempted to details and connections. We indicate the biographical data is processed in tables and it could be already in put in a system because it has logics and analytical patterns to be processed, and preserve the researcher for performing interactional based activities and the analytical procedures. In this sense, we recommend preparation before conducting the narrative interview and data procedures.

The three cases and typologies presented in this research are to be considered for future research. The typologies should be improved within additional cases. We observed it might be useful for motivating deeper strategic reflections on distances of individual and firm interrelationship (e.g., logics from the current position to expected ones), reassessments of the biographical meaning of life history, self-presentation interests, and relations of individual and business purpose. We recommend this study to be continued in the conjunctures of dynamic capabilities, as in *The (new) nature and essence of the firm*

(Pitelis and Teece, 2009) and further explored with findings from studies conducted by Adner, Helfat, Peteraf, and Martin.

We highlight future research can benefit business, academic and social environments, and their interrelations. We observed the potential of pioneering idea-asset creation is to be explored in business and managerial practices, such as management/executive team building, and/or in strategic postures, such as marketing positioning. We suggest further exploration in people managerial practices, such as recruiting and selection, development and succession plans. We indicate the biographical narrative approach to be used for mentoring programs, for understanding how individuals act in pioneering experiences in their everyday life and how do they innovate in management practices. In the academic circle, we envision collaboration for building the bridge of individual and firm levels of analysis. We suggest future research for setting adequate qualitative and quantitative research methods to investigate the action level, and the interrelationship of individual and firm, as an experience of living state. In the social context, we observe an opportunity to investigate business pioneering experiences, such as Bioneers, to accelerate community development, and the aggregation of new insights in educational and governmental policies.

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APPENDIX A – PREPARATION FOR DATA GATHERING

NOTES On Profile Of Competences For Researcher

Understanding about signature processes (Teece, 2014)
Developing a broad vision of the Principal: bricolage of roles (entrepreneur, business pioneer, executive, leader, decision maker, manager...)
Selecting a research technology and investments
Planning and executing methodological procedures
Conducting narrative interviews
Modeling frameworks
Performing analytical interpretation
Inductive, deductive and Abductive Investigation Techniques
Diplomacy (Gioia et al., 2012)
Discretion (Gioia et al., 2012)
Transparency (Gioia et al., 2012)
Anonymity (Gioia et al., 2012)
Have an eye opener = Devil's advocate (Gioia et al., 2012)
Conducting appropriability analysis (Teece, PFI)
Developing Interactional Expertise (Langley et al., 2013)
Developing fine-grained understanding of processes in micro-level: deep engagement, attention to reflexivity, analytical rigor, peer review

NOTES On Business Pioneer and Firm

Business Pioneer

Fits on picture: “I am the firm and the firm is me”

Founder and principal decision maker

Change Agent

Multitasking

- Orchestrates internal assets (intrapreneurship).
- Transacts with the owners of external assets (entrepreneurship).
- Designs and implements Business Model.
- Plays a key role in achieving asset selection and the “coordination” of economic activity, particularly when complementary assets must be assembled.
- Bargains, negotiates, and buys or sells or swaps investments/assets.
- Articulates goals, help evaluate opportunities, set culture, build trust, and play a critical role in the key strategic decisions.
- Introduces novelty and seeks new combinations.
- Endeavors to promote and shape learning.
- Senses new opportunities and leads the organization forward to seize them.

Firm

From 10 – 20 yrs old; Located in Rio Grande do Sul State, Brazil

Industry, Service and Retail Segments

Business Pioneers is usually technically or entrepreneurially oriented and individual plays among all strategic and executive functions.

Energy of the firm is entirely focused on making and selling products.

Communication among employees is frequent and informal.

Modest salaries and the promise of ownership benefits reward long hours of work.

Decisions and motivation are highly sensitive to marketplace feedback.

Management acts as customer react.

Evidence of Core Structural Change, including an organization's mission, its authority structure, its technology, and its marketing strategy Hannan & Freeman (1984: 156) and Greiner (1998):

Facing Leadership Crisis, meaning that individualistic and creative activities become a problem and Business Pioneer is required to:

- acknowledge manufacturing efficiencies,
- streamline communication channels,
- accounting procedures for financial control,
- deciding whether organization develop direction of sustainable growth under able and directive leadership.

Facing Autonomy Crisis, meaning that:

- functional organizational structure is introduced to separate manufacturing from marketing activities,
- accounting systems for inventory and purchasing are introduced,
- incentives, budgets, and work standards are adopted,
- communication becomes more formal and impersonal,
- manager and key supervisors assume responsibilities for instituting direction,
- employees possess more direct knowledge about markets and machinery than do supervisors
- routines and working procedures become more stabilized.

NOTES On Research Heritage

This investigation is partly result from real world knowledge built as business practitioner and scholar. This is on since 2000, and I highlight specially the experience acquired working at industries and services in Brazil, among others, and being immersed in the everyday routines of a small family business.

It also resides in previous immersions on academic debates about how business schools curriculum could be improved to cohesively integrate management, technology and entrepreneurial perspectives and to potentially transform our conditions from Brazil being a country known from exporting raw material to be one pioneer of products and services. Important discussions happened in late 2008; with Directors and Principals at the Pontificia Universidade Católica do Rio Grande do Sul, as preparation to initiate this venture.

We ground the conceptual and theoretical roots from previous qualitative and process oriented research about the influence of dynamic capabilities in the process of continuous adjustment initiated in 2009. This was the first effort to conceptually approximate insights from the framework designed by Raymond Miles and colleagues in early 80's to the dynamic capabilities, introduced by David Teece and colleagues in early 90's. This research was originally proposed in 2013. Since then, much was done in theory to describe the object of study and the unit of analysis (e.g. identification of managerial dynamic capabilities, and individual factors, and the logical structure of the framework) and also in action (e.g. the researcher was able to experience learning out of a tailor-made doctoral program).

NOTES On Glossary Of Terms

Capability/Capacity is the ability to perform a particular task or activity in at least a minimally acceptable manner, repeatable and reliable executed to at least some extent.

Enterprise capability is a set of current or potential activities that utilize the firm's productive resources to make and/or deliver products and services. (Teece, 2014)

Operational Capability is the capacity enable an organization to purposefully earn a living in the present (Winter, 2003).

Dynamic Capability is the capacity of an organization to purposefully create, extend, or modify its resource base. In Teece et al. (2007:1). DC comprise part of the resource base of an organization. In Teece et al. (2007:4). Patterned and somewhat practiced activity to create, extend and modify the resource base of the organization.

Organizational Competencies denoted managerial and organizational process or "patterns of current practice and learning" (Teece et al. 1997:518) through which "firm-specific assets are assembled in integrated clusters spanning individuals and groups (Teece et al, 1997:516). In Teece et al. (2007:2).

Resource base includes tangible, intangible, and human assets (or resources) as well as capabilities which to organization owns, controls or access to on a preferential basis. Resources are something that the organization can draw upon to accomplish its aim. In Teece et al. (2007:4).

Dynamic Managerial Capabilities refer to the capacity of managers to create, extend or modify the resource base of an organization (Adner and Helfat, 2003:1012).

Change in the resource base implies that the organization is doing something different, but not necessarily better, than before. In Teece et al. (2007:5).

Innate "talent" does not derive from the patterned experience of the individuals involved in the decision making or deployment of the capability.

Purposefully reflects some degree of intent (have some implicit aim, even if not fully planned) and identifies the patterned aspect of dynamic capabilities.

Creation of a resource base is obtaining new resources through acquisitions and alliances, innovation and entrepreneurial activities. Involves search and selection of acquisition candidates.

Extend the resource base is to seek and promote growth in the direction of more of the same. Selection decision regarding whether or not to enhance current assets and capabilities and which ones to enhance are involved in the extension.

Modify the resource base is to change firm's business, including the response to change in the external environment. It requires search for and selection of any such modifications – to destroy part of its existing resource base by selling, closing, or discarding it. DC apply to exit, not just to expansion.

Decision making process is entailed in the search and selection activities, sometimes occurs in groups and others falls to individuals.

Context dependence is the generic attribute tailored to the settings in which dynamic capabilities function, including different industries, technologies, functional areas and organizations that influences dynamic capability value creation.

Evolutionary fitness refers to how well a dynamic capability enables an organization to make a living (survive, grow and perhaps prosper in the marketplace) by creating, extending, or modifying its resource base. It depends on how well the DC of an organization match the context in which the organization operates.

Value (of the Dynamic Capability) is context dependent, in part of the environmental need and environmental constraints, and varies with time and circumstances, as environmental opportunities change. The value is only in use or option value for later use.

Co-specialized asset are assets to each other need to be employed in conjunction.

Resources are potentially productive tangible and intangible assets and people that are semiper-manently attached to a firm. (Teece, 2014:340)

Intangible resources are difficult to trade in most cases because their property rights are likely to have fuzzy boundaries and their value is context-dependent (Teece, 1981).

Ordinary capabilities involve the performance of those administrative, operational, or governance-related functions that are (technically) necessary to complete currently planned tasks (Teece, 2014). Ordinary capabilities permit a firm to get things done and “make a living” (Winter, 2003, p. 991), albeit possibly a mediocre one.

Orchestrating is managing the firm’s resources to address and shape rapidly changing business environments. (Teece, 2014)

Signature processes arise from a company’s heritage, including its prior management actions, certain irreversible investments, and context-specific learning. Because of their deep, enterprise-specific roots, they are not so easily imitated by other firms that did not and cannot share this history and that have a different corporate culture. (Teece, 2014)

Process is how change occurs. (Barnett & Carroll, 1995)

Content is what actually changes in the organization. (Barnett & Carroll, 1995)

Organizational change involves a transformation of an organization between two points in time. (Barnett & Carroll, 1995)

Pioneer is a person who does something for the first time or discovers how to do something. (Cambridge International Dictionary of English)

Appropriability *lies in the power it confers to locate the essential elements in a very wide range of complex situations.* (Pisano 2006). Appropriate is suitable or right for a particular

situation or occasion. When meaning to take, It is to take (something) for your own use, usually without permission, or to keep (a sum of money) to use for a particular purpose. (Complemented by Cambridge International Dictionary of English)

Business model is a conceptual model of a business. A Business Model articulates the logic and provides data and other evidence that demonstrates how business creates and delivers value to customers. It is more generic than a business strategy. (Teece, 2010)

APPENDIX B – DOCUMENTS AND DATA ORGANIZING

INTERVIEW WITH DAVID TEECE: THE ROLE OF DYNAMIC CAPABILITIES TODAY AND WHERE DOES IT RESIDES?

By Júlia D Herrmann

We will discuss if Dynamic Capabilities demonstrates qualities to perform a **mediating role** in the relationship that happens over a lifetime between Business Pioneer and Firm (for adjusting Firm in the intended objective of the Business Pioneer); and, from the Firm to the Business Pioneer (for adjusting his/her competences in order to consistently renew Firm's existence purpose meaningful).

PROVOKING QUESTIONS:

As much as the theory emphasize the role of managers and individuals, and the role of Firms in developing dynamic capabilities, questions are:

1. It has been a while since you have designed the concept (in 94 and 97). Do you keep the center focus of you concept addressed to dynamic capability *as the **firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments*** (Teece, Pisano and Shuen, 1997)?
2. You have been discussing the role of individuals for the existence of Dynamic Capabilities – underlying and undergirding decisions made by them. How would you explain the **connection between managerial dynamic capabilities and firm dynamic capabilities**?
3. For some people – researchers and practitioners – it remains a challenge to see **Dynamic Capabilities**. How would you see Dynamic Capabilities? Do you think it is possible to **see it in action**, or just by storytelling (Smith Corona, Hyundai and others)?
4. We presented the numbers and the impact of **family firms** (that remain guided by Pioneers) in worlds GDP (70%) and return on investments (3 times more than others in the last 25 years). How do you explain business activity, both **endurance and power over time**, under the Dynamic Capabilities framework?
5. In our approach, the **Business Pioneer** is a “bricolage” of Entrepreneur, Leader and Executive (role and individual profile). You have indicated he/she in a number of roles, such as Principal, C-Levels, Managers. Do you envision the **original Entrepreneur role obsolete** or does he/she still have a role in developing dynamic capabilities?

Secondary/Complementary Questions:

1. Under uncertainty, or in the need of business transformations, what is the message you have for applying your theory?
2. We have a number of young entrepreneurs driving a massive change in the business world. What is your message for this new generation, and how do they benefit from developing Dynamic Capabilities framework in their eco-business environment?

3. As well as, we see Universities (Business Schools) and Professors in independent activities (such as Gary Hamel and his Strategic Management thoughts) driving important changes in the business environment, especially in reviewing curriculums, education design and format. You are somehow an enthusiast in/of this movement. We understand you have been developing research under this matter. What is the important message you would like to communicate to the Brazilian Academy audience?

Definitions and Scope limitations

Based on the notion of dynamic capability we adopt in this study:

- Business pioneer in the role of creating an idea and orchestrating resource and competence allocations,
- Firm in the role of honing the business pioneer's idea and priorities about the business.
- We envision dynamic capability as a “constant-velocity joint” (CVJ) that transmit power from Pioneer to Firm; and from Firm to Pioneer when it challenges it to happen in the most innovative, efficient, economical and reliable way possible.
- We also propose that phenomenon occurs when pioneer and firm abilities encounter its moment to emerge.
- We propose that being innovative, efficient, economical and reliable are drivers for a consistent path of adjustment.

Background:

Dynamic capability itself is not a process, but it is embedded in the strategic adjustment process. Dynamic capability is not a competence, but it is constituted by the encounter of organizational and individual competences.

Recently, Helfat and Peteraf (2014) introduced the concept of managerial cognitive capabilities, as a continuing study proposed by Adner and Helfat (2003). Just to illustrate the extant dimension of the field, Hodgkinson and Healey (2011) encourage researchers to work closely to the individual perspective, by testing propositions that integrate feelings and affective reactions to strategic issues and choices, thereby integrating multiple modalities of thought related to sensing, seizing, and transforming. Likewise, Helfat and Peteraf (2014) suggest researchers to explore the relationship between dynamic managerial capabilities and organizational dynamic capabilities and their joint contributions to strategic change and organizational performance. It seems to be a tough strategic choice to decide a way to move into the cognitive individual approach or not.

While empirical studies recognize that individual interventions enable firm's dynamic capabilities to exist, Teece and Augier (2008:1198) argue about management's *distinctive role in sensing opportunities, in making investment choices, in orchestrating non-tradable assets into combinations that yield economies of scope, and in bringing about continuous organizational renewal*. Although, it remains unclear whether individual possesses dynamic capabilities. We can move in the direction that creates a new research body to explicit treat the individual side, or whether decide to investigate the role dynamic capabilities play in the relation of individual and firm to enable its existence.

In this way, the debate moves its focus from a linear boundary that sets individual or firm dynamic capabilities, to a set of micro-foundations beyond the nature of a particular dynamic capability, which has to be as precise as possible (Teece et al., 2007). Also, it illustrates the interdisciplinary nature of micro-foundations, or whether it contains “half-truths or misconceptions”, as suggested in Barney and Felin (2013).

Theoretical Structure:

1. We accept Dynamic Capabilities as the Firm capability, and that it is micro founded as presented in (1997) and (2014)
2. We are aware of the discussion about Managerial Dynamic Capabilities, as held in Helfat and Peteraf (2014)
3. We enlighten our discussion considering the (New) nature of the Firm, as you and Pitelis present in (2009) to build our concept of Firm - as a transient system, intentionally resource-articulated to achieve higher business purpose, able to respond to Pioneer’s intentions.
4. Complemented by/combined with the role of Managers with Augier (2009) we review our concept of Business Pioneer - as the Principal, CEO, executive, manager. He/she is the Firm’s principal accountable to deliberate decisions strategically towards to Firm’s living state.

The PhD Research conducted by Júlia D Herrmann motivates this interview.

All information enclosed is confidential and should not be distributed and/or shared without Júlia D Herrmann and David Teece acknowledgement and permission.

XL EnANPAD 2016**Special Panel: The Mediation of Dynamic Capabilities in the Relationship of Business Pioneer and Firm**September 26th, 2016

Costão do Sauípe, Bahia, Brazil


The experience of capturing simultaneously the transformation of business pioneers and firms is proven to be a challenge for strategic management scholars (Leonard-Barton 1993; Pitelis & Teece 2009; Hodgkinson & Healey 2008; Helfat & Peteraf 2009; Hodgkinson & Healey 2011). Firms commonly occupied the center stage of strategic management research, while the role of business pioneer is still something that deserves scholarly attention in order to understand the reciprocal nature of the pioneer/firm transformation (i.e. how firms influence its pioneer development and vice-versa). Dynamic Capabilities may provide a way to examine such reciprocal relation. We define Business Pioneer as the individual that assumes characteristics of pioneering firm's transformation and we posit Firm as the articulated intentional purpose of the Business Pioneer (Teece, 2009) tailored for achieving it (Miles et al., 1978).

Júlia D Herrmann is conducting her PhD research at PUCRS and suggests the existence of a dual hand processing mediated by dynamic capabilities that hold the permanent and reciprocal relationship between Business Pioneer and Firm (i.e. the adjustment of the Firm in the intended objective of the Business Pioneer and the adjustment of Business Pioneer competences in order to consistently renew Firm's existence purpose meaningful).

In this panel, she is inviting three scholars to debate this theme: Grace V Becker, PhD from USP, to approach concepts and micro foundations of dynamic capabilities; Éder Henriqson, PhD from UFRGS and Lund University, to approach strategic choice and its outcome effects when strategy execution is consciously presented to the Business Pioneer and the one takes for grant firm's transformation insights that elucidate his/hers needs of self-transformation; and André Cherubini Alves, PhD from UFRGS, in 2015 he was visiting scholar in the Institute for Business Innovation, Haas School of Business, California University, in Berkeley, to discuss the mediating role as a potential cornerstone that the (new) Paradigm that Dynamic Capabilities is about to integrate.

We are proposing this panel to be: innovative, interactive, and integrative, and so, we suggest presentation program: 15 min: Júlia will open the panel introducing the participants, and the panel theme 45 min: The Debate will be conducted in question/answer model, stimulating all participants to share knowledge and promote "take ways". Júlia will energize the panel bringing empirical data from research thesis, while scholars will also challenge Júlia in their specific approach. While conducting the debate, participants will register insights in a piece of paper - writing key words/questions/literature for future reference. 30 min: After the debate, Júlia will conduct the "bricolage of insights" as a final portrait of the panel. It may inspire attendees in future research developments.

Figure: Invitation to EnANPAD



Com alegria e satisfação, convidamos você para participar do Painel Paralelo do EnANPAD 2016:

Uma História, Duas Faces

The Mediation of Dynamic Capabilities in the Relationship of Business Pioneer and Firm

Dia 26 de Setembro, das 14hs as 16hs,
na Ala Terra, Sala São Vicente.

A proposta é inovar no seu formato, integrar os pesquisadores e interagir com os participantes.

Como provocador do nosso debate apresentaremos uma entrevista exclusiva com Professor David Teece, UC Berkeley.

Sua presença será de grande estima!

Júlia D Herrmann,
Doutoranda - PUCRS

Blondie, 2009, por MARGOT BERGMAN

The Mediation of Dynamic Capabilities in the Relationship of Business Pioneer and Firm

The experience of capturing simultaneously the transformation of business pioneers and firms is proven to be a challenge for strategic management scholars (Leonard-Barton 1993; Pitelis & Teece 2009; Hodgkinson & Healey 2008; Helfat & Peteraf 2009; Hodgkinson & Healey 2011). Firms commonly occupied the center stage of strategic management research, while the role of business pioneer is still something that deserves scholarly attention in order to understand the reciprocal nature of the pioneer/firm transformation (i.e. how firms influence its pioneer development and vice-versa).

Dynamic Capabilities may provide a way to examine such reciprocal relation. We define Business Pioneer as the individual that assumes characteristics of pioneering firm's transformation and we posit Firm as the articulated intentional purpose of the Business Pioneer (Teece, 2009) tailored for achieving it (Miles et al., 1978).

Júlia D Herrmann is conducting her PhD research at FACE/PUCRS and suggests the existence of a dual hand processing mediated by dynamic capabilities that hold the permanent and reciprocal relationship between Business Pioneer and Firm (i.e. the adjustment of the Firm in the intended objective of the Business Pioneer and the adjustment of Business Pioneer competences in order to consistently renew Firm's existence purpose meaningful).

PRESENTATION FOR SUBJECT MATTERS

Figure: Introduction



Uma História,
Duas Faces

Por Júlia D Herrmann
Abril 2016

Margot Bergman
Blondie
2009
Exposição – Unbound: Contemporary Art after Frida Kahlo
Local – Museum of Contemporary Art, Chicago, 2014



Pontifícia Universidade Católica do Rio Grande do Sul
FACULDADE DE ADMINISTRAÇÃO, CONTABILIDADE E ECONOMIA
PROGRAMA DE PÓS-GRADUAÇÃO

“Uma História, Duas Faces” é uma pesquisa científica conduzida por Júlia D Herrmann, pesquisadora - doutoranda do Programa de Pós Graduação da Faculdade de Administração, Contabilidade e Economia – FACE/ PUCRS.

A pesquisa tem orientação de Éder Henriqson, Pós-Doutor pela Griffith University (Austrália), Doutor em Engenharia de Produção pela Universidade Federal do Rio Grande do Sul, com sanduíche na Lund University (Suécia).

O propósito é...

- Retratar a trajetória dos pioneiros de negócios e de suas empresas
 - investigar como capacidades dinâmicas interferem na transformação do pioneiro de negócios e da sua empresa.
 - colaborar com o desenvolvimento de pessoas e negócios através da geração de conhecimento original e relevante.

Para tanto, entendemos...

	Pioneiros de Negócios	Empresas Contemporâneas
Significado	Líder, empreendedor, executivo, fundador - sobretudo pioneiro da empresa na sua constituição contemporânea.	Empresas fundadas entre 1985 e 2005 e que fazem parte do presente (tempo atual).
Papel	É o criador da ideia de negócio e trabalha para colocar a intenção em prática.	Tem o propósito genuíno e intencionalmente articulado pelo seu pioneiro de negócios.

Vamos investigar casos:

- Únicos
- Genuínos
- Reais ... com ups e downs
- Repletos de dados e fatos que representam a história do pioneiro de negócios e da empresa

E através deles...

- Descobrir:
 - Como o pioneiro de negócios e a empresa se ajustam ao ambiente de negócios?
 - Como é a relação entre o pioneiro de negócios e a sua empresa?
 - Como é o desenvolvimento da trajetória do pioneiro de negócios e da empresa?
 - Ele é recíproco?
 - Ele é contínuo?
 - Como lidar com Inovação e Obsolescência?

Como faremos isso?

Etapa	O que	Quem	Quando	Como	Duração	Por que
1	Apresentação	Pesquisador e Participante	Abr/16	Encontro, e-mail ou conversa	30 min	Apresentação do pesquisador, do propósito e do objetivo da pesquisa
2	Entrevista	Pesquisador e Participante	Abr/16	Reunião gravada e registrada através de foto	1 – 4 horas	Entrevista narrativa contando a história do pioneiro de negócios e da sua empresa
3	Coleta de Documentos	Pesquisador e Participante (ou funcionário)	Abr/16	E-mail ou visita a empresa	1 – 2 horas	Ilustração da história contada e informações complementares
4	Entrevista	Pesquisador e Participante	Mai/16	Reunião gravada e registrada através de foto	1 – 2 horas	Perguntas internas e externas com base nas anotações feitas
5	Análise de Dados e Resultados	Pesquisador	Jun/16 – Mar/17	Análise de Conteúdo	200 horas	Investigação e proposição sobre como capacidades dinâmicas intervêm na transformação do pioneiro de negócios e da empresa
6	Apresentação do Relatório de Resultados	Pesquisador e Participante	Abr/17	Reunião de Resultados	1 – 2 horas	Colaboração para o desenvolvimento do pioneiro de negócios e da sua empresa

Quem somos?



Éder Henriqson
Orientador da Pesquisa

Atualmente, é Diretor de Graduação da Pró-Reitoria Acadêmica e professor da Faculdade de Ciências Aeronáuticas da PUCRS. Atua como docente/pesquisador no Curso de Ciências Aeronáuticas, no Programa de Pós-Graduação em Administração e no Aviation Lab do Centro de Microgravidade da PUCRS. É professor/pesquisador afiliado ao Lund University Center for Risk Assessment and Management (Suécia). Possui atividades de pesquisa em colaboração com o Safety Science Innovation Lab da Griffith University (Austrália). As áreas de interesse em pesquisa envolvem transporte aéreo, estratégia, tomada de decisão, cultura organizacional, gestão de segurança, fatores humanos, investigação de acidentes, resiliência, desastres e gerenciamento de crises. Pós-Doutorado na Griffith University (Austrália), Doutor em Engenharia de Produção pela Universidade Federal do Rio Grande do Sul, com sanduíche na Lund University (Suécia). Mestre em Administração e Bacharel em Ciências Aeronáuticas pela Pontifícia Universidade Católica do Rio Grande do Sul (PUCRS). Piloto Comercial Avião, Instrutor de Voo, Agente de Segurança de Voo (ASV), Instrutor de CRM e Sistemas de Gerenciamento de Segurança Operacional.



Júlia D Herrmann
Pesquisadora-Doutoranda

Possui mais de 11 anos de experiência em projetos que envolvem gestão de pessoas, eficiência operacional e integração de processos. Júlia é doutoranda e mestre em administração e negócios, pela Pontifícia Universidade Católica do Rio Grande do Sul. É especialista em Gestão de Pessoas pela Universidade Federal do Rio Grande do Sul desde 2008. Formou-se em 2006 em Administração de Empresas pela Pontifícia Universidade Católica do Rio Grande do Sul, com sanduíche na New México University, Estados Unidos. Em 2014 publicou o artigo Análise do Comportamento Estratégico de Pequenas Empresas no Brasil, na Faedpyme International Review. Participou do estudo Differentiating for Success Securing top talent in the BRICS, publicado pelo Institute for Emerging Market Studies de Moscow School of Management. Júlia também desenvolveu o conteúdo para o artigo Managing the Pitfall of Talent Strategy publicado no Expert Guide: Opportunities and Developments Brazil 2014.

Figure: Directions for Group Discussion



Uma História,
Duas Faces

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Abril 2016

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Blondie
2009
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Local – Museum of Contemporary Art, Chicago, 2014

Discussão: Metodologia


O Que	Como	Tempo
Passo a passo da metodologia (walk- through)	Leitura prévia + Demonstração: decisões estratégicas do pesquisador	1h
Caso Marelllo	Texto na íntegra: apresentação dos dados coletados	10 min
Perguntas de validação da Análise	Necessidade de análise do Genograma, criação de hipóteses e validação	10 min
Fragilidades	<ul style="list-style-type: none"> - Utilizar a tipologia de Miles para comportamento do pioneiro - Criar números para demonstração das linhas de desenvolvimento da empresa e do pioneiro 	30 min
Pontos de Ajuste	Próximos passos	10 min

Material de Apoio

- Projetor para discutir análise
- Impressão da gravação do Caso Marelo
- Quadro negro:
 - Perguntas de validação da Análise
 - Fragilidades
 - Decisões estratégicas do Pesquisador

DOCUMENTS: INVITATION, CONFIDENTIALITY AND ANONIMACY

Figure: Invitation Letter to Business Pioneer

Pontifícia Universidade Católica do Rio Grande do Sul
 FACULDADE DE ADMINISTRAÇÃO, CONTABILIDADE E ECONOMIA
 PROGRAMA DE PÓS-GRADUAÇÃO

Porto Alegre, 31 de Março de 2016

Prezada **SENHORA**,

Nesta oportunidade convidamos você para participar da pesquisa intitulada "Uma História, Duas Faces" conduzida pela doutoranda em administração Júlia D Herrmann e sob orientação do Prof. Éder Henriqson.

O objetivo da pesquisa é investigar como capacidades dinâmicas interferem na transformação do pioneiro de negócios e da sua empresa. Capacidades Dinâmicas tem se revelado uma abordagem contemporânea para explicar o contínuo ajustamento estratégico das empresas ao seu ambiente de negócios. Sua participação nesse estudo nos permitirá esclarecer como se dá relação entre o pioneiro de negócios e a sua empresa, à luz das referências científicas mais recentes sobre o tema.

O trabalho observa o Código de Ética do Academy of Management - AOM, publicado em 2006, e orientações da Universidade, que asseguram o anonimato dos participantes e das empresas participantes da pesquisa. Os resultados do estudo serão publicados em tese e defendidos em sessão pública, sendo que o acesso aos resultados também poderá ser obtido via publicações decorrentes do estudo. Após a conclusão da pesquisa, nos comprometemos em apresentar um relatório específico sobre o seu caso.

Desde já agradecemos o seu interesse e colaboração.


Júlia D. Hermann
 Pesquisadora/Doutoranda
 Mestre em Administração
 Especialista em Gestão de Pessoas
julia.herrmann@acad.pucrs.br

Éder Henriqson
 Professor/Orientador
 Doutor em Engenharia de Produção
 Mestre em Administração
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Figure: Confidentiality and Anonymity



Pontifícia Universidade Católica do Rio Grande do Sul
 FACULDADE DE ADMINISTRAÇÃO, CONTABILIDADE E ECONOMIA
 PROGRAMA DE PÓS-GRADUAÇÃO

Porto Alegre, 31 de Março de 2016

TERMO DE CONSENTIMENTO LIVRE E ESCLARECIDO

Eu _____ portador do RG: _____ aceito o convite para participar da pesquisa intitulada "Uma História, Duas Faces" conduzida pela doutoranda em administração Júlia D Herrmann e sob orientação do Prof. Éder Henriqson.

Afirmo que tenho conhecimento sobre a pesquisa e de seus procedimentos metodológicos. Tenho ciência que será necessário obter fotografia, filmagem e gravação de voz de minha pessoa e de um funcionário gestor de minha empresa para fins de realização desta pesquisa.

Autorizo a publicação do material e de informações obtidas sobre minha pessoa e empresa em aulas, seminários, congressos, palestras, periódicos científicos e livros preservando o anonimato. Eu e a empresa não devemos ter a identidade – Nome, Razão Social, Nome Fantasia em qualquer uma das vias de publicação ou uso revelada.


Tenho ciência que as fotografias, as filmagens e as gravações de voz ficarão sob a propriedade da pesquisadora, Júlia D Herrmann, a qual será responsável pela guarda dos mesmos durante cinco anos e posterior descarte.

Tenho ciência de que posso retirar o meu consentimento de participação do estudo em qualquer momento.

Outros esclarecimentos também podem ser obtidos junto aos pesquisadores.

Pioneiro
Empresa

Júlia D. Herrmann
 Pesquisadora/Doutoranda
 Mestre em Administração
 Especialista em Gestão de Pessoas
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NARRATIVE INTERVIEW

Padrão Sugerido para iniciar a entrevista com o Business Pioneer

Olá! Sou estudante de doutorado da PUC e faço parte de uma equipe de pesquisadores. Estamos interessados em conhecer a história de pioneiros de negócios.

Hoje estamos interessados em conhecer toda a sua vida, e do seu negócio. Tudo o que você quiser nos contar desde o início até os dias de hoje.

Temos todo o tempo que você precisar e, se necessário, podemos marcar outro encontro. Não iremos lhe interromper, iremos apenas tomar nota daquilo que você nos disser. Depois que você nos contar tudo o que quiser, faremos, primeiramente, algumas perguntas a respeito daquilo que você nos falou.

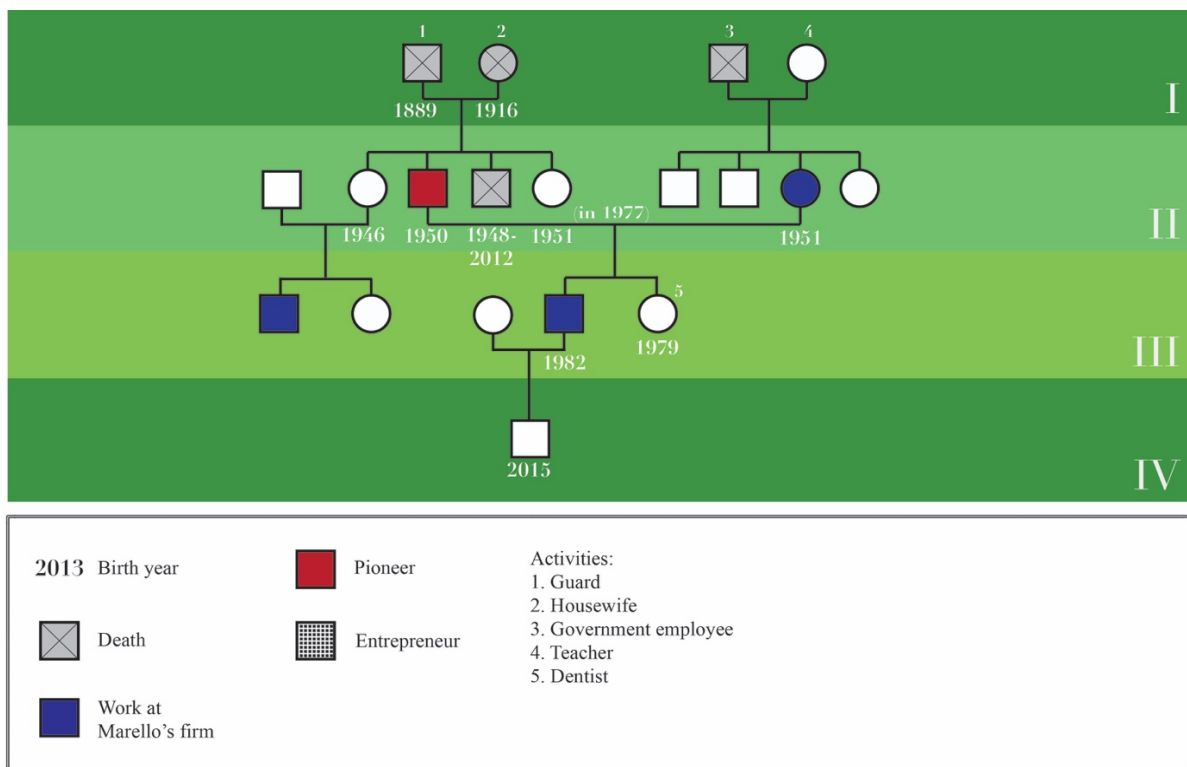
APPENDIX C – BIOGRAPHICAL NARRATIVE APPROACH

1. THE MARELLO CASE

1.1 Memorandum

The first contact with Mareello⁴⁴ happened in 2011, when he was introduced by the researcher's husband to her. Since then, the investigator has participated in Mareello's history. During her master, the investigator had contact with Mareello to provide secondary information on her main research subject. The contact for the biographical interview happened through mobile phone in July 2016. The interview happened in August 2016 at Mareello's office in his firm. The interview happened in the broader context of Mareello's firm joint venture with a multinational company. He was particularly enthusiastic with the process and its outcomes. It was the first week that the multinational company's employees worked at his firm. He was very excited with the new resources that the multinational brought to his company and about what they could do to transform his firm.

1.2 Mareello's family genogram and birth situation (+ present situation)



⁴⁴ The pioneer name as well as of its firm were modified to maintain anonymity. Any other names or functions, such as the product manufactured by the firm, were changed to avoid identification due to the sensitiveness of the data collected in this research. These substitutions were made under the principles suggested by Rosenthal (2014).

Marello's genogram analysis provides important facts on the relationship his firm has with the family. As one may notice, Marello is not the only member of the family that works at the firm. His wife works with him at the firm at least since 1991. She briefly distanced herself from the firm to raise their children, but as soon as they started elementary school she came back to work with personnel administration. His daughter briefly worked at the firm, but the time was not relevant to include in the genogram. His nephew worked at the firm for circa 10 years and his son works with him since 1999. He started at the commerce department for he spoke English and substituted the employee that acted as intermediary with foreign suppliers. During the current process of joint-venture, Marello's son was named one of the directors of the firm, but he is completely submitted to the structure posed by the new management format. If we compare the firm's structure with the genogram, we may notice a strong similitude between them, for Marello's position in the firm was, in some ways, "inherited" by his son.

As one may notice, Marello is the first and only entrepreneur in his family. This suggests that he had to learn about entrepreneurial activities outside its family realm, either through employers or in administration courses. The first-generation individuals, including Marello's parents, had professions that do not earn a lot of money. This might indicate that his family was particularly poorer than his wife's family.

1.3 Hypotheses for lived life and structural hypothesis for lived life

1.3.1 Chronology

CHRONOLOGY OF BIOGRAPHICAL DATA
1965 – Marello is born in Uruguaiana (Brazilian border with Argentina and Uruguay)
~ 1971 – Marello's older sister moves to Porto Alegre
~ 1973 – Marello moves with his family to Porto Alegre (he had ~20 years old)
197? – Marello begins to study at SENAC at night
~197? – Marello begins to work as an employee at a tools retailer (cleaner)
~197? – Marello buys his first car with his own money (aprox. 7 months later) and quits studying
~197? – Marello begins to sell at the tools retailer
~197? – Marello marries with Elena (~ 27 years old)
~197? – Marello begins to work as itinerant seller
~1977 – Marello is the best vendor at the tools retailer
~1979 – Marello quits the tools retailer
~1979 – Marello opens his firm (Poli Ferramentas) with Enzo and Marco (garage) (product: tools)
~1981 – Marello and his partners move to Voluntários
~1985 – Marello finishes his society with Enzo and Marco and works alone
~1981 – Enzo and Marco have a dispute and end their partnership (Enzo remains in the firm with Marello)
1982 – Marello's son is born
~1983 – Marello's daughter is born
28/07/1984 – Enzo and Marello split
~1990 – Marello payed for his first firm

1991 – Marelo’s wife returns to his firm
~199? – Marelo’s firms starts to commercialize tapes
~199? – “Tape” is included in the firm’s name (Poli Tape)
80’s/90’s – Marelo has problems with the Brazilian suppliers of tape and tools competitors (his former employer)
~1996 – Brazil opens to importation. Marelo imports tape from the USA (has contact with a big tape supplier). Marelo starts to import tape from Chile and then China.
1997 – Marelo has access to information about the tape market (Hoffmeister)
199? – Marelo’s send his son to study English in England
1999 – Marelo’s son begins to work at his firm (17 years old) and prospect new opportunities in China
~2000/2001 – Marelo has a conversation with his son about the future of tape in Brazil (competition)
~2003/4 – Marelo met a possible investor for a tape firm
2004 – Marelo buys his own apartment on his debit
~2004 – Marelo’s has a conversation with a person that would be his main competitor (Alberto) that he uses as incentive
2005 – Marelo and his son travel to China to negotiate and purchase tape machinery
2005 – Marelo buys a terrain lot and begins the construction of his firm’s pavilions
2005 (6 months after going to China) – the machinery was ready to deliver by the Chinese
~2007 – Machinery remained with the Chinese. Marelo imports the machinery and leaves it to be stored in Brazilian customs (Canoas).
2008 – Marelo’s pavilions are ready and he asks the Chinese for help to assemble the machinery
2008 (3 months after) – The Chinese arrives but Marelo already assembled the machinery by himself.
2008 – Marelo hires experts to help him to develop his product.
2009 (middle) – Marelo selects another expert to develop his product.
2014 – Marelo’s machine explodes
2014 – Marelo get credit with his competitor to keep his firm functioning
~2015 – Marelo buys apartments for his children
2016 – Marelo’s firm sells high-end quality tape
2016 – Joint venture with multinational firm

1.3.2 Hypotheses for lived life (past)

BIOGRAPHICAL DATA ANALYSIS (HYPOTHESES FOR MARELLO’S LIVED LIFE)
1. ~197? – Marelo begins to work as an employee at a tools retailer (cleaner)
1.1. Marelo has to quit studying due to his work
1.1.1. Eventually he is promoted in his work
1.1.1.1. Marelo becomes a partner at the business where he works
1.1.2. Marelo is fired/quits
1.1.2.1. Marelo finds another job
1.2. Marelo continues studying while working
1.2.1. Marelo graduates and is promoted in his work
1.2.1.1. Marelo earns enough money that he can open his own business
1.2.2. Marelo quits his job after graduation to do something on his own
1.3. Marelo does well in the work and gets a promotion
1.3.1. Marelo sustains a career inside the firm and earns enough money to open his own business
1.3.2. Eventually Marelo quits the job and starts to work in another firm
1.3.3. Eventually Marelo quits the job to open his own business
1.4. Marelo doesn’t do well on his work and is fired
1.4.1. Marelo seeks another job
1.4.2. Marelo gets sick due to his firing
1.4.3. Marelo goes back to school
1.4.3.1. Marelo finds a job suited for his degree
2. ~197? – Marelo quits studying
2.1. Marelo gets a job
2.1.1. Marelo develops a career in the job he got
2.1.2. Marelo eventually is fired

<p>2.1.2.1. Marelo goes back to school</p> <p>2.1.2.1.1. Marelo graduates and open his own business</p> <p>2.1.3. Marelo eventually quits his job to open his own business</p> <p>2.2. Marelo starts to work at an informal job</p> <p>2.2.1. Marelo succeeds and eventually goes back to school</p> <p>2.2.2. Marelo succeeds and never goes back to school (even though he misses it)</p> <p>2.2.3. Marelo succeeds and doesn't go back to school (and thinks poorly about formal education)</p> <p>2.2.4. Marelo gets sick due to the nature of his job</p>
<p>3. ~1979 – Marelo quits the tools retailer and opens his firm (Multi Tools) with Enzo and Marco (garage) (product: tools)</p>
<p>3.1. Marelo has problems with his partners</p> <p>3.1.1. Marelo and his partners close the firm</p> <p>3.1.1.1. Marelo invests in his own firm</p> <p>3.1.2. Marelo and his partners split</p> <p>3.1.2.1. Marelo continues the business alone/or only with one partner</p> <p>3.1.3. Marelo has to close the business because it is impossible to manage it alone</p> <p>3.2. Marelo and his partners do well</p> <p>3.2.1. Marelo and his firm go global</p> <p>3.2.1.1. Eventually Marelo splits from his partners and retires/opens his own business</p> <p>3.2.2. Marelo reinvests his money on other business</p>
<p>4. ~1996 – Brazil opens to importation. Marelo imports glue from other countries (the USA); starts to import glue from Chile and then China.</p>
<p>4.1. Marelo faces serious competition from other countries</p> <p>4.1.1. Marelo closes his firm</p> <p>4.1.2. After a period of challenges, Marelo's firm does well</p> <p>4.1.2.1. Marelo uses the profits from his firm to venture in a less competitive business</p> <p>4.1.3. Marelo sells his firm</p> <p>4.1.3.1. Marelo reinvest the money in a new venture</p> <p>4.1.3.2. Marelo retires</p> <p>4.2. Marelo benefits from importation costs</p> <p>4.2.1. Marelo produces his product at a lower price and increase profits</p> <p>4.2.1.1. Marelo's firm goes global</p> <p>4.2.1.2. In the long term, Marelo's firm faces serious competition from other countries for his company does not produce its product (it is only a retailer)</p> <p>4.2.1.2.1. Marelo reinvests its profits in the production of the product in order to become less dependent on importation</p> <p>4.2.1.2.2. Marelo has to close his firm due to external competition</p>
<p>5. 1997 – Marelo has access to information about the glue market (Hoffmeister)</p>
<p>5.1. Marelo uses the information to gain competitive advantage over his peers</p> <p>5.1.1. Marelo reinvests the firm's money to produce glue</p> <p>5.1.1.1. Marelo succeeds and his firm becomes a big player on the glue market</p> <p>5.1.1.2. The investments are not profitable and Marelo has to close his firm</p> <p>5.2. Marelo does not use the information for his own benefit</p> <p>5.2.1. Things remain the same as before</p>
<p>6. 2008 – Marelo's firm starts to produce glue</p>
<p>6.1. Marelo's firm becomes less dependent from the firm he used to import glue</p> <p>6.1.1. The firm's profits increase and Marelo reinvests in other business</p> <p>6.1.2. Marelo sells the firm and retires/reinvest in other ventures</p> <p>6.2. The glue quality is too bad</p> <p>6.2.1. Eventually, Marelo has to go back to importing glue</p> <p>6.2.1.1. The profit margin of the firm increasingly becomes smaller and he has to close it</p>

<p>6.2.2. Marelo closes his firms and end up with labor litigations</p> <p>6.2.3. Marelo reinvests in other business</p> <p>6.3. The glue quality is good</p> <p>6.3.1. Marelo starts to export glue</p> <p>6.3.1.1. Marelo reinvests his earnings in other business</p> <p>6.3.1.2. Marelo becomes a national player in the glue market</p> <p>6.3.2. Even though the glue quality is good, the prices of foreign product are more competitive (people do not value the quality of the product but buy the least expensive)</p> <p>6.3.2.1. Marelo readapts the glue quality (decreases the quality) and get back to the market</p> <p>6.3.2.2. Marelo closes his firm</p>
<p>7. 2016 – Joint venture with multinational firm</p>
<p>7.1. Marelo keeps working at his firm</p> <p>7.1.1. Marelo tries to maintain his family working at the firm</p> <p>7.2. Marelo retires</p> <p>7.2.1. Marelo's descendants continue to work at the firm</p> <p>7.2.2. Marelo's descendants are fired from the firm</p> <p>7.3. Marelo reinvests the money in a new venture and keeps working</p> <p>7.4. Marelo is fired from his firm</p> <p>7.4.1 Marelo retires</p> <p>7.4.2. Marelo invests in a new business</p>

1.3.3 Structural hypothesis for lived life (past)

It is possible to identify a strong duality between work and formal education, for the latter is abandoned in this biography (the motivation seems to be related to the need the individual had to work). It is clear that the menace of having to close the firm is constant from the beginning of the business. This menace may act as a motivator for the decision to do a joint venture, decreasing the responsibilities of the individual. It is also possible to see a structure of frequent challenges posed to the functioning of the firm led by Marelo. The environment in which it is established constantly changes and Marelo's decisions seem to follow a self-determination pattern in order to navigate under constant risk, i.e., the hypotheses that we can see confirmed are the ones related to the increasing of the independence of the firm, such as the decision to produce the product when faced by the threat of strong foreign competition. This may indicate a characteristic in Marelo to take risks and venture into unknown situations. It is also possible to notice the fact that Marelo relies on the thrust he has on some individuals of his network when they present him sensitive information on a new market that he chooses to invest.

1.4 Self-presentation hypotheses and structural self-presentation hypothesis

1.4.1 Self-presentation hypotheses

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
1	P. 1 - 1 L. 1 - 4 Total: 4 Initial question	Initial question and negotiation 1.1. The interviewee will tell his story according to the classic format – he will begin telling about his childhood and then continue to his youth and so on. 1.2. The interviewee will tell his story in a confuse way. 1.3. The interviewee will tell his story centered in his firm's history because the interviewee mentioned the research theme at the beginning of the interview. 1.3.1. The history of both the firm and the interviewee will be presented in an intertwined form. 1.4. The interviewee will center his presentation in a format to “impress” the interviewer about the success of his firm.
2	P. 1 - 1 L. 4 - 20 Total: 17 Work (hard working individual)/Individual faced difficulties	Report Speaks about his migration to Porto Alegre and his first job at a tools retailer that he used as benchmark to opening his own business; says he started as a janitor and ended up as best vendor 2.1. The interviewee mentions his career as a form to impress the interviewer about his resilience and hard work. 2.1.1. The interviewee will center his presentation in the idea that he lived a “difficult” life and he faced lot of issues and overcame them. 2.2. The interviewer mentions his first contractor as a form to make it clear which where his goals from the beginning. 2.2.1. Eventually, the interviewee will recurrently mention his former employer.
3	P. 1 - 3 L. 20 - 11 Total: 60 Work/Humble entrepreneur/Successful businessman/A man that takes risk	Report/Argumentation Tells the history of his business; describes his experience in China to buy machinery; assumes his limitations as an entrepreneur but emphasizes his success 3.1. The interviewee mentions his limitations to demonstrate his honesty and humbleness. 3.1.1. Eventually he will mention again how humble he is. 3.2. The interviewee mentions his success as a form to demonstrate to the interviewer how he overcame many difficulties. 3.2.1. Eventually he will mention other forms of success he achieved in his life to attenuate the account of many difficulties. He wants to be perceived as a hard-working man.
4	P. 3 - 3 L. 11 - 12 Total: 2	Interruption Mobile call

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
		<p>4.1. The interviewer will continue his narrative</p> <p>4.2. The interviewer will interrupt the narrative and ask for help to resume it</p>
5	P. 3 - 3 L. 12 - 27 Total: 16 Humble entrepreneur/Successful entrepreneur/Difficulties	<p>Report/Argumentation Recognizes his mistakes as a manager; gives some advices on how to develop a good product</p> <p>5.1. The interviewer wants to be seen as a humble man and admits his mistakes.</p> <p>5.2. The interviewer wants to be seen as someone that is not prepared to continue as top manager of the firm. 5.2.1. Eventually he will justify his departure from the business using this same theme.</p> <p>5.3. The interviewee gives some advice because he wants to show to the interviewee that even though he made some mistakes, he learned with them. 5.3.1. The interviewee wants to be perceived as someone that learns with his mistakes.</p>
6	P. 3 - 5 L. 27 - 8 Total: 50 Firm's success (successful entrepreneur)/Succession planning	<p>Report/Argumentation Speaks about the success the firm had in developing their product after some mistakes; speaks about the high quality of the product nowadays; relates this success to the process of joint venture; exemplifies the benefits of the joint venture (as the improvement in processes and product quality)</p> <p>6.1. The interviewee mentions the high quality of the product as a form to justify the interest of another firm to acquire his firm. 6.1.1. He will use this as a way to argument in favor of his own success as an entrepreneur</p> <p>6.2. He mentions the advantages of the joint venture because he wants to convince the interviewer of his decision to depart from his firm. 6.2.1. Eventually other accounts regarding the same theme will use an argumentative text type because he wants to convince the interviewer of his decisions.</p>
7	P. 5 - 5 L. 8 - 11 Total: 4 END OF THE FIRST PHASE	<p>Interviewer Asks about how Marelo and his Family moved to Porto Alegre</p> <p>7.1. Marelo will answer the question.</p> <p>7.2. Marelo will ignore the interruption and continue the same theme as before the interruption.</p>
8	P. 5 - 6 L. 11 - 7 Total: 31 Family migration/Difficulties (hard working man)	<p>Report/Argumentation Tells how his older sister first came to Porto Alegre and then brought all their family along; speaks about the job he found for his father; speaks about the poor life conditions of his family</p> <p>8.1. Marelo reiterates the difficulties he and his family underwent because he wants to be perceived as someone that overcame hard times. 8.1.2. Eventually he will mention more difficulties as a form to create empathy with the interviewer and as a way to present himself as a successful man that had nothing and worked hard to get what</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
		<p>he has today.</p> <p>8.2. Marelo mentions the importance of his sister because he wants the interviewer to know the role she played in his life.</p> <p>8.2.1. Eventually he will mention his sister again and manifest a strong bond with her.</p>
9	P. 6 - 6 L. 7 - 11 Total: 5	<p>Interviewer</p> <p>Asks how he started to work at the tools' retailer</p> <p>9.1. Marelo will answer the question.</p> <p>9.2. Marelo will ignore the interruption and continue the same theme as before the interruption.</p>
10	P. 6 - 6 L. 11 - 17 Total: 7	<p>Account</p> <p>Tells about his beginning at the tools' retailer as a janitor and then as a vendor</p> <p>10.1. Marelo mentions his experience as a janitor again because he wants to be seen as someone that worked hard and earned everything that he has today.</p> <p>10.1.1. This theme will be recurrent in his presentation.</p>
11	P. 6 - 6 L. 17 - 17 Total: 1	<p>Interviewer</p> <p>Asks if he already knew his wife by this time</p>
12	P. 6 - 6 L. 17 - 28 Total: 12	<p>Report</p> <p>Speaks about how he met his wife; mentions he felt in love for her as soon as he met her</p>
13	P. 6 - 6 L. 28 - 29 Total: 2	<p>Interviewer</p> <p>Asks where did the idea to have his own business came from and if someone inspired him</p>
14	P. 6 - 7 L. 29 - 32 Total: 38	<p>Argumentation/Report</p> <p>Mentions his origin from a poor Family and the difficulties he had; arguments that he had to choose to work and stop studying for he was better at the first; mentions that he learned everything he knows by doing (practicing inside the tools' retailer)</p>
15	P. 7 - 7 L. 32 - 34 Total: 3	<p>Interviewer</p> <p>Asks again about the influences he had to open his own business; mentions the tools' retailer</p>
16	P. 7 - 9 L. 34 - 20 Total: 55	<p>Report/Argumentation</p> <p>Mentions his former boss as someone who influenced him, but lets it clear that the way he dealt with his employees is completely different from the form he treats employees; mentions his outspokenness with his former boss when he told him he would open his own business and become his competitor; mentions the credibility he had with his former boss; links his credibility to his honesty and how he honors his compromises; mentions that other people recognize these characteristics in him and his firm</p>
17	P. 9 - 9 L. 20 - 21 Total: 2	<p>Interviewer</p> <p>Asks from where he thinks these characteristics come from</p>
18	P. 9 - 9 L. 21 - 27 Total: 7	<p>Argumentation</p> <p>He thinks that these characteristics came from his Family (birth situation)</p>
19	P. 9 - 9 L. 27 - 30 Total: 4	<p>Interviewer</p> <p>Asks about how the foundation of his first firm as a retailer happened (1979)</p>
20	P. 9 - 11 L. 30 - 19 Total: 58	<p>Report/Argumentation</p> <p>He mentions his 2 partners with whom he founded the firm; he emphasizes his activities in the firm (he mentions he used to do</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
		“everything”); he mentions the disagreement between his two partners and the departure of one of them; he mentions the will of his last partner to stop hitting the road to sell products
21	P. 11 - 12 L. 19 - 31 Total: 47	Argumentation/Report Tells how he managed the separation from his partner following the advice of a professional; mentions a contact with a provider from the USA that he used to import glue (that sold much more than the tools); mentions the transition he promoted from selling tools to glue; mentions a friend that gave him privileged information on the glue market in South America and how he started to import glue from other countries; mentions his insight that he should start to produce glue rather than import it from Chile
22	P. 12 - 12 L. 31 - 33 Total: 3	Interviewer Asks if it was from 1996 onward that he better structured his idea (unclear question)
23	P. 12 - 13 L. 33 - 25 Total: 27	Argumentation/Description Explains where the motivation to start to produce glue came from (he had problems with his suppliers); mentions the man that nowadays is his main competitor as his main incentive for he dared him to open a glue manufacturer
24	P. 13 - 13 L. 25 - 26 Total: 2	Interviewer Asks how his competitor reacted to him opening a glue manufacturer
25	P. 13 - 14 L. 26 - 26 Total: 35	Report/Narration Tells that the man was scared; says that “this is his history” and mentions that he worked a lot; narrates an episode where he sold machinery with some problem and how he traveled to honor the product he sold to his client
26	P. 14 - 14 L. 26 - 27 Total: 2	Interviewer Asks about his wife during the process of managing the firm
27	P. 14 - 15 L. 27 - 7 Total: 15	Report/Description Mentions that he profoundly loves his partner and that she Always supported him along the way; mention that they divided their functions when their children were born (she took care of them while he worked at the firm and then she went back to work at the firm with him)
28	P. 15 - 15 L. 7 - 8 Total: 2	Interviewer Asks if the separation from his last partner happened in an amicable way
29	P. 15 - 15 L. 8 - 22 Total: 15	Report/Argumentation Mentions that his partner was not happy and they lost contact; explains that he always did the things the best way possible and justifies the end of the partnership because he was responding for the biggest profits of the firm and worked more than his partner
30	P. 15 - 15 L. 22 - 24 Total: 3	Interviewer Confuse question – mentions glue and the tools’ retailer
31	P. 15 - 16 L. 24 - 17 Total: 28	Argumentation Mentions how he transitioned from selling tools to producing glue; uses as main motivation the fierce competition from his former boss that offered better prices for customers
32	P. 16 - 16 L. 17 - 18 Total: 2	Interviewer Asks if the clients that bought tools are the same ones that buy glue
33	P. 16 - 16 L. 18 - 20 Total: 3	Argumentation Says that the clients are not the same
34	P. 16 - 16 L. 20 - 21 Total: 2	Interviewer Asks if his son was already working with him at this time
35	P. 16 - 17 L. 21 - 8	Report/Argumentation

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
	Total: 22	Tells that his son works at the firm since he was 14 years old; mentions he trained his son to deal with importation and exportation
36	P. 17 - 17 L. 8 - 9 Total: 2	Interviewer Asks if he stopped to import from the USA after his son started to work in the firm
37	P. 17 - 17 L. 9 - 28 Total: 20	Argumentation/Report Tells that his son started to act as an intermediary with China and this benefitted the firm that went from selling tools to selling glue with a more competitive price
38	P. 17 - 17 L. 28 - 30 Total: 3	Interviewer Asks how is his relationship with technology
39	P. 17 - 18 L. 30 - 6 Total: 11	Argumentation Tells that he never had the opportunity to have a computer course, so he is not good with technology; on the other side, his sons had different opportunities he gave them such as studying English; mentions that his son studied management but his daughter is lost and unemployed
40	P. 18 - 18 L. 6 - 10 Total: 5	Interviewer Asks more about the trajectory of his firm after 2000
41	P. 18 - 19 L. 10 - 12 Total: 37	Argumentation/Narration Mentions an accident that happened in the firm and production stopped; his main competitor supplied him with glue so he could honor his clients; he believes this happened due to his credibility and network of contacts
42	P. 19 - 19 L. 12 - 14 Total: 3	Interviewer Asks about the machines he bought in China to produce glue
43	P. 19 - 20 L. 14 - 8 Total: 29	Argumentation Explain about the process of acquisition of the Chinese machinery and describes himself as courageous; mentions the people involved in the intermediation process that is done nowadays by his son
44	P. 20 - 20 L. 8 - 15 Total: 8	Interviewer Asks a series of brief questions and finishes with one about the fact that he assumed most of the jobs in the firm
45	P. 20 - 20 L. 15 - 20 Total: 6	Argumentation Says that he worked a lot; says that with the joint venture process he is retiring and hopes his son takes on his burden
46	P. 20 - 20 L. 20 - 28 Total: 9	Interviewer Summarizes some points of the interview and asks about changes in his trajectory when he understood himself as an entrepreneur
47	P. 20 - 21 L. 28 - 8 Total: 15	Argumentation Tells about his resilience for he learned by doing and committing mistakes
48	P. 21 - 21 L. 8 - 10 Total: 3	Interviewer Asks if he centralized the command of the firm
49	P. 21 - 21 L. 10 - 14 Total: 5	Argumentation Says he used to centralize decision but with the joint venture things are changing
50	P. 21 - 21 L. 14 - 17 Total: 4	Interviewer Asks about the process of transformation of the structure of the firm
51	P. 21 - 22 L. 17 - 6 Total: 24	Argumentation/Report Tells about the joint venture initiative; says it is a process that makes everything more practical and technology-driven (professionalized)
52	P. 22 - 22 L. 6 - 9 Total: 4	Interviewer Asks about the process of having an idea and putting it in practice

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines / Theme	Text Type / Content
53	P. 22 - 23 L. 9 - 9 Total: 35	Argumentation/Report Mentions he centralized too much the decision-making process in the firm; mention some mistakes he made, such as the fact that he never spared some money to invest in his retirement; mentions he always invested the money in his Family (bought apartments for his children)
54	P. 23 - 23 L. 9 - 11 Total: 3	Interviewer Asks about his relationship with his employees
55	P. 23 - 23 L. 11 - 22 Total: 12	Argumentation Mentions he has no problems with his employees and that many of them are working with him for decades
56	P. 23 - 23 L. 22 - 24 Total: 3	Interviewer Questions what will happen to these people in the joint venture process
57	P. 23 - 23 L. 24 - 29 Total: 6	Argumentation Mentions that the management of the firm will be done in its entirety by the new administration; even his son will submit to their criteria for management
58	P. 23 - 25 L. 29 - 23 Total: 63	Interviewer Summarizes the main points of his trajectory and asks if he has anything else to say
59	P. 25 - 27 L. 23 - 12 Total: 58	Interaction The interviewee handles to the interviewer the letter he wrote to his last partner and the letter he received with sensitive information about the glue market; the interviewer reads the documents aloud
60	P. 27 - 27 L. 12 - 14 Total: 3	Interviewer Asks about the man who provided the information about the glue market
61	P. 27 - 28 L. 14 - 28 Total: 49	Argumentation/Report/Interaction Mentions that he tried to help the man who provided the information, but he was helpless and eventually died due to his heavy drinking habit; mention some other important people that influenced his career (such as his competitor)
62	P. 28 - 28 L. 28 - 32 Total: 5	Interaction End of interview

1.4.2 Structural self-presentation hypothesis for Marelló's narration

Marelló's presentation interest is centered on the thematic field of overcoming a difficult life situation and succeeding as a businessman/accomplishing his intentions of buying his own house and providing a wealthy life for his family. He wants to be seen as someone honest, humble, hard worker (that works tirelessly, better, and more than others). Someone that works honestly and accomplished credit with former business partners because of his competence. Someone that is transparent to others. Someone that has courage to take risks. He wants to show that even though he could not have access to study, he is very successful.

1.5 Lived and narrated life contrast

RECONSTRUCTION OF THE LIFE HISTORY	
HYPOTHESES FOR LIVED LIFE	NARRATED LIFE
1. ~197? – Marelo begins to work as an employee at a tools retailer (cleaner)	
<p>1.1. Marelo has to quit studying due to his work</p> <p>1.1.1. Eventually he is promoted in his work</p> <p>1.1.1.1. Marelo becomes a partner at the business where he works</p> <p>1.1.2. Marelo is fired/quits</p> <p>1.1.2.1. Marelo finds another job</p> <p>1.2. Marelo continues studying while working</p> <p>1.2.1. Marelo graduates and is promoted in his work</p> <p>1.2.1.1. Marelo earns enough money that he can open his own business</p> <p>1.2.2. Marelo quits his job after graduation to do something on his own</p> <p>1.3. Marelo does well in the work and gets a promotion</p> <p>1.3.1. Marelo sustains a career inside the firm and earns enough money to open his own business</p> <p>1.3.2. Eventually Marelo quits the job and starts to work in another firm</p> <p>1.3.3. Eventually Marelo quits the job to open his own business</p> <p>1.4. Marelo doesn't do well on his work and is fired</p> <p>1.4.1. Marelo seeks another job</p> <p>1.4.2. Marelo gets sick due to his firing</p> <p>1.4.3. Marelo goes back to school</p> <p>1.4.3.1. Marelo finds a job suited for his degree</p>	<p>eu vim de Uruguaiana nos anos 70 pra Porto Alegre e ve- e vim pro- pra trabalho e: fui trabalhar numa empresa chamada Super Utensílios SA tá onde eu entrei varrendo e saí como vendedor o primeiro lugar em vendas nos últimos dezessete meses que eu trabalhei na Super Utensílios SA eu fui campeão de vendas todos os meses direto trabalhei quase dez anos com eles lá ((barulho do lápis)) e: com o passar desses dez anos que eu tive lá eu sempre tive um objetivo montar uma empresa pra mim desde o primeiro dia que eu entrei lá eu entrei com esse objetivo (P.1)</p> <p>comecei varrendo lá varrendo me deram a oportunidade pra vender no balcão fui pro balcão trabalhei um ano no balcão aí surgiu uma uma: (2) uma vaga de vendedor externo eu digo me serve eu fui vender na rua todo mundo tinha carro eu eu comecei a pé fui pra vender a pé eu ia até aqui em Canoas aqui visitar clientes a pé de ônibus naquela época e a minha pasta naquela época não é que nem agora que é um tablezinho pesava dezessete quilos a minha pasta (P.6)</p>
2. ~197? – Marelo quits studying	
<p>2.1. Marelo gets a job</p> <p>2.1.1. Marelo develops a career in the job he got</p> <p>2.1.2. Marelo eventually is fired</p> <p>2.1.2.1. Marelo goes back to school</p> <p>2.1.2.1.1. Marelo graduates and open his own business</p> <p>2.1.3. Marelo eventually quits his job to open his own business</p> <p>2.2. Marelo starts to work at an informal job</p> <p>2.2.1. Marelo succeeds and eventually goes back to school</p> <p>2.2.2. Marelo succeeds and never goes back to school (even though he misses it)</p> <p>2.2.3. Marelo succeeds and doesn't go back to school (and thinks poorly about formal education)</p> <p>2.2.4. Marelo gets sick due to the nature of his job</p>	<p>aí eu estudava no Senac à noite saía da Super Utensílios SA ia pro Senac chegava em casa à meia noite terminei o ginásio depois fui fui ser vendedor aí começou os problemas aí eu tinha que viajar pra vender não tinha tempo de estudar // E1 uhum // aí começou então eu acabei bom vou abandonar o estudo porque eu acho que eu era melhor em vendas eu sempre tive fé que eu ia me dar melhor em vendas como me dei né // E1 uhum // larguei o ginásio terminei o ginásio não fiz o segundo grau não fiz porra nenhuma e: digo vou trabalhar então a minha vida que eu digo pra todo mundo pro Álvaro tudo eu só trabalhei ((barulho de mensagem no celular)) somente trabalhei mais nada tá não estudei nada (P.7)</p> <p>aí tu faz uma opção é que nem vocês mulheres né quando tem filhos diz ó vou fazer uma opção ou crio o meu filho tá // E1 uhum // ou vou continuar trabalhando eu digo não vou estudar mas eu vou vou ter que- (P.7)</p>
3. ~1979 – Marelo quits the tools retailer and opens his firm (Poli Ferramentas) with Enzo and Marco (garage) (product: tools)	
<p>3.1. Marelo has problems with his partners</p> <p>3.1.1. Marelo and his partners close the firm</p> <p>3.1.1.1. Marelo invests in his own firm</p> <p>3.1.2. Marelo and his partners split</p>	<p>o meu sonho é de sempre botar uma empresa e eu vou colocar (1) e antes de eu sair tinha um amigo meu que era muito meu amigo meu disse cara eu quero colocar essa empresa contigo que era um rapaz chamado</p>

<p>3.1.2.1. Marelo continues the business alone/or only with one partner</p> <p>3.1.3. Marelo has to close the business because it is impossible to manage it alone</p> <p>3.2. Marelo and his partners do well</p> <p>3.2.1. Marelo and his firm go global</p> <p>3.2.1.1. Eventually Marelo splits from his partners and retires/opens his own business</p> <p>3.2.2. Marelo reinvests his money on other business</p>	<p>César eu digo não tudo bem vamo junto no fim veio o César e um amigo do César aí a gente trabalhou de 79 até 85 junto depois terminou a sociedade um foi pra um lado outro foi pra outro e eu comecei o trabalho sozinho (1) de 85 lá pelas décadas de 96 aí começou a abrir as importações o mercado se abriu pro mundo tá (P.1)</p> <p>é nós juntamos então esses três caras que eu te falei // E1 uhum // e se chamava César Getúlio e Marelo e esse Getúlio que entrou por último ele tinha uma garagem na casa dele // E1 uhum // e eu digo cara vamo bota nessa tua garagem aqui primeiro vamo ficar uns meses aqui até se se equilibrar (2) e aí a gente foi lá pra Vila Bom Jesus numa garagem começamo a botar estoque na garagem tatata (3) e foi indo=foi=indo=foi=indo nós não tinha telefone comercial pra ti ter uma ideia // E1 uhum // eu chamava a transportadora dum orelhão pra ti ter uma ideia (P.9-10)</p>
<p>4. ~1996 – Brazil opens to importation. Marelo imports glue from other countries (the USA (has contact with a big tape supplier); starts to import glue from Chile and then China).</p>	
<p>4.1. Marelo faces serious competition from other countries</p> <p>4.1.1. Marelo closes his firm</p> <p>4.1.2. After a period of challenges, Marelo's firm does well</p> <p>4.1.2.1. Marelo uses the profits from his firm to venture in a less competitive business</p> <p>4.1.3. Marelo sells his firm</p> <p>4.1.3.1. Marelo reinvest the money in a new venture</p> <p>4.1.3.2. Marelo retires</p> <p>4.2. Marelo benefits from importation costs</p> <p>4.2.1. Marelo produces his product at a lower price and increase profits</p> <p>4.2.1.1. Marelo's firm goes global</p> <p>4.2.1.2. In the long term, Marelo's firm faces serious competition from other countries for his company does not produce its product (it is only a retailer)</p> <p>4.2.1.2.1. Marelo reinvests its profits in the production of the product in order to become less dependent on importation</p> <p>4.2.1.2.2. Marelo has to close his firm due to external competition</p>	<p>a gente começou a importar cola da: da China e foi indo foi=indo foi=indo foi=indo e:: a gente chegou um ponto que a gente tudo que trazia de cola tudo vendia tudo=vendia tudo=vendia (P.1)</p>
<p>5. 1997 – Marelo has access to information about the glue market (Diehmann)</p>	
<p>5.1. Marelo uses the information to gain competitive advantage over his peers</p> <p>5.1.1. Marelo reinvests the firm's money to produce glue</p> <p>5.1.1.1. Marelo succeeds and his firm becomes a big player on the glue market</p> <p>5.1.1.2. The investments are not profitable and Marelo has to close his firm</p> <p>5.2. Marelo does not use the information for his own benefit</p> <p>5.2.1. Things remain the same as before</p>	<p>aí eu tinha um amigo meu que trabalhava comigo que se chamava Sílvio Diehmann que ele me deu os caminho que tinha um cara do Chile que eu podia importar do Chile cola // E1 uhum // eu comecei fazendo exportação do Chile comecei chegando um lado bom aí perguntei pra ele como é que faz 'não compra em jumbo desse tamanho os cara cortam te mandam' eu digo pô mas se eu vou comprar do Chile por que que não compro uma máquina eu daí comprei uma máquina e foi indo foi=indo=foi=indo=foi=indo e aí:: (P.12)</p> <p>ele que conhecia tudo e ele me mandou isso aqui e aí eu liguei pra ele e digo cara com quanto com quanto a</p>

	<p>gente faz uma experiência nisso aqui ‘com dez mil dólar’ eu digo então vem pra Porto Alegre vamo trabalhar junto ele tava tava ele era daqui tava trabalhando lá digo então vem pra cá ele veio e eu comecei importando dez mil dólar doze mil dólar do Chile foi indo foi=indo=foi=indo pena que esse desgraçado morreu morreu de cirrose bebia que nem um condenado // E1 ele te deu- isso tu tava // ele me deu o caminho das pedra // E1 ele te deu o caminho das pedras // esse cara me deu o caminho das pedras esse cara foi- (P.26-27)</p>
<p>6. 2008 – Marelo’s firm starts to produce glue.</p>	
<p>6.1. Marelo’s firm becomes less dependent from the firm he used to import glue 6.1.1. The firm’s profits increase and Marelo reinvests in other business 6.1.2. Marelo sells the firm and retires/reinvest in other ventures</p> <p>6.2. The glue quality is too bad 6.2.1. Eventually, Marelo has to go back to importing glue 6.2.1.1. The profit margin of the firm increasingly becomes smaller and he has to close it 6.2.2. Marelo closes his firms and end up with labor litigations 6.2.3. Marelo reinvests in other business</p> <p>6.3. The glue quality is good 6.3.1. Marelo starts to export glue 6.3.1.1. Marelo reinvests his earnings in other business 6.3.1.2. Marelo becomes a national player in the glue market 6.3.2. Even though the glue quality is good, the prices of foreign product are more competitive (people do not value the quality of the product but buy the least expensive) 6.3.2.1. Marelo readapts the glue quality (decreases the quality) and get back to the market 6.3.2.2. Marelo closes his firm</p>	<p>começava o período escolar e tal tu encomendava pras fábrica e as fábrica não te entregavam e eu disse pra ele cara nós vamos fazer o seguinte vamo=montar uma fábrica de cola crepe no futuro porque esse negócio de exportação importação amanhã depois todo mundo vai fazer e tu vai ter quinhentos concorrentes // E1 uhum // e tu fazendo um produto (1) com uma marca boa é teu produto que tá no mercado pra disputar vai botar um produto com qualidade um troço bem feito e tal tu vai ter aquele produto a vida inteira (P.1-2)</p> <p>vou te contar uma história pra ti saiu do nada assim eu vou colocar uma fábrica de cola crepe aí ele riu na minha cara ‘eu duvido’ (3) e aquilo ali eu peguei (2) esse cara esse cara disse que duvidava (2) (P.13)</p>
<p>7. 2016 – Joint venture with multinational firm</p>	
<p>7.1. Marelo keeps working at his firm 7.1.1. Marelo tries to maintain his family working at the firm</p> <p>7.2. Marelo retires 7.2.1. Marelo’s descendants continue to work at the firm 7.2.2. Marelo’s descendants are fired from the firm</p> <p>7.3. Marelo reinvests the money in a new venture and keeps working</p> <p>7.4. Marelo is fired from his firm 7.4.1 Marelo retires 7.4.2. Marelo invests in a new business</p>	<p>hoje nós temos já uma firma uma firma multinacional né multinacional com estrutura tremenda pra nós tá eu hoje por exemplo nós fechamo negócio dia 31 de março o dia primeiro de:: abril chegou o controle da empresa o dia 4 chegou o químico pra melhorar nossa cola tá chegou também junto com esse químico um cara pra coordenar todo trabalho pra impor o ritmo e fazer tudo conforme essa (louca) quer // E1 uhum // então hoje nós temos estrutura o que tu quiser precisa fazer um catálogo tu manda pra lá os cara te dão um catálogo pronto precisa de um corpo de engenharia os cara te dão um corpo de engenharia entendeu e custo zero o custo tudo é da matriz isso que é importante todos esses cara que tão aqui tudo é custo da matriz fora de ter iluminação não tá gastando um centavo e tu tem toda uma estrutura por- por trás (P.4)</p>

1.6 Marello's case reconstruction

The Marello Case: the transformation of the pioneer's birth situation through "hard work" and the creation of his own business

In this case, the founder explicitly acknowledges from the very beginning its will to change his socioeconomic life conditions through pioneering a firm. Even though what the firm would sell and how it would do it was not clear from the start, the founder eventually figured out which activities were profitable in the market where he worked through his own experiences. This "learning through experience" process departs from a general idea of the founder i.e. his will to avoid the same fate of his parents, and has its climax with the planned retirement of the pioneer after his firm was acquired by a foreign investor. In doing so, the pioneer goes from a kid from a poor family to a successful businessman, encompassing the main characteristics of a self-made market born industry.

1.6.1 Marello's life history

Marello's childhood and youth – a family format not to be repeated

Marello was born in the border between Brazil, Argentina, and Uruguay in the 50s. his family was poor and his father drank with frequency. Their house was rented and their family housing situation was unstable. They relied on his mother's inheritance to rent a house where he lives with his sisters and parents. During his youth, his older sister moved to Porto Alegre to work and convinced the family to follow a couple of years later. Marello's father worked as a security guard and his mother was a housewife. Marello had to quit his studies to work as a cleaner at a tools retailer, for his family needed help to maintain their income. At the tools retailer, he was later promoted to salesman, role he developed with particular enthusiasm and that made him best vendor for several months. At the same time, he married his wife. At the tolls retailer, he accumulated money to invest in his own firm. After working a decade, he quit the firm and opens his own business.

Marello's firm: acting in the shadow of the former employer

Along with two partners, Marello opens a tools distributor in a garage. He multi-tasked many of the firm's functions. During this period, one of the partners quit the firm. After this, the firm kept growing and Marello and his partner had to move to a bigger place, in front of his former employer. During this period, Marello's son and daughter were born with a short time spam. His wife stayed at home taking care of their children while he

worked to maintain his family's income. Marelo used to work much more than his partner, that asked to reduce his working hours. Based on that, Marelo decided to end their partnership for he felt he worked much more than his partner but earned the same.

From 1984 to early 90s Marelo worked on his own and finished to pay for his first firm. His wife returned to work with him and, a few years later, he starts to commercialize glue while selling other tools. Marelo had constant problems with his Brazilian suppliers, mainly with glue during the scholar period. The tool's market competition with his former employer was particularly difficult during this period.

In 1996, Brazil opened to importation. Marelo starts to import glue from the United States of America (where he had contact with an intermediary that spoke Portuguese) and has contact with suppliers in Chile and China. During this period, he imports directly from China, increasing his profit margin. This contact helps him to be aware of the worldwide competition that was affecting the Brazilian domestic market.

Access to market information and product transformation

Marelo received a letter from Rustmann, one of his contacts, informing the situation of the glue market in South America. Rustmann described a wide panorama of the suppliers of glue as well as the final price they were able to commercialize their product. Based on this, Marelo contacted Rustmann and asked him further information on the idea he had of investing in machinery to produce glue in Brazil. Rustmann told him an approximate initial investment cost. During this period, Marelo consults about the glue market in Brazil with other executives. Based on these information, Marelo spoke with his son (that had been working at the firm in the exports department) and both traveled to China to prospect glue machinery. Marelo bought the machinery necessary to produce glue in Brazil.

Back in Brazil, Marelo hires a glue expert to develop his product. After years of trials, the outcome is not good. So Marelo invests more money in a more qualified chemist. In doing so, Marelo starts to produce high quality glue and consolidates his presence in the domestic market. In 2014, one of his machines explodes, halting the firm's production and compromising the firm's functioning. Marelo uses his connections with his competitions to buy their glue production and honor his compromise with his clients. The rapid response his firm is able to promote maintains him on the market as a highly competitive glue producer. During this period, Marelo is offered the opportunity of a joint-venture with a French multinational. Marelo's firm was undergoing the joint-venture process during the period of the interview.

1.6.2 Characteristics of the pioneer and firm inter-relationship

These characteristics were identified based on the life story narrated by the pioneer and are summarized in thematic fields presented by the interviewee. When exploring the social constitution of the biography, these themes are provided as biographical data. On the other hand, analyzing the life story also hold relevance for the understanding of the inter-relationship of the pioneer and firm, for they enlighten the firm-pioneer heritage, position, ideation and asset creation, relationship magnetism, and mutual exchange (the micro-foundations of pioneer and firm inter-relationship).

Socioeconomic family background as main motivation for entrepreneurial activity

Marello mentions his older sister as his main influence on his dislocation from the countryside to the capital. She found a job for herself in the city and slowly brought her family together. The interviewee presents his family as being poor and dependent on his mother's inheritance, a situation he does not wants to himself. This situation may have acted as the main motivation for him to find a job where he could accumulate capital in order to buy his own house.

M. to be born in a poor family is very sad my father the whole life he never assembled anything and this stayed on my mind no I don't want to be like that I want to be different (Porto Alegre, 2016, p. 7/ 1.30-32).⁴⁵

More than that, Marello strengthens the idea that his parents would not do anything on his behalf i.e. the way in which his future was going to develop depended exclusively of himself. This seems to be related to the strong self-perception he holds nowadays of his independence and self-determination, both professionally and in terms of family relationship.

M. there are some things in life I am am=a man that was born with nothing ok my father had a saying he used to tell us that I never forget even today I always say to all my friends that my father said 'who comes last closes the door' he put his sons in the world and the rest my dear if you did not work study if you didn't look for something to do you were fucked up ok so me for example I chose to come to Porto Alegre where I studied at Senac at night I used to get out of work and then go to Senac I got at home at midnight I

⁴⁵ “M. é muito triste tu vim de uma família pobre o pai a vida inteira não junta nunca nada aquilo ali ficou na minha cabeça não eu não quero ser assim eu quero ser diferente tendeu (Porto Alegre, 2016, p. 7/ 1.30-32).”

finished high school then I became became became a salesmen then started my problems I had to travel to sell and did not have time to study (Porto Alegre, 2016, p. 6/l. 31-34; p. 7/l.1-4)

M. I had another important thing I have to tell you the following ok my dad never had anything his whole life never had a future never had anything he drank everything ate everything and didn't have anything ok also never studied and if it wasn't for my mom that inherited a house for us to live in he would pay rent his whole life and I'll tell you one thing I put in my head that with 40 years old I would have to have settled my life everything I will tell you something ok (4) with 39 years old (2) I bought my first apartment (Porto Alegre, 2016, p. 7/l. 19-28).⁴⁶

Strong work ethic and centralization

Marello's family is of Italian origin, what may be related to the strong manifestation of a discourse grounded in work ethic. He presents himself as someone that can be trusted because he built his reputation working hard. When Marello refers to "work", he does not strongly differentiate handwork such as wiping the floor from the job of managing a firm. This suggests a dual perception of "workers" and "non-workers" that seems to be related to the Italian migrant's worldview that categorizes people between "workers" and "tramps". While referring to his children, Marello makes a clear distinction between his son and his daughter. The first works with him while the latter is unemployed. He suggests that he is much more comfortable with his son's situation than that of his daughter.

Marello dedicates a significant part of his time to activities related to his firm's functioning. This might suggest traits of anxiety and addiction to work (workaholic). This indicates a difficulty, if not the inexistence, of a distinction between a personal and a work

⁴⁶ M. tem umas coisas na vida eu sou sou=um cara que um eu nasci sem nada né o meu pai tinha um um ditado que ele dizia pra nós que eu não esqueço até hoje eu sempre falo pra todos os meus amigos meu pai dizia 'quem vem de atrás que feche a porta' ele botava filho no mundo e o resto minha filha se tu não te virasse estudar tu procurar tu fazer tu tava ferrado tendeu então eu por exemplo eu optei vim pra Porto Alegre aí eu estudava no Senac à noite saía da Empresa ia pro Senac chegava em casa à meia noite terminei o ginásio depois fui fui ser vendedor aí começou os problemas aí eu tinha que viajar pra vender não tinha tempo de estudar (Porto Alegre, 2016, p. 6/l. 31-34; p. 7/l.1-4)

M. eu tinha outra coisa importante eu tenho pra te dizer o seguinte ó meu pai nunca teve nada na vida meu pai não teve futuro não teve nada bebia tudo comia tudo e não tinha nada tá não estudou também e se não fosse a minha mãe que ganhou uma herança uma casa pra nós morar ele pagaria aluguel a vida inteira e uma coisa eu te digo pra ti eu botei na minha cabeça com quarenta anos eu tenho que tá com a minha vida definida assim como eu tinha planos de botar uma empresa // E1 uhum // tá de botar uma empresa eu botei isso aí na minha cabeça digo não eu não vou morar de aluguel em quarenta anos eu tenho que tá com minha empresa minha vida definida tudo eu vou dizer pra ti o seguinte ó (4) com trinta e nove anos (2) eu comprei meu primeiro apartamento (Porto Alegre, 2016, p. 7/l. 19-28).

agenda. He also perceives himself as someone that worked hard to get what he has nowadays. His constant dedication to work is a recurrent theme in his narration and it permeates many parts of his biography, such as the apartments he bought for his children and for himself. He suggests the workaholic traits were inherited from his family, even though he mentioned his father did not work so much.

M. I started whipping the floor and ended up as the best salesman for the last 17 months I worked at the company I was the sales champion all these months straight I worked almost ten years with them ((pencil noise)) and: along these ten years that I had there I always has a clear objective to have my own firm since the day I began to work there I started with this objective (Porto Alegre, 2016, p. 1/ 1. 6-11).⁴⁷

Firm's objective and purpose acquired during its functioning

At the beginning of the activities of his firm, Marelo used to sell construction utensils. With two partners, he started a firm that sold the same product as his former employer, where he had acquired practical knowledge about the functioning of the market. This option seems to be related to the fact that Marelo never studied a way to develop other kind of business, so he relied on his personal experience to start a firm that he had “learned by doing”.

M. you know that I'm a versatile person cause to do all of this without studying (2) you have to be versatile you have to take up from everyone and it is through our mistakes that we learn there is no other way ok Julia you'll learn you'll make mistakes you'll learn you'll make mistakes but today you have to learn today I'd do many things differently cause I'd hire more specialists (Porto Alegre, 2016, p. 20/ 1. 28-32).⁴⁸

Since he worked for many years in the construction utensils branch, Marelo has knowhow about suppliers as well as how a firm functioned in this branch. With that in mind, he invested the money he had saved for years in this branch. With time, his former boss became more and more competitive with him for he had more time in this market and had consolidated his clients. He had a more competitive price and Marelo's firm struggled to

⁴⁷ “M. eu entrei varrendo e saí como vendedor o primeiro lugar em vendas nos últimos dezessete meses que eu trabalhei na Empresa eu fui campeão de vendas todos os meses direto trabalhei quase dez anos com eles lá ((barulho do lápis)) e: com o passar desses dez anos que eu tive lá eu sempre tive um objetivo montar uma empresa pra mim desde o primeiro dia que eu entrei lá eu entrei com esse objetivo (Porto Alegre, 2016, p. 1/ 1. 6-11).”

⁴⁸ “M. tu sabe que eu sou um cara versátil porque pra fazer isso aqui sem conhecer nada (2) tem que ser versátil tem que levar paulada de tudo que é lado e é errando que tu vai aprender não tem outro jeito viu Júlia vai aprender vai errar vai aprender vai errar mas hoje tu tem que aprender hoje eu faria muita coisa diferente porque eu pegaria mais profissionais do ramo (Porto Alegre, 2016, p. 20/ 1. 28-32).”

maintain its revenues. At this time, he had dissolved his firm with his partners and was managing his firm alone.

During this period, he diversified the products his firm offered and began to import glue from China. This product sold out with ease and its price was highly competitive. Gradually glue was responsible for the highest revenues of his firm. After receiving information about the glue market in South America, Marelo consulted with his son and decided to invest in machinery to produce glue. After importing machinery from China, Marelo's firm consolidated its presence in the domestic market. By this time, he had completely transformed his firm's product: he went from construction utensils vendor to glue producer and supplier.

In this sense, Marelo presents his firm's history as one when in reality the firm started to sell construction utensils under a partnership and transformed into a glue producing firm under a single executive. Not only the market branch in which the firm acted was completely different from the initial one, but also its structure has completely changed. Only Marelo remained.

Strong network of contacts (resilience)

This characteristic seems to be related to the previous one, for many paths followed by the firm that shaped its current objectives are related to the personal network developed by Marelo in his lifetime. Privileged information about the glue market were possible due to his friendship with a person that had knowhow on the operations of this branch. This characteristic also relates to the Marelo's strong work ethic for he relates his credibility and trustworthiness to the fact that he always honored his contracts with his clients. For him, this is so because he paid on debit machinery and products, as well as always delivered his product on time.

The strong network of contacts that Marelo has conferred its firm great resilience, as when one of his machines exploded and he had to rely on his competitor to honor contracts. The capability Marelo's firm had to react to an unknown outcome seems to be directly related to his personal ability to mobilize his own network when in need, something that might be related to the relationships he developed throughout his professional life.

Marelo is the family's provider

Marelo constituted a family in the early days of his firm's activities. In being so, the firm's activities were always attached to his wife and kids provision. He tells that the firm's

revenues were destined not only to his family maintenance, but also to the acquisition of a beach house, a country house, and apartments for both of his children. With that in mind, one can understand not only Marelo's necessity to work to support his family, but also helps to understand his addiction to work, for his family depends on it. When his wife was pregnant, he took the responsibility to act as provider for all of them. When his children got older, he hired his son to work at the firm, suggesting the strong ties his firm has with his family. This indicates a strong entanglement of the family structure with the firm's operation, for many of the firm's income that could be reinvested in its activities had to be redirected to family needs.

Marelo planned the firm's sale from the start

Even though Marelo did not plan to produce glue from the start, he manifests that he always had in mind the project to build a firm that could be sold in the future. The way Marelo address the firm's succession planning is through the joint venture format. At the time of the interview, he and his family held 51% of the firm and he was planning his retirement. He also mentioned that his son was subjected to the priorities established by the firm's administration under the joint venture process. This suggests that if his son does not match the firm's requirements, he may be dismissed.

M. Alan [Marelo's son] had a meeting with them ok what what is their idea it's: to grow together ok so everybody is not anymore I say to them there I own anything no more ok since I'm not ok Alan is a director e they will ask him to match their criteria if he doesn't they won't they will fire him first I say to their their face and it must be exactly like this ok (Porto Alegre, 2016, p. 23/ l. 25-29).⁴⁹

In being so, there is the possibility that Marelo and his relatives might to be fired from the firm he created, an idea that Marelo acknowledged from the beginning of his firm's activity.

M. that's why I say who wants to build a firm from scratch has to think in the future what you can do in the future you can be a multinational ok a:nd this if for any tiny entrepreneur and so one day you may make a big a a big deal a big one and do fine in the story and I years ago I thought about it that one day I could have done a merger

⁴⁹ “M. o Alan [filho de Ricardo] já fez uma reunião com eles né que que a ideia dos caras é: crescer junto né então todo mundo não é mais eu digo pra eles lá eu não sou mais dono de nada né como eu não sou né o Alan é um diretor e vão cobrar dele e se tu não corresponder eles não vão botar ele ele vai botar tu primeiro pra rua eu digo na cara dos cara e é isso mesmo né” (Porto Alegre, 2016, p. 23/ l. 25-29).”

something with someone and also it came out great alright // E1 uhum // and I think that everybody the tiny entrepreneurs work for for one day do this so one day do a merger with a bigger company so you have all this support that they take care- they have the means to work with computing ok alright so they have everything to give you so this (2) was the biggest step that we made and definitive now now (Porto Alegre, 2016, p. 5/ 1.1-9).⁵⁰

⁵⁰ “M. por isso que eu digo quem vai fazer uma empresa pensa no futuro que no futuro tu pode ser uma multinacional tá e:: isso serve pra todos os caras pequenos e tal um dia tu pode fazer um grande um um grande negociação um grande e ficar bem na história e eu lá atrás eu tinha pensado nisso que um dia eu poderia ter feito uma fusão alguma coisa com alguém e também deu certo tendeu // E1 uhum // e eu acho que todo mundo trabalha os pequenos pra pra isso aí um dia fazer uma fusão com um grande que aí tu tem todo esse suporte aí que eles cuidam- o pessoal tem ferramenta de trabalho computação né entendeu então os cara tem tudo pra te dar então isso aí (2) foi o grande passo que nós demos e definitivo agora agora (Porto Alegre, 2016, p. 5/ 1.1-9).”

1.7 Type A: the self-made pioneer – the firm as a way to change the individual's birth situation

This pattern for the way the pioneer experienced the firm he founded evidences an effort from the part of the pioneer to use the firm as a form of social ascent and to improve the living conditions for his family. This pattern of inter-relationship is characterized by the allocation of capital that might have been reinvested in the firm for the provision of household income of the pioneer's family. This situation situates the firm as an income source for the pioneer's family and in doing so demand a stable status of its accounts, favoring investments in "classical" products and the maintenance of traditional and non-risky firm activities. As main characteristics of the self-made pioneer, we indicate: adverse socioeconomic family background as main motivator for entrepreneurial activity; strong work ethic (centralization of activities); firm's meaning and functions acquired in the course of its operation; strong network of partnerships (resilience); the pioneer is a family provider; "planned for sale" firm. The Marelllo case presented in the next paragraphs integrates the pattern aforementioned.

The following topics describe some of the defining traits of the typology for the "self-made pioneer".

Adverse socioeconomic family background as main motivation for entrepreneurial activity

The founder's family constellation acts as a strong motivator when he decides to act against the socioeconomic background of his family. He does not look forward to achieve what his parents have: his family is not an example of success for him. The founder fights against the idea that he may find himself in the same socioeconomic environment as his parents when he grows up. In order to change his birth situation, the pioneer migrates to the capital of the state and works hard (in a clear opposition between study and work, he opts for the second). He does not deny its family influence nor wants to get rid of them, but he does not wait for his family to act on his behalf.

Strong work ethics (centralization of activities)

The activities regarding planning and decision-making are strongly concentrated within the pioneer. Even before having his own firm, the pioneer woke up early and worked all day long. He used his own hard work in order to change his reality i.e. he was born in a low-income family and he changed his economic reality working as a janitor at first, paving

his own way to become the owner of his own business. The pioneer presents traits of workaholic behavior, finding it hard to stay away from the firm or to share responsibilities inside it. These characteristics have direct impact over the firm's structure.

Firm's meaning and functions acquired in the course of its operation

The pioneer does not plan the company before its activities, but rather learns through his mistakes (learning through practical action). The final firm was not previously planned, but rather it was a consequence of various fortuitous encounters and changes that occurred in the course of its operation. The main idea here is that the product currently manufactured in the firm is completely different from the one it used to sell when it started its activities. The firm's meaning arises as an adaptive capability when it has to face strongly competitive imports and through the access to privileged market information. With that in mind, it is possible to suggest that the firm's profile is strongly related to empirical conditions posed by the market i.e. the current firm came into being as the result of an adaptive capability from the prior firm's structure and aim – the firm went from a retailer to a manufacturer, changing its own nature in the course of its activities.

Strong network of partnerships (resilience)

Most of the actions taken by the firm are based on the access that its pioneer has to privileged information, such as the current state of the market for a new product and international partners that have access to machinery and equipment providers. In addition to that, the pioneer has the capacity to quickly mobilize his network of partners – even its competitors – when faced with unexpected outcomes, such as environmental catastrophes. This ability is due to the fact that the competitors and partners have the pioneer in high esteem. It is so that the firm is strongly resilient when it has to deal with production shortages or natural disasters. These characteristics seem to be related to the pioneer's credibility and predictability.

The pioneer is a family provider

The pioneer is a householder and in doing so he uses the firm's revenues to sustain domestic expenses. Even though the pioneer earns a monthly salary from the company, the revenues are invested in domestic realty for his sons or on a beach house and a cottage. The pioneer is aware of the great amount of money that could be reinvested in his firm that was used in order to maintain a lifestyle for his family. This lifestyle generates a sort of "vicious

cycle” which in order to be sustained stresses workaholic traits in the pioneer. With its pioneer being a family provider and as long as the firm is the only income source for the family, it is expected that the firm’s functioning directly influences the founder’s family figuration and its power shifts (ELIAS, 1994).

“Planned for sale” firm

Even though the pioneer developed some ways for his relatives to work within the firm, he presents the firm as something completely detached from its own biography. He is not aware of the extent that his firm is intertwined with his own choices and personal trajectory. At the same time that he strongly centralizes decision-making in the firm, he paradoxically verbalizes that he planned the firm for sale from the scratch. The pioneer has always planned that one day in the future the company would fulfill its personal dream and be sold, paving his way to retirement.

NOTES ON BUSINESS PIONEER, FIRM AND DYNAMIC CAPABILITIES

Empresa Contemporânea é um conjunto de recursos intencionalmente articulado em um determinado momento e pode ser observada do seguinte modo:

1. Tem uma proposição (Statement) declarada pelo seu pioneiro
2. Está em interação com o meio através da sua:
 - a. Relação com clientes
 - b. Relação com fornecedores
 - c. Relação com funcionários
 - d. Relação com o governo
 - e. Criação de produtos e/ou serviços
 - f. Construção de sua estrutura física
 - g. Atuação no mercado
 - h. Execução de suas funções vitais

Exemplo:

1. Proposição	ABC é fundada em 1979 para comercializar ferramentas	ABC produz e comercializa fitas adesivas entre 2006 e 2016.
2. Interação com o meio:		
a. Relação com clientes	A carteira de clientes é desenvolvida pelo proprietário da empresa, que faz visitas e constrói uma relação de confiança com seus clientes.	A ABC desenvolve um processo de longo prazo para atrair clientes atacadistas e distribuidores que culmina com a estampagem da sua marca do cliente em produtos da ABC.
b. Relação com fornecedores	Inicialmente a empresa compra da FG e com o tempo vai desenvolvendo outros fornecedores, percebe que tem um limite de compra que a coloca como segunda opção para alguns clientes.	A empresa compra matéria prima importada (cola, papel) e embalagens de fornecedores que foram selecionados através de indicações e visitas.
c. Relação com funcionários	A empresa começa com os sócios trabalhando e eles fazem de tudo. Com o tempo a sociedade se dissolve, e o principal proprietário, que motivou a constituição da empresa fica sozinho, com ajudantes.	A empresa tem um numero mínimo de funcionários que fazem um pouco de tudo e trabalham a bastante tempo na empresa. Alguns foram e voltaram.
d. Relação com o governo	A empresa percebe o governo como um coletor de impostos.	A empresa foi construída com capital próprio e atua com pouca relação com o governo.
e. Criação de produtos e/ou serviços	A empresa permanece fiel ao catálogo de produtos (ferramentas) de seus principais fornecedores.	A empresa investiu na contratação de novos profissionais com expertise na produção de fitas adesivas

		que hoje garantem a qualidade do produto.
f. Construção de sua estrutura física	A empresa vai crescendo e sai da garagem para uma sala, e depois para uma sala maior, onde já tem um estoque de produtos, e estrutura de telefone, fax, copiadora.	A empresa comprou primeiro as suas máquinas e depois construiu as suas instalações físicas.
g. Atuação no Mercado	A empresa atua no mercado do RS, Porto Alegre e interior.	A empresa atua no mercado brasileiro, principalmente na região sul do Brasil.
h. Execução de suas funções vitais	Principal função da empresa é comprar e vender.	As principais funções da empresa são a compra, produção e venda.

Ideias: Opção de ser um conjunto transitório, ou utilizar o contemporâneo para trazer o temporário – o conjunto tem um tempo limitado de vida.

Empresa Contemporânea é (o que é) um conjunto intencionalmente articulado de recursos (que serve) para realizar a proposição de negócio (como faz) em interação com o meio que se insere em (quando) um determinado momento.

O pioneiro é o sujeito capaz de criar da empresa contemporânea sucessivas vezes e pode ser observado do seguinte modo:

1. Ele declara uma intenção de negócios
2. Ele decide como a intenção será realizada
 - a. Arquiteta o que é necessário
 - b. Seleciona os recursos
 - c. Desenvolve a capacidade de realização
 - d. Percebe a Oportunidade
 - e. Desenha o desafio
 - f. Avalia do Risco
 - g. Pensa nas alternativas
 - h. Trabalha = articula um conjunto de recursos
 - i. Realiza a intenção

Exemplo:

1. Ele declara uma intenção de negócios	Eu vou ter a minha empresa própria para vender ferramentas (1970)	Eu vou é fabricar meu produto próprio, ter a minha marca (2000)
2. Ele decide como a intenção será realizada		
a. Arquiteta o que é necessário	Eu vou precisar de um espaço, de um estoque, de crédito, de pessoas	Eu preciso ter um bom engenheiro, alguém que conheça o produto para me ajudar a ter qualidade, preciso de gente para colocar as máquinas de pé. Como

		sou muito curioso, eu mesmo fui tentando fazer isso, quando os chineses chegaram já estava tudo quase pronto, faltava só a parte elétrica e eletrônica que eu não entendia nada, estava tudo em chinês
b. Seleciona os recursos	Eu aceitei dividir o trabalho com os meus dois ex-colegas, eu consegui crédito com a FG para comprar ilimitado e eu comecei na garagem	Você tem que escolher caras bons, gastei uns R\$500Mil para achar isso. Meus clientes eu já tinha, mas a questão é que eu precisava produzir um produto bom.
c. Desenvolve a capacidade de realização	Comecei a empresa (79) e eu fazia tudo, comprava, vendia, carregava o caminhão, ligava para a transportadora	Fui buscar na concorrência gente que eu contratei. Cansei de ter contrato terceirizado. Vi que tinha que me mostrar que sabia, antes de receber o pagamento. Aprendi muito isso.
d. Percebe a Oportunidade	Comecei a ver que nunca ia conseguir fazer o preço que a FG fazia para os seus clientes e isso ia me limitar	Com o tempo fui vendo que estava realizado, e que daqui para adiante eu ia precisar muito mais, e eu quero muito mais, quero produzir uma fita automotiva, mas tem que ter recurso.
e. Desenha o desafio	Vou começar a importar minhas ferramentas, tenho meu amigo que fala inglês e pode me ajudar	Então eu acho que é isso, um jeito de uma empresa pequena se tornar grande é poder ser vendida, fazer uma fusão.
f. Avalia do Risco	O bum da importação foi grande, eu preciso começar a pensar em ter o meu produto	Eles tem mais estrutura, veja já estão aqui montando um laboratório, trazendo um químico, e tudo isso não é custo meu, é da matriz.
g. Pensa nas	Comecei a conhecer empresas nos	Eu acho que eu já

alternativas	Estados Unidos, no Chile, na China, e ver que tinha a fita, uma coisa que eu poderia começar a produzir	trabalhei demais, agora o problema é do meu filho, de como ele vai seguir como Diretor/Gerente de uma empresa multinacional. Eu é que não pensei em mim, imobilizei muito meu patrimônio, por isso é importante eu ter um contrato com eles por mais uns anos, reduzir a responsabilidade e continuar contribuindo, e ganhando um pouco.
h. Trabalha = articula um conjunto de recursos	Comecei a desenvolver contato com a China, meu filho foi para lá algumas vezes, comecei a fazer a minha carteira de clientes de fita, fui vendo as limitações de fornecimento que o mercado tinha, conheci pessoas interessantes aqui no Brasil	Este processo já faz uns 5 anos, e tudo o que aconteceu também foi porque eu já conhecia uma das pessoas da empresa, passamos por este processo com a Deloitte de avaliação. Isso foi uma trabalhadeira, me cansei muito, fiquei tenso, não sabia se ia dar certo.
i. Realiza a intenção	Voltei da China com todas as máquinas da minha fábrica, paguei USD350.000 e quando cheguei aqui minha esposa perguntou: onde você vai colocar tudo isso?!	Mas agora deu, fiz uma joint venture com um grupo forte que vai conseguir realizar o meu sonho de fazer tudo isso funcionar e ainda produzir a fita automotiva. Olha aqui agora eles já estão querendo comprar uma máquina, e eu estou aqui ajudando, vejo os contatos, indico e converso com eles como podemos fazer.

Capacidades dinâmicas é atividade de ajuste da intenção declarada pelo pioneiro ao momento que a empresa vive; e o ajuste do momento que a empresa vive à intenção declarada pelo pioneiro. E pode ser observada por:

1. Ciclo de problemas e decisões estratégicas que conecta entre a intenção declarada pelo pioneiro ao momento que a empresa vive e entre o momento que a empresa vive e a intenção declarada pelo pioneiro

Exemplo:

MH1	Problema (IP – EC)	Eu coloquei na minha cabeça que aos 40 anos eu queria ter a vida resolvida, via que estava indo muito bem em vendas – era o campeão repetidas vezes. Minha família veio do nada, eu não tinha nada, nem segundo grau. O que eu vou fazer?
	Decisão Estratégica (EC)	Eu vou ter a minha empresa própria
	Problema (EC-IP)	Como a empresa vai operar?
	Decisão Estratégica (IP)	A empresa vai trabalhar com a carteira de clientes que os 3 sócios desenvolvem, com recursos financeiros próprios, instalada na garagem, e com a garantia de crédito da FG
MH2	Problema (IP-EC)	O mercado está ficando limitado para vender mais, como vou crescer?
	Decisão Estratégica (EC)	Vou começar a importar e trabalhar com fita
	Problema (EC-IP)	Como a empresa vai direcionar o negócio?
	Decisão Estratégica (IP)	Eu vou fabricar meu próprio produto!

NOTES ON DYNAMIC CAPABILITIES

Firm activities/Cycles	Sensing	Seizing	Transforming
1 st	Business from his income savings	“I can do it”	Recognition To Seller
2 nd	Relationship matters	Bargain by trust and loyalty	Credit to found his own business venture
3 rd	Resources management	Value of his resource base and allocation	Own property
4 th	Limited bargain power	International trade – imports Development of new suppliers New business models New business products	Composition of a new set of products Map of new market development
5 th	Well resource allocation in people and new demands	Scarcity and dependence of imported products China could supply machines!	Unexperienced manufacturer and specialist machine assembly!
6 th	Passion	Plant Business	Employers of multiskilled labor positions Constructor Machinery all set
7 th	Quality of products Branding	Investment Skill set	Recognition as manufacturer Expansion of market and region

CONTENT FOR ONE STORY OF TWO FACES (DEVELOPMENTAL PATHWAYS)

Case One – Pioneering a manufacturer of supplies

This is the story one about pioneer named Marelo (fictional name), who entered in the supply business as a sale representative, created and developed the idea of pioneering a manufacturer of supplies. He took the work on pioneering his own business very seriously, so as he begun his job experience. The first thing he decided towards it was to save 40% of his earnings for private investment in his Firm. He started pretty young with basic education in the clean up services at one of the biggest companies at that time around his region. Seventeen months later, he was already recognized as the to seller. Besides financial asset, he envisioned that inter personal relationship matter. He set example, kept winning recognition among colleagues while increasing his customer base and following the rules of the company by the book. He felt that the day to open his business was becoming close, and leaving the door open with his employer meant a lot to get it as a fresh start. At that point, the company was a leading edge in the region, and Marelo was reporting to the owner. They had an easy relationship, besides the fact that indirect sales commission was always the reason for law sues afterwards. They both knew these was going to come out in their conversation, and Marelo posit that he was working so far under the rules of the company – he didn't agree with the indirect sales commission policy, but he accepted the job as it was. So, he understood that it was not right to claim that. The employer recognized his integrity, and offered his referral for credit in any case he needed while running his own business. He knew that this was going to be important. Two colleagues decided to join Assis. And a day after, they started their business in the garage of Assis's partner.

Marelo and the two partners started the company with limited resources, no inventory, no employees, no phone, but full of energy to entrepreneur. They started visiting customers, contacting suppliers, and sharing clerk duties. Marelo was pursuing his business Firm and he felt that the two partners were following up with him. Sales were running good, and they were able to bargain good purchase for their supplies. Untill the day the garage was not sufficient and they were able to move to a new building. In this move, one of the partners decided to leave the business. Marelo and the other decided to keep it running together and they did it for a while to the point where Marelo felt the partnership was not well balanced, once his sales were substantially more expressive than the sales done by his partner. They tried different role arrangements, such as internal and external sales division. Marelo envisioned opportunities to go further by his own, and offered to his partner to split the property. They ended up doing it.

Marelo was running the business already in a good size when he found out that referral of credit was imposing limits for expanding market domain. As good as it is to have a credit backed up by the leader of the market, as it is bad. His purchasing power to bargain was pre-ordained by the conditions of the leader. This was understood to be a chase and/or a relief. He acknowledges it was time to lead work in new market segments of products and/or new sources of suppliers.

Years later, international commerce policy was benefiting importations – and as his own words: “the market got opened to the world”. Internet was also blooming at this time. He found something big to do. With a help of a good friend he started to import products. New suppliers in the United States helped to break the barrier of the market leader down. Nothing stand, he started to get to know about new business, and ways of doing it. He mentions how impressive it was to see suppliers in the US with a whole diversity of products, high quality

standards, affordable prices and feasible logistics arrangements. Suddenly, Marelo builds a new set of products and the challenge of developing a new base of customers.

Marelo was driving the Firm in his own path with no more than gratitude to his ex employer and partners, and the honor of following business principles learned as it code such as integrity, respect and work. Over the time, Marelo was focused on expanding a new product line. After discovering United States, he found new sources of supply in Chile, and then, China. Without speaking English and either leaving the country before, Marelo reached to the point that 70% of his sales were based in importation. He developed it through relations with trading companies, besides investing in his son education. As soon as his son was out of the Business School, and after a while in an English course, he joined the company with a mission of supporting growth and developing a new set of suppliers in China.

Sales and purchasing were running well to the point that Marelo faced difficulties in meeting market demand. And it was understood as a new opportunity, just opened and deflagrated after him. Scarcity of products and high importation dependence were signals that it was time to be a manufacturer of his own product, something that could be owned and endure an entire life. While China was a supplier of his sales purchasing, it could also be supplier of machines to manufacture his products. He and his son worked on this plan until they found reasonable to go for it during a business trip to China. Marelo found the machinery he endeavored for and bought it out of pocket. Coming back home, he got adverted by his wife: “where are you going to install all these machines?!” This was just the beginning of his industrial journey.

Marelo did not have expertise to run a plant to manufacture anything, but he was passionate by having it to be as he speaks to me. He started looking for a piece of land for the construction. After a while, he found the location with energy power facilities and closed by a logistic hub. He bought the land, and built the manufacturing plant, while running the store as its principal. Pioneering at this point involved one year and half of twelve to fifteen daily working hours. Marelo had to overcome the challenges of hiring new set of competences and services, performing relationship with local government to enable infrastructure and access to distribution. Machinery done in China, ready to be shipped to Brazil, and plant was not done yet. Building was under construction, as all it seemed was. After plant was all set, Chinese technicians were not able to attend the try out, and Marelo had to wait. When they arrived, finding machines already assembled, just awaiting the electronic assistance, surprised them.

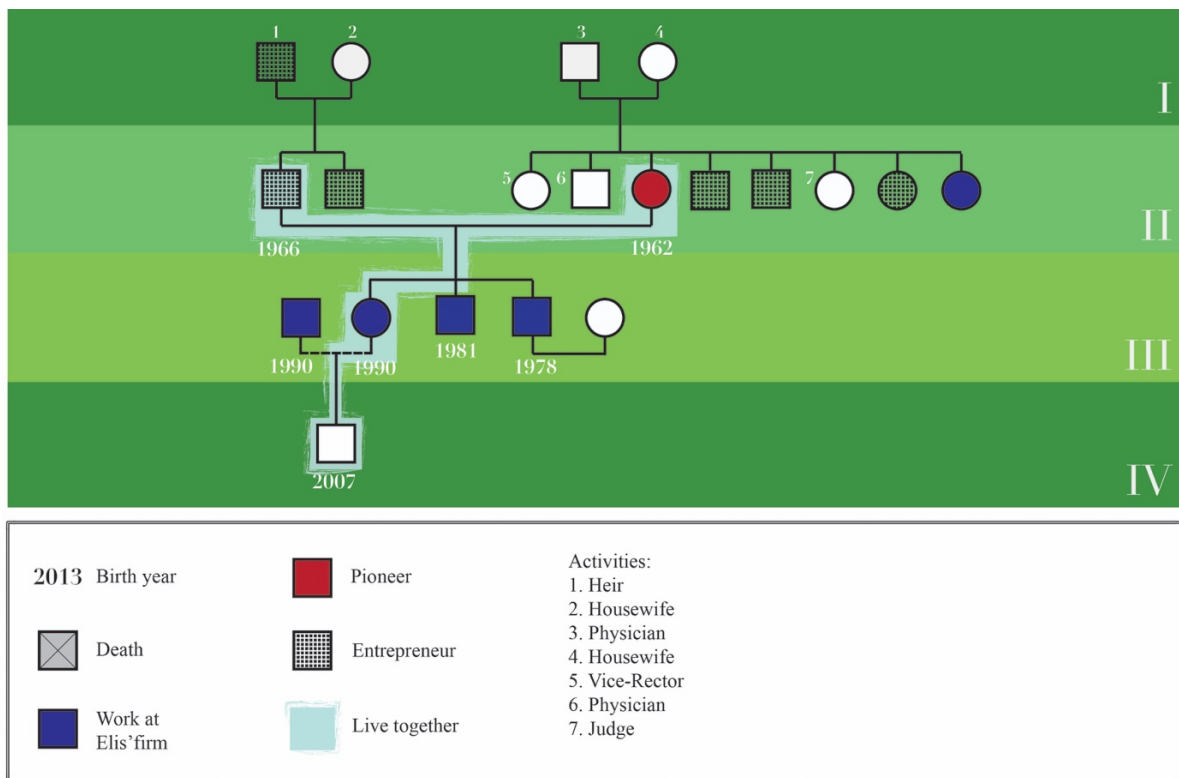
Marelo was at the point of developing his own product. He wanted it to have quality. Marelo hired a specialist to help, and he learned that hiring the right people is crucial for resource allocations, as it is the content agreed in the contract of work. The investment was higher and it took more time than he really expected. Marelo thought that this part of the story was hard, although opportunities to advance and build his product and his brand were right there and “my payback came through”, as now he says. He turned to be recognized as a manufacturer of supplies and accountable for a market share that expanded his original regional limits of distribution. Nowadays, he substituted the portion of imported supplies by sales of his production. It set him in a different position when competing against distributors of imported products. Firm’s brand is getting stronger in the market, which allows distribution in other parts of the country. He already feels advantages for being the manufacturer of supply products. A month before our interview, Marelo was involved in signing up a joint venture contract with a leading global manufacturer. He may be about to live the next carve out phase of pioneering business transformations in a large company.

2. THE ELIS CASE⁵¹

2.1 Memorandum

The first contact with Elis was established at a conference in which she was one of the presenters. After the conference, the researcher talked to Elis about her doctoral investigation. Elis manifested interest in helping the investigation, so a second contact was planned. The interview took place in Elis' office at her firm. It was a normal workday and Elis kept "running" the firm while she was interviewed.

2.2 Elis' family genogram and birth situation



Elis' genogram suggests that her family has a strong background associated to entrepreneurial activity, for many of her siblings have firms or run business. Not only her family has an entrepreneurial background, but also her husband's. more than that, if we

⁵¹ The pioneer name as well as of its firm were modified to maintain anonymity. Any other names or functions, such as the product manufactured by the firm, were changed to avoid identification due to the sensitiveness of the data collected in this research. These substitutions were made under the principles suggested by Rosenthal (2014).

focus on the first generation of both families, we may suggest both Elis and her husband come from wealthy (and maybe influential) families, what may be related to the fact that they got into the business field. The network of contact the family has seems to have an impact on the fact that Elis and her siblings hold professions with high income payments. This suggests that the family was in a privileged social position from the beginning of Elis' activities as a pioneer.

One might also perceive that Elis' daughter had an affair with a young male when she was 17 years old and Elis lives with her daughter (a single parent) and her grandson. More than that, the genogram suggests that their relationship with the grandson's father is good, for he works at Elis' firm. We may also suggest that Elis' children have a strong connection with her firm (and not with their father's) for all of them hold positions in it. Not only her children and her grandson's father work on her firm, but also her sister. This might indicate that the firm's success is of utmost importance to the family's income.

2.3 Hypotheses for lived life and structural hypothesis for lived life

2.3.1 Chronology

CHRONOLOGY OF BIOGRAPHICAL DATA
~ 1969 – Elis is born in Porto Alegre
~ 1977 – Elis is a gymnast at GNU (8 years old)
~ 80's Elis wins gymnastics championships
Elis studies to become a PE teacher
~ 1985 – Elis gets a bachelor's degree in Business Administration
Elis marries a wealthy entrepreneur
Elis's children are born (Walter, Nando)
Elis starts to work as PE teacher in a public school
Strikes at Elis' job become more frequent (87-90 Simon; 91-94 Collares)
Elis's daughter is born (Laura)
~1994 – Elis starts her firm (elastic bands and clothes) (under premium license from her job)
~ 1995 – Elis asks for a voluntary dismissal (Britto's administration, 1995-99)
~ 1995 – Elis sells for a department store
~ 1996 – Elis launches the firm's website in 3 languages
~ 1996 – Elis' firm starts to export to Costa Rica
~1996 – Elis meets Dorothea Werneck (FHC Government), Ministry of Commerce
Elis takes part in official Brazilian trade missions (with Randon, Marcopolo)
~1996 – Elis changes her brand's name after a business trip to Costa Rica
~1996 – Elis imports machinery from Germany
Elis ceases to sell to department stores
Elis' firm operates in 20 countries
~ 2003 – Elis helps to establish APEX
~ 2004 – Elis' protégée is hired (planned succession)
~ 2006 – Elis's son starts to work at the firm (London)
~ 2008 – Elis' firm catches fire
~ 2008 – Clients help Elis' firm (US, Mexico, China)
~ 2009 – Elis buys new machinery

2013 – Elis focus the domestic market
~ 2014 – Elis' manager quits and takes privileged information to her competitor
~ Laura studies Fashion Design (ESPM)
~ 2016 – Elis' firm operates in 61 countries
~ 2016 – Elis opens her first store in Brazil

2.3.2 Hypotheses for lived life

BIOGRAPHICAL DATA ANALYSIS (HYPOTHESES FOR ELISANDRA'S LIVED LIFE)
1. ~ 1969 – Elis is born in Porto Alegre
<p>1.1. Elis is born in a family with great socioeconomic background</p> <p>1.1.1. Elis goes to a great school and receive a good education</p> <p>1.1.1.1. This education influences Elis's decisions in the future</p> <p>1.1.1.2. This education does not influence Elis's decisions in the future</p> <p>1.1.2. Elis does not go to a great school but receives good education at home</p> <p>1.1.2.1. This education influences Elis' decisions in the future</p> <p>1.1.2.2. This education does not influence Elis's decisions in the future</p> <p>1.1.3. Elis takes for granted her life condition and doesn't study or work</p> <p>1.2. Elis is born in a poor family</p> <p>1.2.1. Elis doesn't go to school</p> <p>1.2.1.1. Elis has to work to help the family</p> <p>1.2.2. Elis receives proper education and breaks the "bad" education cycle of her family</p> <p>1.2.3. Elis' constantly tries to distance herself from the poor family</p> <p>1.2.4. Elis' works hard to help her family</p>
2. ~ 1977 – Elis practices professional gymnastics at GNU (8 years old)
<p>2.1. Elis develops a career in gymnastics</p> <p>2.2. Elis doesn't sustain a career in gymnastics</p> <p>2.2.1. Although she doesn't pursue a career in gymnastics as a professional athlete, the sport influences her life</p>
3. ~ 1985 – Elis gets a bachelor's degree in Business Administration
<p>3.1. Elis works as a manager in someone else's firm</p> <p>3.1.1. After gaining some experience, Elis opens her own business</p> <p>3.1.2. Elis has a career in a third-party firm</p> <p>3.2. Elis opens her own firm</p> <p>3.2.1. Elis works hard and has to choose between having children or running her business</p> <p>3.3. Elis becomes a professor</p> <p>3.3.1. Elis opens her business even though she works as professor</p> <p>3.3.2. Elis quits being a professor to open her own business</p>
4. ~ 1996 – Elis launches the firm's website in 3 languages
<p>4.1. Elis' firm benefits from online marketing</p> <p>4.1.1. Sales increase and Elis constantly chooses to invest in technology and marketing</p> <p>4.1.2. Even though there is an increase in sales, Elis doesn't invest in online marketing and technology anymore</p> <p>4.1.3. The benefits of online marketing become bigger than the sales of the firm in other venues; Elis invests in an online platform to sell the products</p> <p>4.2. Elis' firm does not benefit from online marketing</p> <p>4.2.1. Even though it doesn't work at the first time, Elis insists and continues investing in digital media/technology</p> <p>4.2.2. Elis develops a management profile that disbeliefs in technology and assuming risks in new strategies</p> <p>(Ver hipóteses do capítulo)</p>
5. ~1996 – Elis meets Dorothea Werneck (FHC Government), Ministry of Commerce
<p>5.1. A series of business opportunities unfollow after the meeting</p> <p>5.1.1. Elis takes the chance and make the best out of these opportunities; her firm benefits from the high-profile political contact</p> <p>5.2. Even though Elis benefits from the meeting, great outcomes do not take place</p> <p>5.2.1. Elis externs a disbelief in political contacts and adopts a position pro-business and against</p>

<p>governmental intervention in the economy</p> <p>5.3. Elis has access to high end government officials</p> <p>5.3.1. Elis' firm benefits from these contacts</p> <p>5.3.2. Elis uses illegal means to influence political decisions that benefit her firm</p> <p>5.3.2.1. Eventually the firm's illegal activities are uncovered and Elis has to close the firm</p> <p>5.3.2.2. Due to illegal practices, Elis' firm becomes a big player on the market</p>
<p>6. ~ 2008 – Clients help Elis' firm (US, Mexico, China) after a fire</p> <p>6.1. Elis strengthens her ties with the clients, that invest in her firm</p> <p>6.1.1. The investor's participation increase and Elis has to handle down the firm's control</p> <p>6.1.2. The investor's participation increase and Elis stays in control</p> <p>6.1.2.1. Revenues increase and the firm adopts a strategy to go global (exportation)</p> <p>6.1.2.2. Eventually the firm develops a plan to invest in the domestic market</p> <p>6.1.2.2. Revenues increase and the firm adopts a strategy to become the bigger player in the domestic market and then go global</p> <p>6.2. Elis maintains the same relationship as before with her clients</p> <p>6.3. Elis' firm is strengthened by the foreign lending of capital</p> <p>6.3.1. The firm becomes more dependent of foreign capital and Elis loses management power</p>
<p>7. ~ 2016 – Elis opens her first store in Brazil</p> <p>7.1. Elis has a hard time expanding the firm's domestic market share</p> <p>7.1.1. Elis gives up on the strategy to enter in the domestic market</p> <p>7.1.2. Elis changes her strategy for the domestic market (such as investing in a new product)</p> <p>7.2. The firm succeeds in the domestic market</p> <p>7.2.1. Elis has to redirect the production to the internal market or invest in the production expansion</p> <p>7.2.2. Eventually Elis receives a good acquisition/joint venture proposal and accept it</p> <p>7.2.2.1. Elis starts a new business</p> <p>7.2.2.2. Elis retires</p>

2.3.3 Structural hypothesis for Elis' lived life

The analysis of Elis' biographical data indicates that her firm strongly benefited from Elis' personal network of contacts. The biographical events recurrently manifest the presence of political facilitators, foreign supporters, and a strong family education. It seems that the resilience of her firm might be associated with the inter-personal network Elis managed. The turning-point event of the fire indicates that she had a strong relationship with her consumers, that helped her to re-establish her business. More than that, the connections present in this data indicates that she has better customer's relationships outside the country than inside the country, despite having direct access to high level politicians in the 1990s. Another point of interest is the recurrent presence of education and innovation in the data. Elis had access to two bachelor's degree in a period when it was uncommon for women in her region to have access to these opportunities. The investment in technology (internet) might be associated to her education.

2.4 Self-presentation hypotheses and structural self-presentation hypothesis

2.4.1 Self-Presentation hypotheses

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
1	P. 1 - 1 L. 1 - 4 Total: 4 Initial question	<p>Initial question and negotiation Question about family history and explanation of the interview format</p> <p>1.1. The interviewee will tell his family history in depth</p> <p>1.2. The interviewer will ask some questions regarding the format/subject of the interview</p> <p>1.3. The interviewee will briefly tell his history</p> <p>1.4. The main theme of the presentation will be related with the "pioneer" investigation of the interviewer</p> <p>1.5. The main theme of presentation will not be framed by the interviewer's investigation theme</p>
2	P. 1 - 1 L. 4 - 12 Total: 9 Athlete profile/Professional/Resilient woman (and mother)	<p>Report Childhood related to sport practice (fierce routine); mentions 2 bachelor's degree (one associated with sports); mentions she had children</p> <p>2.1. She mentions her strict routine because she wants the interviewer to think that she is someone strong and responsible (this may be related to the notion that women tend to masculinize when in an environment dominated by men); she wants to be perceived as a strong "man"</p> <p>2.2. She mentions both her degrees to impress the interviewer about her education</p> <p>2.2.1. She will recurrently speak about her education (this will be one of the main themes of her presentation)</p> <p>2.2.2. She will no longer mention her education</p> <p>2.3. She mentions both her degrees to later on the interview say that none of them was useful for her business (she will present a narrative that arguments in favor of work in detriment of study)</p> <p>2.4. She mentions she had children early on because she wants to be associated to the characteristics of a mother</p> <p>2.5. She mentions she had children because she will later on relate to them some difficulties she had because she was a mom and an entrepreneur</p> <p>2.6. She mentions her sport practice because she wants to be seen as someone that takes care of herself</p> <p>2.7. She mentions sport practice because she wants to associate herself to a strict routine, perseverance, among other sport-related themes</p>
3	P. 1 - 1 L. 12 - 22 Total: 11	<p>Report Mentions her restless temperament; connects her children's</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
	Active woman/Hard working woman/Mother	<p>childhood to the same period when she worked at a school; mentions the increase in strikes and her disapproval; mentions her first product and relates it to sports</p> <p>3.1. She wants to be seen as a mother that had to work at the same time she had to raise her children. 3.1.1. She wants to present herself as a successful woman that accomplished both things successfully (family and work).</p> <p>3.2. She mentions the relation of her first product with sports because she wants to let it clear the importance that sports had on her professional life. 3.2.1. She will recurrently mention the influence of sports over her firm.</p> <p>3.3. She mentions her restless temperament because she will use this information later to make a point regarding how addicted to work she is.</p> <p>3.4. She mentions her disapproval of the strikes at her work because she wants to be seen as a hard worker person. 3.4.1. Eventually she will criticize people that fight for their right using strikes.</p>
4	P. 1 - 1 L. 22 - 31 Total: 10 Creative and innovative woman	<p>Argumentation Explains the idea of her first product (elastic band)</p> <p>4.1. She wants the interviewer to understand the potential she had as an entrepreneur from the beginning 4.1.1. She will use this information to exemplify to the interviewer later on how she had a brilliant idea at the beginning.</p>
5	P. 1 - 2 L. 31 - 7 Total: 11 Entrepreneur and mother/Determined woman	<p>Report/Argumentation Voluntary resignation; explains why she opened her firm in her backyard due to her children's early age (she had to take care of them)</p> <p>5.1. She mentions her children again because she wants to be seen both as a successful mom and entrepreneur</p> <p>5.2. She mentions her voluntary resignation because she wants to be seen as someone that is honest and do what she wants to do when faced by conditions she dislike. 5.2.1. Eventually she will mention how courageous and brave she is (a tough/strong woman).</p> <p>5.3. She mentions the firm at her backyard to emphasize how much she grew over the years and impress the interviewer with her capacity to manage a firm. 5.3.1. She will eventually use this as a form to exemplify how she became a successful woman.</p>
6	P. 2 - 2 L. 7 - 14 Total: 8 Business relationships	<p>Report The relationship with a department store and the name of the brand</p> <p>6.1. She mentions the origin of the name of the brand because she wants the interviewer to understand the whole concept behind her mark. 6.1.1. Eventually she will say her products are more than mere products, but also a lifestyle.</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
7	P. 2 - 2 L. 14 - 27 Total: 14 Innovative woman	Report/Argumentation Mentions her decision to have a website; explains how the firm dealt with the internet in its early stages 7.1. She mentions the use of technology in early stages to denote her attentiveness to technological advancements of the time. 7.1.1. Eventually she will present herself as someone that is open to innovation and technological change.
8	P. 2 - 5 L. 27 - 2 Total: 78 Exportation pioneer	Report/Argumentation/Story The first export sale; the ignorance on exportation bureaucracy; pioneering a small size exportation firm (her contact with the Minister); the constitution of Apex; the process of exporting to foreign countries (procedures) 8.1. She mentions a series of successful events because she wants to impress the interviewer and consolidate the idea that her firm is a successful firm. 8.1.1. Eventually she will use the firm's success to identify herself as a successful person. 8.2. She mentions a series of successful events because she knows the interviewer might be a potential client to expand her own business. 8.2.1. Eventually she will try to convince the interviewer to invest in her firm.
9	P. 5 - 6 L. 2 - 20 Total: 53 Open-minded woman/Creative woman	Narration/Argumentation/Report Narrates the first exportation and problem; narrates how she changed the name of her brand while solving the problem; the commerce mission and what she learned from major exporters; the import of machinery from Germany 9.1. She mentions this event because she wants to be seen as someone that can manage unexpected outcomes. 9.1.1. Eventually she will reiterate the idea that she is a strong woman that can deal with problems. 9.2. She mentions the importation of German machinery because she wants the interviewer to be aware of the quality of the firm's machinery. 9.2.1. Eventually she will mention that her firm's product is better than her competitors (she will mention the high quality of her product).
10	P. 6 - 7 L. 20 - 27 Total: 42 The firm's assets/Open-minded woman	Argumentation/Description Brazilians don't respect complaints from customers; how her firm deals with customer's complaints; the specificities of each country's culture and the impact over her product (taking into account her customers input) 10.1. She differentiates her firm from other firms using the example of customer's complaints because she wants to convince the interviewer of the importance that customers have for her. 10.1.1. Eventually she will mention that the customers are the most important part of the firm. 10.2. She mentions how they deal with other countries because she wants her firm to be seen as a successful firm outside her country. 10.2.1. Eventually she will use this information to differentiate her

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
		firm from competitors that do not export products.
11	P. 7 - 8 L. 27 - 17 Total: 25 Exportation firm/Firm's difficulties	Report/Argumentation How the firm expanded in foreign countries; the firm's limitations due to the dependence on exportations; the firm's difficulty to enter in the national market 11.1. She presents the exportation characteristic of her firm in contrast with the difficulty to access the domestic market because she wants to be seen essentially as an exporter. 11.2. She mentions her firm's difficulties because she will ask for the interviewer's help in another moment.
12	P. 8 - 9 L. 17 - 8 Total: 26 Firm's difficulties	Narration/Argumentation How the firm caught fire 12.1. She mentions difficulties she had to face because she wants to be seen as a successful entrepreneur that did not give up on the face of tragedy. 12.1.1. Eventually she will mention her resilience as an entrepreneur. 12.2. She mentions the fire because she wants to ask for the interviewer's help later on.
13	P. 9 - 9 L. 8 - 11 Total: 4	External interruption Intermission 13.1. She will change the theme. 13.2. She will continue telling the story about the fire. 13.3. She will ask for the interviewer's help to remember what she was talking about.
14	P. 9 - 11 L. 11 - 4 Total: 62 Firm's difficulties/Exportation firm	Report/Argumentation Resumes to report on the fire; how foreign customers lent her money/anticipated demands; the difference between exporting and producing for the domestic market 14.1. She mentions the support she received from her customers because she wants to let it clear the importance her firm had to them. 14.1.1. Eventually she will use this action to justify the difficulty her firm has to enter in the domestic market (because it has a high demand from the foreign market). 14.2. She differentiates exportation and importation to justify her failure to enter the domestic market. 14.3. She mentions the help she received from her customers because she wants to be seen as someone that is held in high regard by her clients due to the quality of her work.
15	P. 11 - 11 L. 4 - 8 Total: 5 END OF THE FIRST PHASE	Interviewer Question about the internal/external market demand
16	P. 11 - 12 L. 8 - 1 Total: 28	Report/Argumentation The time it takes to build trust with foreign customers (it is a journey);
17	P. 12 - 14 L. 1 - 11	Report/Argumentation/Description

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
	Total: 79	Speaks about her openness to new people and suggestions; speaks on the necessity to educate her children to learn how to handle the firm; ponders on the firm structure and how she is increasing the participation of her subordinates (they have to learn how to work without her presence)
18	P. 14 - 14 L. 11 - 16 Total: 6	Interviewer Questions which kind of gymnastics she did during childhood (question referring to the interviewee's initial presentation)
19	P. 14 - 16 L. 16 - 10 Total: 63	Argumentation/Account The analogy between sport and entrepreneurship; the influence of her father (he enrolled his children in sports); the entrepreneurship ethic and its relation to sports ethic (resilience)
20	P. 16 - 16 L. 10 - 13 Total: 4	Interviewer The interviewer suggests that Elis studied Physical Education due to the influence of the gymnastic and Administration due to her father/family
21	P. 16 - 16 L. 13 - 16 Total: 4	Argumentation Elis denies and says she chose Administration because she had to choose between a very limited scope of courses and Administration was the best option when compared to the others
22	P. 16 - 16 L. 16 - 21 Total: 6	Intermission Brief interaction between interviewer and interviewee that introduces the theme of family and working as an elementary teacher
23	P. 16 - 16 L. 21 - 21 Total: 1	Interviewer What inspired her as a teacher
24	P. 16 - 17 L. 21 - 16 Total: 30	Argumentation Elis manifests her dislike in relation to the environment in the elementary school where she worked; she uses this environment to ascertain the behaviors she doesn't tolerate in her own firm (such as gossip)
25	P. 17 - 17 L. 16 - 18 Total: 3	Interviewer There was any influencer over her decision to open her firm (and suggests the gymnastic)
26	P. 17 - 17 L. 18 - 29 Total: 12	Argumentation Speaks about the influence of her mother over the abilities she had to open her firm
27	P. 17 - 17 L. 29 - 29 Total: 1	Interviewer Questions if the department store was a first step in the history of her firm
28	P. 17 - 18 L. 29 - 31 Total: 37	Argumentation Agrees it was the first step but tells that the firm already exported to more than 20 countries; explains how the firm's franchise system works
29	P. 18 - 18 L. 31 - 34 Total: 4	Interviewer Questions where does she finds inspiration for the ideas she has and asks about business planning
30	P. 18 - 21 L. 34 - 11 Total: 80	Argumentation/Report Speaks about her openness to suggestions from other institutions (as Sebrae and universities); describes how external aid helped her brand positioning and marketing; gives examples of how she is capable to seek and listen to suggestions
31	P. 21 - 21 L. 11 - 17 Total: 7	Interviewer Summarizes previous report and asks about where does she sees her brand today
32	P. 21 - 22 L. 17 - 18 Total: 36	Argumentation/Description Tells how her brand became bigger than her own business;

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
		arguments that to become a big brand (internationally recognized) it is a matter of time
33	P. 22 - 22 L. 18 - 19 Total: 2	Interviewer Questions about time management
34	P. 22 - 23 L. 19 - 21 Total: 37	Argumentation/Report She says that her time is better today because she learned to decentralized decisions; speaks about the importance of succession planning; reports the problem she had with a man she was mentoring to take her position at the firm; speaks about the preparation of her children to succeed her
35	P. 23 - 23 L. 21 - 22 Total: 2	Interviewee Asks since when her children work at the firm
36	P. 23 - 24 L. 22 - 4 Total: 17	Argumentation Speaks about the role of each of her 3 children inside the firm; presents the succession planning as a big challenge for the firm (her main challenge right now)
37	P. 24 - 24 L. 4 - 5 Total: 2	Interviewer Asks how many people currently work at the firm
38	P. 24 - 24 L. 5 - 10 Total: 6	Account Says how many employees and partners the firm has
39	P. 24 - 24 L. 10 - 11 Total: 2	Interviewer Makes a confuse question regarding trajectory
40	P. 24 - 24 L. 11 - 34 Total: 24	Argumentation/Report Mentions the role each of her children has been discovering inside the firm (succession planning); mentions the format/structure of the business for her children (that will have to work as other workers do but count with royalties and shares in the end of the year)
41	P. 24 - 25 L. 34 - 1 Total: 2	Interviewer Mentions the interviewee's husband
42	P. 25 - 25 L. 1 - 6 Total: 6	Argumentation/Account Speaks about her husband and his profession
43	P. 25 - 25 L. 6 - 11 Total: 6	Argumentation Speaks about how she is preparing for the succession
44	P. 25 - 25 L. 11 - 13 Total: 3	Interviewer Asks about processes inside the firm
45	P. 25 - 27 L. 13 - 9 Total: 64	Argumentation/Report Tells about the processes inside her firm and says that they used to do everything alone but now they have the aid of an external consultancy; describes peoples and processes inside the firm
46	P. 27 - 27 L. 9 - 10 Total: 2	Interviewer Mentions the year of 2008 as a milestone in the history of the firm and asks if there are other milestones
47	P. 27 - 27 L. 10 - 29 Total: 20	Argumentation/Report Mentions the refinement of the design of the clothes (bath suits) they had the challenge to develop for a beauty pageant; relates these opportunities to take risks and face challenges to the sport
48	P. 27 - 27 L. 29 - 32 Total: 4	Interviewer Asks if any of her sons did sports and how do they were affected by her principles
49	P. 27 - 28 L. 32 - 12 Total: 15	Argumentation/Report She says that they bear her principles only in part but she believes they will have to step up and occupy her space when she retires (eventually they will have to assume her responsibilities)
50	P. 28 - 28 L. 12 - 15 Total: 4	Interviewer Asks about anything that challenged her to do something but already implies an answer mentioning the countries that helped her after the

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content / Hypotheses
		fire
51	P. 28 - 28 L. 15 - 30 Total: 16	Argument She mentions how some countries influenced the production, in a better way, such as USA and Sweden
52	P. 28 - 29 L. 30 - 18 Total: 23	Interviewer Summarizes the main points of the interview with the interviewee
53	P. 29 - 29 L. 18 - 21 Total: 4	Interviewer Mentions that the interview is finishing and asks about the commercial missions
54	P. 29 - 29 L. 21 - 34 Total: 14	Argumentation/Account Speaks how the missions functioned and which companies were part
55	P. 29 - 30 L. 34 - 1 Total: 2	Interviewer Asks if other firms seek her to learn from her
56	P. 30 - 30 L. 1 - 5 Total: 5	Argumentation/Account She says some firms ask for her advice and mentions an example
57	P. 30 - 30 L. 5 - 18 Total: 14	Final remarks and end of the interview Thank you discourse

2.4.2 Structural self-presentation hypothesis for Elis' narration

Elis's presentation interest is centered on the thematic field of being a resilient person that learned, during the period of time when she was a professional gymnastics athlete (her childhood and early youth), to be open-minded, determined, professional, to overcome challenges, highly competitive, independent, and self-assured. She wants to be seen as someone that inspires and empowers her followers and the ones that are loyal to her, as well as someone that important to big things (such as the creation of national associations of entrepreneurs in her field). She makes an effort to be seen as someone that has knowledge to be transmitted.

2.5 Lived and narrated life contrast

RECONSTRUCTION OF THE LIFE HISTORY	
HYPOTHESES FOR LIVED LIFE	HYPOTHESES FOR LIVED LIFE
1. ~ 1969 – Elis is born in Porto Alegre	
<p>1.1. Elis is born in a family with great socioeconomic background</p> <p>1.1.1. Elis goes to a great school and receive a good education</p> <p>1.1.1.1. This education influences Elis’s decisions in the future</p> <p>1.1.1.2. This education does not influence Elis’s decisions in the future</p> <p>1.1.2. Elis does not go to a great school but receives good education at home</p> <p>1.1.2.1. This education influences Elis’ decisions in the future</p> <p>1.1.2.2. This education does not influence Elis’s decisions in the future</p> <p>1.1.3. Elis takes for granted her life condition and doesn’t study or work</p> <p>1.2. Elis is born in a poor family</p> <p>1.2.1. Elis doesn’t go to school</p> <p>1.2.1.1. Elis has to work to help the family</p> <p>1.2.2. Elis receives proper education and breaks the “bad” education cycle of her family</p> <p>1.2.3. Elis’ constantly tries to distance herself from the poor family</p> <p>1.2.4. Elis’ works hard to help her family</p>	<p>eu era uma peste meu pai era médico eu: eu sempre vim sempre vim de uma família ã: de muitas posses // E1 uhum // meu pai era médico a gente foi criado com motorista porque nós éramos em oito filhos // E1 oito filhos // é e ele tem uma visão muito boa porque assim na verdade // E1 uhum // por ele ser médico e etcetera e tal ele sempre disse o seguinte que nós as crianças ele só via uma maneira de de de das crianças de de ficarem cansadas fisicamente que era dentro do esporte então ele nos largava no União todas as tardes // E1 uhum // e nós ficávamos no União todas as tardes então toda minha família é atleta // E1 uhum // meus irmãos jogavam vôlei basquete outra basquete uma foi campeã de saltos ornamentais eu era de ginástica olímpica e o meu pai foi presidente do União oito anos porque já que os filhos tavam todos lá dentro ele também tava lá // E1 sim ele também ia // o tempo todo vendo competição então convidaram ele pra ser o presidente // E1 aham // então assim ó ele teve uma visão meu pai era uma pessoa de uma cabeça muito privilegiada e:: ele teve uma visão muito grande dizendo o seguinte e eu era uma pessoa muito inquieta (2) ‘só tem uma maneira de vocês pararem de brigar’ porque dentro de casa com aquele monte de filho era ‘vão praticar esporte que vocês vão vim cansado vão deitar e dormir’ né então era o que nós fazíamos a gente ia saía pro União de tarde cada um um tinha- começava as duas da tarde outro começava as quatro e aí nós não nos encontrávamos muito entendeu dentro de casa // E1 uhum // mas a gente sempre teve uma família muito unida até porque ele sempre foi um pai muito centralizador né mas foi aí e eu descobri que o seguinte ã: dentro da minha família os oito filhos os oito são os maiores ã: os oito os oito são empreendedores (P.14-15)</p>
2. ~ 1977 – Elis is a gymnast at GNU (8 years old)	
<p>2.1. Elis develops a career in gymnastics</p> <p>2.2. Elis doesn’t sustain a career in gymnastics</p> <p>2.2.1. Although she doesn’t pursue a career in gymnastics as a professional athlete, the sport influences her life</p>	<p>bom assim primeiro ã:: quando eu era criança eu fui atleta do Grêmio Náutico União e- eu fui campeão brasileira e sul americana de ginástica olímpica então eu já tenho uma vida ligada ao esporte praticamente desde os oito anos de idade porque eu treinava cinco horas por dia né ((barulho de lápis na mesa)) depois o segundo- e eu treinei dos oito anos até os dezoito anos quer dizer todos os dias eu não tinha férias nem em janeiro nem fevereiro que a gente ficava treinando (P.1)</p> <p>eu comecei a contar essa parte minha da da ginástica por dois dois motivos primeiro porque eu acho assim ó o atleta ele:: ele te ensina a:: cair e a levantar ((barulho de batida na mesa)) // E1 uhum // a cair e a levantar então tu vai pra uma competição onde tu perde e tu pode ganhar (1) se tu perdeu tu vai à luta de novo tu entendeu // E1 uhum // tu vai treinar pra</p>

	<p>que aquilo saia melhor na próxima competição então tu tem um controle muito grande emocional e de guerra // E1 uhum // tu tem um controle de guerra dentro de ti tu tem um conflito dentro de ti porque tu tem um controle de guerra que é o seguinte eu tenho que fazer tu repete tu repete aquele processo várias vezes né pra que tu tenha uma melhor pro-performance entendeu então que=que tu que=que acontece com o com o atleta quando ele é um atleta de alto nível assim como eu fui é tem claro que o lado físico tem lesões tem problemas mas assim ó por outro lado tu te forma tu te:: tu cria dentro de ti uma pessoa muito forte muito batalhadora // E1 uhum // entendeu e esta personalidade foi criada por mim quando eu era criança dentro do esporte (P.14)</p>
<p>3. ~ 1985 – Elis gets a bachelor’s degree in Business Administration</p>	
<p>3.1. Elis works as a manager in someone else’s firm 3.1.1. After gaining some experience, Elis opens her own business 3.1.2. Elis has a career in a third-party firm</p> <p>3.2. Elis opens her own firm 3.2.1. Elis works hard and has to choose between having children or running her business</p> <p>3.3. Elis becomes a professor 3.3.1. Elis opens her business even though she works as professor 3.3.2. Elis quits being a professor to open her own business</p>	<p>ã quando eu iniciei a faculdade eu fiz duas faculdades eu fiz educação física e eu fiz administração de empresas duas faculdades né ã: casei comecei a ter meus filhos (P.1)</p> <p>// E1 olha só Elis aqui ã: daí tu tu teve ã a a na realidade a a educação física veio pelo esporte da ginástica // sim // E1 e a administração veio por ã-pelo teu pai por influência da família // não não=não=não eu não gostava de engenharia não gostava da medicina // E1 uhum // advocacia eu tinha pavor daquelas leis só me sobrou administração não tinha outra faculdade na época // E1 aham // as faculdades eram essas (P.16)</p>
<p>4. ~ 1996 – Elis launches the firm’s website in 3 languages</p>	
<p>4.1. Elis’ firm benefits from online marketing 4.1.1. Sales increase and Elis constantly chooses to invest in technology and marketing 4.1.2. Even though there is an increase in sales, Elis doesn’t invest in online marketing and technology anymore 4.1.3. The benefits of online marketing become bigger than the sales of the firm in other venues; Elis invests in an online platform to sell the products</p> <p>4.2. Elis’ firm does not benefit from online marketing 4.2.1. Even though it doesn’t work at the first time, Elis insists and continues investing in digital media/technology 4.2.2. Elis develops a management profile that disbeliefs in technology and assuming risks in new strategies</p> <p>(Ver hipóteses do capítulo)</p>	<p>tá ã:: há aproximadamente há vinte anos atrás eu coloquei um site em três idiomas esse site tinha três idiomas inglês espanhol e português né com fotos das roupas que eu estava produzindo né pro mercado interno vendendo inclusive pra Magazine e Panamá entrou em contato com a gente isso há vinte anos atrás quando a internet era discada até- // E1 vinte anos era 95 // é // E1 96 // é é era discada era um horror porque quando tu entrava na internet as as as loj- as casas inteiras parava de receber ligação de de=de telefone // E1 de telefone // porque entrava pim=pim=pim=pim=pim uma música e entrava a internet no teu computador (2) então volta e meia a gente a gente fazia entrar esse essa coisa pra ver se tinha algum pedido se tinha algum cliente etecetera e tal que queria naquela época a gente até ma- a gente até:: manipulava palavras pras pessoas acharem a tua página então a gente eu botei artefatos esportivos eu manipulei cinquenta palavras artefato esportivo ã: top sport em inglês entendeu // E1 uhum // e Panamá entrou gostou dos modelos e fez o pedido só que aí ela disse pra mim assim ó ‘eu queria saber se tu terias ã: o preço disso em dólar’ eu simplesmente passava de reais pra dólar do dia mand- mandei pra ela que achei que era impossível aquilo acontecer (P.2)</p>
<p>5. ~1996 – Elis meets Dorothea Werneck (FHC Government), Ministry of Commerce</p>	

<p>5.1. A series of business opportunities unfollow after the meeting</p> <p>5.1.1. Elis takes the chance and make the best out of these opportunities; her firm benefits from the high-profile political contact</p> <p>5.2. Even though Elis benefits from the meeting, great outcomes do not take place</p> <p>5.2.1. Elis externs a disbelief in political contacts and adopts a position pro-business and against governmental intervention in the economy</p> <p>5.3. Elis has access to high end government officials</p> <p>5.3.1. Elis' firm benefits from these contacts</p> <p>5.3.2. Elis uses illegal means to influence political decisions that benefit her firm</p> <p>5.3.2.1. Eventually the firm's illegal activities are uncovered and Elis has to close the firm</p> <p>5.3.2.2. Due to illegal practices, Elis' firm becomes a big player on the market</p>	<p>ai na mesma época ã:: a nossa ministra Dorotéia Werneck que era do F- Fernando Henrique Cardoso do né que era o nosso presidente ela me chamou em Brasília ela ligou lá pra minha casa que era época da empresa e me chamou que eu fosse até Brasília que ela precisava conversar comigo daí quando eu cheguei em Brasília e sentei ela disse pra mim assim ó 'tu sabe que tu é a única pequena empresa exportadora no Brasil' e eu disse eu não tenho a menor ideia eu tô nos fundo da minha casa lá no Rio Grande do Sul // E1 ((risos)) // ai ela disse ela disse-((risos)) // E1 nossa // 'tu é a única pequena empresa' eu disse eu não sou pequena eu sou micro ela disse 'pior ainda aí não existe o mesmo' // E1 ((risos)) // não existia pequena micro muito mais aí eu entendi e ela disse pra mim 'eu quero montar a Apex e: eu preciso duma empresária uma pequena que tenha uma pequena empresa que esteja exportando pra me dar todos os problemas que existe essa pequena empresa pra exportar' // E1 uhum // porque a Apex é assim pouca gente sabe mas a o início da sigla da Apex é Associação pra Pequenas Empresas Exportadoras esse era o início da Apex // E1 uhum // ela iria auxiliar as pequenas empresas aí a gente começou o processo da Apex (2) lá entendeu em Brasília // E1 daí tu participou // aí ela mandava a passagem sempre a cada quinze dias pra mim de uma terça pra mim voltar na quinta então eu ficava em Brasília terça quarta e quinta aí a gente teve várias reuniões com o Banco do Brasil a gente teve várias reuniões porque assim- e aí entrou essa estrutura que hoje é conhecida como um campo simplificado como entendeu como tu vai auxiliar a pequena empresa entendeu etecetera porque nada disso existia há vinte anos atrás // (P.3)</p>
<p>6. ~ 2008 – Clients help Elis' firm (US, Mexico, China)</p>	
<p>6.1. Elis strengthens her ties with the clients, that invest in her firm</p> <p>6.1.1. The investor's participation increase and Elis has to handle down the firm's control</p> <p>6.1.2. The investor's participation increase and Elis stays in control</p> <p>6.1.2.1. Revenues increase and the firm adopts a strategy to go global (exportation)</p> <p>6.1.2.2. Eventually the firm develops a plan to invest in the domestic market</p> <p>6.1.2.2. Revenues increase and the firm adopts a strategy to become the bigger player in the domestic market and then go global</p> <p>6.2. Elis maintains the same relationship as before with her clients</p> <p>6.3. Elis' firm is strengthened by the foreign lending of capital</p> <p>6.3.1. The firm becomes more dependent of foreign capital and Elis loses management power</p>	<p>então eu disse não não vou fazer isso não vou voltar mas assim o que aconteceu os meus clientes de exportação o México os Estados Unidos que até hoje é nosso cliente né México Estados Unidos a China tudo que eram compradores a:ssíduos da empresa começaram a fazer depósito do que eles iriam comprar no próximo ano porque aquilo era novembro // E1 hmm // entendeu e aí eu tinha que fechar aquele câmbio era obrigada a voltar pelo menos pra entregar pra eles né o que seria:: entregar pelo menos pra ele o que o os câmbios o dinheiro que eles tinham mandado pra mim // E1 eles te fizeram um depósito mesmo sabendo que tinha acontecido tudo isso // sim mas foi pra isso que eles fizeram o- // E1 ah eles fizeram como se fosse um um- // pra que eu voltasse // E1 um relief assim // isso=isso pra que eu voltasse // E1 uhum // colocasse as máquinas a trabalhar de novo (P.9-10)</p>
<p>7. ~ 2016 – Elis opens her first store in Brazil</p>	
<p>7.1. Elis has a hard time expanding the firm's domestic market share</p>	<p>pela primeira vez (1) então a gente tá com um processo sim no mercado interno hoje vendas de</p>

<p>7.1.1. Elis gives up on the strategy to enter in the domestic market</p> <p>7.1.2. Elis changes her strategy for the domestic market (such as investing in a new product)</p> <p>7.2. The firm succeeds in the domestic market</p> <p>7.2.1. Elis has to redirect the production to the internal market or invest in the production expansion</p> <p>7.2.2. Eventually Elis receives a good acquisition/joint venture proposal and accept it</p> <p>7.2.2.1. Elis starts a new business</p> <p>7.2.2.2. Elis retires</p>	<p>mercado interno nós estamos vendendo sim mas foi foi o episódio que aconteceu pela primeira vez né mas assim ó é um trabalho que eu sei que eu vou demorar vinte anos (P.8)</p> <p>hoje a gente recebe diariamente e-mails de pessoas pedindo de qualquer parte do mundo // E1 uhum // coisa que no mercado interno a gente tem que vender // E1 uhum // a gente tem que ir atrás // E1 uhum // fazer um trabalho né que é inclusive é o que a gente tá fazendo agora fazer um release pá=pá=pá pra gente começar um trabalho no mercado interno // E1 uhum // que é o que a gente vai tentar fazer então ã:: tudo tudo isso é eu acho que é uma questão de tempo (P.11)</p> <p>hoje existe uma outra época uma outra realidade na empresa é que nem essa essa venda do mercado interno por exemplo que a gente hoje tá fazendo o processo todo de franquias 'não porque tu não vai fazer franquias porque não sei o que pá=pá=pá porque o mercado interno o mercado brasileiro é uma porcaria é um monte de caloteiro' é mesmo quase me quebraram a outra vez (2) mas assim ó eu acho que hoje existe outra época né a empresa tem outra maturidade então eu acho assim acho que tu não pode ã rotular as coisas entendeu (P.16)</p>
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2.6 Elis' case reconstruction

The Elis Herrmeister case: inheriting an entrepreneurial mindset and relying on education to create your own business

This case shows that the biography of the firm's founder is profoundly intertwined with the firm's own strategies. Despite this fact, the pioneer is absolutely aware of the limitations that his relationship poses to the survival of the firm after his retirement. With that in mind, a series of measures have been taken in order to adapt the capabilities of the enterprise to cope with the departure of the pioneer i.e. there is a strong influence of future outcomes that may happen to the firm that already shape the pioneer's decision at the present.

2.6.1 Elis' life history

Elis was born in 1969 in Porto Alegre. Elis' father was a doctor and her mother a housewife. She was one of the eight children. Her father was the provider of the house, and her mother was a housewife responsible for the informal education of Elis and her siblings. They lived in a comfortable house and, after school they participated in sport activities in a well-known private club. Since Elis' early childhood, her father encouraged the practice of sports, and at the age of 8 years old, she started to train as a gymnast. In the 80s, Elis won national and international championships. She then studied to become an elementary teacher in physical education.

Following the entrepreneurial heritage of Elis' family, besides studying to be a physical educator, she majored in Business Administration at a widely recognized public university. Elis married a wealthy entrepreneur and had 3 children with him. When their sons were born, she started to work as a physical educator in a elementary school. During 1987 and 1991, teacher's strikes were frequent at Elis' school. During this period, Elis had her third child, a girl. She decided to start her firm in 1994 to sell elastic bands and clothes under a premium license from her job, for the situation at her school was unstable due to recurrent strikes. Elis voluntarily dismissed from her job in a settlement agreement with the government. She earned R\$3.000,00 that were later reinvested in her own business. She increased sales when she became a supplier for large department store in the region.

Taking advantage of the internet

During the 90s, Elis launched her firm's website in three languages, for it was in trend at the time to start using the world-wide web. This decision exposed her firm in the

international scene. Soon, Elis received a demand from Panama. The first experience was of utmost importance for going global. Even though her firm was small (on her backyard), Elis was invited to go to the country's capital to meet the Minister of Commerce. Elis' firm was one of the few small exporters at that period and the government was struggling to develop a policy to aid small exporting firms. Elis had recurrent meetings with top government personnel to help them create and enforce an exportation apparatus for small business. This governmental institution later became the main player in the country's international commerce institutions. Elis took part in official trade missions and came into contact with executives from large automotive and metallurgic firms.

While working in foreign countries, Elis sensed an appeal for her brand that relied on her country's origin, so she changed her brand's name to be more attractive to the international market. She imported machinery from Germany in order to attend international standards and ceased to sell to domestic department stores. During this period, Elis established her firm mainly as an exporter in detriment of the domestic market.

As of 2001, Elis's firm operates in more than twenty countries. She helped to forge and establish a government entity designed to support small businesses to export. Elis also started to plan her firm's succession and hired a manager. In the same period, Elis' older son started to work at the firm (he opened a store in London). Two years later, Elis's firm caught fire and lost machinery, documents and supplies. During this period, Elis considered closing the firm due to the nature of their losses, but accepted the help of former customers.

Clients from the US, Mexico and China anticipated payment orders, so Elis could use the money to reestablish her firm. Under this financial condition, Elis bought new machinery and continued her business.

During the year of 2015, Elis decided to focus not only in the international market, but also on the domestic. Elis's manager quit and took sensitive information to Elis' competitor. Elis daughter studied fashion design to work on the firm and her three children got even more involved in the business operations after the departure of the manager that Elis was training to be her successor. Nowadays, Elis' firm operates in more than 60 countries, but faces difficulties to increase her domestic market share.

2.6.2 Characteristics of pioneer and firm inter-relationship

Family education as catalyzer for entrepreneurial action

The family background seems to be particularly important in influencing Elis' activities. It seems that Elis' father, a doctor, was an influential person in the city where Elis

was born. He was president of a traditional private club, in which he registered his eight children to do sports, ranging from swimming to competitive gymnastics. Elis emphasizes the importance the athlete routine had on her self-perception as well as on her future as a pioneer.

E. in my family eight children eight children are the bigger ã: the eight the eight are entrepreneurs // E1 the eight are // yes the eight are entrepreneurs they all have their own companies (2) well succeeded ok so I believe this is an example to me that is the following ok the sport it is important in the formation of a person character // E1 uhum // ok because it is like this you learn to win you learn to lose and you learn that if you if you train you will win the competition (Porto Alegre, 2016, p. 15/1.18-24).⁵²

Given the social-economic conditions of her family, Elis had the opportunity to study business administration as her bachelor degree. Moreover, Elis' narration is clear about the importance that she attributes to the experiences taught by her mother. She used to teach Elis how to sew clothes, an activity of utmost importance in Elis's biography. She recalls that when she mentions the confidence she had when she opened her own clothing firm, for she had the know-how necessary to lead her employees. The possibility of a father and mother to live with their children and transfere knowledge and legacies should be seen as representative of a particular condition in Elis social environment, in the sense that there are not all the mothers of families that can stay at home caring its children and the father participating actively in their education.

E. I for example like my mother did sew a lot of our clothes at that time that it didn't exist ã: stores like we have today selling infant clothes so she used to sew a lot of our dresses at home // E1 uhum // so and I for example I know how to knit I know how to embroider so she was always stimulating you to not get bored so come here that I will teach you a tapestry ok // E1 uhum // I will teach you to sew so like this I always defended myself very well // E1 uhum//so I always had the notions of all these so to me it was easy to start because of course I had some notions of it ok to buy a machine and so on and from then on machinery evolved a lot of course but I had the notion of the things ok (2) (Porto Alegre, 2016, p. 17/1.20-29).⁵³

⁵² “E. dentro da minha família os oito filhos os oito são os maiores ã: os oito os oito são empreendedores // E1 os oito são // é os oito são empreendedores todos tem as suas empresas (2) bem sucedidas entende então eu acho que isso aí é um exemplo pra mim que é o seguinte né de como o esporte ele é importante na formação do caráter de uma pessoa // E1 uhum // entendeu porque assim ó lá tu aprende a ganhar tu aprende a perder e tu aprende que se tu se tu te preparar tu vai ganhar a competição (Porto Alegre, 2016, p. 15/ I. 18-24).”

⁵³ “E. eu por exemplo assim a minha mãe sempre costurou muito costumava as nossas roupas que na época não existia ã: lojas como tem hoje vendendo roupa infantil então ela costumava muito nossos vestidos em casa // E1 uhum // então e eu por exemplo eu sei fazer tricô eu sei fazer crochê eu sei fazer bordado então ela sempre foi

The German ascendance (to be confirmed) of Elis' family is not explicit in the interview, but it is suggested its penetration on what we can define as the share of a quality of the “work ethics” of her nuclear family. More than the need of work, Elis and her brothers grew up exposed to an “entrepreneurial culture” that takes to the point that all of the eight children are considered successful entrepreneurs.

Entrepreneurship as individual autonomy

The incentives related to the entrepreneurial act of Elis cannot be merely considered to the need of sustaining a family, once her husband could be assigned to be the family provider, given the sufficiency of income narrated in the interview. In addition, Elis's parents also seem to be present and available to contribute on her financial aid. Putting these facts of the side, Elis focus on putting into practice her entrepreneurial interests when evaluating the weaknesses of the dynamics of her teaching environment at a time.

E. gossip I don't accept a gossip here in the company ok why it is like this it is something I think of a very small mind and it exists a lot in the teaching world (2) is is the experience I had ok it happens a lot in the teaching environment (Porto Alegre, 2016, p. 17/1.13-16).⁵⁴

The influence of Elis' individual perceptions and the exportation pattern of her firm

The influence of Elis individual perception of the domestic Market interferes in her firm's path. In a large extend, Elis believes she invested in a technology that was the enabler to qualify her products in such a manner that she could access a high-level end customer internationally. The prize of playing in the international market seems to be a resultant of two circumstances: a) the fact that she didn't want to be limited to the rules of a large retailer magazine, for what she gives hand off exclusivity; and b) the need to re-do a whole order of products sold to Panama.

assim estimulado pra não tu não tá fazendo nada então vem aqui que eu vou te ensinar a fazer uma tapeçaria entendeu // E1 uhum // eu vou te ensinar a fazer uma costura então assim eu sempre me defendi muito bem // E1 uhum // então eu sempre tive noções disso tudo então pra mim foi mais fácil eu começar porque claro eu já tinha noção daquilo né na compra da máquina etcetera e tal de lá pra cá as máquinas evoluíram muito é claro mas eu já tinha noção das coisas né (2) (Porto Alegre, 2016, p. 17/ l. 20-29).”

⁵⁴ “E. falar fofoca eu não aceito uma fofoca aqui dentro da empresa não aceito uma fofoca entendeu porque assim ó ã: é uma coisa que eu acho que é de uma cabeça muito pequena e isso existe muito no magistério (2) é a experiência que eu tive né existe muito no magistério (Porto Alegre, 2016, p. 17/ l. 13-16).”

The contact of Elis' firm with the international market, since in its very beginning, seems to be central in the foundation of Elis Brand as a firm essentially exporter. The name of the firm emerges after the period that Elis, in Panamá, senses the opportunity of capturing the value of being a Brazil brand in the international arena. The decision seems to be taken into account exclusively by Elis' perception of how it could change the position of the firm.

Elis' network of contacts

Once Elis Brand was the first small exporting firm, Elis was invited by the minister of industry and commerce of the Fernando Henrique Cardoso government (Dorothea Werneck) to talk about the needs and challenges facing the exportation process. In this sense, since the beginning of her business, Elis often had contact with influential representatives of the government. Elis participated in the foundation of important political agencies, such as APEX, and in a number of official trade missions sponsored by the government.

The experience on trade missions approximated Elis to a group of large Brazilian exporters, from a diversity of economic sectors. The network that she was exposed enables not only the collaboration on strategic alliances and partnerships, but also the learning of how to negotiate with foreign costumers, to a point where Elis becomes to be a reference among firms willing to export.

Elis' openness to innovation and education

One of the main characteristics of Elis that consistently impacts her business firm is to be open to suggestions, being them provided by university students, her own employees, specialized consulting firms, costumers or family members. Elis seems to have a clear notion in regards to the importance of what she doesn't know yet, whether she can ask for help and be open to partner.

The awareness of innovation is made clear in the partnership Elis established with universities as well as the demand for support from governmental institutions. Moreover, she is open to suggestions from new employees and family members. One of the characteristics of the firm resides in the fact that she adjusts the processes in accordance with the demand of costumers that are from other countries. It demonstrates that Elis is open to change business practices to maintain competitiveness.

Another important characteristic is related to her personal decision of investing in the early stages of the business history in a webpage to expose her products, when the

worldwide network of computers was initiating in her home country. The decision influenced and, later, defined a major pattern of her firm, once it was because of the website that Elis attain her first foreign customer in Panamá.

The outcomes of the relationship between Elis and this first customer are strongly related to the exporting pattern of the firm. Because of the quality problems Elis faced in the first sales order, she invested in German machinery able to produce products in international standards (to exportation), what took Elis to be specialized in the meanders of the external market. Nowadays, Elis' firm is operating in more than 60 countries, she has developed a franchise system and maintains her first customer in Panama as partner.

E. I always was open to it so i can say I am: more than a bachelor degree thirty years ago I – people are always here reformulating always going around and bringing new things back (Porto Alegre, 2016, p. 21/ l. 6-8).⁵⁵

Separating Elis from her firm

Another central characteristic of Elis' case is the fact that she is aware of the need to plan the succession of the firm. Elis was preparing an employee for more than a decade to succeed on her position. However, the employee has left the firm to work in the competition, taking within him sensible information about customers and suppliers. After this incident, Elis reviews her succession plan. Up until now, the ideal was essentially generated by the capabilities that she identified in the employee, in this sense, being very personalized. The experience influenced Elis to become more aware of the need to have the support of a professional to help in the alternative of planning the family succession.

Elis demonstrates that she is acting towards to the professionalization of her daughter and sons, as she could expect from any other employee (she emphasis the dimension of the meritocracy in their relationship). This is given to the fact that she is aware about the difficulties of a family transition its effects in the business. To avoid the transition merely based on a family nature, Elis has been invested in her children's education, as well as in the strengthening of delegations in business decisions, promoting the direct contact of employees with suppliers so they can take autonomous decisions, without submitting her participation in all stages of the decision-making process.

⁵⁵ “E. eu sempre fui aberta a isso por isso que eu tô dizendo eu é: por mais que eu tenha tirado a faculdade há trinta anos atrás eu- as pessoas tão sempre aqui reformulando sempre to indo atrás de trazer coisas novas (Porto Alegre, 2016, p. 21/ l. 6-8)”.

E. when I was in the back of my house // E1 uhum // I coordinated everything they used to do I did everything they were doing if missing cutting I was already cutting if missing machinery I was already doing team we have to finish so we missed the final check I checked I added the label I added that ok //E1 uhum// (Porto Alegre, 2016, p. 12/ l. 33-34 e p.13 /l. 1-2).⁵⁶

In this sense, Elis is already planning the emancipation of her business firm, that she has created in the back yard of her house to continuous grow independent of Elis direct action. She demonstrates to acknowledge the differentiation of the business firm that she created and the brand that it has become. The differentiation can be seen as a milestone in this case, especially because of the lucidity if the perception that dissociates the founder and the firm. It didn't happen in an automatic form, once the founder emphasis in a diversity of moments that she always acted in the majority of functions of the firm. The recognition of the new possibilities residing on the act of delegation emerged lately. It seems to provide evidences that Elis comprehends the processual character of the transition. The value added to it resides in the fact that Elis acknowledges that her firm will succeed and exist only if she is capable to be alive without the founder's presence. One question, as a foresight envision, can seem to be very simple, but many of the founders do not perceive, and because of it, do not manage.

E. I think succession is one one of – one of the things that is a big problem and it is what I am thinking a lot about and:: and analyzing it:: and it searching how I will do the succession also because you achieve sixty countries and you work twenty two years and you have a strong brand like I tell you and yes she is strong and she is not really strong ok but like if you start getting in the hands of people that don't know I don't say it only to my children I tell you to everyone because like the production department you have to understand inside of it //E1 uhum // if I leave tomorrow it has to walk it has other families inside of it so it will have to walk (Porto Alegre, 2016, p. 23 / l. 31-34 e p. 24 / l. 1-5).⁵⁷

⁵⁶ “E. quando tava nos fundos da minha casa // E1 uhum // eu coordenava tudo fazia tudo a faltou já cort- o corte eu tava cortando faltou a máquina eu tava fazendo gente nós temos que terminar então faltou revisão revisava botar etiqueta eu botava tá entendendo // E1 uhum // (Porto Alegre, 2016, p. 12/ l. 33-34 e p.13 /l. 1-2)”.

⁵⁷ “E. eu acho que a sucessão uma das uma da princ.- uma das coisas que pra mim é um grande problema e é o que hoje eu tô pensando muito e:: e analisando e:: e vendo como eu vou fazer essa sucessão porque também tu conquista sessenta países tu trabalha durante vinte e dois anos tu tem uma marca forte como eu tô te dizendo e aí assim ela é forte e ela realmente não é forte oquei mas assim ó se tu começar a deixar na mão de pessoas que não conhecem eu não digo só meus filhos eu digo todo mundo porque assim o departamento de de de produção tem que entender lá de dentro // E1 uhum // se eu sair daqui amanhã aquilo lá tem que andar tem outras famílias lá dentro então assim como é que vai andar (Porto Alegre, 2016, p. 23 / l. 31-34 e p. 24 / l. 1-5)”.

2.7 Type B: the self-aware pioneer – the firm as a way to become independent from the former job and family as well as the materialization of family education (the entrepreneur “ethic”)

The pattern for the self-aware pioneer is one in which the biography of the firm’s founder is profoundly intertwined with the firm’s own strategies. Despite that, the pioneer is absolutely aware of the limitations his relationship poses to the survival of the firm after his retirement. With that in mind, a series of measures have been taken in order to adapt the capabilities of the enterprise to cope with the departure of the pioneer i.e. there is a strong influence of future outcomes that may happen to the firm that already shape the pioneer’s decision at the present. As main characteristics of this type, we indicate: strong family constellation influence (formal education; cultural values; abilities and technics); individual entrepreneurial initiative (does not need to provide to his family); individual perception defines the company’s nature; strong network of partners (privileged access to information); innovation-friendly (fosters partnerships with educational institutions); business succession planning. The Elis Herrmeister case presented here belongs to this type.

The following topics describe some of the defining traits of the typology for the “self-aware pioneer”.

Strong family constellation influence (formal education; cultural values; abilities and technics)

The social milieu seems to play a determinant part in this pattern of pioneering activity: a big family structure with enough economic resources to invest on their children’s education as well as the possibility that one of the parents have to spend his time at home taking care of the children and, in doing so, sharing his knowledge of technics and practices with them. The parents’ decision to invest in their children’s leisure also seemed to contribute to the strengthening of a “protestant ethic” (WEBER, 2015) on the children. The conjunction of all these influences seemed to act as a strong influence over their children’s will to be an entrepreneur.

Individual entrepreneurial initiative (does not need to provide to his family)

It seems that the “self-aware pioneer” has a strong individual motivation to open his own firm: the pioneer, in this specific case, does not work in order to provide to his family. Far from that, not only his partner has a high income but also his parents. With that in mind,

it is possible to suggest that one of the main motivations for this type of pioneer to create his firm is not mandatorily related to the needs of his family. In this specific type, this motivation seems to be related to the family inherited “work ethic” and also to the work environment from the individual’s previous job (a State bureaucracy).

Individual perception defines the company’s nature

A sub-pattern of action of this specific type of pioneer is its personal belief about the difficulties to the production and commercialization of goods that its country’s internal market poses to his activities. This type of pioneer perceives the Government more as an obstacle to his activities than as something that fosters it. As a result, the pioneer makes the decision to sell its firm’s production in the international market. In doing so, it forges one of the main characteristics of this specific type – an exportation firm. The trajectory of its firm is different from the usual one in his country, that is, it abandons the national market in order to focus on the international. Only after decades exporting, the firm will relocate its capacities and make an effort to address the domestic demand (only after the firm has a solid reputation overseas).

Strong network of partners (privileged access to information)

Another decisive sub-pattern of this type is the privileged access that the pioneer has to privileged information, i.e. personal contact with state ministers and other well-established entrepreneurs. The close contact of the pioneer with national institutions that foster exportation, his personal engagement in governmental business missions and systemic contact with important national players supported the firm with a solid network of personal resources, managerial knowledge, as well as negotiation skills. This symbolic and economic capital (BOURDIEU, 1983) makes itself clear in the influence the pioneer gained amongst its peers.

Innovation-friendly (fosters partnerships with educational institutions)

The “self-aware pioneer” type manifests strong ascendance over the firm’s strategic decisions. That is to say that the decision-making process of the firm is closely connected to the perceptions of its founder. This usually shows through the selection of a main sector for investment. In this specific case, the investments were directed to the technology sector. In doing so, the enterprise followed a “cultural trend” of the 90’s: the World Wide Web movement. As a result, exportation was elected as one of the firm’s top priorities.

Another trait of this type is its openness to new information and knowledge. In other terms, it means that rather than a central authority, the pioneer prioritizes collaborative and cooperative management and decision-making. In order to implement his belief, the pioneer fosters the development of practices by universities and other institutions that are enforced in his firm. The pioneer allows the process of production of his firm to be influenced by innovation. The sources for these innovations come from different backgrounds, such as employees, costumers, specialists, universities, consulting firms and even the pioneer's family members.

Business succession planning

One of the defining characteristics of this type is the planning of the firm's succession, i.e. how the firm will go on after the retirement of its founder/pioneer. The business succession planning turned out to be a concern to the firm only after a traumatic experience of its pioneer with one of his oldest employees. This can also be perceived as a strong personalization of work relations inside the firm, for only after a "personal issue" took place, the pioneer began to plan the succession years in advance of its *de facto* retirement.

As a result of this characteristic, it is possible to suggest that this type of pioneer has a strong will to make its firm effectively independent from him in order to maintain the firm's smooth functioning. The awareness of this process is the defining trait of this type for two main reasons: a) even though the idea that "a firm's activities must not rely exclusively on its pioneer's presence" seems to be a simple notion to acquire, other empirical case reconstructions demonstrate that few pioneers successfully address this notion; and b) far from other issues, this is one that is inextricably related to the dynamic capabilities of a firm to maintain itself over time. In other words, if a firm is not capable to separate itself from its pioneer's biography, it is impossible for it to exist after its pioneer's retirement or eventual death.

NOTES ON DYNAMIC CAPABILITIES

Firm activities/Cycles	Sensing	Seizing	Transforming
1 st	Bandage Clothes No teach anymore	3 Idiom website Investment in machinery Work from home	Export to Costa Rica
2 nd	Accelerate competence gain Build Alliances	Exportation Develop alliances with government and entities	Winner – place in the table of discussion
3 rd	Quality Doing right thing	Develop the rules of the game Keep expansion while addressing learning	Brand tied up to expansion as result of alliances
4 th	Trade missions to advance with big guys	Learning negotiation Cases Exposure	Learning experience in value added property
5 th	Uncertainty is part of the game	Accountability Opportunities to improve performance	Referral of foreign investments for founding a revanche
6 th	Uncertainty	Imitation Misusage Branding	Licensing Registration
7 th	Growth through succession Business is bigger than individual capabilities	Family business Local market	Local store Expand business

CONTENT FOR ONE STORY OF TWO FACES (DEVELOPMENTAL PATHWAYS)

Case Two – Pioneering a global business network of clothing stores

Our case story two came from Elis's (fictional name) narrative of pioneering a business that is now in more than sixty countries. At the time Elis began her story, clothing meant more than just a matter of fashion and style. She was an athlete, the ones who classify for Olympic games. Elis's athlete career ended, but the health spirit of the play kept fresh in mind. Already married and with children, Elis was a teacher in the public schools system and, in parallel, she adventure in producing at home an elastic bandage. The bandage was to be used right in the middle of the body. As she explained, it was an alert to track the functional differences between superior and inferior parts of the body while exercising. She learned that the bandage could help her finding the balance that enables high performance in a whole. She used to sale it at gyms.

After a labor strike, she felt her teaching career was not the right path she wanted to follow. Strikes happened quite often and Elis was bored with it. She found there was much to be done with her energy towards running her business interests. She was into the building of her little small business by selling bandage. It did not take too much time for her idea of elastic bandages to evolve into the business of clothing segment. She decided to resign from her teaching and stable career in the public system to engage in her business venture.

The severance payment cashed was the investment that she had available to get the business started. She decided manufacturing her clothing products at home, with machines that she already had. It was early 90's and Internet was about to get first users. Elis took the risk of investing part of her financials in a new asset. She decided to build a website to help communication with customers and, driven by unexpected reasons, she made it within three idioms, Portuguese, English and Spanish. At that time, she was fluent only in Portuguese.

Elis and her business venture were running until the day she received a message from a potential customer in Costa Rica asking for quotation. Elis did not have expertise with foreign markets and she found it simple. She just converted currency and made it up as the price. In the short, the customer sent her a message back confirming purchase and delivery to his/her location. Some days after, Elis received a call from the National Bank to close the exchange of the trade. She told the manager that she did not understand what they wanted. They offered help and she invited them to go to her place. Bank representatives got surprised with Elis, her business conditions and the results take out of it. Their relationship started to be developed, and it is still up until to these days.

Elis was amazed in doing her business, and she kept it on going. The volume of her firm's exportation was becoming consistent and above any expected limit, as limits, at that time, did not really exist. Suddenly, one day Elis received a call from the Secretary of International Trade and Affairs. The principal was interested in understanding her experience. Elis's firm was the first and only micro business exporting goods worldwide, as they tracked records. Elis was invited to integrate a special commission and discuss international trading policies and regulations applied to small business. Together with other parts of interest, a whole business chain got involved in the project and Elis's firm was the business case used to get more firms initiate on this path.

Elis was already set as an example, although she felt it strange. In her mind, she was living in her freshman years. By experiencing the international trade, she learned to pursue high quality standards and to minimize errors. She paid a high price when she needed importing her products back home due to non-conformities. Sometimes, as she says, "it is worthy of leaving it out, and focus investment back in the Firm to grow its operation towards quality

and efficiency". In between running operations and sales, Elis did not forget her envisage of building a global business network. Elis kept finding insights from her teaching and athletic careers, and they were coming along as needed. As an example got from her championships, she offered sponsorship in a worldwide beauty event that catch's up a lot of attention. By doing it, Elis envisioned the connection of her brand with the beauty of the models that were representing her Country. Moreover, she had the ability to pursue an exclusive arrangement for the models to photograph for her firm's merchandising catalog, and it was the setting for quite a long time.

In addition of marketing Firm through sponsorship contracts, Elis invested in a number of trading missions to prospect new customers. She used to travel very often with other business executives and, most of them, had good lessons to share while representing large national firms growing abroad. The uniqueness of Elis's business was a standing out case among the traditional economic sectors that emblematically marked it down that period in time, such as automotive, construction, mining and metals. In the bottom line, she felt they were all executives in the same side looking for opportunities to expand and grow firms to be global players.

Elis recognized that her business acumen was going to be gained as she was exposed in learning experiences. She had to feel the ambitious of the game that provoke her confidence to move on as it get started. Elis found her way to believe and rely on contract agreements made under high levels of uncertainty. Sometimes, she had no referrals. She decided to focus on doing the right job and make business happen by this rule. In the chance of mistakes, she assumed Firm's accountability and the praise for figuring out new opportunities to improve performance. She proved it to be a very distinct and strong code for conducting her business when her main facility got totally lost during a fire accident. She was about to run out of business, as she did not have financial means and insurance coverage to recover the damage. In this occasion, some of the customers anticipated the payment of their purchase expected to the next season to help Elis on taking an impressive turn around.

Elis faced many other problems afterwards and she maintained endurance. She expanded her network of clothing stores dealing with imitation of products and brand misuse. She struggled to control of her business when she found stores opened using her brand and selling her products without knowing it before hand. Also, in many cases, she faced surprises, as when finding her firm brand exposed right on the side of leading brands in places she never thought she was going to be located. As business was transforming, Elis got to know the importance of registering business in the countries she intended to operate and licensing products. The model to lead the growth of her Firm was being designed by franchising stores located worldwide, while centralizing operations and production in the country.

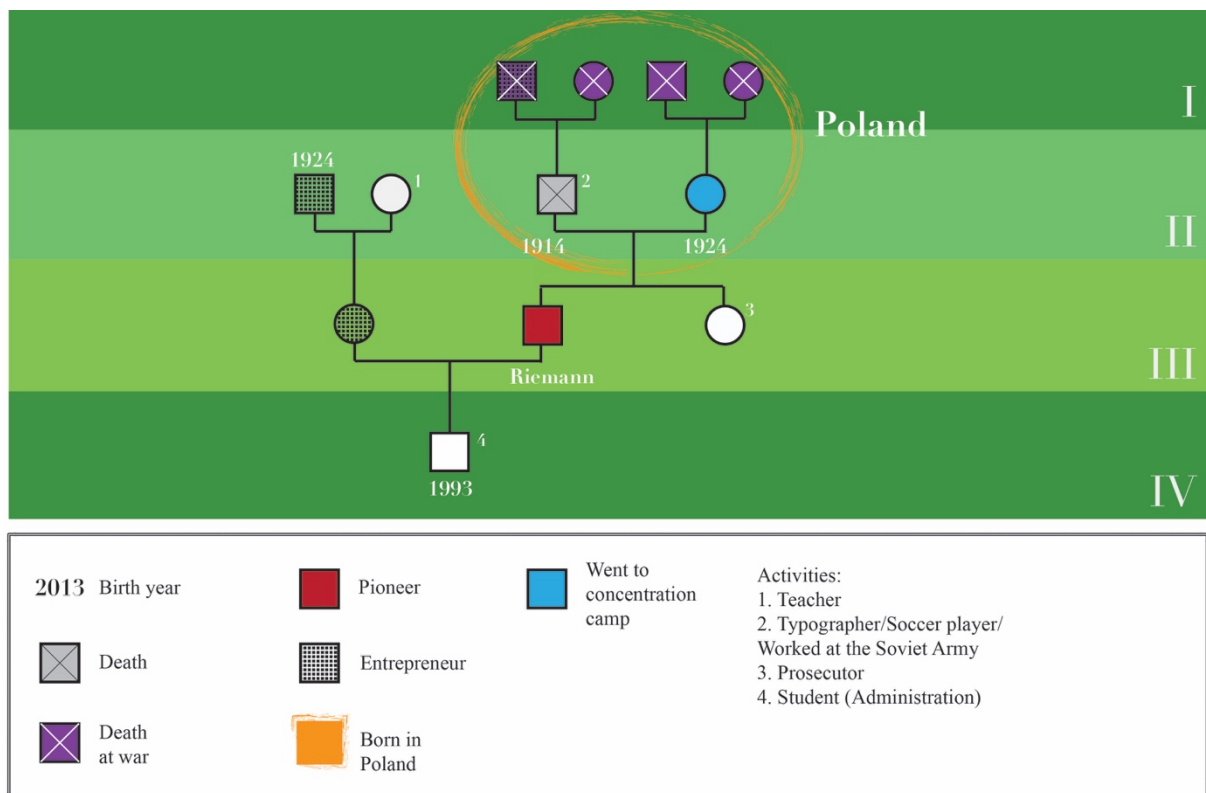
After more than twenty years pioneering a global business network, having a firm that represents to be bigger than its principal now challenges Elis. She always thought it to be the opposite way. Elis manages her time to be present and develop her team members planning the day they become business travellers able to represent her firm, and negotiate trade in global and international fairs. She seems to be more inspired by her old teaching experiences. It is a matter of fact, Elis's children grew up and she feels that they can be potential successors to endeavor new business transformations of her firm in the future. She strives for it to happen. Nevertheless, her time as pioneering business seems to not get over yet. She holds a feeling of an unfinished work, which may lead her to the beginning of a new story. Very recently, Elis decided to open her first local store and already predicts growing firm and business inside the country while remains on her path of expanding the global network.

3. THE RIEMANN CASE⁵⁸

3.1 Riemann's interview memorandum

The first contact with Riemann was made after a friend of the investigator, that is Riemann's client, mentioned his work and gave his contact to the researcher. After calling his office and explaining the purpose of the investigation, the interview was scheduled. The interview happened at his office during work hours. During the interview, Riemann asked several times if he was speaking in the format that the interviewer wanted. He seemed comfortable and made some compliments to the interviewer's appearance.

3.2 Riemann's family genogram and birth situation



Riemann's grandparents were born in Poland. He mentions that he has few information about them for they died during the war, when they were persecuted. Riemann's

⁵⁸ The pioneer name as well as of its firm were modified to maintain anonymity. Any other names or functions, such as the product manufactured by the firm, were changed to avoid identification due to the sensitiveness of the data collected in this research. These substitutions were made under the principles suggested by Rosenthal (2014).

parents were also born in Poland. His mother was sent to a concentration camp, from where she left when the war ended. Almost all of her family died during the conflict. Her father owned an underwear factory.

Riemann's father was from a poor family, and worked as typographer and soccer player. Riemann's grandfather on his father's side was an artisan and was imprisoned in a work camp in Siberia during the war. He remained imprisoned until a Polish battalion was assembled under Soviet command. Then, he commanded a troop of tanks and served as Political Officer. He received numerous military decorations, including the Iron Cross. His whole family died during the war. The family economic situation had always been extremely fragile due to the conflict. After the end of the war, Riemann's father migrated to Brazil, to where one of his brothers moved before the conflict.

For the fact that Riemann went to medical school in a private university, we may suggest that he was born in a family with resources to invest in his education. Even though Riemann's grandfather and the father of his wife were entrepreneurs, he explicitly says that they did not influence his decision to have his own healthcare center. Although Riemann has a son that studies administration, he does not want to make him his successor at the healthcare center. His firm's structure does not resemble his family's genogram. Although, it is not clear to what extent he helps to pay for his wife's firm. We must also point out the fact that Riemann has only one child. This is important due to the fact that Riemann act as family provider.

3.3 Hypotheses for lived life and structural hypothesis for lived life

3.3.1 Chronology

CHRONOLOGY OF BIOGRAPHICAL DATA
~1961 – Riemann is born
~ 1980-1985 – Riemann graduates in Medical School (PUCRS)
~1986 – Riemann starts specialization in general surgery (residency)
~ 1987-88 – Riemann moves to Europe to study plastic surgery (PhD)
Riemann meets a surgeon that writes scientific papers with him (nowadays the surgeon lives in the USA)
~ 1989 – Riemann returns to Brazil (one of the motivations is an ill relative) and is recognized as plastic surgeon
~ 1990 – Riemann begins to work at a plastic surgery clinic
~ 1991 – Riemann quits the clinic and tries to rent a place to opens his own clinic, but the deal does not go on (with the surgeon he met in Europe and lives in the US)
~ 1993 – Riemann opens his own clinic (receives an opportunity from a doctor to rent his clinic and reform it– Quintino Bocaiúva)
Riemann starts to apply botulinum toxin
Riemann starts to apply aesthetic laser treatments
Riemann is invited to help develop laser technology (Italy/USA)
Two plastic surgeons from Argentina introduce Riemann to laser depilation

Riemann buys hair removal laser equipment (~ 6 months after the conversation)
Riemann's opens Depilight Brasil (with a group of doctors)
Riemann hires dermatologists
Riemann merges both clinics under the name "Riemann Clinic"
Riemann buys a place for his clinic (under construction at Carlos Gomes)
Riemann's son is born (ITU). His wife and his father are ill.
Riemann's father dies; he buys a new apartment for his mother
Riemann co-validates his doctoral degree in Europe
~ 1998 – Riemann's new clinic is ready; sanitary vigilance does not give authorization to operate
~2003/2000 – Riemann's clinic begins to function (+ 6 other doctors)
2004-2008 – Riemann becomes president of the National Society of Laser and Medical Surgery
Riemann expands the clinic (+1 room; +1 nutritionist; +1 physiotherapist). Surgical wing is transformed in other room
2008 (after the crisis) – Riemann's demand in the US goes back to normal. He starts to operate in Rio. He hires a specialized firm for recruitment and training + press team
Riemann's lawyer wins a tax equalization to medical building (less taxes)
Riemann's decides to size down the Clinic. Moves laser equipment to Rio.

3.3.2 Hypotheses for lived life

BIOGRAPHICAL DATA ANALYSIS (HYPOTHESES FOR RIEMANN'S LIVED LIFE)
1. ~ 1980-1985 – Riemann graduates in Medical School (PUCRS)
<ul style="list-style-type: none"> 1.1. Riemann continues his studies <ul style="list-style-type: none"> 1.1.1. Riemann opens his own clinic 1.1.2. Riemann works in a third-party clinic 1.1.3. Riemann begins to work with something else 1.2. Riemann opens his own clinic <ul style="list-style-type: none"> 1.2.1. Riemann eventually hires more people to work for him 1.2.2. Riemann's clinic has to close due to the lack of clients <ul style="list-style-type: none"> 1.2.2.1. Riemann invests his money in other business 1.2.3. Eventually Riemann gets tired and starts to work with another thing 1.3. Riemann works in someone else's clinic <ul style="list-style-type: none"> 1.3.1. Eventually Riemann get enough money to open his own clinic <ul style="list-style-type: none"> 1.3.1.1. Riemann eventually hires more people to work for him <ul style="list-style-type: none"> 1.3.1.1.1. Riemann's clinic keeps growing 1.3.1.2. Riemann's clinic has to close due to the lack of clients <ul style="list-style-type: none"> 1.3.1.2.1. Riemann invests his money in other business 1.3.3. Eventually Riemann gets tired and starts to work with another thing
2. ~ 1987-88 – Riemann moves to Europe to study plastic surgery (PhD)
<ul style="list-style-type: none"> 2.1. Riemann continues his studies in Europe <ul style="list-style-type: none"> 2.1.1. Riemann opens his own clinic in Europe 2.1.2. Riemann works in a third-party clinic in Europe 2.1.3. Riemann begins to work with something else in Europe 2.2. Riemann opens his own clinic in Europe <ul style="list-style-type: none"> 2.2.1. Riemann eventually hires more people to work for him 2.2.2. Riemann's clinic has to close due to the lack of clients <ul style="list-style-type: none"> 2.2.2.1. Riemann invests his money in other business in Europe 2.2.3. Eventually Riemann gets tired and starts to work with another thing 2.3. Riemann works in someone else's clinic in Europe <ul style="list-style-type: none"> 2.3.1. Eventually Riemann get enough money to open his own clinic in Europe <ul style="list-style-type: none"> 2.3.1.1. Riemann eventually hires more people to work for him <ul style="list-style-type: none"> 2.3.1.1.1. Riemann's clinic keeps growing 2.3.1.2. Riemann's clinic has to close due to the lack of clients <ul style="list-style-type: none"> 2.3.1.2.1. Riemann invests his money in other business in Europe

<p>2.3.3. Eventually Riemann gets tired and starts to work with another thing</p> <p>2.4. Riemann goes back to Brazil</p> <p>2.4.1. Idem 1.</p>
<p>3. ~ 1990 – Riemann begins to work at a plastic surgery clinic in Southern Brazil</p>
<p>3.1. Riemann likes to work at the clinic</p> <p>3.1.1. Riemann develops a trajectory of an employee in someone else's clinic</p> <p>3.2. Riemann doesn't like to work at the clinic</p> <p>3.2.1. Riemann quits and goes to another clinic</p> <p>3.2.2. Riemann quits and goes back to study</p> <p>3.2.3. Riemann quits and goes back to Europe</p> <p>3.2.4. Riemann opens his own clinic</p> <p>3.3. Eventually Riemann get enough money to open his own clinic</p> <p>3.3.1. Riemann hires more people to work for him</p> <p>3.3.1.1. Riemann's clinic keeps growing</p> <p>3.3.2. Riemann's clinic has to close due to the lack of clients</p> <p>3.3.2.1. Riemann invests his money in other business</p> <p>3.3.3. Eventually Riemann gets tired and starts to work with another thing</p>
<p>4. ~ 1993 – Riemann opens his own clinic in Southern Brazil</p>
<p>4.1. The clinic has clients</p> <p>4.1.1. Riemann expands his clinic to other cities/countries; Riemann has to hire more employees</p> <p>4.1.1.1. Conflict arise from the hiring of new employees</p> <p>4.1.1.1.1. Riemann decides to close his clinic due to the high amount of stress it generates to him</p> <p>4.1.1.2. Riemann reinvests his money in other businesses</p> <p>4.1.1.2.1. Eventually Riemann transfers the management of his clinic to someone else and ventures in other businesses</p> <p>4.2. The clinic lacks demand and has to close</p> <p>4.2.1. Riemann goes back to working in someone else's clinic</p> <p>4.2.2. Riemann goes back to Europe</p> <p>4.2.3. Riemann goes back to studies</p> <p>4.2.4. Riemann starts to work in other business</p>
<p>5. Two plastic surgeons from Argentina present laser depilation technique to Riemann</p>
<p>5.1. Riemann sees the opportunity and invests in laser depilation</p> <p>5.1.1. The depilation clinic is a success</p> <p>5.1.1.1. See "expansion" hypothesis</p> <p>5.1.2. The clinic does not attract clients</p> <p>5.1.2.1. See "closure" hypothesis</p> <p>5.2. Riemann doesn't invest in laser technology and keeps running his firm as before</p> <p>5.3. Riemann develops a partnership with the Argentinian surgeons and invest in laser technology</p> <p>5.3.1. Their business grows and they expand it</p> <p>5.3.1.1. Eventually they have conflicts and end the business</p> <p>5.3.1.1.1. Riemann invests alone in other businesses</p> <p>5.3.2. Their business doesn't work and they have to lose the clinic</p> <p>5.3.2.1. Riemann goes back to what he used to do before</p> <p>5.3.2.2. Riemann invests in other ventures</p>
<p>6. Riemann's decides to size down the Clinic (moves laser equipment to Rio de Janeiro).</p>
<p>6.1. Riemann gradually diminishes his involvement with the clinic in order to retire</p> <p>6.1.1. Riemann sells the clinic</p> <p>6.1.2. Riemann closes the clinic</p> <p>6.1.3. Riemann mentors and trains a successor for his clinic (that keeps functioning even after his retirement)</p>

- 6.2. The clinic loses costumers and eventually ends
- 6.2.1. Riemann has to open his own medical office to sustains his family
- 6.2.2. Riemann invests in other ventures
- 6.2.3. Riemann retires

3.3.3 Structural hypothesis for Riemann’s lived life

Through the analysis of biographical events of Riemann’s life, it stands out a strong relationship between his biography and work. The opening of a clinic is recurrent and this might suggest that his personal life has been intrinsically dependent of his profession. The event of being presented to laser depilation technology seems to play an important role in this biography, for after that he gradually sizes down his clinic. This may be related to the fact that when he ventured in the depilation business, he had to dealt with management issues he was not capable to deal with. There is the possibility that he had to act under high amounts of stress, what might have eventually led him to dedicate more time for his family (that might have been neglected in this biographical configuration) and to himself. It is clear that the intensity of the involvement of Riemann with the professional dimension of his life has taken its toll in this biography, what might be one of the motivators for him to decide to size-down his clinic.

3.4 Self-presentation hypotheses and structural self-presentation hypothesis

3.4.1 Self-presentation hypotheses

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW’S PRESENT)		
Segment	Page / Lines	Text Type / Content
1	P. 1 - 1 L. 1 - 13 Total: 13 Initial question	Interaction First question and negotiation 1.1. The interviewee will tell his family history in depth 1.2. The interviewer will ask some questions regarding the format/subject of the interview 1.3. The interviewee will briefly tell his history 1.4. The main theme of the presentation will be related with the “pioneer” investigation of the interviewer 1.5. The main theme of presentation will not be framed by the interviewer’s investigation theme

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content
		1.6. The fact that the interviewer is a woman might lead to the interviewee flirting with her.
2	P. 1 - 3 L. 13 - 27 Total: 83 Education (differentiation)/Difficulties	<p>Report/Argumentation</p> <p>Mentions he pursued his education (medicine specialization) in a renowned clinic in Spain; mentions the huge difficulties he faced by his peers when he came back to Brazil to validate his diploma; mentions the conditions he made when he was offered the recognition of his degree; emphasizes financial difficulties when he returned to Brazil and the many opportunities he received to work in other countries</p> <p>2.1. He mentions his education outside his home country as a form to differentiate himself and his work from his peers. 2.1.1. Eventually he will mention that his peers do not have the same knowledge of techniques and treatments as he has.</p> <p>2.2. He mentions his difficulties as a way to create empathy with the interviewer. 2.2.1. Eventually he will mention more difficult times that he had to face in order to be who he is. 2.2.2. Eventually he will adopt a strategy to present himself as someone that worked hard to get what he has (the idea that he deserves what he has). 2.2.2.1. Eventually he will adopt a meritocratic thematic.</p> <p>2.3. He will present himself as someone who had the opportunity to work outside his home country, but will give a number of reasons why he stayed. 2.3.1. He might mention as reasons his family, the difficulties of being a foreigner in another country, the difficulties to work in his market outside his home country due to technical specificities.</p>
3	P. 3 - 5 L. 27 - 20 Total: 62 Difficulties/Humbleness	<p>Report/Description</p> <p>Speaks about his return to Brazil and his first clinic (the frustrations and successes he had); describes a particular situation that shows how humble he was if compared with his peers</p> <p>3.1. He will adopt a presentation interest that differentiates himself from his peers (who are socially seem as arrogant) that is centered in his humbleness. 3.1.1. Eventually this topic will come up again in the interview. He might use examples to illustrate his humbleness.</p> <p>3.2. He mentions the difficulties he had when returning to his home country because he will use this example to justify his will to leave the country later on the interview. 3.2.1. He might show disdain for his home country during the interview. 3.2.1.1. Eventually he will mention a series of difficulties he had because his health center is under his home country jurisdiction and will compare this with other countries.</p>
4	P. 5 - 8 L. 20 - 15 Total: 98 Pioneer/Entrepreneur	<p>Report/Description</p> <p>Mentions how he pioneered techniques such as botulinic toxin and laser depilation; describes how he first got in contact with the laser technique through two Argentinian doctors; mentions his decision to open the depilation clinic with a different name from his own clinic</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content
		<p>4.1. He mentions himself as a pioneer because he wants to differentiate from his peers. 4.1.1. Eventually he will use examples to illustrate how different he is from his peers and might connect these differences to his education outside his home country.</p> <p>4.2. He mentions international peers to impress the interviewer. He wants to be seen as someone well connected even outside his country. 4.2.1. This might indicate that he has a strong difficulty to establish good relationships with his national peers. 4.2.1.1. This might lead to a manifestation of disdain regarding the practices of his peers.</p> <p>4.3. He mentions his will to open his clinic with another name because he wants to be seen not only as a successful physician, but also entrepreneur. 4.3.1. Eventually he will mention again his ability to act as an entrepreneur.</p>
5	P. 8 - 11 L. 15 - 6 Total: 94 Firm's success/Humble man/Pioneer's difficulties	<p>Report/Description Mentions how he expanded his clinic and trained other doctors; mentions the consequences that using his own name in his clinic had and that clients want to be treated by him and not by other doctors; describes an episode when a bank offered money to buy the clinic domain and he doubled the offer to keep it; mentions the difficulties that a pioneer faces when developing new treatments and how his peers were ignorant in relation to the procedures he was using (that are widespread today)</p> <p>5.1. He mentions his symbolic capital (such as his ability to train his peers and the fact that the clients as for him) as a form to differentiate himself from his peers and other clinics. 5.1.1. This might suggest a strong insecurity he has regarding the established groupings formed by his peers. This might suggest that his clinic is not seen as it once was, but he is still trying to convince the interviewer that his clinic is better than the others (question: why does he make such an effort to differentiate himself from the others relying on his own image?).</p> <p>5.2. He mentions the "bank episode" to impress the interviewer – he wants to show that puts his family name above money. 5.2.1. Eventually he will mention again that he does what he does not for the money. 5.2.1.1. Eventually he might adopt a thematic centered in his talent and love for his profession.</p> <p>5.3. Once again, he mentions the ignorance of his peers – this might suggest that he faces strong opposition from them and so he has to prove to the interviewer that he is better than them. 5.3.1. He might not mention along his interview a good relationship he has with any peers from his home country or that work in the same city as him (note: this might denote a difficulty to work in team and a personal profile that is strongly centered in his own worldview).</p>
6	P. 11 - 13 L. 6 - 33 Total: 96	<p>Argumentation/Narrative/Report Tells about his efforts to find a place to open his own center;</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content
	Difficulties to be an entrepreneur	<p>narrates the interaction inside a house he visited with a broker; mentions how he decided to buy a commercial space to open his center in a promising area of the city; mentions the difficulties to get the allowance to open the facilities.</p> <p>6.1. He mentions his difficulties and efforts because he wants to be perceived as someone that is completely autonomous regarding his own business.</p> <p>6.1.1. Eventually he might mention events when he relied on someone else only to be disappointed and had to deal with the issues all by himself.</p> <p>6.2. He mentions financial difficulties because he wants to be seen as someone that is humble (note: there is a strong probability that the difficulties he mentions are related to the acquisition of properties extremely expensive when compared to the reality of his home country).</p> <p>6.2.1. This might indicate that he is not aware of the social reality and inequalities of his own country.</p> <p>6.2.1.1. This might lead to conflict with other people (such as employees) that come from a different socioeconomic background as him.</p>
7	P. 13 - 15 L. 33 - 25 Total: 61 Honest man/Difficulties	<p>Argumentation/Report</p> <p>Mentions the difficulties he had due to his honesty; presents how the situation developed and how he got his authorization to open his center.</p> <p>7.1. The interviewee mentions his honesty because further on the interview he might mention a situation when he acted outside the ethical realm. He might use this example of honesty to justify his acts.</p> <p>7.2. He might have mentioned difficulties linked to his honesty because he wants to convince the interviewer that if he acted in non-ethical ways he would be more successful.</p> <p>7.2.1. He might have mentioned this in order to justify, further on, difficulties that his firm is facing due to the fact that he is an honest person (note: he might suggest that the firm did not succeed not due to his actions, but because of constraints that come from outside the firm).</p> <p>7.2.1.1. He will not admit his personal failure as a manager/pioneer).</p> <p>7.2.1.2. He will admit his failure as a pioneer/manager.</p>
8	P. 15 - 18 L. 25 - 20 Total: 98 Firm's success and quality	<p>Report/Argumentation</p> <p>Mentions the expansion of his center (the hiring of many professionals, marketing strategies, new negotiations related to the acquisition of new space); mentions that he always had the idea to size-down his center (close a specific room) even when he first opened it); mentions the quality of the material he invested in the center (such as rocks from Italy and paintings).</p> <p>8.1. He introduces the expansion of his center before addressing its sizing down to convince the interviewer of the magnitude of the success he achieved before sizing down.</p> <p>8.1.1. He wants to be seen as someone successful. He will not admit his failure.</p> <p>8.1.2. Eventually he will admit failures he committed.</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content
		<p>8.1.3. He will present failures the business had, but will relate them to other people (he will not link them to his personality).</p> <p>8.2. He mentions the sizing down of the firm as a planned idea because he is not capable to admit his limitations as a manager/pioneer.</p> <p>8.2.1. He might blame other people for the sizing down of his firm, but not himself (even though he controlled all its actions).</p> <p>8.3. He mentions the successes the firm had before because he doesn't want to be seen as a failure (at least as a manager).</p> <p>8.3.1. He will relate the failure of the firm to external factors regarding his home country or family.</p>
9	P. 18 - 23 L. 20 - 14 Total: 165 Necessity to size down the firm/Difficulties	<p>Argumentation/Report</p> <p>Mentions it was time to close the facility in his center; mentions the impact of the closure over his employees; enumerates several reasons for sizing-down his professional activities (such as the fact that he was working in other places, the problems associated to the management of a big team; his family; his will to work less; his preoccupation with the use of his name; personal conflicts inside the center – the husband of a secretary accused him of being her lover)</p> <p>9.1. He mentions outside elements to size down the firm because he is not willing to be seen as someone that has limitations (note: the fact that he mentions the sizing down of his firm related to a personal relationship of one of the firm's employees strongly suggest his own inability to differentiate private business and practices from personal ones).</p> <p>9.1.1. Eventually he will mention more outside-the-firm elements to justify its sizing down, but will not mention his own inability.</p> <p>9.2. He mentions that he was working in many other places to impress the interviewer and show that even though the firm was sizing down, it should not be seen as a failure but rather as a personal option he made.</p> <p>9.2.1. Eventually he will justify this using his family, his own health, his age, a disease (such as depression or an addiction).</p> <p>9.2.2. He will mention that he had to size down the firm due to his addiction to work.</p>
10	P. 23 - 30 L. 14 - 6 Total: 231 Necessity to size down the firm/Difficulties	<p>Argumentation/Report</p> <p>Continues to numerate the reasons for sizing-down his center; mentions he was worried that clients and other peers would notice he was sizing-down; mentions how he allocated some of his resources to other cities; mentions how the center physically diminished; mentions that women in his clinic usually get pregnant and this is something that make the management of the team even more difficult; tells about the ethical concerns involved in the activities of his center; mentions the high taxes he had to pay and how he developed a form to legally pay less taxes for the government.</p> <p>10.1. He mentions a series of management related problems to illustrate that he had to size down not due to his own inability to manage, but due to many other factors that are "beyond" his control.</p>

TEXT AND THEMATIC FIELD ANALYSIS (HYPOTHESES FOR PRESENTATION INTEREST AT THE INTERVIEW'S PRESENT)		
Segment	Page / Lines	Text Type / Content
		<p>10.1.1. Eventually he will realize that he was not suited to manage a firm and will admit it.</p> <p>10.1.2. He won't admit his limitations.</p> <p>10.2. He mentions his difficulties regarding taxes because he will blame his home country for the failure of his clinic.</p> <p>10.3. Eventually he will realize that other management options were available to him at the time and that he failed to use them.</p> <p>10.3.1. Eventually he might change his theme to one that makes reference to his determination to learn something new.</p> <p>10.3.2. Eventually he will mention that it is too late to learn something new.</p>
11	P. 30 - 31 L. 6 - 24 Total: 53 Honest man/Difficulties	<p>Argumentation</p> <p>Mentions his honesty as something that may have had a negative impact over the functioning of his center because he always followed the rules; mentions his center is investing in some things to optimize its operation.</p> <p>11.1. He mentions his honesty to justify the sizing down of his firm because he doesn't want to admit his limitations.</p> <p>11.1.1. He will make an effort not be seen as someone that failed to manage his firm.</p> <p>11.1.1.1. Eventually he will give proof that he is a good manager (he will mention other businesses he has or how he reinvested his money in other ventures).</p> <p>11.1.1.2. He will not give proof of other managerial successes he had (maybe because he never had one).</p> <p>11.2. He mentions his honesty because the country where he operates is extremely corrupt and it is hard for someone that plays by the rules to operate in it.</p> <p>11.2.1. Eventually he will mention other difficulties related to this, such as bribes he was asked for, judges that overruled his processes, threats from public authorities, among others.</p>
12	P. 31 - 31 L. 24 - 29 Total: 6 END OF THE FIRST PHASE	<p>Interviewer</p> <p>Questions about the control of the responsibility in his center for he mentioned the expansion of the use of his name in the center as something that worried him</p>
13	P. 31 - 32 L. 29 - 20 Total: 26	<p>Argumentation</p> <p>Says that he thinks he is more in control these days; mentions that people are hard to control; mentions the kind of patients he does not admit in his center (such as fat people or smokers).</p>
14	P. 32 - 32 L. 20 - 21 Total: 2	<p>Interviewer</p> <p>Thanks for the interviewer's attention</p>
15	P. 32 - 32 L. 21 - 21 Total: 1	<p>Question – Interviewee</p> <p>Asks the interviewer if "it was good to her" (a sexual expression)</p>
16	P. 32 - 32 L. 21 - 26 Total: 6	<p>Interviewer</p> <p>Refers to his trajectory and the contents he mentioned in the interview</p>
17	P. 32 - 32 L. 26 - 30 Total: 5	<p>Interaction</p> <p>Final remarks; thank you dialogue; end of interview</p>

3.4.2. Structural self-presentation hypothesis for Riemann's narration

Riemann's presentation interest is centered on the thematic field of being an important researcher and physician that benefited from an international experience to pioneer the usage of technological equipment and substances in healthcare treatments in his home country. He presents himself as not interested merely in the accumulation of capital but also as someone with refined taste. He wants to be perceived as someone that has control over his business and family name and acts with parsimony and wisdom. He reinforces the difficulties of being accepted as a pioneer by his peers in his home country. He wants so show that he is well connected internationally and acts as a bridge between scientific advancements in foreign countries and his home country.

3.5 Lived and narrated life contrast

RECONSTRUCTION OF THE LIFE HISTORY	
HYPOTHESES FOR LIVED LIFE	NARRATED LIFE
1. ~ 1980-1985 – Riemann graduates in Medical School (PUCRS)	
1.1. Riemann continues his studies 1.1.1. Riemann opens his own clinic 1.1.2. Riemann works in a third-party clinic 1.1.3. Riemann begins to work with something else 1.2. Riemann opens his own clinic 1.2.1. Riemann eventually hires more people to work for him 1.2.2. Riemann's clinic has to close due to the lack of clients 1.2.2.1. Riemann invests his money in other business 1.2.3. Eventually Riemann gets tired and starts to work with another thing 1.3. Riemann works in someone else's clinic 1.3.1. Eventually Riemann get enough money to open his own clinic 1.3.1.1. Riemann eventually hires more people to work for him 1.3.1.1.1. Riemann's clinic keeps growing 1.3.1.2. Riemann's clinic has to close due to the lack of clients 1.3.1.2.1. Riemann invests his money in other business 1.3.3. Eventually Riemann gets tired and starts to work with another thing	bom então é: na verdade eu eu eu tô formado há trinta anos na medicina e quando terminei a minha faculdade fiz a formação de de cirurgia geral e e: plástica ã: e decidi ir embora do Brasil tá (P.1)
2. ~ 1987-88 – Riemann moves to Europe to study plastic surgery (Ph.D.)	
2.1. Riemann continues his studies in Europe 2.1.1. Riemann opens his own clinic in Europe 2.1.2. Riemann works in a third-party clinic in Europe 2.1.3. Riemann begins to work with something else in Europe	eu optei por fazer a especialização da cirurgia plástica no exterior na Europa em Madri é e na época e provavelmente hoje na na clínica mais importante em termos de referência de cirurgia plástica que foi a Centro Reina em Madri inclusive agora daqui a duas semanas tô voltando pra dar aula lá então ((pigarro)) (P.1)

<p>2.2. Riemann opens his own clinic in Europe 2.2.1. Riemann eventually hires more people to work for him 2.2.2. Riemann's clinic has to close due to the lack of clients 2.2.2.1. Riemann invests his money in other business in Europe 2.2.3. Eventually Riemann gets tired and starts to work with another thing</p> <p>2.3. Riemann works in someone else's clinic in Europe 2.3.1. Eventually Riemann get enough money to open his own clinic in Europe 2.3.1.1. Riemann eventually hires more people to work for him 2.3.1.1.1. Riemann's clinic keeps growing 2.3.1.1.2. Riemann's clinic has to close due to the lack of clients 2.3.1.2.1. Riemann invests his money in other business in Europe 2.3.3. Eventually Riemann gets tired and starts to work with another thing</p> <p>2.4. Riemann goes back to Brazil 2.4.1. Idem 1.</p>	<p>retornei pro Brasil já com a formação com o título de residente em cirurgia plástica especialista e fiz uma parte do doutorado lá também em cirurgia plástica (P.1)</p>
3. ~ 1990 – Riemann begins to work at a plastic surgery clinic	
<p>3.1. Riemann likes to work at the clinic 3.1.1. Riemann develops a trajectory of an employee in someone else's clinic</p> <p>3.2. Riemann doesn't like to work at the clinic 3.2.1. Riemann quits and goes to another clinic 3.2.2. Riemann quits and goes back to study 3.2.3. Riemann quits and goes back to Europe 3.2.4. Riemann opens his own clinic</p> <p>3.3. Eventually Riemann get enough money to open his own clinic 3.3.1. Riemann hires more people to work for him 3.3.1.1. Riemann's clinic keeps growing 3.3.2. Riemann's clinic has to close due to the lack of clients 3.3.2.1. Riemann invests his money in other business 3.3.3. Eventually Riemann gets tired and starts to work with another thing</p>	<p>quando eu cheguei no Brasil o que ouve foi uma dificuldade muito grande pra ter o reconhecimento do título porque a sociedade brasileira de cirurgia plástica não reconhecia o título do exterior e me diziam que pra eu ser membro da sociedade de cirurgia plástica eu precisaria participar de congressos e aí quando eu fui me inscrever em congressos me disseram que pra eu me inscrever em congressos eu teria que ser membro da sociedade então uma coisa puxava a outra e me fecharam as portas ((pigarro)) (P.1)</p> <p>quando cheguei no Brasil cheguei com uma dificuldade econômica também grande e fui convidado imediatamente pra trabalhar numa numa clínica aqui né então eu tinha a possibilidade de voltar pra Europa que eu tinha sido convidado pra ficar por lá ou ou vir pro Brasil e- nós acabamos vindo pro Brasil nós eu e minha esposa por por um problema de saúde também de um um familiar que acabou falecendo então isso nos nos segurou muito naquele início naquele ano e e bem ou mal foi o fato que fez com que a gente ficasse pelo pelo Brasil morando no Brasil (P.2)</p> <p>é: nessa clínica é uma clínica muito assim muito renomada aqui em Porto Alegre que: que aí então me deu assim aquela experiência que eu não tinha tido lá na na em Madri ã a experiência do do da parte que tu não aprende nos livros né (P.3)</p>
4. ~ 1993 – Riemann opens his own clinic	
<p>4.1. The clinic has clients 4.1.1. Riemann expands his clinic to other</p>	<p>aí: claro que que- e era uma sala enorme no primeiro andar na Quintino Bocaiúva numa parte super</p>

<p>cities/countries; Riemann has to hire more employees</p> <p>4.1.1.1. Conflict arise from the hiring of new employees</p> <p>4.1.1.1.1. Riemann decides to close his clinic due to the high amount of stress it generates to him</p> <p>4.1.1.2. Riemann reinvests his money in other businesses</p> <p>4.1.1.2.1. Eventually Riemann transfers the management of his clinic to someone else and ventures in other businesses</p> <p>4.2. The clinic lacks demand and has to close</p> <p>4.2.1. Riemann goes back to working in someone else's clinic</p> <p>4.2.2. Riemann goes back to Europe</p> <p>4.2.3. Riemann goes back to studies</p> <p>4.2.4. Riemann starts to work in other business</p>	<p>chique né e e um edificio bom né digo 'não aqui vai ser minha clínica' liguei pra ele 'Fulano eu posso reformar' 'faz o que tu quer não me enche o saco não sei o que' é bem bem assim agitado bem ele ((pigarro)) bom foi então que eu comecei a reformar a clínica eu fiz o projeto- todas as coisas onde eu moro onde eu trabalho eu que faço o projeto aí eu dou pro arquiteto e né // E1 uhum // então fiz como eu achava que tinha que ser estudei bastante porque naquela época tava começando essas clínicas de cirurgia plástica em ambientes ã em clínicas propriamente ditas né hoje é é o contrário hoje a gente se sente mais seguro em operar em hospital né quer dizer mas naquela época se operava em clínica ((pigarro)) então eu organizei aquele espaço fiz uma sala de cirurgia pra pra procedimentos pequenos médios procedimentos sala de recuperação tudo de uma maneira muito compacta mas efetiva bonita botamos um bom valor ali ((pigarro)) e é: contratei uma secretária né a secretária começou a trabalhar na minha casa antes (2) organizando as fichas naquela fa- naquela época as fichas eram batidas à máquina né ainda tenho as fichas hoje tudo digitalizado mas eu guardei e tal então assim organizando uma coisa muito metódica porque na verdade eu tava trabalhando meu trabalho rendia o suficiente pra eu organizar a clínica então isso foi lá pelo ano de 92 quando surgiu a primeira clínica Riemann né na Quintino Bocaiúva né (P.4-5)</p>
<p>5. Two plastic surgeons from Argentina present laser depilation technique to Riemann</p>	
<p>5.1. Riemann sees the opportunity and invests in laser depilation</p> <p>5.1.1. The depilation clinic is a success</p> <p>5.1.1.1. See "expansion" hypothesis</p> <p>5.1.2. The clinic does not attract clients</p> <p>5.1.2.1. See "closure" hypothesis</p> <p>5.2. Riemann doesn't invest in laser technology and keeps running his firm as before</p> <p>5.3. Riemann develops a partnership with the Argentinian surgeons and invest in laser technology</p> <p>5.3.1. Their business grows and they expand it</p> <p>5.3.1.1. Eventually they have conflicts and end the business</p> <p>5.3.1.1.1. Riemann invests alone in other businesses</p> <p>5.3.2. Their business doesn't work and they have to lose the clinic</p> <p>5.3.2.1. Riemann goes back to what he used to do before</p> <p>5.3.2.2. Riemann invests in other ventures</p>	<p>eventualmente operava dois cirurgiões plásticos de de Buenos Aires da Argentina eles disseram 'olha tem um equipamento de luz laser que tira pelo' digo 'pelo mas qual é a importância de tirar pelo' 'não tu não imagina o que as mulheres e alguns homens gastam de tempo e de ansiedade de de de pra pra fazer uma depilação' digo 'mas isso não é importante' 'não isso é muito importante' diziam eles isso um dia que eu fui dar aula de de toxina botulínica em Buenos Aires né (P.6)</p> <p>bom é: (2) então eles disseram não esse equipamento tal tal tal eu digo mas afinal de contas e quanto custa esse equipamento né eu não acho importante 'não esse equipamento primeiro resolve vê se tu acha que vale a pena' aí ((pigarro)) um tempo depois eles vieram pro Brasil um mês depois e tava tavam lá em casa tomando vinho e tava minha sogra e um deles puxou a sogra foi lá pra cozinha e começou a falar com a sogra aí ela veio lá de dentro assim ((risos – imitando a voz da sogra)) 'Ricardo tu tens que comprar essa máquina' bom um tempo depois eu comprei a máquina com um dinheiro que eu não tinha porque custava duzentos e vinte mil dólares na época (1) tá então foi o foi o primeiro equipamento de laser aqui do sul que fazia depilação médica né (P.6)</p>
<p>6. Riemann's decides to size down the Clinic. Moves laser equipment to Rio.</p>	
<p>6.1. Riemann gradually diminishes his involvement with the clinic in order to retire</p>	<p>então a clínica cresceu mais só que aí chegou o momento de fechar ((pigarro)) o bloco cirúrgico //</p>

<p>6.1.1. Riemann sells the clinic 6.1.2. Riemann closes the clinic 6.1.3. Riemann mentors and trains a successor for his clinic (that keeps functioning even after his retirement)</p> <p>6.2. The clinic loses costumers and eventually ends 6.2.1. Riemann has to open his own medical office to sustains his family 6.2.2. Riemann invests in other ventures 6.2.3. Riemann retires</p>	<p>E1 a passou aquele prazo que tinha sido estabelecido // era um ano que tinha eu avisei pra equipe mas a equipe não acreditou porque o movimento vinha aumentando aumentando aumentando (P.18)</p> <p>o fechamento do bloco cirúrgico foi uma coisa assim também dolorida né pra equipe mas culminou com o seguinte eu eu tinha uma enfermeira na época e:: é uma moça muito bonita tá que: que eu acho que ela se envolveu com com alguma outra pessoa que não o marido dela e o marido confundiu a mim com ela e ele entrou porta adentro aqui querendo fazer um escândalo mas não era eu entende eu não tinha nada a ver com a história então eu digo bom deu deu confusão aqui eu vou fechar o bloco foi mais um motivo pra pra // E1 pra // né fechei o bloco né fechei o bloco (P.18-19)</p> <p>dando a guinada é:: eu disse bom que=que eu quero pra mim bom eu tenho que continuar trabalhando né mas eu não queria me preocupar com tudo isso o custo de manutenção da clínica era muito grande entende quer dizer se hoje eu tivesse pagando só condomínio daria três mil reais mais ou menos de condomínio // E1 uhum // entende três mil reais tu aluga uma sala muito boa em outro local e vai trabalhar sozinho né e fora o resto tu entendes bom (2) esses médicos enchendo o saco muitos deles né é:: e e acontecia o seguinte ‘onde é que tu tá tratando’ no Centro Riemann sou paciente da doutora Joana mas eu tô no Centro Riemann então qualquer coisa que aconteci Centro Riemann é corresponsável demanda judicial paciente com uma complicação e tal então a responsabilidade é muito grande né eu como profissional eu trabalhava sempre trabalhei com seguro de responsabilidade civil mas isso não isenta a clínica isso também não isenta a tua a tua: o teu ânimo a tua: a tua o teu caráter a tua assim ã a encheção de saco que é quando existe ou pode existir um processo onde tu tu te sente mesmo que esteja amparado economicamente é um saco e às vezes é de um paciente que não é teu que é de uma médica que trouxe então as coisas o cenário começou a assim a mudar né quer dizer o dinheiro não era o mais importante pra mim o mais importante como sempre foi foi minha tranquilidade claro que tem tem que ascender profissionalmente eu tenho que ter minha vida e tal mas mas é tem que ter tranquilidade e qualidade de vida e eu não tava tendo (2) (P.21-22)</p> <p>tá aí (2) bom pra sair daqui um lugar grande pra Centro Riemann sair daqui e e e ir pra um lugar menor um outro ponto isso não pode transparecer pros clientes né pacientes pros parceiros colaboradores colegas enfim que eu tô me achicando me me achicando é em espanhol é me me me apequenando // E1 ti- é reduzindo digamos // menor reduzindo né tá tá difícil a clínica fechou a clínica foi pra uma salinha pequena // E1 uhum // não era</p>
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	<p>isso que eu queria ou não era isso que eu desejava (P.23)</p> <p>então na época ((pigarro)) já trabalhando no Rio (3) eu pensei o seguinte hoje eu tenho aí uns oito equipamentos de laser existem equipamentos que é um laser por exemplo eu tenho ã um laser vascular e tem um tipo de laser pra varisesinhas e tal e tem plataformas plataformas são vários lasers numa num equipamento só então se eu levo uma plataforma pra um outro consultório eu tenho todos aqueles lasers disponíveis // E1 uhum // vários lasers // E1 uhum // se eu levo um equipamento eu tenho um laser foi então que eu lá (1) no Rio de Janeiro conversando disse olha vamo botar um setor de estética de medicina e estética e laser na clínica onde eu faço cirurgia plástica né porque tem potencial então a gente estudou e tal=tal=tal então eu levei três equipamentos de laser pro Rio // E1 uhum // isso já me desonerou um pouco né // E1 começou a distribuir o teu material assim de uma certa forma // eu já tinha distribuído // E1 uhum // as minhas intenções né // E1 uhum // já comecei a distribuir a parte material e eu tinha que distribuir também os médicos // E1 os médicos uhum // né bom ((pigarro)) então foi pro Rio foram alguns equipamentos e hoje tem lá digamos assim parte do investimento que eu botei aqui tenho lá não com o meu nome e tal aqueles equipamentos os médicos usam eu treino os dermatos lá enfim treino vascular e tal e rende um pouquinho pra pra mim muito bem nessa época eu abri uma outra clínica não com o meu nome em Gravataí // E1 uhum // então também alguns equipamentos eu pude isso eu abri com um sócio tá (P.23-24)</p> <p>historicamente quem mantém a clínica sou eu e não todo esse resto de profissionais e de serviços que trabalham juntos então se tu pegar o faturamento de um mês dá oitenta e cinco noventa por cento é Ricardo Riemann quando eu não tô não tem esse faturamento entende então será que valia a pena tu manter toda essa estrutura risco risco investimento né encheção de saco ã: pra esse retorno (P.26)</p> <p>aqui é um clínica assim da da da fertilidade tu entende eu entrevistei anteontem uma colega que quer trabalhar aqui eu disse pra ela olha tu cuida porque aqui todo mundo embarriga ‘ai que=que dá’ eu avisei tem uma aumentando e outra recém ganhou então diminuí o número de profissionais também e hoje eu tenho dois duas dermatos (2) e uma três uma amamentando que tá de licença e duas e a minha ideia é diminuir mais e talvez até talvez é:: (2) revisar isso e e e talvez botar um residente ou fechar esse setor tá porque continua a realidade onde eu banco tudo ho- quase tudo hoje com as duas profissionais que eu tenho trabalhando aqui (P.27)</p>
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3.6 Riemann's case reconstruction

The Carlos Riemann case: relying on an international diploma to bridge the technological healthcare gap between home country and Europe

In this case, the founder comes from an ethnically diverse family with a strong sense of diaspora. This characteristic seems to influence his decision to pursue his undergraduate degree and specialization outside his home country, what puts him, at first, in direct conflict with his peers when he comes back. At a second moment, the international degree is used for prospecting and attracting clients, and the pioneer's firm heavily relies on his international network of partners to import new technics and methods, turning the founder into a scientific pioneer in his home country. At a third moment, the pioneer has to downsize the firm because he is not willing to let go of his management powers. His difficulty to delegate functions and allow others to act on his name are felt on his incapacity to control the firm, what leads to the decision to size it down.

3.6.1 Riemann's life history

Riemann was born in 1961. His parents came from Poland during the II World War. Information regarding the past history of his family was lost. Riemann's parents started their life in another country following the path of his father's brother. Riemann has a younger sister. The financial conditions of his family were very difficult in the begging, but later his father provided a nice living standard for the family.

Riemann graduated in a private medical school in the early 80s. He specialized in general surgery. In 1987, Riemann moved to Europe to study in an internationally recognized institution. There, he met an American colleague that would later develop a series of innovations in their field and would mention Riemann as co-author, what helped to establish him not only as a pioneer, but also as scholar. After finishing his PhD, Riemann returned to Brazil with his wife, to which he married before going to Europe and that lived with him there.

The return to his home country and acceptance by its peers

Back to his home country, Riemann worked at hospitals and private institutions. He faced several opposition by his peers to the recognition of his diploma. Due to the contact that he had with a respected professor in Europe, Riemann negotiated the recognition of his diploma in exchange for a lecture with his former professor. After being recognized by his

peers, he searched for a place to open his own health center. He had access to a nice place to open his center through an acquaintance. Riemann received an opportunity from his professor to rent his center and reform it in a well-known traditional region of the city. Riemann started to apply a chemical substance that was new in his home country combined to a very advanced technological equipment. During this period, Riemann was invited to develop research and to help with the advancements of this particular technology in Europe.

Privileged information on a new market

During a congress in Argentina, two acquaintances introduced Riemann to another new healthcare treatment. Riemann bought the equipment necessary to offer this treatment six months after his initial conversation with the Argentinians. Then, he opened a new venture with a group of people to explore this new healthcare technology. At the same time, Riemann's firm increased its demand and he hired a multidisciplinary team. Riemann merged both his healthcare center and his other business under the same name.

For his center had grown, Riemann bought a new place in a region that was rapidly growing. Riemann's son was born in 1993, around the same period when his wife was ill and his father passed away. This period of time coincided with the opening of his new healthcare center. During the late 90s, Riemann was recognized by a series of associations in the healthcare field. His healthcare center increased its activities and Riemann hired new employees, as well as marketing specialists. He also expanded the center's physical.

Current activities and sizing down the healthcare center

After the 2008 crisis, Riemann's clients in the US slowly increased their demand for his treatments. Riemann had another opportunity to leave his home country, but chose to stay due to his family. Riemann increased his participation in the domestic market and opened healthcare centers in cities in the countryside as well as in bigger centers. He hired a specialized firm to help recruiting and training employees, as well as branding services. Due to a series of outcomes in his center, that range from gossip and discussions between employees to the fact that Riemann was responsible for more than 80% of the total income of the business, he decided to size it down. As of 2016, Riemann's working hours were severely reduced, he gave away some of his equipment, and rented part of it to other healthcare centers. His center operates in a much smaller space and some rooms were rented to other professionals.

3.6.2 Characteristics of pioneer and firm inter-relationship

Family diaspora and entrepreneurship

In Riemann's biography, it is possible to suggest a strong influence of his family's history with migration over his decision to pursue his undergraduate degree on a developed country. The possibility to go to a foreign country to study much easier to someone that has double citizenship (Riemann's parents were born in Poland). This decision seems to have shaped his worldview, since he believes the school where he studied was better than the one on his home country. When he comes back to work at his home country, he faces difficulties to have market access due to the protectionism of his peers. His peers do not accept him at first, but he uses his foreign contacts with professionals and professors to change the situation to his favor, bargaining the automatic recognition of the diploma of all of the students that would study in the same institution he had.

R. Pioneering comes with its difficulties too mainly other's ignorance and envy we say that every new technic undergoes three initial phases when it comes to your peers more or less the first is the discredit 'no this treatment does not work' the second when you realize that the treatment works then it is critic critic ((changes his voice)) 'no Julia uses that treatment she is a one trick pony she doesn't study it doesn't work' ok and then the third phase happens when they realize it really works then you start to use the treatment too 'oh no I also use this treatment it's very interesting' so in every field that you you you venture yourself in some matter correct you'll face resistance (Porto Alegre, 2016, p. 10/l. 2-10).⁵⁹

The individual is strongly affected by a particular worldview that seems to be related to his profession

Riemann holds a degree in a liberal profession that has high social status in his home country. This puts him in a highly hierarchic setting inside his firm, since he assigns other peers to work with him and other professionals from his area that are perceived by him as hierarchically inferiors. The setting of the firm is one of high hierarchy and centralization

⁵⁹ “o pioneirismo te leva a algumas dificuldades também principalmente o desconhecimento e a inveja a gente fala que toda técnica nova ela passa por três fases mais ou menos em relação aos colegas a primeira é: é o descrédito 'não esse tratamento não funciona' a segunda quando vê que o tratamento tá funcionando é a crítica ((muda a entonação da voz)) 'não a doutora Júlia usa aquele tratamento é picareta não estuda e não funciona' né e na terceira quando vê que funciona mesmo aí tu começa a abraçar 'não eu também utilizo esse remédio muito interessante e tal' então em todas as áreas assim que tu tu tu te aventura de uma maneira assim correta tu vais encontrar resistência (Porto Alegre, 2016, p. 10/l. 2-10)

where Riemann responds not only for the main income, but also has its last name as the name of the company. The founder takes full responsibility for the firm and is reluctant to accept its expansion if this means he would have to delegate functions and manage more people. Even though he tried to pay for the service of firm psychologies and human resources' managers, ultimately, he decides to size his healthcare center down in order to continue exerting control over decisions and uses the fact that his name is the name of the firm to justify this action.

This worldview has a sense of “superiority” embedded. He refers to his healthcare center as a place where women (his employees) start to work and get pregnant. They work mainly as secretaries and when they get pregnant they get maternity leave. Riemann suggests that they do so to keep earning their salary during the leave. For this reason, he mentions that he hired men to work as secretaries, but he later discovered the men he hired were homosexuals, and manifests his discontent because they caused even more trouble to the healthcare center. He mentions that one of the main reason for sizing down the center was the high amount of gossip between the employees and he assumes this is related to the fact that the majority of the employees were women or homosexuals.

R. There were too many women working // E1 uhum // and women I mean this is not a critic it's the reality you are are are women have that that hormonal variation so there's always one that that wants to discuss with another one and so // E1 uhum // in the meetings we used to do periodically it's it was interesting because two of them killed themselves in the meeting almost killed themselves and cried and so and five minutes after they were having a coffee together laughing downstairs in the bar and I didn't understand how that was possible you get it alright this was when I decided to hir- hire two men to work at the center a::nd and then I saw that things got worse but later I discovered that they were gay both of them so it was was another shoot in the foot (Porto Alegre, 2016, p. 21/l. 3-12).⁶⁰

The center's decisions are centralized in Riemann

⁶⁰ “é e muita mulher trabalhando // E1 uhum // e as mulheres assim não é uma crítica é uma realidade assim tu é é elas tem aquele aquela variação hormonal então sempre tem uma que que tá disposta a discutir com a outra e tal // E1 uhum // nas reuniões que a gente fazia periodicamente é é era interessante porque tinha duas que se matavam na reunião quase se matavam e choravam e tal e cinco minutos depois tavam tomando cafezinho rindo lá embaixo no barzinho e eu não entendia como é que pode tu entende né e foi então que eu resolvi con- contratar dois homens pra trabalhar no centro e:: e aí eu vi que as coisas complicaram só que depois eu descobri que eram gay os dois então foi foi mais um tiro no pé ((risos)) (Porto Alegre, 2016, p. 21/l. 3-12)”.

Riemann suggests that one of the main reasons for sizing down the center is the fact that he was afraid that unfit employees would smear his center's name. This seems to be associated to the fact that he is incapable to select the employees he hires, for if he was able to hire employees that he trusted, he would delegate the functioning of the center to them. He also mentions that his strong ethical sense has limited his center's expansion, for the competition does not take ethics as seriously as he does.

R. The paths the center will follow I don't know yet but each day is different from the other and maybe tomorrow I might want to expand the center or you know it's: a thing that I think that limited ourselves a lot is the fact that we made an effort to do a very ethical propaganda you get it (Porto Alegre, 2016, p.30/l. 29-32).⁶¹

Riemann relies on the information he gets from other people rather on his own (he does not take risks)

Even though Riemann was well-succeeded as a liberal professional in his healthcare center, his main investment in a specific technology was based on information he gathered from Argentinian acquaintances (his network of contacts). Throughout his life-course, he could have invested in many other opportunities that came along the way, but it seems that he was not willing to take the risk.

R. If we had more audacity a little bit more maybe it's: we could take the lead a little bit more there was a professional that used to work with me that said 'you're great but you don't know how to sell yourself' ok I never knew if it was a critique or a compliment that but ok (Porto Alegre, 2016, p. 31/l. 7-10)⁶²

More than that, it seems that he lacks managerial abilities, for he expresses great discomfort when he has to delegate decisions, as well as when he has to deal with a large number of employees. He even mentions that his favorite employee is the one that never speaks. Even though his healthcare center is on a sizing down process, he makes efforts to avoid that his peers and clients realize that: "This cannot be evident to our clients ok our

⁶¹ "ã: o rumo que vai ter a clínica eu não sei ainda mas a cada dia é um dia e: e talvez amanhã eu ache que tem que aumentar a clínica ou né é: uma coisa que eu acho que limitou bastante a gente a clínica em si é o fato de a gente procurar fazer uma mídia muito ética entende (Porto Alegre, 2016, p.30/l. 29-32)".

⁶² "se a gente tivesse mais audácia um pouco talvez é: pudesse despontar mais teve uma profissional que trabalha comigo e disse assim 'tu é bom mas tu não sabe te vender' né eu não sabia se era uma crítica ou um elogio isso mas tudo bem (Porto Alegre, 2016, p. 31/l. 7-10)".

patients our partners collaborators colleagues well that I'm sizing down (Porto Alegre, 2016, p. 23/l. 11-13)".

Riemann pays for his family's expenses

Riemann is the family provider. Even though his family is constituted only of three people, his son studies in a private university. Riemann also suggests that his living standards are high, even though he does not seem to be aware of that. He constantly reinforces that he is a "humble" man with a modest life-standard.

R. I thought that also I don't want to buy anything more at this point of my life I want want to have a little bit more of calm and so not that I've bought many things ok I want to live well ok // E1 yes // I have aspirations and never was bothered too much by money never (Porto Alegre, 2016, p. 23/l. 24-27).⁶³

When his family socioeconomic situation is compared with the whole of the society where they live, they have an extremely high living-standard. His wife is an entrepreneur, but it not clear to what extent she helps to pay for the family's expenses or even if he has to help her on her business. Throughout his interview, Riemann gives very few information on his espouse. He barely references her in his narrative.

R. The context began to like change ok I mean the money wasn't as important to me as it used to the more important as it always was was my tranquility of course that you have to have to professionally ascent I have to have my life and so but but it's you have to have peace and quality of life and I was not having that (2) (Porto Alegre, 2016, p. 22/l. 5-9).⁶⁴

Riemann relies on his "academic" side to promote and support the activities of his healthcare center

Riemann wants to be seen not only an accomplished professional in his field, but also as an accomplished researcher. Even though it has been more than eight years since his last scientific publication, Riemann constantly mentions his importance as a researcher in the development of techniques and procedures. He used to send to his peers a bulletin with

⁶³ "eu pensei também não quero comprar mais nada nessa altura da vida quero quero ter um pouco mais de tranquilidade e tal não que eu tenha comprado muitas coisas né quero viver bem né // E1 sim // tenho aspirações e nunca me liguei muito em grana nunca (Porto Alegre, 2016, p. 23/l. 24-27)".

⁶⁴ "o cenário começou a assim a mudar né quer dizer o dinheiro não era o mais importante pra mim o mais importante como sempre foi foi minha tranquilidade claro que tem tem que ascender profissionalmente eu tenho que ter minha vida e tal mas mas é tem que ter tranquilidade e qualidade de vida e eu não tava tendo (2) (Porto Alegre, 2016, p. 22/l. 5-9)."

the main advancements in their field and he clearly saw this as an opportunity to advertise his healthcare center. Even though he never held a university's professor chair (or the will to be one someday), he is emphatic when mentioning the classes taught by him to his peers as well as his participations in symposiums in his field of activity.

R. I taught from my house (2) so it was another activity I mean I stopped in front of the computer with a little coat tie pajamas' pants slippers you get it a glass of wine my son was little he entered in the the the the library (Porto Alegre, 2016, p. 22/l. 14-18).⁶⁵

⁶⁵ “eu dava aulas na minha casa (2) então era mais uma atividade quer dizer parava na frente do computador com aventalzinho gravata calça de pijama pantufa entende uma taça de vinho meu filho pequeno entrava na na no na biblioteca (Porto Alegre, 2016, p. 22/l. 14-18)”.

3.7 Type C: the self-centered pioneer – The firm as extension of the individual

The self-centered pioneer draws a typology of a founder that comes from an ethnically diverse family with a strong sense of diaspora. This characteristic seems to influence his decision to pursue his undergraduate degree and specialization outside his home country, what puts him, at first, in direct conflict with his peers when he comes back to his home country. At a second moment, the international degree is used for prospecting and attracting clients, and the pioneer firm heavily relies on his international network of partners to import new technics and methods, what makes him a scientific pioneer in his home country. At a third moment, the pioneer has to downsize the company because he is not willing to let go of his management powers. His difficulty to delegate functions and allow others to act in his name are felt on his incapacity to control the firm, what leads him to the decision to size it down. The Carlos Riemann case presented here represents this particular type. As main characteristics of this pattern, we may indicate: ethnically diverse family background; strong sense of the individual; worldview profoundly influenced by career (liberal professional; strong hierarchy); strong sense of differentiation amongst peers; highly centralized decision-making process; family provider; values academic research and technological innovation. As a consequence of the concoction of these traits, the transformation process of the firm undergoes a series of difficulties that end up in the decision of the pioneer to size it down in order to avoid delegating tasks and risking the firm's reputation.

The following topics describe some of the defining traits of the typology for the “self-centered pioneer”.

The ethnic constitution of the family is diverse and the family has a history of migration

The pioneer's family has varied ethnical background, which strongly relates them to migration flows during the II World War due to persecution by authoritative governments. This characteristic may be associated to the willing of the pioneer to pursue his education on a foreign country – a much more well established economy than the country he was born in (he returns to the continent where his parents were born to study). The education on a foreign country seems to have influenced the pioneer's self-perception of its capacities in the sense that he manifests a sense of superiority in relation to his peers that have studied in his home country.

Strong sense of the individual (centralization of activities) + worldview and hierarchy

The strong sense of individualization may be related to his profession – he is a liberal worker on the health sector. This particular profession is taken by others in sociological terms as highly appreciated. The social capital of the profession yields high payments and even political influence. It might be possible that the high income due to his profession has furthered the individualization process of the pioneer, for it is possible to him to provide for his family and to invest large amounts of money individually. The social position associated to his profession might be suggested as a strong determinant on the pioneer's worldview formation. He is a male and discriminates not only women, but also homosexuals, associating to them a lower capacity to work. Diversity is not taken on high regard by this type of pioneer. Diversity is seen as an obstacle rather than as a positive asset to firm development and transformation.

Highly centralized decision-making process

The managerial decisions of the company reside exclusively on the pioneer's will. Even though he invests in new technology, these investments are strongly related to the knowledge the pioneer acquired through his private network of peers. This may indicate that he is not completely open to innovation, but rather invests on information from people that come from the same background as he does. The firm was downsized when private issues interfered in the relationship between the pioneer and other employees. Then, the pioneer would rather downsize the firm than letting go of his decision-making power.

The pioneer is a family provider

The pioneer is a householder and in doing so he uses the firm's revenues to sustain domestic expenses. The pioneer is a liberal professional and alone has the higher income in the firm when compared to other professionals that work at the firm. Even though the pioneer constantly reinforces the idea that he is not very affectionate to money, it seems he is unaware of the high living standards he and his family have. The high income he earns seems to put him on a privileged position in relation to his wife, that depends on his earnings. This seems to reinforce in the liberal professional the gender prejudice he manifests at the firm.

Values academic research and technological innovation

Even though the pioneer is part of a well-established profession, he highly values academia and dedicates part of his time to the publication of papers. He perceives the possibility to publish papers as a way to promote his own work and attract clients, since many of them value the fact that he is not only recognized by his peers, but also by academia. In doing so, the pioneer invests a large amount of money on new treatment techniques. This perception of the liberal professional may be seen as a strategy that uses technology and research as a marketing strategy to promote the services he offers.

The firm will end with the individual

The joint action of the dimensions of centralized decision-making process and a self-concern with the usage of the brand name poses a succession issue: the founder deliberately or not does not create a successor to keep running the firm after his departure. This seems to be related to the strong sense of individualization of the pioneer and his recurrent need to differentiate himself from his peers. This might create a problem where the pioneer is never truly committed to educating and mentoring a business successor. His need to differentiate himself from his peers gives the impression that he is the only one capable of developing the activities that sustain the firm (strong sense of his own condition as a business pioneer of techniques and ownership of the center – a sense of appropriation or a strong sense of his own reputation). Furthermore, the pioneer develops a differentiation narrative that suggests he is the only one capable to run this business. No other peer could assume his position inside his firm. It is also important the fact that he never received training as an administrator. The pioneer fails to adequately identify the firm's management demands and changes and transform his characteristics with the firm. The pioneer deliberately manifests his intention to finish the firm with his departure.

NOTES ON DYNAMIC CAPABILITIES

Firm activities/Cycles	Sensing	Seizing	Transforming
1 st	Investment in education	3 months – 3 years in Europe and International career	Foundations of his intellectual property
2 nd	Opportunities broad to live multipaths	Recognition of Diplomas Be a member of institutions Perform medical career	Reference Teacher Researcher
3 rd	Manage a clinic to perform medical proceedings	Alternatives to have a clinic	Clinic with his brand
4 th	Recognition by combination of skills and professional	Growing support of associates/residents Keep travels and partnerships	Business is plural with brand
5 th	Opportunities with new technology	Analysis to buy in pros/constrain	New business different brand
6 th	Expansion to a new facility	Building dreaming installations Difficulties to reach permits and operations	Complementary assets at cost
7 th	High volume/load of work (managerial and administrative) Branding is at risk Time to develop research/surgeries were getting lost	Cost with professionals Satisfaction Risk mitigation Alternatives to increase income, renting property	Small clinic to operate by his own International partnership Branding

CONTENT FOR ONE STORY OF TWO FACES (DEVELOPMENTAL PATHWAYS)

Case Three – Pioneering a utility of laser technology applied to healthcare

The story of Riemann (fictional name) pioneering a business initiated thirty years ago. He was a medicine student interested in innovative practices for surgery. Riemann was very well connected with senior doctors that assisted his early experiences in medical proceedings, as well as, got he initiated in scientific experiments. Riemann envisioned knowledge as a distinctive asset in his future. In this sense, he accepted the offer of a three-month residency at the Medical School in Europe. The experience turned to be a three-year contract and a solid foundation for pursuing an international career. Unfortunately, a very serious illness case stopped it, and brought he back home. Riemann was challenged to re-start his career in a place where he felt envied for his professional background, whilst he did not have financial endowments to initiate his own business, as he liked. Moreover, educational and medical entities in the country did not recognize diploma issue by the Medical School in Europe, and Gabriel's practice was put in check. He decided these were opportunities to move on and work hard to overcome difficulties in to the purpose of his business career.

Riemann was very proud of his decisions made in the past and for the work accumulated in the previous years in Europe. He was persistent to act towards changing educational regulations to approve and recognize certifications issue by Medical Schools located abroad. He involved entities from the medical community to debate and discuss administrative procedures and ethical protocols in a context of opening their doors to international institutions and programs. While in this, he made the deal of bringing professors from Europe to participate in a national conference. And he found his way to approved his valuable experience and recognize his diploma, and the future ones.

This important process lead Riemann into the teaching practice of an innovative laser utility technology applied to healthcare. Moreover, a number of international partnership agreements were signed to promote technological advancements in educational and research programs. Riemann turned to be an influencer member in the board of national medical entities, opening venues for later on working as teacher in specialization programs and a researcher in experiments and tests of new technological advancements and proceedings.

When coming back from Europe, Riemann also received an offer from his research partner to run a clinic. His partner was leaving the country to United States, and his clinic was in good shape to help Riemann to get started. The opportunity still seems to mean a lot to Gabriel. At that time, he did not have a clear picture envisioned. He was leading the process to recognize his educational diplomas and his family was passing through difficult moments. The opportunity made Riemann to feel excitement in planning the new venture, and securing that his financial condition would make it possible. Riemann then envisioned he could act as businessman running a clinic and a doctor conducting his surgeries, besides all the teaching and research opportunities that he had already experienced. In the meanwhile, the business offer turned down and his enthusiasm became his first frustration. He found out that the attorney representing his partner rented the property to another person, and the contract was already settled. Riemann wanted to have the business but understood that he needed to wait for it in a new opportunity.

One day, in the parking lot of a Hospital, Riemann met a group of old school colleagues. They were chasing Riemann because of his old car, while they were in a position to afford nice imported cars. A senior doctor and professor saw the conversation and asked Riemann for an explanation. The doctor ended up surprising Riemann with an offer. He had a clinic

facility ready to be used. Before closing the deal, Riemann went to check the conditions of the place, specially location and easy access for parking. He found the place need to be rebuild to properly accommodate office and surgery room, as it was in his envisage. Riemann dedicated part of his time working in the hospital, and the other in designing the clinic. As soon it was possible, he made his opening and began his surgeries. He decided the clinic to have his surname, and built it as his own brand.

Pioneering the utility of a laser technology in healthcare attracted a lot of attention. He had the credits recognized. He was invited to speak in a number of national and international conferences. Specialization programs in the United States and Europe invited him to teach his proceedings. He was also challenged to perform complex and difficult surgeries. His business was running very well, to the point he expanded not only the team of technicians, but associates to help growing his firm. Riemann invited residents to work with him in his clinic in Brazil, and he kept going back and forth to Europe and United States to perform his duties. He hired assistants to help keeping his records up dated, and improving his Firm exposure through website and newsletters that communicate his pursues and accomplishments to clientele, colleagues and others. He found it was a very distinctive practice in the market, and it brought a lot of financial results. His business was already a referral and he found it was time to move into a new facility.

Developing the laser technology fascinated him, although new opportunities came on through it. In a conference held in Argentina, he met a group of doctors specialized in another feature enabled by the laser. He found it interesting, but at that time, he thought no more than setting a friendship with that group. He understood it was an opportunity to invest in a new venture. Afterwards, he invited his friends to go to his place, and they met his mother in law. His friends spoke with she, as doctors do, and finally they got Gabriel's attention. They agreed to start it in as a new business division. Riemann bought expensive machinery with money that he says were not possible to cash at that time. But he took the risk to make it happen and be worthy. He decided to brand this division under a different name, so he was able to manage things a part. Also, at this time, he was not alone. He had his partners to share business practices and some of the costs. Bringing the invention to operate in Brazil helped him to make his clinic even smaller than it already was.

Riemann decided to make a private investment and expand his business in a new facility. He decided to buy a property in a building that was not constructed to attend a medical service facility, but business offices. He had to make it proper in order to get the permits and operate. He planned every detail possible to find the best fit and allocation of resources, among them machinery, supplies, technology servers, and so on. He made a heavy investment on it. Besides, he hired a team of physicians to build complementary knowledge assets. He took a while to get all this architecture done in the way he wanted, and he made it. Riemann saw his clinic ready to run open, but the operation licenses took a long time to be approved. Some of the supplies for his medical treatments were almost expiring and his team was losing the sight of the work. Riemann felt the fear of depression. Finally, during a medical convention, Riemann found the right people to help and he overcame this challenge. The license process was concluded and the new clinic opened. Riemann was happy to see how far he went to.

After the new clinic was opened, his management duties increased. He had to coordinate his team. Thus, he kept working abroad, teaching and presenting the results of his experiments in conventions. Riemann was also invited to partner two new clinics and he accepted it. Meeting responsibilities of all these roles and performing it in different locations and with different people skills and culture were about to be his challenge at this time, as it was to maintain the two afternoons free for own appointment decisions.

After a while, Riemann found difficult to manage and coordinate his team. He felt that this was not part of his chosen path. It was the path for his firm to keep on growing in providing medical services, and he was not sure this was the right path for his business either. He started to analyze the payback of it. In the end, his clinic was running because of his clientele. He was the one to attract patients. The complementary offerings were an extra cost that he had to pay. It did not paid off by itself. Setting the full service treatment was a good idea. He was proud of it. However, he did not find himself right in the role of managing employees and administrative demands. He felt limited to act in the other things that used to bring satisfaction. Another reason that ended up making Riemann to decide by reducing the scope of his operation and turning it back to the design of his office and his practice was that firm had his surname branded. Riemann demonstrated to be conscious that professionals were working under his liability and he did not have means to control and mitigate the risk of his operation. He feels that his intellectual property is more valuable than the risk taken of growing his operation in scale. Riemann says he is not sure yet about next steps, neither if he made the right decisions.



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