INTERNATIONALISATION PROCESS OF A COMPANY OF THE VALE DO SÃO FRANCISCO: INFLUENCE OF THE EXTERNAL AGENTS AND OF THE MANAGERIAL CHOICES

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Abstract This paper aims to analyse the main characteristics of the international strategy formation process of an exporter fruit company, located in the São Francisco Valley (VCF) [Valley of São Francisco River], in the Northeast of Brazil, regarding the influence of external agents and managerial choices of the firm. Firstly we present a brief contextualisation of the way in which this industry establishes itself Brazil and abroad. Secondly, we discuss the theoretical concepts of strategies and then we define internationalisation in the light of the theories we used as the basis for this analysis, these are: Theory of Uppsala, Diamond Model Resource-based View (RBV), Product Lifecycle, Eclectic Paradigm Choice and Adaptive Choice. We develop the segment of empirical research by means of an exploratory study which involves company directors, and of the conduction of semi-structured interviews. We carried out the analysis of data by using the software Atlas.ti 6.0. There are apparent associations between models of internationalisation and the way in which the dimensions of analysis are mutually reinforced.

Key-words: Internationalisation; Fruit culture; São Francisco Valley; External Agents; Managerial Choices

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1. Introduction

The advance of globalisation has reached diverse market segments in a rapid and overwhelming way, which completely transforms the international relationships between countries and companies so that the companies raise their degree of competitiveness. The stimulus for the leverage of international business has occurred with accentuated intensity in Brazil, namely from the 1990s on. We emphasise that Brazil is recognized as a competitive country by means of products coming from agribusiness: 46.8% of exportations in 2012, came from this sector (MAPA, 2013; MDIC/SECEX, 2013), with emphasis on the meat and soybean complexes, respectively responsible for 6.3% and 10.8% of the total exportations. Brazil consolidates its position as one of the biggest food producers and exporters, above all if we take into consideration sugar, ethanol coffee, orange juice, meat, tobacco and soybean seeds industries.

In a study carried out by the Empresa Brasileira de Pesquisa Agropecuária (EMPRAPA) [Brazilian Agricultural Research Institute] in 2003, it is affirmed that:

Globalisation is a phenomenon which has been accentuated in the last decades. Although this process encompasses various aspects of human activity – economic, financial, cultural, technological, etc. – one of its most evident expressions is trade openness, that is to say, the increasing participation of external trade in the domestic supply and demand of goods and services (MAGALHÃES, 2003, p. 17).

In the same study the author analyses that from the 1970s to the 2000s, the world total production, measured by the PIB – produto interno bruto [GDP – Gross domestic Product] in dollar, grew 3.5% per year, whereas world trade of goods and services annually grew 5.2%. According to MACHADO (2007) the internationalisation process of the Brazilian companies only became strong when our country succeeded in inserting itself into the globalised economy and passed from instability to stability, in the 1990s.

In this context, internationalisation becomes a process which is more and more present and necessary for the companies, with the intention to seek new markets and to strive to reduce costs. We see that agribusiness is one of the main motives of interaction between the countries and Brazil has played an important role in this sense. In his work MAGALHÃES (2003, p. 66-70) emphasises that:

Whereas Brazil does not occupy a very significant position in the items of greater weight and growth in world trade in the last decade, its position stood out a little more in agricultural trade, a category with minor relative participation and more moderate growth on the world scenario. [...] In 2000 profiting from its comparative advantages, Brazil was the fourth biggest world liquid exporter of agricultural and agro-industrial products, with US$ 10 billions, much above the US$ 4.1 billions of the USA, but much below the US$ 19.5 billions of Canada.

According to data of EMBRAPA, Brazil is the third biggest world fruit producer. The Brazilian fruit exportations grew 25% in the last five years. In 2006, the sector moved US$ 700,000, a number which reached more than US$ 875,000 in 2010, (BRASIL MINISTÉRIO DA AGRICULTURA, [Ministry of Agriculture] 2011). Data of IBRAF –
Instituto Brasileiro de Frutas [Brazilian Fruit Institute] (2004) show that fruit production in Brazil is reunited in 10 (ten) States, which are responsible for 90% of the national production and 80% of the cultivated area. They are in the following order: São Paulo, Bahia, Rio Grande do Sul, Minas Gerais, Santa Catarina, Pará, Paraná, Espírito Santo, Pernambuco and Ceará.

Bustamante (2009) still adds that the North-East and North regions stand out because they possess poles of tropical fruit producers that have presented significant results during the past years, such as those that are located in the North-Eastern semi-arid region, especially those of Juazeiro in the State of Bahia together with Petrolina in the State of Pernambuco, in the Vale do São Francisco [Valley of São Francisco River] and those of Mossoró, in the State of Rio Grande do Norte, where the main fruit which are produced are mango, melon, grapes and pineapple.

Due to the existence of many agglomerated fruit producers in Brazil, especially in the regions we already mentioned in this article, we will analyse the internationalisation strategies only of one company of Vale do São Francisco (VSF). This pole comprises another six municipalities (Lagoa Grande, Santa Maria da Boa Vista, Orocó, in the State of Pernambuco and Sobradinho, Casa Nova and Curaçá, in the State of Bahia).

Silva (2001) states that the public and private irrigation projects of the pole Petrolina/Juazeiro started working in the branch of fruit production, an activity which became almost a specialisation of this territory, thus contributing to changes in the local economic structure and creating a territorial organisation of production. According to the data of CODEVASF – Companhia de Desenvolvimento dos Vales do São Francisco e Parnaíba [Brazilian public company, responsible for the development of the São Francisco and Parnaíba Valleys], in 1999, there were already more than 31,000 hectares of fruit cultivated in this pole.

The main competitive advantages of the agglomerated fruit producer of Vale do São Francisco are: water and soil availability; cheap and qualified workforce; climatic conditions favourable to fruit culture during the whole year practically, highly sun-drenched and with low humidity; availability of irrigation infrastructure; availability of federal resources, such as FINDEP – Financiadora de Estudos e Projetos, CNPq - Conselho Nacional de Desenvolvimento Científico e Tecnológico [Studies and Projects Financing Agency, National Council for Scientific and Technological Development], EMBRAPA - Empresa Brasileira de Pesquisa Agropecuária [Brazilian Agricultural Research Institute]; and State resources – State government, local and entrepreneurial leaderships, such as research institutions, producers, cooperatives; access to the national and international market; and a good logistics of production flow, the ports of Suape, in the State of Pernambuco and Pecém, in the State of Ceará.

The study of sectors of the economy which enable the increasing of the volume of external sales is considered very important, since “the existence of international economic transactions produces numerous implications [...] for the very macroeconomic theory” (CASTOLDI, 2006). Thus a company, which acts in the branch of an irrigated fruit culture of Vale do São Francisco, was selected as the object of study of this research. This selection is mainly due to the success of its internationalisation process, especially in the agribusiness sector with a vision centred on the fruit culture segment. The purpose of this article is to analyse the main characteristics of the process of the formation of international strategies
of the company Gold Fruit, considering the external agents and the managerial choices (see: KOVACS, 2009).

The managerial choices deal with the mode in which the managers make their decisions and with the variables which effectively influence their choices. Lam and White (1999) propose categories of adaptive managerial choices, which are: (i) structural dilemmas; (ii) human resource dilemmas; (iii) dilemmas related to the moment of entry into the international market. On their turn, the external agents are the representatives of the exporter that, in general, have the exclusivity to sell goods and services on a given market, by means of commission (MRE, 2004); they do not assume the legal entitlement to commercialised goods. Thus we state the relevance of the promotion of debates about how much the external and internal variables of the company influence its process of the formation of international strategies, in contribution to Kovacs’ proposal (2009), but specifically, in the segment of irrigated fruit culture.

Despite this, we seek the enrichment of the rare national literature on the internationalisation process the fruit cultures of the region of the Vale do São Francisco adopted, an important pole which contributes to the economic development of the sector of the Brazilian agribusiness, corroborating what Bustamante advocates (2009).

2. Theoretical Foundation

2.1. The Companies´ Strategies and Internationalisation

Strategy is the result of the creation of compatibility between the company’s activities (PORTER, 1999) and success depends on the performance and on its integration where each company, which competes in an industry, has a competitive strategy, be it explicit or implicit (PORTER, 2004). The term strategy, in spite of what we already mentioned, requires not only a definition, but a series of them. Diverse authors still consider the strategy as a “a plan, a pattern, a position, a perspective or a trick” (MINTZBERG, 1987; MINTZBERG, 1998; MINTZBERG; QUINN; VOYER, 1995; MINTZBERG; AHLSTRAND; LAMPEL, 2000) the strategy as a plan being considered as a course of action for the future; as a pattern, the consistence in the action in the course of time stands out; the positioning of determined products on determined markets fit in the focus on the position whereas the focus on the strategy as a perspective occurs on the fundamental way in which a company does things whereas the strategy as a trick is considered as a specific manoeuvre to deceive the competitors.

Internationalisation belongs to the growth strategies of the companies (JOHANSON; VAHLNE, 1977, 2009; MELIN, 1992) and the importance of the international activities for Brazil’s economy is notable (HENISZ, 2004; HOSKISSON; HITT; WANG; YIU, 1999)

With the increasing international liberalisation of commercial and industrial activities and with the accentuated competition beyond the political frontiers, the internationalisation of the entrepreneurial activity worries large and small firms today, it is not restricted to a small number of the most audacious companies today for the external activities.

According to Hilal & Hemais (2001) the first internationalisation concepts appeared at the beginning of the 1960s, when the firm theory stopped being studied only from the economic viewpoint and became an independent research field. Thus they initiated the first
studies on the internationalisation process, which is focused on the framework of the theory of the organisational behaviour. The internationalisation process is considered as the continuity of the strategy process (MELIN, 1992), by means of the increasing commitment to the markets outside their origin (JOHANSON; VAHLNE, 1977, 2009). Thus we see that internationalisation is a strategy that involves the perception of the products which must be made available to the external market, the countries which must be reached and the most appropriate modes of entry.

Barney and Hesterly (2007) state that those who seek international opportunities for competitive advantages must know legal systems of different countries, they must understand the consumers’ differences of preference and culture and they must be able to operate simultaneously in different time zones, languages and money; all this in the time in which they try to identify and exploit opportunities of competitive advantage around the world.

The internationalisation strategy is characterised by two distinct additional dimensions (ANDERSEN, 1997): (i) the company transfers products, services or resources through the national frontiers, which implies the selection of the country or countries where the transactions will occur; (ii) the company must chose the exchange of the transaction, that is to say, an entry strategy into the external market. Besides this, the mode of entry is defined as an institutional arrangement which enables the entry of products, technology, human abilities, management and other resources within a foreign country (ROOT, 1994). In an internationalisation process, we observe fundamental questions, which are related to the motives and conditions of the operations, to the commercialised products, to the moment of entry and to the trajectory which was undertaken, to the countries and markets which are attended to and to the mode of entry and of operation which is used (DIB; CARNEIRO, 2007).

We see that the modes of entry of a company into an external trade are different, the ways of internationalisation mainly occur by means of exportation and by license agreements, strategic alliances, acquisitions and the establishment of new subsidiaries, among others (ROOT, 1994).

2.2. Internationalisation Theories

We present the internationalisation theories and two of the key-concepts Kovacs identified (2009): external agents and managerial choices, which is due to the importance of the analysis dynamics that considers internal and external aspects in the course of the international trajectory of the firms. Although some authors consider these theories as incompatible between each other (see: RUGMAN, 2009), we perceive the intersection of diverse key-concepts (or conditioning characteristics of internationalisation); they are based upon the fundamental texts and articles which involve the thematics that include (KOVCAS, 2009): (i) location; (ii) tangible and intangible resources; (iii) managerial choices; (iv) apprenticeship and (v) external agents and their associations with the predominant theories of internationalisation.

We can observe the internationalisation approaches from two main perspectives, which are: (i) economic; e (ii) behavioural (DIB; CARNEIRO, 2007), we consider both in the scope of this research.
The School of Uppsala (JOHANSON; WINDERSHEIN-PAUL, 1975; JOHANSON; VAHLNE, 1977) defends that the companies internationalise in a gradual way according to the incremental building of knowledge about the external market which results from experience. Rocha (2002) states that the researchers of this theory presupposed that the uncertainty frontier was related to the psychological or psychic distance: the greater the difference between the country of origin and the foreign country in terms of development, educational level and content, language, culture, political system, among others, the higher the level of uncertainty. Thus the firms select the entry markets in the increasing order of the perceived distance, which can or cannot coincide with geographical distance.

The question of networks is considered as a natural evolution of the thought of the School of Uppsala. Its followers have played a central role in the development of the perspective of the industrial networks; they focused on the relationships which exist between the industrial firms and markets (HILAL; HEMAIS, 2003). Internationalisation is no more only a question of production measurement for the foreign country and it turns to be more perceived as the exploitation of potential relationships beyond frontiers (ROCHA, 2002).

Thus, such as the School of Uppsala, according to Melin (1992 apud KOVACS, 2009) the Product Life Cycle, the Adaptive Choice and the Diamond Model are also seen as processes, because they describe the internationalisation process of the companies in a sequential way, in a relatively long period of time. The Diamond Model (PORTER, 1999) still advocates that the source of the competitive advantage of the companies is located in the country of origin, which provides the necessary structure of suppliers, of production factors, demand conditions, internal rivalry and pressures for innovation, thus they prepare the organisations for external competition.

RBV [Resource-based View] (FAHY, 2002; SHARMA; ERRAMILLI, 2004), on its turn, emphasises the internal framework of the organisation; thus the organisations are heterogeneous resource sets which lead them to a differentiated performance of the market. Finally, the eclectic internationalisation paradigm (DUNNING, 1988) explains the existence of the multinational company instead of the internationalisation process per se.

There are numerous factors which influence the strategy process of a company, mainly because they are internationalisation strategies. External events can collaborate or prejudice the development of the organisation outside its country of origin. Taking the definitions on the internationalisation theories we exposed above as a pillar of development, together with the other studies which were carried out on this thematics, we will focus on the following key-concepts for the analysis of the results: external agents and managerial choices.

2.2.2. External agents

Among the external agents, the so-called broker is an agent that is specialised in a group of products or industries, which are quite used in operations that involve primary products (MRE, 2004). On its turn, factor is an agent that receives the merchandise on consignment and receives a commission on the accomplished sales. With regard to the type of traders, we have the importer-distributor, who dedicates himself to wholesale import and distribution trade and to the wholesalers and retailers networks.
The companies that do not follow what is going on in the world, even the small enterprises, have an uncertain and obscure future. The competition, which comes from abroad, normally comes from companies which are accustomed to more hostile competitive entrepreneurial frameworks than those we find in Brazil. This intense competition created companies with a great production capacity, which are innovative, have a solid financial position and are ready and avid to snap up the market of the firms which stopped in time and do not see what is going on in the world (CAMPIÃO, 2009).

To internationalise a company implies to think about customers, suppliers, competitors, brands, technologies, technical norms and prices as if the world did not have frontiers; to be open to innovation; to have flexibility to adapt oneself to the regional demands in a creative way; to know how to interpret the world tendencies (BLANK; MAUCH, 2006). So we see that there are various agents that influence the internationalisation process, mainly external agents.

In the Diamond Model, the government exerts its influence on the four determinants, by means of the creation of specialised factors, the encouragement of changes in the industry, the promotion of internal rivalry, the application of norms on products, security and environment, besides the regulation of the competition and of the promotion of objectives which lead to sustainable investments (PORTER, 1989; 1996; 1999).

In the Product Life Cycle (VERNON, 1966; 1979), the external agents (competition) are present in the growth stage, when new competitors start to appear, like in the maturity stage, since the importing countries have begun to raise tariffs and other barriers to stimulate the local companies to initiate the production of the competing items.

2.2.3. Managerial Choices

This concept discusses the way in which the managers make their decisions and which variables effectively influence them in their decisions. Lam and White (1999) propose categories of adaptive managerial choices, which are: (i) structural dilemmas; (ii) human resource dilemmas; (iii) dilemmas which refer to the moment of entry into the international market. Since the studies on the product life cycle (VERNON, 1966), the role of the managerial choices has been evidenced with respect to the perception of the sequential logic foundation for the expansion and diversification of the activities of the company, in the international framework.

The product life cycle has three main stages: introduction, growth and maturity. The first stage generally occurs in more developed countries, with great market power and good education levels, which allow making investments in researches and developments (R&d) and in the consolidation of the product due to the great internal and/or external demand. The external demand for goods and services occurs in the second stage of the product life cycle. Nonetheless, the third stage, – maturity (when production becomes more standardised and technology stable) – is characterised as the moment in which production transfer can occur (SOARES et al, 2009).

According to KOVACS (2009) this model considers that the company discovers an innovation on the market of its country of origin, the demand of which can be broadened to other countries; the company begins with the exportation model and goes on until the establishment of subsidiaries, which suggests that the companies which follow international
diversification extend the product life cycle. It is also advocated that the companies in developed countries enjoy equal access to the scientific principles of the generation of new products, but there would be a gap between the knowledge of the principles and their incorporation on the part of the executive. In front of this affirmation, the managerial choices determined the internationalisation of the company

With the objective to complete the theories of Uppsala and of the Eclectic Paradigm (denominated models or stage theories), the Adaptive Choice (LAM; WHITE, 1999), of predominantly emerging nature, considers that different organisations engender idiosyncratic solutions according to their managerial solutions at each challenge. The sequenced stage models as well as the adaptive choice consider the managers as rational individuals who have their cognitive limitations.

Generally, the companies begin to export to other countries via agents and afterwards they establish sales subsidiaries and, eventually in some cases, they initiate their production in the host country (JOHANSON; VAHLNE, 1977). The managerial choices depend on the degree of market knowledge, which lead to a greater commitment to the decisions and to the market. With respect to the countries, which were chosen, the model presents the concept of psychic distance which is defined as the sum of factors that prevent the flow of market information and those which are in favour of it (KOVACS, 2009).

3. Methodological Proceedings

The research we carried out can be characterised as exploratory – descriptive qualitative – and it is conducted in the form of a case study, which sought to observe the characteristics of a company of the fruit culture segment, which is located in the region of the Vale do São Francisco [Valley of São Francisco River]. According to Yin (2005) one uses the case study as a research strategy in order the contribute to the knowledge we have of individual, organisational, social, political and group phenomena, besides other phenomena which are related to them.

The data collection on the internationalisation process of the company we analysed occurred in two stages, which are: the first, with historical and exploratory characteristics, is focused on secondary sources, such as anterior articles and works about the fruit culture scenario in the Vale do São Francisco and the internationalisation process, its theories and key-concepts, aiming to acquire a more profound knowledge of the thematics. The second stage has exploratory characteristics with the conduction of semi-structured interviews; our collaborators were the directors of the company.

For the collection of the primary data, we did the selection of the subjects in two ways: (i) we selected the organisation we were going to study and then (ii) we chose the members that were disposed and apt to provide information on the internationalisation process of the company. For the selection of the company, we considered the following criteria: (i) operation in the exportation activities of the fruit culture during a period which is not inferior to 10 (ten) years; and (ii) presentation of the trajectory of growth and commitment to the international market. The type of sample of this work is a non probability sample and, according to Cooper and Schindler (2003), it can be intentional out of convenience. Thus the members we selected were those who had the precise knowledge of the internationalisation process of the organisation, such as the director Mário Otsuka.
and the commercial manager Cláudia Medeiros, who agreed with the identification of their names and of the reports we present in the research.

According to the purpose of this study, which is to analyse the formation process of international strategies, we judged it was pertinent to use the qualitative research, because in it the findings are comprehensible, holistic, expansive and richly descriptive (COOPER E SCHINDLER, 2003), the analysis of the data we collected followed the qualitative character of the research, which is based on the inference that is obtained with the triangulation of the correlation between the different sources of the data we used.

In synthesis, we investigated information about the diverse aspects which are emphasised in the internationalisation model and we related it to the theories and key-concepts we presented above. The software Atlas/ti 6.1 helped us to analyse the data via the constant comparative method and with the construction of categories and manifestations. Nevertheless we stress that in Atlas/ti, the researcher is responsible for the creative and intellectual tasks (MÜHR, 1991). We emphasise that in this stage of the work, the data analysis is considered inductive (COOPER; SCHINDLER, 2003). We will adopt the techniques of content and category construction analysis (BARDIN, 1977; BAUER, 2008) and properties and relations between the data, by means of the constant comparative method Glaser and Strauss developed in 1967.

4. Results

4.1. Description of the case

The interviewees identified and contextualised some relevant events which marked the trajectory of the company which the researchers analysed and classified into 5 stages.

From 1985 on, the year of the foundation of the fazenda [an estate or large farm], we observe the beginning of the investments in the irrigation infrastructure and the integration of the regional and national fruit markets by means of development programmes of the region. With a favourable context, family Otsuka’s strategy was oriented towards the acquisition of quality of their product aiming at the future competency gaining on the national market with the mango commercialisation. In the period which goes from its foundation until 1995, the company timidly began the commercialisation of the fruit by means of intermediaries and they worked 100% of their production directed at the Brazilian Internal Market in an indirect way. In this second stage the company gave continuity to the actions they practiced in the first stage, of investment in productivity (main focus), the establishment of partnerships and it turned to identify the necessity to adopt new strategies.

Although the company continued with the anterior commercialisation formatation, it broadened its horizon and turned to sell its product on the external market and, in 1997, it started its internationalisation process. In this third stage, which goes until 2005, the company sought: to reinforce its knowledge on the branch and to prepare itself to face the following years which would bring an intense competition and the growth of the participation in the world fruit trade, mainly leveraged by the valorisation of the dollar versus the real in the period of 2002/2003, it reached the value of USD 3.66 (BACEN, 2010) and it was added to the regional productive volume involved in elevated growth.
Although the whole Otsuka family was involved in the process, in the course of this period there was a deepening, especially of the activity of one of their sons, Mario Otsuka who, being at the head of the administration of the company, visualised the necessity to develop new entrepreneurial competencies, to reinforce the power of the idiosyncratic attributes and to prepare the management model so that he will act in a way, which was different from that which was being adopted, commercially independent, with more dynamism and professionalisation, but he maintained the pillars of quality and productivity of the organisation. Thus, the year 2005 was marked by a great organic restructuring, where they created the commercial exporter Gold Fruit Importação e Exportação [Gold Fruit Import and Export].

The year 2006 was marked by the logistic chaos in the region due to the volume of production of the grapes and mango culture, but it did not affect the significant way of the organisation. According to Secex (2009), in 2008 the exports of fresh fruit were approximately 133.3 million kg of mango, 82.3 million kg of grapes, which were represented in terms of approximate value of US$ 118 million and US$ 171.5 million, respectively.

In this same period, differently from the one they experienced in 2003, with the rise of the dollar, the macroeconomic external context was unfavourable for the commodity exports due to the global economic crisis. According to Mario Otsuka, the crisis did not irritate the negative impact in its internal economic context, if we compare it to some other companies of the region which operate in the same segment; nevertheless it contributed to the fact that new strategies began to be traced, in 2009, in order to: reinforce the international partnerships, which turn to receive 70% of the production of the company, differently from the second stage; to increase the investments in professionalisation, training and maintenance of the internal collaborator team and to maintain the other periodic adjustments about its management model.

The fifth stage began with an event outside the company. In July 2010, the company was officially awarded the label of geographical identity by the region of the Vale do São Francisco. This is the fifth Brazilian region that received this honour, which will provide a greater acknowledgment of the cultures: mango and table grapes coming from this region, aggregating more value and providing consolidation and a broader openness to the commercialisation of these products on the international market.

4.2. Analysis of the Results

4.1. Analysis of the influence of the dimension External Agent

There are diverse factors which influence the strategy process of a company, even more when they are internationalisation strategies, since the external events can collaborate with the development of the organisation outside its country of origin or they can prejudice it. When we speak about external agents we mainly refer to the economic, political – juridical social – cultural, natural framework, to contingency, to the uncertainty level and to chance.

The economic framework concerns the nature and the direction of the economy within which a company acts or is going to act. The politico-juridical framework is the arena in which the organisations and the interest groups compete in order to gain attention, resources and a voice which enables them to follow the set of laws and regulations that
guide the interactions between the nations. The social framework – culturally influences the information flow between the countries, suppliers and hosts, such as the differences in languages, culture, economy, educational systems, politico-legal elements, levels of industrial development, among others.

The natural framework, on its turn, concerns the basic facts and natural conditions of the environment, such as climate, temperature, etc. The contingency is related to the changes within the organisation due to the changes in the context in which it is inserted. The roles of ignorance and uncertainty influence the exchange pattern. Finally, chance refers to the appearance of chance factors in the environment, such as natural catastrophes or other unexpected problems which can emerge and influence the internationalisation of the company (KOVACS, 2009).

As far as the economic framework is concerned, we noticed that it influenced some decisions to be made by Gold Fruit in the internationalisation process. The commercial manager affirms that the fact that Brazil does not have an unstable economy nor such a lot of trade barrier are factors of great contribution, which diminish the risks when they face competing countries that have an unstable economy; such as Africa and, within Africa, Senegal, for example.

When the interviewees were asked about the economic crisis of 2009, they were quite positive and they affirmed that the crisis did not have such an impact on the turnover in relation to the year before. In fact, according to them, the panic it caused was much stronger than the negative impact.

The crisis existed, but there is also the question of panic, isn’t there? And mainly the English, they have this sort of thing to do so that everything seems much worse; and the European, he is very sure. We noted a reduction, last year we exported less than we would like to, sure? In terms of maritime business; in terms of turnover, it was practically the same thing, but in terms of volume, we exported less (MEDEIROS, 2010).

With regard to the crisis, the interviewees also affirm that the crisis affected the exportation of fruit that are considered exotic much more, as the General Director of Gold Fruit emphasises it:

Mango is still considered an exotic um product. So the variation of this thing according to the crisis, its impact is much greater on mango, for example, than on a basic product such as tomato, potato... (OTSUKA, 2010).

With respect to the politico-juridical framework, we perceive what more irritates and is prejudicing the internationalisation process of the company we studied is the absence of a good agricultural policy in the fruit culture sector, it generates much workforce, therefore there should be a greater investment on the part of the government.

When the government introduces a measure, a provisional measure or any other thing of that kind, a law, it does it only for cereal agriculture, it does not do it for fruit culture, it does not include fruit culture (IDEM, 2010).
The natural environment also generates a great impact which guides the internationalisation strategies of Gold Fruit. Mário Otsuka affirms that, although it has the Rio São Francisco [São Francisco River], the dry climate of the region generated some difficulties at the beginning, until they could know this factor better. In the first semester the rains are also considered a problem for the production and consequently for fruit export; thus in this period of rain the directors of the company opt for strategies directed at the acquisition of fruit from their suppliers, with the intention not to leave the market during this period.

A very important point, which the interviewees defend, is to know how to deal with the environmental changes. They consider that the information is the main tool to plan and to succeeded in adapting themselves to the contingencies.

Because the market changes a lot. A lot, a lot, a lot; today it is this way, tomorrow that way. So you have potatoes that sell today, in a fortnight the market is completely different, so if you don’t have information mainly during this period in which your containers are standing in the water, you cannot plan what it is going to be like in two weeks, Sure? In order to have your own company begin to plan if it will actually go on shipping, if it will not go on embarking, if it will lose money with this container, if it will not lose money with this container, this a foolish thing, you know? And there will be no information from each of these groups, there won’t be any. Be it internal, external, well... (MEDEIROS, 2010).

Competition is an external agent which has generated much concern to the directors, with regard to the uncertainty level that has influenced the strategic internationalisation process. And when they spoke about competition, the concern about the internal competitor was evident; he is more worried about the turnover than about the quality of the product itself, which ends up putting all the products of the Vale do São Francisco at risk, as Otsuka (2010) stresses it:

[...] This ends up putting the market at risk, doesn’t it? Because although you have a strong brand on the market abroad, who is going to buy the product is going to buy the excellent Gold Fruit product, but he will buy from Vale do São Francisco ... , so there is always this question which is linked to it, too. I think that there lacks a little bit that view for the most part of those who are beginning now. I believe that they are more aiming at the short-term profit than at the long-term one.

At last, another agent, which influenced the decision-making of the company, was stressed by Cláudia Medeiros, who said that it was in 2006 when there was an unexpected rain which affected the production of the second semester of the same year and it generated a necessity to re-evaluate and rebuild what had already been planned.

Below you can see the scheme which lists the properties and manifestations that were presented according to the external agents.
4.2.2. Analysis of the influence of the Managerial choice dimension

The role of the managerial choices is fundamental for the decision the organisation has to make when they are included in the internationalisation process. When they decide to internationalise, the companies intend to change and they pass from domestic to multinational firms, which evidences the dimension of the Adaptive Choice. This fact leads to more analytic managerial choices, such as those which are related to the structure of the organisation, to the strategies, to the people who are involved in the process, among other factors.

According to the studies Kovacs (2009) carried out, we identify the following types of managerial choices: if the choices were deliberated or opportunistic, with the focus on a greater international insertion or if the steps were influenced by the appearance of opportunities and/or threats which do not emerge in a continuous or controlled way; strategy dilemmas which are related to adaptation or not of products; dilemmas which refer to the decision of a pioneer or late entry into the chosen market and if the choices depended on the degree of market knowledge.

Figure 1: Graphical scheme of the influence of the external agent in the internationalisation process of the company Gold Fruit.
Source – Field research, 2010.
In the big production volume Gold Fruit found the necessity to seek customers, which led to the choice to enter the international market. As the commercial manager emphasised it, they opted to set up the commercial export company by making direct exportations, since they had no subsidiaries outside the country. With regard to the strategy they used in the commercialisation of products, the preference for the exportation of mango and melon is evident; grapes are more commercialised internally.

Another fundamental point for the ascension and development of the company in the external context is the choice of the market. When we asked to which countries the products are destined, how they deal with the difference and how they diversify this market, they answered:

Portugal, Spain, Germany, France and Holland. Each market has a different nuance. With Holland we deal more with the question of maritime exportations of containers. With France, we also make containers, but we work more with the airline market. With Portugal we work in containers and with airline market... (MEDEIROS, 2010).

We can perceive that the choice of the markets to which the products are destined abandons the idea the Uppsala School defends, by advocating that the expansion of the organisations will be directed to places which are more similar to those of the existent operations, in terms of culture, language, economic frameworks, political system, among other aspects.

With regard to the knowledge about this market, they affirmed that the information they have about a determined market, in which the company already operates, influenced the entry into other markets, such as, for example, the commercial manager emphasises it:

We work much with the European market, sure? Thus very often you see an opportunity in putting, for example, we did not work with Spain, we started working with Portugal; we started working with Portugal in a modest way, it was increasing, increasing; and we saw that we found a consumer market, which was also quite interesting and that we commercialised with Portugal and that Portugal commercialised our brand in Spain, that is to say, we did not sell our products directly to Spain and we entered Spain from there and today we have Gold Fruit brand in Spain in a direct way, without intermediaries (IDEM, 2010).

This fact ended up generating a structural dilemma: either they only maintain the exportations to Portugal, or they expand the market a little, running some risks. They chose the second option and it ended up working, as Cláudia Medeiros emphasises it once more:

And it worked! They buy from us in Spain and we go on exporting to Portugal, sure? So we saw this, Germany started to send much also from Holland, the North of Europe there; so you always want to expand, you see that your brand is already commercialised in other countries, but sold through intermediaries; who is your importer and does not stop being it, sure? So you have the chance, if you seek, if you are already on the market, and people already like the product you make, so there is
no reason why you should stop seeking new markets, [...] we have got this thought, it is more or less this (IBIDEM, 2010).

The managerial choices also depend on the consumer’s taste, therefore one must take into account the strategies directed at the consumers. The interviewees said clearly that the consumer’s exigency gets greater and greater with regard to social and environmental responsibility and mainly with respect to the quality of the product. Thus the decisions, which are made, are always well-thought and analysed, taking these factors into consideration. Cláudia Medeiros (2010) still emphasises that Gold Fruit never abandons the customer and that it is on the market during the 12 months of the year; even in the time in which they do not produce, the have the suppliers who work with the quality fruit like theirs.

Confirming the approach of the adaptive choice we already presented, we analysed that the Gold Fruit representatives have a view widely directed at the adaptation and solution of the challenges they meet. In some situations they seek emerging strategies, thus they enable the adjustment to the new unknown situations which the external environment and their own environment impose.

Nonetheless, the interviewees emphasise that since the beginning of the activities which involve exportation, the company always sought to plan its strategies by imagining scenarios and by defining possible tactics in determined contexts.

From this first contact on we made a formal planning. Afterwards things will also happen, but we planned which volume would be necessary, which the market would consume, which the market can stand, the airline market. When you deal with the airline market. And you have that fruit which perhaps is not of first line and so, of second line, let’s say it this way, where will I “play” this? You must have a market strategy, when you are a producer you must sell everything, you can’t only sell the “fillet” [in Brazil it is a metaphor for the best and most expensive product] to the market. You have to attend to various. Second option, which is the maritime market, what could be done with this?? Ah, it is “to play” on the maritime, ah it is “to play” on this market, ah, let’s seek, let’s try to find a market which pays for this. So from that moment on it is logic that there was a planning regarding the volume, which brand to use, the development of the brand, the whole strategy which refers to exportation (OTSUKA, 2010).

With regard to the decisions they made in the area of human resources, you can perceive the great emphasis they put on the attempt to always maintain the same employees in all the processes, mainly because all already know the culture, the aims, the objectives of the organisation; according to what was affirmed:

The team that was formed, the team we have today and we have always had is a well prepared team, that knows exactly where the company aims to get [...] Leader ship is fundamental isn’t it? I think that if Mário were not the good leader he is, the excellent leader he is, I think that we had not advanced at all. He has got a team. We have worked with a team since the beginning of Gold Fruit; there was no change of persons. Thus the team had worked since the beginning. And I don’t say this only about the field
team, of packing, the case of employees, managers, I don’t only speak about these people, but also about the people who pack the fruit, the people who harvest the fruit. So they are people who know how we work. They know what our final customer expects from our work. So this facilitates our work a lot (MEDEIROS, 2010).

The figure below shows the links between the properties and the manifestations that are related to the Managerial Choices:

**Figure 2:** Graphical scheme of the influence of the Managerial Choice in the internationalisation process of the company Gold Fruit.
Source – Field research, 2010.

5. Conclusion

The internationalisation process of companies is very important for the increase in scale gains, as well as to guarantee the access to international markets and to broaden the productive and commercial integration. With this it collaborates with the overcoming of trade barriers and non trade barriers which have been increasing in the world, due to the dynamism of the commercial flow and of registered investments during the past years. On its turn the agribusiness became a sector of great relevance for Brazil’s inclusion in the world’s trade, since it is a modern, efficient and competitive sector in the international scenario. One of Brazil’s main fruit culture poles is located in the region of the Vale do São Francisco, thus being an alternative estimation for the growth of the exportations of agricultural products in our country.
The present study made the identification and analysis of the characteristics of the internationalisation process of the company Gold Fruit viable; the purpose was to broaden the notions in the Brazilian land with respect to the internationalisation strategies the literature approaches. Meanwhile we perceived that the strategies the company used have had positive effects in the course of its trajectory, which is proved by the recognition of the company’s brand and name on the market on which it operates.

The external environment, which is understood by means of the concept of “external agents”, exerted a significant influence on the international activities of the company we analysed. With the intensification of the local competition and the alterations of the natural and commercial environment, the managerial choices transferred the focus on the importance of the internal environment and the managers’ competences in the course of the international trajectory of the company. In other words, none of the concepts, in an isolated way, could promote the insights originated in this research. We emphasise that the associations between the internationalisation models by means of the key-concepts we considered were evident and their dimensions reinforce themselves mutually. For example: the presence of external agents can be the basis of a more efficacious managerial choice.

With the conduction and the analysis of the interviews it was possible to observe that, since the beginning, the directors of Gold Fruit have sought to always work with deliberate strategies by fixing the objective, controlling the framework, establishing tactics, analysing these tactics in order to operationalise the strategy. Nevertheless there are periods in which unexpected facts, changes in the framework appear, where the company is also prepared to change what it had planned and even to think about a new strategy which emerges according to the necessity of the moment.

This article evidenced relevant aspects of the management practice of the companies which act in the fruit culture for exportation, which can indicate tendencies for a similar behaviour among the other companies of that region. For future studies, corroborating Oliveira and Kovacs’ (2007) opinion, we recommend to broaden the number of researches in administration in order to better characterise the Brazilian agribusiness industry with regard to its main characteristics and contingencies and interferences of the external agents, to the managerial choices and to the behaviour of the other key-concepts, be they originated in the national or international framework.
References


INTERNATIONALISATION PROCESS OF A COMPANY OF THE VALE DO SÃO FRANCISCO


PROCESSO DE INTERNACIONALIZAÇÃO DE UMA EMPRESA DO VALE DO SÃO FRANCISCO: INFLUÊNCIA DOS AGENTES EXTERNOS E DAS ESCOLHAS GERENCIAIS

Resumo: Este trabalho tem como principal objetivo analisar as principais características do processo de formação de estratégias internacionais de uma empresa no segmento de fruticultura do Vale do São Francisco (VSF), considerando a influência dos agentes externos e das escolhas gerenciais. É apresentada, primeiramente, uma breve contextualização do cenário da fruticultura no Brasil e na região do VSF; na fundamentação teórica são apresentados os conceitos de estratégias e em seguida define-se internacionalização, à luz de teorias utilizadas como base para a análise, sendo estas: a Teoria de Uppsala, o Modelo Diamante, Resource-Based View (RBV), Ciclo de Vida do Produto, Paradigma Eclético e Escolha Adaptativa. O segmento empírico da pesquisa é desenvolvido por meio de um estudo exploratório, envolvendo dirigentes da empresa, mediante aplicação de entrevistas semiestruturadas. A análise dos dados deu-se mediante o uso do software Atlas.ti 6.0. Evidenciam-se as associações entre os modelos de internacionalização e o modo o qual as dimensões de análise são reforçados mutuamente.

Palavras chave: Internacionalização; Fruticultura; Vale do São Francisco; Agentes Externos; Escolhas Gerenciais

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