

Teaching notes

Portugal, ora pois! Internationalization strategies of a small family business

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Abstract

Objective: This teaching case aims to expose undergraduate and graduate students to the business problems of decision-making in the development of internationalization strategies. **Dilemma:** This teaching case addresses the dilemmas of a small Brazilian family business when making the decision to internationalize in the Portuguese market. A small family business, which operates in the architecture, decoration, and construction sector, in the production of customized works in ornamental stones, which is faced with the opportunity to serve customers in the Portuguese market, after a long period operating only in the national market. **Relevance/originality:** The case presents itself as an original and real opportunity for the professor to work on internationalization strategies, revitalizing concepts of value proposition, decision-making, adequacy of products and markets and is indicated for application in strategy disciplines in undergraduate and graduate courses.

Keywords: Entrepreneurship. Strategy. Internationalization. Small Business.

Portugal, ora pois! Estratégias de internacionalização de uma empresa familiar de pequeno porte

Resumo

Objetivo: Este Caso de ensino tem como objetivo expor alunos de graduação e pós-graduação às problemáticas empresarias de tomada de decisão no desenvolvimento de estratégias de internacionalização. **Dilema:** Este caso de ensino aborda os dilemas de uma pequena empresa familiar brasileira ao tomar a decisão de internacionalização no mercado português. Uma empresa familiar de pequeno porte, que atua no setor de arquitetura, decoração e construção, na produção de obras personalizadas em rochas ornamentais, que se depara com a oportunidade de atender clientes no mercado português, depois de um longo período atuando apenas no mercado nacional. **Relevância/originalidade:** O caso se apresenta como uma oportunidade original e real para o professor trabalhar estratégias de internacionalização, revitalizando conceitos de proposta de valor, tomada de decisão, adequação de produtos e mercados e é indicado para aplicação em disciplinas de estratégia em cursos de graduação e pós-graduação.

Palavras-chave: Empreendedorismo. Estratégia. Internacionalização. Pequena Empresa.



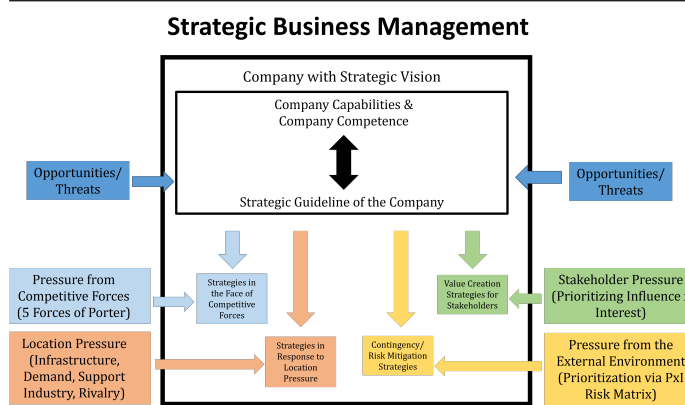
TEACHING NOTES

Teaching objective

This lesson aims to work with students on the theories of strategic management from a resource-based view that analyzes the company's capabilities and resources, and an external environment analysis that seeks to understand the external forces impacting the organization's profit potential. The concept of competitiveness can be approached by the Porterian vision as a key point for the development of the strategy. According to Porter (1989), the strategy is necessary where there is a scenario with multiple companies competing for the same customers. The analysis of internal and external environments, as well as the development of unique competencies, can lead an organization to competitive advantages over its competitors and consequently to greater profitability. As a major contribution, the study presents a framework for analyzing corporate strategic management (Figure 1) to support teaching, allowing the teacher to explore the theories addressed in the case.

Figure 1

Company's Strategic Management Framework



Note: Developed by the authors.

Suggested subjects for case use

The teaching case "Portugal, Oras pois! Internationalization strategies of a small family business" was designed to be taught in disciplines of business strategy. Can be used for both undergraduate and graduate courses in business administration. However, it is recommended that the teacher manages the depth of the discussion with the students and, above all, the depth with which the theories are presented. In the case of undergraduate students, the concepts of strategy can be introduced along with an exercise to apply the models so that students can materialize the concepts. On the other hand, it is expected that postgraduate students already have knowledge about strategy models, so the teacher can ask the students themselves to bring their prior knowledge to the discussion.

Relationships with the objectives of a course or subject

The teacher can use the case to address strategic concepts from the resource-based view and the Porterian perspective of external environment analysis. The company in the case study has a clear strategic positioning in differentiation and already has contacts with architects and designers. The teacher can explore the resources and capabilities that the company already possesses, such as natural resources (Brazilian stones) and the relational

resource with Brazilian architects and interior designers, to discuss with the students whether these resources are sufficient for the company to succeed in the new Portuguese Market.

From the Porterian perspective, the analysis of the external environment suggests that Portugal could be a potential new market, as it shows a bottleneck in serving customers specifying ornamental stones.

Suggested questions for application

Suggested questions are provided so that the teacher can divide the students into groups, and each group can delve deeper into answering one question (cf. Figure 2):

Figure 2

Questions proposed for the case

Suggested Questions for this Case

- Given that the ornamental stone market in Portugal has distinct characteristics from the Brazilian one and is currently the 10th largest producer in the world, with strength in material exportation, should the partners consider the challenge of internationalizing the company in this new market?"
- Could the know-how from previous exports to other countries, such as the USA, help A Itaarte face this new challenge?"
- Does the demand from Brazilian architects based in Portugal truly represent an internationalization opportunity for the company?

Other possible questions are:

- Does the company's value proposition make sense in Portugal, or would it need to be modified
- Can the company's competencies be leveraged in the international business model? By exporting its products to Portugal, will the company be able to exploit these competencies? Or will the company need to develop other competencies?
- The company has already identified the stakeholders that affect the development of its business, as well as Brazilian institutional pressures. What are the institutional pressures and stakeholder pressures that the company will face when operating in the Portuguese market?
- What are the risks, both opportunities and threats, that these new institutional and stakeholder pressures present?
- What strategies do you propose for the company to be successful in this new market?

Note: Developed by the authors.

Possible class organization for case use

The suggested structure below is for a class lasting 3 to 4 hours. The teacher begins the lesson by pointing out that many Brazilians are migrating to Portugal; this migration will lead many Brazilians to start a new professional phase in the destination country. Thus, the teacher can discuss the risks and opportunities in this situation (20 minutes).

Next, the teacher presents the case to be studied, introducing the history of the company A Itaarte (20 minutes). Following that, the class can be divided into 4 groups, each tasked with different assignments. The groups will have 40 minutes to perform their tasks, and they may use the internet. The proposed activities are (one for each group):

- Research about the case study. Students can use electronic search tools, search for keywords, and navigate at the company's website.
- Research about ornamental stone sector in the world, Brazil, and Portugal.
- Research about Brazilians who are migrating to Portugal and the professional opportunities available.

- iv. Research how Brazilian architects and interior designers can practice their profession in Portugal.

Each group selects a spokesperson who will have 10 minutes to present the research findings (40 minutes in total). Next, the teacher distributes the teaching case to each student and allows 20 minutes for individual reading. After the reading, the teacher asks students to regroup and instructs each group to answer the questions proposed in the case (40 minutes). In the end, the groups present their findings (40 minutes). (cf. Table 1)

Table 1

Suggested activities and approximate duration

Activity	Duration
Teacher's introduction about the migration of Brazilians to Portugal	20'
Presentation of the Case	20'
Group Tasks	40'
Group Presentations	40'
Case reading by students	20'
Answering questions in groups	40'
Presentation and discussion of answers	40'
Summary and conclusion by the teacher	20'
Total	4 hours

Note: Developed by the authors.

The class can be concluded with the teacher synthesizing the theoretical concepts found in the case: analysis of the company's resources and capabilities and analysis of the external environment. Figure 1 can be used as support for the teacher to address the concepts discussed. Another tool to support the teacher is the two videos available at the link: <https://drive.google.com/drive/folders/1cF5Kgqu4UJLGfP4jsbIWHP7LgnDmzTmS?usp=sharing>. The first is a tutorial for the lesson; the second is a video of the businesswoman leading the company A Itaarte, presenting the challenge the company is facing. (cf. Figure 1)

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Case Study

This teaching notes is an integral part of the case study:

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Conflit of interest statement

The authors declare that there is no conflict of interest.

Authors' statement of individual contributions

Roles	Contributions		
	De Tommaso S. F. N.	Correa R.	Borini F. M.
Conceptualization	■	■	■
Methodology	■	■	■
Software		N. A.	
Validation	■	■	■
Formal analysis	■	■	■
Investigation	■	■	
Resources	■	■	■
Data Curation	■		
Writing - Original Draft	■	■	■
Writing - Review & Editing	■	■	■
Visualization		N. A.	
Supervision			■
Project administration	■		
Funding acquisition		N. A.	

Note: Acc. CRediT (Contributor Roles Taxonomy): <https://credit.niso.org/>

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