THE RESOURCE-BASED THEORY AND ITS ADHERENCE TO A SUPERIOR PERFORMANCE STRATEGY: AN ANALYSIS IN SMALL COMPANIES IN BRAZIL

Roberto Marinho Figueiroa Zica*, Carlos Alberto Gonçalves**, Henrique Cordeiro Martins*, Marcio Augusto Gonçalves***

*Universidade FUMEC - MG, Brazil
** Universidade Federal de Minas Gerais - MG and Universidade FUMEC - MG, Brazil
***UFMG – Universidade Federal de Minas Gerais – Brazil

Abstract

This article aims to present cases where the adoption of emphasis on the strategy implementation in micro and small firms within the dominant paradigm of the Resource-Based View theory, a functionalist explanatory model, which reproduces sense making for superior and sustainable performance in high competitiveness sectors . According to Barney (1991), a response to superior performance is causal support within the Resource-Based View, later raised to the status of Resource-Based Theory. This theory is a superior explanatory basic model that explains that a firm's performance can be explained by the way its remarkable resources are managed. This understanding guides the managers' strategic thinking and explains why firms can, over time, expand markets, strengthen the brand, achieve higher profits and maintain competitive advantages, while others do not get the same success, even acting within the same industry. The research was qualitative through interviews of the firms' leaders, using the method of multiple cases in micro and small firms of the industry, trade, services and agribusiness sector. As a contribution, the work identified that the strategy practices have a connection with the RBV theory and principles of emphasis on inside out management based on the VRIO theory (resources that are: **V**aluable, **R**are, of difficult **I**mitation and can rely on **O**rganization to effective management).

Keywords: Resource Based View; Micro and Small Enterprises; Strategy

1. INTRODUCTION

Markets are increasingly global with advances in communications and logistics, facilities in export regulation, liberal policies on trade, balance of payments support, sharing of global innovations, global connection in the exchange of experiences and knowledge. Thus, there is an increased volatility of changes within this business' environment with guidance for fast markets in even shorter cycles, resulting in the expansion and complexity of competing companies. This is both for new small niches in the long tailed industry's sectors or large oligopolistic markets, which have driven executives to increasingly adopt flexible management attitudes, observing large and small movements in the markets, different synergistic opportunities with the business model. Having postures aimed at adjusting their organizations (structure and conduct, resources) to new local consumers' demands, national and global markets, as well as unexplored niches (PORTER, 1996; DRUCKER, 1999).

According to D'Aveni et al (2010), one of the authors of the industry's hyper-competitiveness theory, the increased competition in international markets confirms the implementation of new management tools and techniques, "reducing distances and power" between the countries in mismatched business plans with the political structure, vis a vis the logistical systems and economic interests that promote trade relations and the inclusion of new markets in the agenda of firms' strategic agent. The increase in the information flow, capital and trade in goods and services are factors that contribute greatly to the increased integration between countries and regions. This phenomenon not only stimulates the dynamics of economic developments issues, but also the synergistically connected aspects – social, culture, technology and natural resources, aiming at regulatory easing, legal clearance, consumption patterns homogenization that overcome cultural barriers and create new business between countries. (PARKER, 1992; GIDDENS, 2000).

Another highlighted observation is that with increasing competition in the markets and the increasing entry of new competitors, resulting from this globalization movement, rapid technological developments and changes in consumer behavior, the challenge for strategic decision makers is becoming increasing and complex (Oliveira Gonçalves and PAULA, 2013, p. 142). Executives and their respective Boards of Directors have been compelled to strive to find feasible paths to redirect its activities and mitigate the uncertainties caused by this fast pace change. It can be said that this search will also include certain exhaustion of more traditional management models, who have already showed signs of cooling down, being insufficient to confer competitive advantages to organizations that are sustainable and superior financial performance to the market's average.

Given this macro process, there is the removal of the micro-world of firms and vice versa. The two universes, the macro and the quantum of resource management in firms reflect each other in interactive and iterative relations in its logical explanatory consequentialism, interdependence. However, firms can adopt strategies that emphasize exogenous elements first (outside in) or endogenous, inside out emphasis aiming superior performance (Mintzberg, AHLSTRAND and LaMSEl, 2000).Corroborating the emphases, Chandler (1962) mentions that the visible hand of the manager, who formulates and implements the strategy, replaces the invisible hand of market forces of Adam Smith, highlighting therefore the relevance of executive action. However, for the strategy to be effectively implemented, besides organizational learning capacity being paramount, it is crucial the combination of elements such as physical, human and organizational capital.

Porter (1996), from the strategy perspective, mentions that the positioning school has lost its theoretical hegemony to explain the superior performance. He argues that, in view of the business dynamics in a more globalized world, where they are established, the possibility of the competitors copying, are isomorphic in products, services, processes, and entering the market position is stronger and more frequent, and this attack by rivals can turn the competitive advantage gained in a simple temporary advantage. What happens is that for an organization to maintain its position (in brand image, price, profitability) and overcome their rival, it becomes prerequisite delivering greater value to their customers, or at least creating value to its products and services which are comparable to the other, but in lower internal costs (PORTER, 1996).

Barney (1991) corroborates this thought, citing that organizations should seek unique positioning in the market, registering the brand in the customer's mind and being sustainable, by means of the already owned resources or those acquired under suitable conditions. This understanding comes within the strategic thinking for decades trying to understand why some organizations manage to consistently get market gain positions and maintain competitive advantage over time, while other organizations do not get the same success, even acting within the same industry and in similar conditions *ceteris paribus*.

One possible answer is exploited by Wernerfelt (1984) and Barney (1991), within the Resource-Based View (RBV), later raised to Resource-Based Theory, that part of the basic assumption that a company's performance can be explained by how their resources are used and managed. According to Barney and Hesterly (2007, p. 91), the RBV is "an economic theory that suggests that business performance is a function of the types of features and capabilities that they control." One explanation is that earned competitive advantage could be explained due to the control of resources and different capabilities, to the detriment of industry structure in which it operates and perpetrated rivalry in the markets. This sustainable competitive advantage is based on the fact that the company has resources and capabilities, which are considered valuable and hard to imitate by other competitors.

Given this lasting scenario, of high competition, the strategies adopted by companies to conduct their business and taking into account the scope of the universe of micro and small enterprises in the country, with more than 6 million enterprises, accounting for 99, 1% of the total number of companies in the country (SEBRAE, 2013), it is appropriate to conduct studies that seek to identify the adherence of the Resource-Based View approach in higher sense making performance.

In this way, the study seeks to answer the question: **Does the Resource-Based Theory explain the development of the strategy of micro and small enterprises reproducing the Superior Performance in highly competitive sectors?**

2. THEORETICAL PATH

This framework aims to theoretically support the option of this study on the concepts emphasis, identification of contents and results of the strategy and strategy implementation process in micro and small enterprise (MSE) under the Resource-Based View principles. One can understand that the MSE, regardless of their representativeness in social and economic terms, would have less initial conditions of developing markets from the perspective of SCP Model (Structure-Conduct-Performance) must adapt to the external environment and adjust their internal capacities. In this regard, the choice of the Resource-Based View model is highlighted, as the focus of analysis is the company's structure, which is an "arena" of greater control of the entrepreneur. This model follows the structure-conduct-performance sequence. New questions emerge from the goal problem: is there confirmatory evidence in practice strategies in MSE, under the principles of Resource-Based View? If the possibility of MSE using the Resource-Based View of the principles is confirmed, could this strategic practice be used for the various segments of activity? The actual theoretical Standards will seek supporting these reflections for later viewing on conducted research.

2.1. The Universe of Micro and Small Enterprises

According to Penrose (2009) the company is not only an administrative unit, and may be understood as a set of productive resources, and its use is determined by administrative decisions over time. The author indicates that the size of the company is simply a consequence of the growth process and that there is neither a great nor a more advantageous dimension. In this sense, the micro and small enterprises should not be considered or analyzed as thumbnail companies - as some other authors seem to suggest or simply ignore - considering that they possess certain characteristics, organizational structure and capital that can differ them from larger companies (BERNARDES, 2003).

However, it is understood that the MSE are similar in many aspects to medium and large companies, as they also have specific goals, organize the basis of knowledge or skills acquired, intended to commit an economic activity through people performing previously established roles, due to giving importance under various angles.

Globally, it is known that the existing fabric business within countries, not only in the development stage, but also on the economic development path, is predominantly composed of micro and small enterprises (OECD, 2006). This highlights the importance that they evoke, becoming indispensable the existence of mechanisms and policies to encourage its strengthening, as well as studies, technical and management procedures to enabling them to their full economic and organizational development.

On the national reality, Brazilian MSE play an important social and economic role, especially as one of the main vectors in the generation of jobs and income and Gross Domestic Product (GDP) generation. According to Sebrae's data (2013) micro and small companies in Brazil account for more than 6 million formal enterprises, private and non-agricultural country, equivalent to 99.1% of the total, in 2013. Other relevant data is that these companies are responsible for 52% of formal employment and 40% of total wages. All this set is able to move about 20% of the national Gross Domestic Product.

According to the Global Entrepreneurship Monitor survey (GEM, 2013), the number of small businesses that are annually established is strongly stimulated by two fundamental aspects: the need to be an entrepreneur, that many people have for not having better placement options; identified market opportunity, where the person decides to engage even having employment alternative and income. Other relevant information that brings the GEM research is that by each 100 Brazilian entrepreneurs surveyed (10,000 adults interviewed from 5 regions of the country in 2013), 71.3% are motivated by the opportunity and the rest, 28.7%, the need. This framework has shown consistent growth, as in 2002 the total number of entrepreneurs who started a business by identifying an opportunity or market demand was 42%.

In order to dispel doubts and guide the reader, it becomes salutary to the work specifying what is a micro or small business. According to Puga (2000) there are two ways to characterize the size of the companies established in Brazil, for the 1st – the number of employees the company has or 2nd – the annual gross revenues earned. Although there is a specific legislation that indicates levels of financial framework of companies, various entities such as banks and government agencies, are classified as MSE according to its own criteria. Although the aim of the paper is to identify or compare the various existing definitions in Brazil and abroad, taking this suggestion for future studies, some parameters will be presented.

There are three entities in Brazil that classifies the size of the companies according to the criterion of number of employees. These entities are the *Ministério do Trabalho e Emprego(Ministry of Labor), through Relação Anual de Informações Sociais – RAIS; the Instituto Brasileiro de Geografia e Estatística – IBGE (Brazilian Institude of Statistics and Geography); and the Serviço Brasileiro de Apoio às Micro e Pequenas Empresas – Sebrae*. Regarding the definition of revenue by business size, this type of framework is parameterized according to the annual gross revenue of companies, serving both to tax issues, and for the environment with the financial institutions and support to the export agencies. Complementary Law No. 123/2006, also known as General Law of Micro and Small Enterprise, defines micro enterprises as those that receive in each calendar year, gross income equal to or less than R$ 360,000.00. In the case of small businesses gross income it must be greater than R$ 360,000.00 and less than or equal to R$ 3,600,000.00.

To end the session, it is important to consider why some companies grow, exceeding financial limits concerning small businesses and others do not. It is quite common to have entrepreneurs vetting, seeking to assess the intention of undertaking investments or carry out new projects in the coming quarters, and constantly "expand the business" option is indicated by the respondents. However, in certain situations and types of businesses, we note that the entrepreneur has no genuine interest in expanding the company's operations or by issues surrounding market aspects, or personal jurisdiction, or in the light of tax considerations (continuing as small, the company shall be subject to protection of the specific legislation of the MSE).

Penrose (2009) also addresses similar issue, although not specifically about MSE, explaining the reasons for businesses' growth, reaching six generic postulations: little entrepreneurial management; inefficient management; inability to raise capital; being stuck with paradigms; lack of managerial preparation; and bad luck. For the author, the growth of a firm is nothing more than the increase in production of certain products. Other forms identified growth firms are more tied to economic concepts, such as economies of scale, scope economy, transaction costs savings, financial risk reduction savings (unrelated diversification).

However, it is worth emphasizing that this article aims not say that the small company has or not to grow, being the entrepreneur's decision. But if it is decided on company's growth, the entrepreneur must obtain knowledge and skill necessary to run his business, and adopt attitudes that channel breath to the enterprise.

Given this context we can say that the MSE take economic and social relevance, in the macroeconomic field, the same way that they also have marked importance as a business activity, in microeconomic terms. Thus, smaller companies also need to establish their business strategy, develop tactical actions, constituting its competitive advantage over other competitors, regardless their size or which marketing environment they are inserted.

2.2. Strategy

As mentioned earlier, in order to face the intensification of business competition, companies systematically adopt positions that are able to target them towards superior performance, creating value for stakeholders and ensuring sustainable competitive advantage over time. It is evident that firms in search of virtuous cycle seek to create perceived value for all stakeholders. However, for firms that obtain its operational fuel and profit from the market, it places the stakeholder client on its priority. For firms operating in Not Markets, the stakeholder emphasis must be the society, the environment or the culture.

Roughly, two directions of emphasis channel the looks of the strategic leaders in firms. A traditional form of analysis is the systematic reading of the external environment, exogenous elements to firms, the business environment, infrastructure, economic, social, cultural, political, environmental, industry monitoring and competition, market behavior, changes in laws and legal milestones and disruptive technological innovations, which ultimately are resources too, but less firm action domain. The other direction of focus are aspects, endogenous resources to firms with new management techniques and adapting methodologies, technology platforms and information, customer relationship policies, talent management, adoption of good management practices and models of excellence and productivity which are the arsenal of resources for Strategy management and the firm's operation development .

Such resources and procedures to be applied by the managers are considered value-generating nature draws, then or reified, materializes, the content of the Strategy and involve the aspects: processes, resources, goal setting, goals, "the materialization of the Strategy" as "something" "that people do," are actions designed and implemented by people (Whittington, 2006, p. 613). By analyzing the internal or external environments and resources, with this combination, with motivational tone, doses of "good ambition", the leaders build strategy envisioning to get higher (usually) results.

It must be emphasized that the term Strategy is widely used within organizations, whether in all industries and sizes, but often the term is used in a polysemic and too broadly way. This ambiguity disappears when you put the context correctly and market nature which the firm operates. A certain consensus in the mainstream is that Strategy generates noticeable value for stakeholder of main reference in the firm, or that those who produce profit or do not generate serious negative externalities and, in the case of guidance for markets to generate competitive advantage, superior performance and sustainability. It may be added in the definition, which should not produce negative externalities to stakeholders in general, internal, and external: society, environment, culture and politics (AMÂNCIO, Gonçalves and MUNIZ, 2008, p. 72).

What we see, generally, is that many authors, researchers and managers end up using that term inadvertently, mixing the concepts Strategy and Tactics, incorrectly appropriating the role of one and omitting the other. The incorrect use of this observation confirms the polysemy that the term Strategy carries (AMÂNCIO, Gonçalves and Muniz, 2008). The perception is that as the activity related to the Strategy various hierarchical levels, it is considered the high point of the activity of an executive; the term is now used constantly, as if conferring some degree of relevance to the subject being treated (Mintzberg, AHLSTRAND and Lampel, 2000).

Hambrick and Fredrickson have similar interpretation (2001, p. 53), by claiming that "if all that is important is released in the 'basket' of the Strategy, so this concept essentially becomes irrelevant." These authors are positioning themselves against the excesses in the use of the term Strategy, considering that his inappropriate use contributes negatively to trivialize it.

Even with due parsimony in the use of the concept is relevant to define it in order to use it (only) when appropriate or use it when it is unavoidable. Rescuing the origin of the term, Rowe (2002) explains that the name derives from the Greek word strategos, referring to the general in command of an army and relating to psychological and behavioral skills that motivate a general. The term has evolved over the centuries to include management skills, such as management, leadership, public speaking and authority. According to Mintzberg and Quinn (1996), the term strategos also began to denote the willingness to make use of resources to overcome existing or potential enemies, and develop a system of governance. (Marietto, Sanches and MEIRELES, 2011).

All this diversity gains consistency and systematization with Mintzberg, Ahlstrand and when Lampel (2000) stated in the Strategy Safari book, the ten schools of strategic thinking. The author grouped the schools in three ways: the prescriptive nature, more concerned about how they should be made, rather than how they are made; descriptive, whose Focus is on strategy-making process, with less emphasis on prescribing ideal strategic behavior and more Focus on describing how the strategy is in fact made; and integrating nature, having the configuration of school by his representative, seeking to group the various elements of other schools. The purpose of this demonstration involves the systematic alternatives Strategy in the formulation and the contexts in which they are inserted, so as to enable the decision on the Strategy to be adopted by an Organization.

Porter (1996), presenting the concept to competitive environments, mentions that the Strategy is the set of concepts and processes on resources that produces value, competitive advantage. Suggests that one should opt for a strategy positioning that is able to set the nature of the firm and make it known in the competitive environment, as different by Differentiation or Costs. The author argues that operational efficiency is extremely relevant and necessary for the business, but does not translate as the Strategy of the Organization. Considering that in this globalized world the possibility of competitors to copy the market position is more latent, and this imitation by rivals can turn the competitive advantage gained in only a temporary advantage, the company must seek and defend unique and valuable position in the market in which it operates, in order to generate sustainable competitive advantage. Therefore, the company needs to choose which path (s) shall be followed and define which market (s) it will cease to be part of. This trade-off, that emerges from the Organization's activities and contributes to the choice and limitation of other offers of products and services, contributes to the company to focus on Strategy and the uniqueness of its activities.

Porter's analysis (1981), concerning the SCP Model, Structure - Conduct - Performance analysis has Focus on the market in which the companies operate. In this design, companies must adapt to experienced external environment, shaping its internal capabilities in order to meet the demands resulting from the market. In the model of the Resource-Based View, to be better exploited in the course of this work, the analysis Focus is the structure, according to the Structure- Conduct-Performance sequence. In this understanding, the company seeks ways to improve its structure, both its core business as its core competence in order to meet the market in which it operates.

Due to the expansion of the complexity of these actions and the exponential increase in the amount of information generated, organizations need to develop models and create structures that allow them to behave as true learning organizations, systematizing and transmitting and sharing the absorbed knowledge and focusing on their core competencies to exceed its competitors in competitive advantages (PETER Senge, 1990; Hamel and CK Prahalad GARY, 1990).

As a summary definition, the Strategy can be defined by concepts and processes applied to organizations that create value, competitive advantage and superior performance, promoting growth in a sustainable way (Gonçalves, 2014).

What happens is that for an Organization to maintain its position and overcome their rivals, it becomes a sine qua non condition to provide more value to its customers, or at least create value to its products and services which are comparable to the other, but under lower costs . Similar reasoning indicates Barney (1991), by asserting that organizations need to identify positioning that is unique and sustainable, drawing on the resources already possessed or those that may be acquired. The following section will address in detail the author's ideas.

2.3. The Resource-Based View

As mentioned in the introduction, restlessness within the literature on Strategy focuses on the question: why can certain organizations develop competitive advantages over other rivals, which are sustainable over time, being more successful compared to other competitors?

This concern has generated a number of more specific studies, as guide Oliveira Gonçalves and Paula (2013), and in studies of Strategy there are several theories that attempt to explain why , highlighting the Organization Industrial, Market Processes, Dynamic capabilities and the Resource Based View.

With regard to the first two theories, both are influenced by economic thinking, where both the structure and the Strategy assume the dependence on external market factors and the industry in which they operate. Although of great relevance to the Strategy field of study and having major authors such as Schumpeter (1949 and Porter (1996), both do not emphasize more endogenous aspects of organizations, analyzing the phenomena of competitive advantage and superior performance.

Specifically on the Resource Based View, the authors Barney and Hesterly (2007) indicate that the competitive advantage gained by an Organization can be explained by the features control and different capacities that can be used to create and implement strategy. Being able to own the company resources and skills linked to the business that are valuable, rare, inimitable and organizable, and especially orchestrate them together and competently, this fact helps to explain why a company outperforms others. In Barney's vision and Hesterly (2007) and Hitt, Ireland and Hoskisson (2008) the differences in the performance of businesses over time are mainly due to their resources and capabilities and not to the sector's Characteristics.

It is noteworthy that studies on the Resource Based View began in mid-1980, with Wernerfelt (1984) first, and was followed by Barney (1991) and Barney and Hesterly (2007) who became the mainstream hubs of RBV adoption in Strategy and are also the precursors to postulating about this approach. Birger Wernerfelt was the first to receive the influence of Penrose's ideas (2009) regarding RBV, as the author understood that companies should be understood as a set of productive resources, and that different companies, have different sets of these resources. For the author, the resources themselves are not the inputs in the production process, but the services they can provide (Penrose, 2009).

According to Wernerfelt (1984) the company's resources consist of tangible and intangible assets and it is directly related to their strengths and weaknesses. In line with Wernerfelt (1984), the authors Barney and Hesterly (2007) also claim that the tangible assets - understood as those which can be identified objectively and are easier to evaluate (Collins, 1994) and intangible - those whose identification and measurement are more difficult, such as brand, culture, technological knowledge, learning and accumulated knowledge (Burlamaqui and PROENÇA, 2003) are resources that the company controls and the capabilities, defined by a subset of enterprise resources, that allows using and exploring other controlled resources and can be used to design and structure Strategy.

With full detail of understanding, Barney (1991), quoting Daft (1983) explains that the company's resources consist of all assets and capabilities, skills, processes and organizational attributes, information and knowledge that are available and controlled by the Organization, as well as allowing them to be used in order to trace strategy more adherent to the business, creating value above the market average over a period of time.

As described Massukado and Teixeira (2008) there are plenty of concepts that address the meaning of organizational resource within the literature, pointing out that Barney (1991) proposes the Organization of resources and capabilities in four dimensions, namely: financial, physical, human capital and institutional or organizational.

Moving forward in this understanding, so that organizations can obtain competitive advantages in the market or industry in which they operate in a sustainable manner, one should take into account two basic aspects: the heterogeneity of resources between organizations and immobility of resources (Barney and Hesterly, 2007). In line with these authors, the heterogeneity of resources indicates that, for certain classes of activity, some companies may be more relevant than others to carry out their operations. As for the immobility of resources, if a company has valuable resources and capacities and that few other companies have, competitors may consider very expensive copying them, giving the company that already has such resources and expertise, competitive advantage that is sustainable and not just temporary.

Another observation from Barney (1991) is that no firm in the same sector may have the same competitive advantage as the resources are idiosyncratic. He refutes the idea that superior performance is inherent to any firm, as not all have lasting strategy. Similarly, Barney (1991) directs that among the existing resources and capabilities in organizations, only a few are able to give some sort of competitive advantage. On this route, so that a particular feature or ability can be considered as a source of competitive advantage, they must meet four criteria or conditions specified in the model proposed by Barney called VRIN where there resources should be: valuable, rare, inimitable and non-substitutable. It turns out that in 2007, Barney pondered again about the Resource-Based View, proposing changes that would raise the status of a new theory, entitled Resource Based Theory. With this approach, the author goes on to consider the "N-S" (Non-Substitutable) from the VRIN model within the Imitability criteria and incorporated the Organization criteria to the new model, giving this attribute a more significant strategic weight for being able to relate an attribute to the other. This new model started being called VRIO. For didactic purposes a table with the main characterizations of the four attributes of the models will be presented, showing the evolution between models.

Table 1. Transition between VRIN and VRIO models

Attribute / Model	*VRIN (1991)*	*VRIO (2007)*
Valuable	**Characteristics:** Resources are considered Valuable when they enable a company to adopt Strategy to improve their efficiency and effectiveness.	**Characteristics:** Approach the features and capabilities of a company, allowing it to explore opportunities or neutralize external threats.
	Focus: Strategy arising from the valuable resource.	**Focus:** It is in the resources themselves and in their ability to allow the effects to be exploited or neutralized.
Rare	**Characteristics:** By definition, it consists of a valuable resource controlled by an organization that is not owned by a large number of competitors.	**Characteristics:** If a feature or ability is controlled by many competitors, it is unlikely to be source of competitive advantage. Valuable resources and capabilities, yet common, are parity sources and not competitive advantage.
	Focus: There is no conceptual or Focus differences between the two definitions	
Imitability	**Characteristics:** A valuable and rare resource can often be a sustainable competitive advantage generator only if the companies that do not have it, cannot obtain it.	**Characteristics:** Rare and valuable resources can only be sources of sustainable competitive advantage if the companies that do not have it, find a cost disadvantage in obtaining or developing them.
	Fatores para esta condição: 1. Unique historical condition 2. The company does not know exactly which resource to copy from the competitor 3. Social Complexity	**Differentiation:** It can be seen a bit more of the author's flexibility regarding imitability. However, he makes it clear that there may be financial barriers to the acquisition or copy.
Non-Substitutable	**Characteristics:** It is about resources that can be considered equivalent. Although different from each other, it enable the deployment of the same capacity or Strategy	**Characteristics:** The Substitutability feature is revealed in this new concept and inserted into Imitability.
	Can occur in two ways: 1. As the same resources of another firm cannot be copied, they are replaced by similar feature 2. Different resources can be strategically replaced	**Focus:** This premise is changed by Organization.
Organization	...	**Characteristics:** They are policies and procedures of the Organization, structured to support other resources. Even with other resources, the firm must be properly organized and exploit the potential for competitive advantage generation of these resources and skills.

Fonte: Adapted from Barney (1991, 2007). Data systematized by authors.

As it can be seen in Table 1, the key to the on Resources Based Theory is precisely the Organization attribute in order to being the link between the other features and capabilities of the firm, confirming the view that this attribute has more significant strategic weight than others. By having more intangible Characteristics, this attribute is more differentiated than the other theory, should fulfill the role of connecting them harmonically and concretize a Strategy of the company. According to Oliveira Gonçalves and Paula (2013), this new model, VRIO creates closer ties between theory and practice, as it gives managers a more objective assessment of its resources.

3. RESEARCH'S METHODOLOGY

According to Yin (2001) the scientific method has great representation within the academic research, being the vehicle accepted by the community that militates in the area, to legitimize knowledge acquired empirically; in addition to allowing other researchers to repeat the research and get the same result, as long as in the same circumstances - ceteris paribus. It is known that in the absence of a method of research, which would include a set of specific steps and clearly determined to obtain knowledge, hardly the results would be accepted by the community, reducing its possibility to be validated (Yin, 2001).

In this sense and to this work's execution, research of Qualitative nature were carried out in order to find answers to the central question presented and suggest possible ways and new studies. To the beginning of the work, a broad pertinent literature review process was carried out, document analysis of recent research, secondary data and qualitative field research. The experience of the authors also contributed in the conduct of research and subsequent analysis of information. The choice of qualitative approach supports in Gil (1999), when the author mentions that qualitative research allows for a better understanding of related meanings and human perceptions, obtained from the natural environment and barely noticeable in statistic techniques and quantitative methods .

The technique used was the Multiple Case Study, which according to Yin (2001) is a research strategy that allows focus on the understanding of these dynamics in real sets, aiming to clarify a decision or set of decisions. The case study is a way of doing empirical social research, which investigates a particular phenomenon within its context. For the cases were as close as possible to a practical experience, key SME managers belonging to the sectors of: industry, trade, services and agribusiness were interviewed. Four key questions were applied, as proposed by Barney (2007, p.70), as follows:

· *Value: Do the resources and organizational capabilities offer conditions to seize the opportunities and respond to existing external threats?*

· *Rarity: Is this feature controlled by a small number of direct competitors?*

· *Imitability: Do the organizations without the resources and capacities have disadvantages in obtaining or developing them?*

· *Organization: Are the Company's policies and procedures organized to enable the use of resources that are valuable, rare and of imperfectly imitability?*

The narratives presented in the interviews were analyzed for information and adhesion points identification between the practices of leaders and the RBV theory of Barney (2007), the VRIO Model, proposed by Gonçalves, Coelho and Souza (2011).

4. ANALYSIS DEVELOPMENT: RBV THEORY APPLIED TO CASES OF MULTIPLE MSE

In order to respond to the Resources Based Theory, the strategic approach in micro and small companies could be employed; this study took into account the theoretical framework analysis by proposing the VRIO Model in four case studies in MSE sectors previously cited.

As background to this view, we took into account the principle that the strategy should be handcrafted, built individually to each type of project and not put in a general way to the various types of business, thereby confirming for erroneous oversimplification.

Thus, it was considered by applying the Resource Based Theory on the case study perspective, precisely because of the possibility of such generated frameworks being easily transmuted to other types of companies, not as finalized situations, but as proposals for cases that manage to be indicative reflected in other similar companies.

It is expected that these models might generate more reflections than assertions, contributing to a better understanding of the application within the theory proposed by Barney, in the same way, to inspire researchers on the micro and small businesses topic elucidate their strategies.

4.1. Case 1: Services

For the Services division the analysis of a small dental clinic was proposed, which performs certain procedures related to health and oral hygiene for private and insured patients. From the entrepreneur's interview, it was possible to identify the following aspects.

Table 2. VRIO Model Application in a Service Company

Characterization	Business Sector	Services
	Company Nature	Dental Clinic
	Objective	Promote health and oral hygiene
	Size	Small Business
	Target Audience	Private and Insured patients – A and B Class
	Location	Belo Horizonte – Central-South Region
	Duration of the firm	2007 – 7,5 years
Resources	Tangible	Structured Clinic
	Intangible	Team's Technical Competence - Dentists and Managers
VRIO Model	**V**alue	Services Provision considered to be excellent; Credibility with the customer; Modern and high-precision equipment.
	Rarity	Professionals with high national reputation; Easy access Location with parking lot.
	Imitability (Hard)	Relationships Network with business groups.
	Organization	Patient Relationship Management ; Distinguished service

Source: Adapted from Barney (2007) and Gonçalves, Coelho and Souza (2011). Data systematized by authors.

By the testimony of the leader, her identification with the business can be noticed, due to the fact that she possesses training and expertise in Dental Prosthesis Implanting. Although already possessing experience in the area of operation, only in 2007 the ruling could enable the necessary resources and appropriate partnership to start the activities. According to his statement, "its focus was concentrated on the quality of care and relationships with business groups, dental associations and partnerships."

The VRIO model applied to the case of a dental clinic denotes right balance between the attributes, where each of the features and capabilities has implications in the other. By reports of the leadership, "if the clinic does not have professionals who have recognized expertise, it can hardly meet the public of classes A and B, it cannot provide the credibility you want and it might compromise the results and the survival of the company". The need is reinforced by the management attribute [Organization], for "patient relationship management will be responsible for conducting this whole dynamic." The firm's profit comes, according to the manager, "from the time of selective acquisition of resources, through the inspection, quality control, storage and application. “According to the testimony of the leadership," the firm's performance has been positive since the founding of the firm, having reached the payback in about 24 months. "According to her perception, this fact reflects the increase and maintenance of clients served, outcome from the quality of services provided and the relationship with network management with business groups it possesses.

4.2. Case 2: Agribusiness

Regarding the Agribusiness sector of activity, the revised proposal was a company engaged in the creation and marketing of fingerlings, notably tilapia, small and medium supermarkets in the area, close to where the farms are installed. The testimony of the respondent entrepreneur made the composition of the table possible.

Table 3. VRIO Model Application in an Agribusiness Company

Characterization	Business Sector	Agribusiness
	Company Nature	Pisciculture
	Objective	Raise and Market fish - filleted tilapia
	Size	Small Business
	Target Audience	Supermarkets, bars, restaurants and fishing ponds in the region
	Location	Diamantina/MG - Rural Zone
	Duration of the firm	2005 - 9 years
Resources	Tangible	Property that has running water mines, streams with good water flow, favorable topography to the construction of tanks, reservoirs for fish farming.
	Untangible	Technical knowledge of the owner and employees on the management of the entire process of raising tilapia; creating arrays, fingerlings, fattening healthy tilapia.
VRIO Model	**V**alue	Rural property, with abundant water resources, natural water resources and few treatment requirements to develop fish farming; climatic diversity and adequate territorial extension to the fingerlings and larger fish management.
	Rarity	Water quality (adequate oxygenation); Balanced diet; specialized engaged workforce.
	Imitability (Hard)	Owner's Expertise on managing fingerlings and fish; Relationship with supermarkets network, bars and restaurants in the area.
	Organization	Planning and management of the stages of creation, fattening and slaughter of fish; Efficient distribution of production to final customers.

Source: Adapted from Barney (2007) and Gonçalves, Coelho and Souza (2011). Data systematized by authors.

By the interview of the leader it can be seen that the creation of the business combined the owner's dilettantism, because it is not his main source of income, with the possibility of generating additional value to his farm, "combining business with pleasure".

The VRIO model applied to the case of the production and marketing of fish (tilapia fillets) indicates two key resources, citing them, the "[i] his property is equipped with tanks for the selection of good matrices, fingerling production, creation, fattening and slaughter of fish and [2] the technical knowledge of staff is present to manage all stages of the process and the distribution with the network of client companies. Resources knowledge of the production process in dealing with live animals, and fish fingerlings in growing and fattening and the property in proper aquifer (with watery requiring low rate of treatment) are rare and valuable resources not only isolated point of view, but synergic. Additionally, leader's knowledge on the white meat fish consumption niche enhances the business model in the commercial phase. Each of these resources reinforce synergistically when combined to each other, strongly complementary, allowing internal leverage with external results. It is clear, therefore, that the Organization attribute is replaced by significant relevance in the coordination of actions on resources.

By owner's testimony, "the firm's performance has been sufficient to cover the costs and generate revenue, the way the company is organized." Despite the activity not being complex (in his understanding), it is, as cited "very dependent on labor-intensive and skilled labor, due to the constant management required, especially with fingerlings." Despite the farm having good quantity and quality of water and skilled labor, if these items cease to coexist, the firm's performance may suffer with low performance.

In the statements of the leader it can be noticed the full field of resource management and so the *Organization* desire is manifested, capable of generating sustainable competitive advantage.

4.3. Case 3: Industry and Trade

Commerce for the Industry and Trade division the analysis proposed was a small company that manufactures and sells clothing aimed at the adult female audience, class B, C and D. This case is based on a company in the fashion design segment, production of parts and molds, exposure of the models produced in the store, distribution of clothing boutiques and other shops in the market, and to door-to-door saleswoman who resell the products on consignment. From the entrepreneur's report Table 4 was inferred.

Table 4. VRIO Model Application in a Company of Industry and Trade

Characterization	Business Sector	Industry and Trade
	Company Nature	Clothing and clothing Retail Trade
	Objective	Production and marketing in women's clothing retail
	Size	Small Business
	Target Audience	Final Consumer (adult women, classes B, C and D); Points of sale in boutiques and clothing stores; adoption of door-to-door for home sales
	Location	Belo Horizonte – West Region
	Duration of the firm	2006 – 8,5 years
Resources	Tangible	Intrinsic quality of products
	Untangible	Known brand name in the local market and management partners' accumulated knowledge.
VRIO Model	**V**alue	Products segments (age, size, season, prices) maintaining the intrinsic quality with affordable prices (within the market's average)
	Rarity	Employees trained in their respective areas. Sales Team (door-to-door) with low turnover.
	Imitability (Hard)	Known brand name and management partners accumulated knowledge
	Organization	Planning and management of market knowledge of the fashion market ; Relationship management with suppliers and customers

Source: Adapted from Barney (2007) and Gonçalves, Coelho and Souza (2011). Data systematized by authors.

By the managing-partner's testimony it can be identified that the creation of the firm was due to the desire of becoming an entrepreneur. The owner reported that after joining a voluntary retirement program from the company that he used to work, financial resources to start the firm were raised.

The company has the objective to produce and sell women's clothing at retail. When analyzing the VRIO model, the existence of tangible assets can be seen – intrinsic quality of products and intangible assets – brand and managerial knowledge. According to the head of a firm, "as the value attribute is aimed at building a company that seeks to offer products with intrinsic, yet affordable, quality. The company owns Brand recognition (hard imitability), the Organization attribute needs enlist effectively such resources. "It should be added, "Making sure this whole dynamic of the use of resources will be set, giving consistency to the plotted strategic". Yet, according to the leader, "the firm's performance has fluctuated over the past five years, but continues to show profitability consistently." A branch of the firm was opened four years ago, thanks to higher learning about the business and management of resources. He claims that decided to close it in order to devote more to the head office that demanded a lot of attention (in the factor care and management of resources). According to the managing-partner this decision was correct and the business generated profit in the last year.

4.4. Case 4: Trading

The proposed analysis for the trade activity focuses on a micro retailer, for the supply of food and non-alcoholic drinks - coffee shop - a mixed audience, but with concentration in classes A, B and C, given its geographical location, characteristics of location, quality of care and category and price of products served. The entrepreneur interviewed pointed out the following specified in Table 5.

Table 5. VRIO Model Application in a Trading Company

Characterization	Business Sector	Retail Business
	Company Nature	Coffee Shop
	Objective	Market food and Non-alcoholic beverages
	Size	Micro-Enterprise
	Target Audience	Final Consumer – Classes A, B e C
	Location	Belo Horizonte – South-Central Region
	Duration of the firm	2012 – 3 years
Resources	Tangible	Furniture and sophisticated equipment
	Untangible	Nice atmosphere, quality products and personalized service
VRIO Model	**V**alue	Coffee shop established in a prime area of the city; Furniture and equipment composing the structure of the place; loyalty card.
	Rarity	The excellent place of operation. Providing barista courses and coffee tastings to customers considered loyal to the company.
	Imitability (Hard)	Quality of care; Category of products served; Existing culture in the company and its relationship with customers
	Organization	Planning and management of activities, focusing on control of product quality and excellence service to suppliers and customers.

Source: Adapted from Barney (2007) and Gonçalves, Coelho and Souza (2011). Data systematized by authors.

The VRIO model applied to the case of a coffee shop demonstrates the need to have a proper place for the business' performance, in line with the public profile to be met, as well as more intangible aspects, to meet the customers' perception of what is good and also has an outstanding quality. The Organization attributes, if performed attentively to resources and reliable the business model is possible to attract customers and develop markets for more lasting competitive advantage. In his statement, the entrepreneur points out the attention to essential resources, those focused on the business model, "it is fundamental to ensure the existence of the business to the working area." As the product coffee is considered "well understood" by clients, the quality of care becomes a distinguishing feature. The explanation of blends by the employees becomes essential to secure customers, create more lasting relationships and positive word of mouth. Mentions believing, “that the best management of resources allows profitable business expansion."

In his statement the leader indicated that the firm's performance also has fluctuated, in view of the fact that it is still a business under structuring. He also mentions that during the World Cup event in Brazil "net revenue was higher, substantial, and also contributed to improving the position of the company brand."

5. FINAL CONSIDERATIONS

Based on the analysis and interviews with leaders it can be noted the concern, remarkable attention they give to the essential resources that are directly involved. Argue that outsourcing management cannot even be thought of, and if so, only to experts who understand better and have more skills than them. There is unanimity in the statements of the leaders of that if "providing effective attention to the resources and skills" they gain greater financial performance, develop markets, better mark in the minds of customers, and may even grow in size and profits.

Thus, we can see an adherence and emphasis on strategy procedures practiced by firms with support in Resource-Based Theory proposed by (Barney, 1991; SEBRAE, 2013; Rowe, 2003; Gonçalves, CA; RABBIT, MF; SOUZA, 2011). The Resource-Based Theory, part of the fundamental assumption that the performance of a company can be explained by the way its resources and capabilities are used and managed. For a company to have sustainable competitive advantage and stand out against the other competitors, their resources and capabilities need to be considered *Valuable, Rare, Inimitable and Organized.*

In this context, considering the practical nature that the amplified RBV provides in allowing a more direct and objective assessment of each of the four natures of resources identified by the VRIO Model and taking into account the relevance of micro and small enterprises within the national economy, both from the perspective of generating employment and income, and for the construction of the country's GDP, it was considered appropriate by analyzing how the RBS could be used as a strategic approach to SME.

In the cases' analysis, it was possible to see that the Organization attribute as an effective resources management, in fact, it has an outstanding relevance among the other features of the Model VRI + O (The "O" as a separate element of VRI, as the active agent which operates on the set), which reinforces and further legitimizes the evolution of the Resource Based View to a Theory Based on Resources. In general, as the Organization attribute, given the intrinsic feature of this element, established itself as the most difficult measurement within the company, regardless of size. It is therefore recommended to the largest manager attention to composition due to its great importance for the construction and implementation of the strategy to create value.

Also, it is worth emphasizing that the Organization attribute is moored in the VRI, essential resources to generate lasting, sustainable competitive advantage over a longer time, which implies difficulty in overcoming the competition.

REFERENCES

1. AMÂNCIO, J. A.; GONÇALVES, M. A.; MUNIZ, R. M. Valorizando a Prática na Pesquisa sobre Estratégia. Pretexto. V. 9, n. 3, 2008.
2. BARDIN, L. Análise de conteúdo. Lisboa: Edições 70, 1977.
3. BARNEY, J. B. *Firm resources and sustained competitive advantage.* Journal of Management, v. 17, p. 99-120, 1991.
4. BARNEY, J. B.; HESTERLY, W. S. Administração Estratégica e Vantagem Competitiva. São Paulo: Pearson Prentice Hall, 2007.
5. BERNARDES, M. E. B. *Estratégias de Aprendizagem em Pequenas Empresas:* as *learning organizations* e o papel do empreendedor. In: I Encontro de Estudos em Estratégias, 2003, Curitiba. I3E – I Encontro de Estudos em Estratégia, 2003.
6. CHANDLER, A. D. *Strategy and Structure.* MA, Cambrige: MIT Press, 1962.
7. BURLAMAQUI, L.; PROENÇA, A. Inovação, Recursos e Comprometimento: em direção a uma teoria estratégica da firma. Revista Brasileira de Inovação. São Paulo, v. 2, n. 1, p. 79-110, jan./jun., 2003.
8. COLLINS, D. J. *How Valuable are Organizational Capabilities?* Strategic Management Journal. Chicago, V. 15, p. 143-152, 1994.
9. D'AVENI R. A. *et al. The age of Temporary Advantage.* Strategic Management Journal. Chicago, V. 31, n. 13, p. 1.371-1.385, 2010.
10. DAFT, R. *Organization Theory and Design.* New York: West, 1983.
11. DRUCKER, P. F. Sociedade Pós Capitalista. São Paulo: Pioneira, 1999.
12. GIDDENS, A. O Mundo na Era da Globalização. Lisboa: Presença, 2000.
13. GIL, A. C. Métodos e técnicas de pesquisa social. São Paulo: Atlas, 1999.
14. GLOBAL ENTREPRENEURSHIP MONITOR. Empreendedorismo no Brasil 2013. Coordenação de Simara Maria de Souza Silveira Greco. Autores: Tales Andreassi *et al.* Curitiba: IBQP, 2013.
15. GONÇALVES, C. A. Notas de Sala de Aula. Programa de Doutorado em Administração Universidade FUMEC. Belo Horizonte: Universidade FUMEC, 2014.
16. GONÇALVES, C. A.; COELHO, M. F.; SOUZA, E. M. VRIO: vantagem competitiva sustentável pela organização. Revista de Ciência da Administração. V. 17, n. 3, p. 819-855, 2011.

17. HAMBRICK, D. C.; FREDRICKSON, J. W. *Are You Sure You Have a Strategy?* Academy of Management Executive. V. 15, n. 4, 2001.
18. HAMEL, G.; PRAHALAD, C. K. *The Core Competence of the Corporation.* Harvard Business Review. V. 68, n°. 3, p. 79-91, May/Jun, 1990.
19. HITT, M. A.; IRELAND, R. D.; HOSKISSON, R. E. Administração Estratégica. São Paulo: Bookman, 2003.
20. MASSUKADO, M. S.; TEIXEIRA, R. M. A visão Baseada em Recursos na Gestão Pública do Turismo: o caso de Curitiba - PR. Turismo em Análise. V. 19, n°. 2, p. 255-271, Agosto, 2008.
21. MINTZBERG, H.; QUINN, J. B. *The Strategy Process: concepts, contexts, cases.* 3 Ed. Upper Saddle River, NJ: Pretice Hall, 1996.
22. MINTZBERG, H.; AHLSTRAND, B.; LAMPEL, J. Safari de Estratégia: um roteiro pela selva do planejamento estratégico. Porto Alegre: Bookman, 2000.
23. OECD – Organisation for Economic Co-operation and Development. *Promoting Entrepreneurship and Innovative SMEs in a Global Economy. Towards a More Responsible and Inclusive Globalisation. In Second OECD Conference of Ministers Responsible for Small and Medium-Sized Enterprises.*Turquia, Istambu. OECD, 2004.
24. OLIVEIRA, P. H.; GONÇALVES, C. A.; PAULA, E. A. M. A Visão Baseada em Recursos da Inteligência Competitiva. Revista de Ciências da Administração. V. 15, n. 35, p. 141-151, 2013.
25. PARKER, B. Questões e Temas Emergentes em Estudos Organizacionais. Parte II Capítulo 15 – Pg. 400-427 – Evolução e revolução: da internacionalização à globalização. Tradução: Isabela Baleeiro Curado. Revisão técnica: Carlos Osmar Bertero. São Paulo: Atlas, 1992.
26. PENROSE, E. *The Theory of the Growth of the Firm.* 4º edição. Oxford: Oxford University Press, 2009.
27. PORTER, M. *The Contributions of Industrial Organization to Strategy Management.* Academy of Management Review, New York, v. 6, n. °4, pgs. 609-620, Apr. 1981.
28. _________. *What is Strategy?* Harvard Business Review, v. 74, n. ° 6, pgs. 61-78, Nov. Dez. 1996.
29. PUGA, F. P. Experiências de Apoio às Micro, Pequenas e Médias Empresas nos Estados Unidos, Itália e Taiwan. Textos para Discussão BNDES. Rio de Janeiro: BNDES, fev. 2000.
30. ROWE, W. G. Liderança Estratégica e Criação de Valor. Revista de Administração de Empresas. V. 42. N°. 1. pg. 7-19. Jan./Mar. São Paulo, 2002.
31. SENGE, P. M.: *The Leader's New Work: building learning organizations.* Sloan Management Review. Pg. 7-23. Fall, 1990.
32. SEBRAE. MPE em Números. Sebrae São Paulo: São Paulo, 2013.
33. SCHUMPETER, J. *The Theory of Economic development.* Harvard University Press, 1949.
34. YIN, R. K. Estudo de Caso: planejamento e métodos. Tradução Daniel Grassi – 2º Ed. – Porto Alegre: Bookman, 2001.
35. WERNERFELT, B. *A Resource Based View of the Firm.* In Strategic Management Journal. Chicago. V.5, p. 171-180, 1984.
36. WHITTINGTON, R. *Completing the Practice Turn in Strategy Research.* Organization Studies. [S. I.], V. 27, n. 5, p. 613-634, 2006.