

The Uppsala model as an attempt to explain the Brazilian immigrant ventures in Orlando, Florida.

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Abstract:

This is the first in a series of papers analyzing the phenomenon of Brazilian small ventures internationalization and comparing it with internationally accepted models. The data collection methodology consisted of in-depth interviews conducted with 40 Brazilian businessmen using the snowball sampling technique. The results indicate an inadequacy to explain small business Brazilian entrepreneurship completely, through the Uppsala model. The ventures' dimensions found in the in-depth interviews include the reasons for starting a business, the relations with the local Brazilian communities, as well as the host community. The results point to a phenomenon closer to immigrant entrepreneurship than business internationalization.

Keywords: International Entrepreneurship; Uppsala; Internationalization; Small business

INTRODUCTION

Living in Orlando, US, sounds like a dream to many people worldwide, but even more so to immigrants coming from developing countries. Aside from enjoying the international amusement parks and resorts, it is possible to work and to establish good business in a country with clear rules and dynamic market. Opening a new business in the US in could take less than five minutes online, although the whole process might take five days. Shutting it down is also simple, and takes no more than two weeks – for small and medium companies. (WORLD BANK, 2013). That simple fact illustrates the overwhelming experience and the original impact of opening a business in the US. Nevertheless, from the entrepreneur's

point of view, leaving their original countries and their attachments, or facing the difficulties of a competitive market are far from the yet idealized - “everything works environment”¹.

According to the National Association of Realtors (2014) there are roughly 250.000 Brazilians living in Miami and Orlando. But how many Brazilian businesses are there in Florida? The authors of this paper considered this their “million dollar question”. However, this question does not belong solely to Orlando, but also to other cities in Florida State - Miami, Pompano Beach, Fort Lauderdale and Boca Raton –, which were also covered by a series of studies on immigrant and ethnic entrepreneurship, done by the authors.

The Uppsala model is one of the many models (e.g born globals, international entrepreneurship, networks theory) that try to explain the internationalization phenomenon. The process of internationalization is a result of an analysis of benefits and costs derived from the unique advantages and cost structures established in their original countries.

The Model of Uppsala, was originally developed by Jan Johanson and Jan-Erik Vahlne in 1977 and then updated by the authors in 2009. It seeks to explain the Scandinavian companies internationalization process, whose international expansion processes were not covered by other theories, including the market power or the life cycle of products (Vernon, 1966). These other theories were able to explain the internationalization of North American companies. Nevertheless, according to the authors, companies born in countries possessing small markets normally seek new markets long before the ones born in large local markets. In other words, those companies seek to internationalize to grow, as opposed to "grow in their native markets and then internationalize, like traditional Japanese or North American companies.

Thus, according to the authors, the internationalization process incorporates two important features. The first one is a result from a skill development in order to operate in different markets. The second one relates to small ‘psychic distance’ of their original markets. The concept of psychic distance involves assessing the cultural, administrative, geographic and economic differences between the two markets. The 2009 updated model of Uppsala tries to encompass the uncertainty in the internationalization processes caused by the ‘liability of outsidership’. In other words this could be defined when an organization does not belong to a network of local relationships.

According to two bibliometric investigations on immigrant and ethnic entrepreneurship held by Ma, Zhao, Wang and Li (2013) as well as Aliaga-Isla and Rialp (2013), the debate lies focused on the figure of the 'immigrant entrepreneurs', the 'immigrant business networks' and 'transnational entrepreneurs' and not quite on internationalization models which explain corporations expansions overseas. The researchers, on this paper, start a theoretical triangulation, once the theories of immigrant or ethnic enclave entrepreneurship have been used in other works. Thus, in order to try other possible explanations for the observed phenomenon, the authors proposed the analysis through the various methods of internationalization. The starting poin of this paper is the Uppsala internationalization theory.

In that sense, the present paper also attempts to meet one of the three following hypothesis: i. Does the Uppsala Method completely explain the establishment of Brazilian small business in Orlando? ii. Is the method able to partially explain the establishment of Brazilian small business in Orlando? iii. Is the method unable to explain the establishment of Brazilian small business in Orlando?

METHOD PROCEDURES

Strauss & Corbin (1967) describes a principle of permanently asking questions and making comparisons, confronting emerging hypotheses with existing theories, in searching for alternative explanations. In that sense the Uppsala Model is tested in the context of a community of Brazilian small ventures owners.

First, the authors present why formal sources of data (from governments, industry associations, or organizations) are not entirely appropriate for this research due to its limitations and divergences.

Estimating the number of immigrants is a difficult task due to the inaccuracy of official data sources. For instance, according to 2000 U.S. Census, numbers indicate between 160,000 and 230,000 legal

¹ Comment of a Brazilian interviewed

Brazilians immigrants in the U.S. (Mitchell, 2004). Margolis (2003) on the other hand, suggests that U.S. officials underestimate these figures. The Brazilian Foreign Ministry that estimates 800,000 immigrants to date corroborates with Margolis (2003). In addition, in 2014, the Brazilian Foreign Relations Ministry (MRE) reckons that the number of Brazilians living in the U.S. was circa 1.35 million.

The number of official Brazilian immigrants in Florida, according to Magalhaes (2003), increased from 8,682 in 1990 to 43,082 in the year 2000. This means that the number quintupled in a decade, indicating a strong trend of Brazilian immigration towards this area of the country.

Therefore, in order to reckon small and middle-sized businesses it is required at first, a clear definition of what is to be considered as small, middle sized or large businesses. A few other dimensions apart from business sizes represent the diversity of ventures that the authors encountered also, such as: formal x informal businesses, established in physical facilities x virtual businesses, or labour-intensive x single-entrepreneurial businesses.

Thus, when the authors started the study of Brazilian entrepreneurship in Florida, U.S., they found through a research on the web 270 ventures in the following classified ads websites and Brazilian electronic magazines.

Their ads were predominantly of businesses related to following activities: restaurants and food services, leisure, retail, healthcare and well-being, home supplies and construction, schools and education, churches and affiliations. This online data collection evidences a high concentration of Brazilian ventures in Orlando.

After the completion of the online data collection, the researchers finally reached the region in 2012 and started visiting popular addresses among Brazilian tourists in Orlando and their communities.

Many immigrants that belong or just serve the ethnic enclave are 'invisible' to the mainstream market. For instance, a few informal entrepreneurs are specialized on baking homemade cakes and delivering directly to their client's homes. Another type of business is a babysitter company that serves only Brazilian families. These ventures are not physically established, nor visible to the mainstream market, as opposed to restaurants or beauty parlors. They do not depend on any physical facility - like an office or shop - to operate. However, these businesses collaborate significantly to the ethnic enclaves and make money go round the social networks. The authors strongly believe that this might be one of the reasons that a few entrepreneur's overestimated the number of businesses.

After three years travelling and six field trips studying Brazilian entrepreneurship in Florida, the authors assume that the 'official numbers' are important but not essential in order to understand immigrant entrepreneurial activities, patterns or behaviors. In order to identify the population to be interviewed, given that this research uses qualitative techniques, the researchers considered only the entrepreneurs clearly established in physical stores/shops and offices or whose ads were available on websites or Brazilian newspapers.

Of the total sample of Brazilian businesses identified, the researchers interviewed 40 entrepreneurs in the Orlando area (Orange County). In-depth interviews were conducted with application of a semi-structured script containing socio-demographic and business related questions. Thus, 'phase one' of the study contains the collection of data presented in this paper. The objectives were to measure the size of the businesses, number of employees, workforce origin and profile, school level, adaptation degree to product quality, as well as other additional services. The structured questionnaire was divided into themes, which were connected to business management activities, such as: basic activity, financial management, marketing, human resources, purchasing and inventory – but is also included more data activities which provided respondent's personal information concerning their managerial attitudes, their age group, school level, migration period, among others.

Following the path of many exploratory studies in social sciences, the authors chose in-depth interviews focusing detailed information about the entrepreneur's thoughts, behaviors and life stories, specifically regarding their trajectory on the entrepreneurial venture in the U.S. This method was particular suitable to provide context to the literature review, as well as to offer a more complete picture of what happened to these entrepreneurs. The interviews were conducted and recorded either in the entrepreneur's offices, companies, shops or in their own homes, and took an average length of 55

minutes, being the shortest 45 minutes and the longest 113 minutes. Additionally to that, the outcomes of the in-depth interviews could be used to refine questions for this particular group in future studies.

In order to choose the entrepreneurs to be interviewed, accessibility was a key-issue. Through the 'snow-ball' technique, the researchers found connections between members of the Brazilian entrepreneurial population. Thus, the chosen entrepreneurs were able to identify other members alike of the Brazilian community. According to Atkinson & Flint (2001) the sampling process ends when the search for new respondents reaches saturation, therefore no more new contacts are added.

The life stories of the entrepreneurs brought to life assumptions in order to build a bigger picture of some recurrent behaviors within the Brazilian entrepreneur's population. Thus in this study, the researchers considered not just the voice and perspective of the entrepreneurs, but also of the relevant groups of actors as a source of triangulation. The relevant stakeholders considered on this study were business associations, lawyers, real estate agents, secondary sources of information such as newspaper articles and the interaction between them. In this work, the aim is to understand the dimensions or issues that are fundamental to understanding the Brazilian entrepreneurial practices in Florida.

It is noteworthy the mistrust of the entrepreneurs interviewed, and the distinct fear in providing information. This attitude differs from what Baltar et al (2013) found with the easily contacted 268 Argentine entrepreneurs, that were living in Spain. Although this research also had an online link available 24x7 for one year, only two online contacts were established. The low productivity of the digital link was balanced by the success of the ethnographic in-depth interviews. The interviews were recorded with the authorization of the entrepreneurs and kept in the project files. Also, during 'phase one' the researchers found the necessity for a theoretical framework to support 'Business Internationalization' or 'International Entrepreneurship', also covering the immigration phenomenon.

INTERNATIONAL ENTREPRENEURSHIP

According to Hilal & Hemais (2001), references on internationalization date back to the sixties, on studies about the scope of corporate behavior. Internationalization generally is depicted as a rational and substantiated process for company growth, normally focused on the firm itself. This focus depletes the country of origin identity, as well as the entrepreneurs' attitudes, who see opportunities of gains through networking or the exploration, or development, of new markets.

Exporting is the simplest option for small companies who want to become international, but it offers little control over international activity, generating below-ideal performance (Crick & Jones, 2000). However, studies offer other approaches and aspects, such as the innovative culture which companies adopt in the international market. (Knight & Cavusgil, 2004), or social bonds which can help to identify opportunities abroad. According to Holland (1999), a company's internationalization process exhibits three stages: exporting, opening an office abroad and production structure relocation.

The market power theory proposes that transnational companies enter the foreign market through direct investment, instead of licensing, when there are advantages towards other firms (Coase, 1937). The eclectic paradigm theory, however, involves production internationalization and the search for competitive advantages, as opposed to surrendering their rights to other firms (Dunning, 1977).

In McDougall & Oviatt's (2000) theory on international entrepreneurship, there is a more comprehensive study concerning fundamental aspects like commercial management, competitive advantage, price and resources abroad; and also the combination for innovation, pro-activity and risk management.

In addition, new types of international ventures theories emerged lately, according to Dib (2008), the so-called 'born global'. These companies are generally originated after 1990, whose international activities range from two to 15 years after its founding, with a percentage of its turnover being of foreign origin (between five and 75%), while having market scope (two or more international markets). A typical example of those are the internet-app start-ups.

ANALYSIS OF THE INTERNATIONALIZATION PROCESS IN THE LIGHT OF THE UPPSALA MODEL

Early Works

Published in 1977 by Johanson & Vahlne, and revised in 2008, the Uppsala theory aims to find behavioral patterns in the entrepreneurs through their internationalization activities, contrasting with the economic studies done at the time, which aimed a better understanding of the firm internationalization process. This model was developed based on the works of many authors as follows. Penrose (1959) wondered if there was anything inherent to the very nature of a firm that could foster, as well as limit, its growth. Cyert and March (1963) developed studies on “the private company and how it should make its economic decisions”. Aharoni (1966) analyzed the foreign investment decisions of American manufacturing companies, and later, the nature of the decision making process in complex organizations through direct investment decisions. At last, Sune Carlson, who taught in the Uppsala School, started a study group, which gave birth to the Uppsala internationalization model.

According to this model, initially proposed by Johanson and Vahlne, the internationalization decisions are subject to limited rationality. Aharoni (1966) and Penrose (1959) believe that entrepreneurs select information, which they deem most relevant, and their decision takes on a role, which is more arbitrary than rational. Simon (1974) corroborate with those authors for a better understanding of the limited rationality concept highlighting the inability of decision-makers to span the complexity of the world.

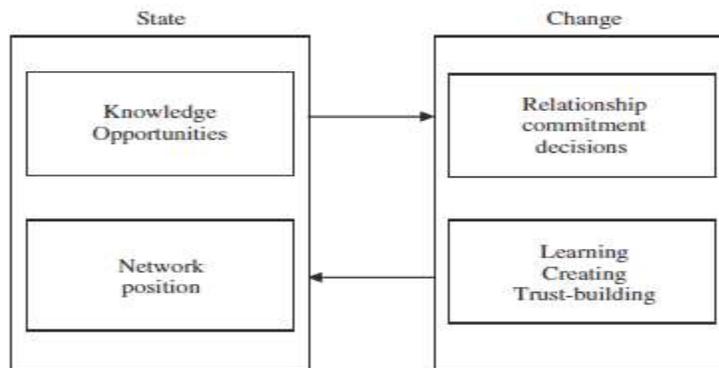
Updated 2009 Model

The traditional way of facing internationalization, in which the company gradually overcomes the existing barriers between the national and the international market is changing. The current Uppsala Model presents the general manner of internationalization, with actions that aim to enforce the company’s position in the international markets. The foreign markets entrance depends on the relation between the company and this market as well as their knowledge over it. Thus, this influences the company’s perception towards the existence of opportunities, confirming the ideas of Snehota & Hakansson (1995). These authors state that networks greatly influence the internationalization process. Concerning the uncertainty and risks linked to opportunities abroad, the 1997 model also state that risk and uncertainty reduction were related to psychic distance - a concept that is old fashioned due to globalization. Today, scholars believe that opportunities are more connected to learning and commitment in foreign market partnerships. The conclusion is that the original approach to risk and uncertainty reduction was weakened in the light of the relationship between opportunity and knowledge acquired through networks.

The basic structure of the original model remains the same, with a few alterations. “Knowledge opportunities” was added, where before “market knowledge”. Therefore, knowledge is directly linked to the perception of opportunities in the foreign market, and that these opportunity assessments greatly influence the commitment decisions.

In the original 1977 model, large companies would have a greater capacity of obtaining information on the market, and therefore the Uppsala model was less relevant to them, being more suitable for small and medium companies. However, in the updated model, the authors consider that knowledge is highly connected to its context, and therefore, the model applies to organizations of all sizes.

FIGURE 1
UPDATED MODEL – VAHLNE & JOHANSON (2009)



The matter of easy access to market knowledge by large firms occurs when they acquire other companies already established in that market. This resembles the ‘born global’ firms, in which the internationalization process is sped up by previous knowledge of the market, or networking already developed in it.

“Network position” has replaced “market commitment”, enforcing the idea of companies having to worry about their network situation in the foreign market. These relationships are distinguished by shared knowledge, trust, and commitment, factors that are gradually developed by either part. These variables: “leaning, creating and trust-building” have replaced “current activity”, aiming to highlight the factors that generate market knowledge when a company acts in the foreign market. The development of these aspects is directly linked to the perception of long-term benefits.

In the opportunities perspective, firms generally deepen their relationships in new markets; therefore, “commitment decision” was replaced by “relationship commitment decisions”. Moreover, the updated Uppsala model focuses on recent understandings concerning the internationalization process, especially the network influence, when choosing the markets, as well as the way of introducing themselves into these foreign markets.

In addition, Coviello (2006) introduced the concept of ‘insidership’, which refers to a state in which a company finds itself established in a network. The author states that developing ‘insidership’ in a foreign market before starting the internationalization process is fundamental. This contribution was considered important for Johanson & Vahlne (2009) in what concerns the acknowledgement of a relation between networking and internationalization, and the authors went beyond it, by exploring the manner in which these networks are created and their structure. Thus, information exchange between agents also allow knowledge acquirement by firms.

Additionally, concerning learning, Andersen (1993) states that the 1977 model highlighted experimental learning as responsible for the internationalization process, but this was not enough to cover all possibilities and specific cases. Johanson & Vahlne (2009) claimed that the model was generalist, and therefore could not hope to answer to specifics. Petersen, Pedersen and Sharma (2003) however, claimed that the model was determinist, because it did not impose limits to the learning and commitment cycles. To Johanson & Vahlne (2009), “the causal relation between two variables does not mean that one determines the other; they only influence each other, in combination with many other variables”. Facing this criticism, the authors of the Uppsala Model believed that experimental learning remained the basic mechanism of the internationalization and network development processes.

Corroborating with that, a study conducted by Cunningham & Homse (1986) has shown that dealings in international networks involve administrators who create a linked routine, and through these coordinated interactions, the agents amass knowledge and build a commitment and effort relationship. Therefore, there are similarities between the internationalization process of companies, and the development of networks, as both occur through experimental learning and gradually develop

commitment between their parts. The most recent Uppsala Model understands that internationalization requires mutual commitment between companies (Johanson & Vahlne, 1990; Johanson & Vahlne, 2003).

In addition, trust is a key component in building a relationship, influencing the learning and knowledge acquirement processes directly. In general, it is related to the ability to predict others' behavior, and through trust, one can develop commitment. Johanson & Vahlne (2009) also agreed with Madhok (2006) when he stated, "the building of trust is an expensive and time-consuming process". Boersma, Buckley & Ghauri (2003) saw this process as a sequence of stages in which the end of one resulted in the beginning of the next. In other words, companies interact and commit themselves generating a level of trust. Like climbing a ladder, interaction that is more positive means to act in a higher and higher level of trust.

RESULTS AND DISCUSSION

This section of the paper presents both results of the in-depth interviews and discussion upon them.

First of all, before analyzing any correlation between Brazilian entrepreneurs in Orlando, it is crucial to clarify that limited rationality can be found in any decision-making process, and therefore, also in the target subjects of this research.

Also regarding the Uppsala model, the authors noticed that the theory presented some limitations in order to explain the phenomena of Brazilian small business entrepreneurship in US.

The first insights of the in-depth interviews, held between 2012 and 2014 related to the question: "Why did you leave Brazil?"

The researchers suggest that the rationality used by Brazilian entrepreneurs in order to determine their internationalization is more related to a personal choice rather than corporate. Answers were separated into four groups, according to table 1. Authors believed that the aspect of management rationality, one of the results of decision-making, described by Simon, along with the 'limited rationality concept' could be found in the last answer group.

TABLE 1
WHY DID YOU LEAVE BRAZIL?

	Were previously entrepreneurs in Brazil	Other respondents
Tired of Brazil	52,94%	18,18%
Attracted to USA	11,76%	36,36%
Personal Opportunity	23,53%	9,09%
Business Opportunity	11,76%	36,36%

By evaluating the feasibility of internationalization, the entrepreneurs face the uncertainty and risks involved in the process. To Penrose, (1959), the entrepreneurs obtain a "psychological predisposition for accepting risk, hoping for gain, and specifically, for committing effort and resources to speculative activities." That definition, which goes against the Uppsala Model, shows the influence of risk and uncertainty in the process of internationalization.

The first decision in foreign investment is a trip into the unknown. It is innovation and development of a new dimension, and also a great rupture in the natural flow of events. There must be a great force or some drastic experience that would work as a trigger, to lead an organization into this new realm. (Aharoni, 1966, p. 42)

It is possible to relate these "drastic experiences", which the author talks about, to the percentage of entrepreneurs who stated that they decided to flee into the international market because they "didn't want to live in Brazil anymore". By dissecting that type of answer by asking, for example, how often safety and

violence come up as decisive factors when leaving the country, answers arose such as “There was no improvement in Brazil” or even “I’ve had it! Brazil is hopeless.”

For Cyert & March (1963), the entrepreneurs manage risks by taking short-term actions, which present a lesser degree of uncertainty than long term ones.

The questionnaire used in the research did not emphasize any kind of sequence on the internationalization process, in other words, no questions concerning it were made to the entrepreneurs. However, going by the stories told by the subjects interviewed, and those present in the ethnographic study, authors state that the entrepreneurs arrived in the US with very little knowledge of the market, and few contacts. Table 2 details the answers concerning how the subjects got to the America.

TABLE 2
HOW THEY HAD GONE TO THE US

STATUS on arrival to the US	Were previously entrepreneurs in Brazil	Other respondents
No job perspective	31,25%	63,64%
Entrepreneur	56,25%	9,09%
Formally employed	12,50%	27,27%

By observing the answers above, one can notice that almost 44% of the Brazilian entrepreneurs arrived in the US as any other immigrant, and later established themselves as entrepreneurs. That dismisses the idea of an establishment chain, because if there were previous commercial investment.

Aharoni (1966) also explored the gradual nature of the decision process, stating that it’s not a logical sequence of actions, and that they have a reflection in their context. Actually, there isn’t a specific moment in time in which the decision to invest or to not invest in foreign market is taken. That decision is derived from a cumulative process in which the agents take commitments in a gradual manner. In this gradual commitment process, the learning and knowledge deeply influence the decrease of risk and uncertainty. In addition, by having international experience in the country, the firm increases its knowledge about such market. More experience generates more learning and knowledge, forming a cycle, which Johanson & Vahlne (1977) call an establishment chain. On the other hand, the authors believe that this commitment phenomenon is virtually inexistent, maybe due to the target’s attributes - small entrepreneurs established in foreign cities.

An entrepreneur group established in the city for a longer time was initially identified, formed by “adventurous” Brazilians who immigrated in the 80’s, becoming individually successful, and deciding to open their own business. Opportunities were linked to personal network of contacts, resulting from years living among Brazilians, Hispanics and Americans, and the empirical knowledge of the American way of doing business. Many of these entrepreneurs claimed to have studied in the US – undergraduate or post-graduate.

Another entrepreneur group, younger in age and with less time spent in the USA, consisted in entrepreneurs with a wider commercial sight, many of them post-graduates in business administration in Brazil, who arrived in the US willing to establish their businesses. However, in both groups, the aforementioned establishment chain was not identified as an influential factor in the internationalization process.

In that sense, as shown in Table 5, the authors perceived an establishment process through a chain of factors occurring before the opening of a business, from the entrepreneurs with a longer immigration time. Gradually, these immigrants started venturing into undertakings, giving birth to the first Brazilian entrepreneurial network of the city.

Penrose (1959) adds to this theme by distinguishing between objective and experiential knowledge, one that can be taught versus one that can only be obtained through experience. Moreover, the author explores the relationship between knowledge and growth. According to her, growth is, in its essence, an evolutionary process which is based in the cumulative acquirement of collective learning. In the same

way, the Uppsala Model uses this relationship to explain the gradual nature of internationalization. As knowledge about the foreign market increases, the company expands their field of possibilities.

Taking the differences between the countries in the internationalization process in consideration, Johanson & Vahlne (1977) created the concept of psychic distance, which consists of the communication barriers between countries. A set of cultural, economic and political characteristics must be taken into consideration, which can hinder the adaptation process of a company in a foreign market, such as language, legislation, religion, local culture, fashion, among many others. The bigger the psychic distance from the country of origin to the destination country, the bigger the uncertainties and risks. For that reason, even if there is great profit and advantage, the internationalization process for countries with a great psychic distance tends to happen very gradually. This has decreased gradually due to globalization effects, which tend to standardize cultures.

Once again, the authors noticed great similarity between the theories used to describe the ‘movement’ of firms in the entrepreneur’s internationalization process. The Florida climate, the size of the Brazilian population - tourists (consumers) or residents (work force or consumers), and the ease of communication with Brazil, make many entrepreneurs choose that area for their ventures.

Getting on a flight to Brazil at any time, and coming back for the weekend is in the schedule of many, even though 100% of the respondents stated that they would not move back to Brazil. To better understand, in 2012, there were only 105 direct weekly flights between Brazilian capitals and the cities of Miami and Orlando, with about 22.386 seats.

In addition, mobile phone companies, which charge US\$50 a month and allow unlimited international calls and high-speed internet access, help reducing the distance between families.

However, in contrast to the blue sea of Miami, which illustrates Delboni & Barboza’s (2014) report, life in the US, for most immigrants, is harsh. Work is hard, and taxes are not low, but satisfaction due to quality of life improvements incites a sort of joy. The city functions properly, traffic flows, public schools teach, and civil services seem to maintain their service aspect. For the Brazilian immigrant, these conditions are the ones they “would like to experience in Brazil”.

The research also revealed interesting evidences about market and job knowledge. Of the total interviewees, 69% of Brazilian entrepreneurs currently perform different activities in the US than the ones they used to in Brazil. Although, acting in different activities does not necessarily mean that they did not know their way around that business.

TABLE 3
PREVIOUS ACTIVITY IN BRAZIL AND CURRENT ACTIVITY IN US

Not entrepreneurs in Brazil	Different Activities in Brazil and US	62,50%
	Same Activities in Brazil and US	37,50%
Were entrepreneurs in Brazil	Different Activities in Brazil and US	68,75%
	Same Activities in Brazil and US	31,25%

TABLE 4
MARKET KNOWLEDGE

	Not entrepreneurs in Brazil		Were entrepreneurs in Brazil	
	YES	NO	YES	NO
Were you familiar with your activity in the US?	45,45%	54,55%	45,45%	54,55%
Did you have previous knowledge of the American market?	27,27%	72,73%	27,27%	72,73%

The distinction between respondents who were entrepreneurs in Brazil is essential for the analysis, because the Uppsala model covers firm internationalization, or, entrepreneurs. The 56% of the respondents, who were entrepreneurs in Brazil, who claimed to have had no previous knowledge about

the American market before starting their undertakings, is significant, and can dismiss the starting point of the Johanson & Vahlne (1977) model. The model perceives market knowledge as a commitment decision-generating factor, and as such, the researchers decided to split the entrepreneurs who had businesses in Brazil before moving to the US into two groups: the ones over and the ones under 10 years of immigration. By making this sample division, it is possible to perceive that market knowledge increases after actually moving to a foreign country. Thus, the idea of previous knowledge does not apply to this group of entrepreneurs.

TABLE 5
MARKET KNOWLEDGE II

Only Respondents who were previously entrepreneurs in Brazil				
	In U.S, for less than 10 years		For Over 10 years	
	YES	NO	YES	NO
Were you familiar with your activity in the US?	42,86%	57,14%	77,78%	22,22%
Did you have previous knowledge of the American market?	28,57%	71,43%	55,56%	44,44%

The researchers also asked the entrepreneurs about client particularities, and in general, the respondents claimed to be familiar with their behavior. As observed, there have been no previous actions from the entrepreneurs in order to be part of a network before internationalization, but the authors were able to detect Brazilian networks, in the following segments:

- Non-Institutionalized Entrepreneurial Networks - consists in entrepreneurs along with their up and down gradient partners. These networks are usually headed by the local press, which possesses an up-to-date source of information about Brazilian entrepreneurs in the city;
- Institutionalized Entrepreneurial Networks - the authors were able to identify three chambers of commerce; however, all of them seem to suffer from the same problems - corruption and use for self-promotion. Therefore, many new entrepreneurs find themselves 'lost' when looking for support;
- Institutional and Religious Networks - the authors observed a concentration of active entrepreneurs in the Brazilian Rotary Club - Orlando, along with others in churches and their humanitarian undertakings. It seems that faith provides for more than just a seat in heaven, as it can also be essential for finding a job, documentation, and even for starting up a business.

Corroborating with the evidences of a weak support structure, as well as the fact that the nearest Brazilian Consulate is located five hours away, in Miami, many entrepreneurs return from Orlando with a failure story under their belt. In addition to the lack of studies concerning the amount of Brazilian businesses in the region, information concerning unsuccessful entrepreneurs in the region is even scarcer. However, a riddle, which the interviewers heard many times during their fieldwork, was "What is the easiest way to return to Brazil with one million dollars?" To which the answer is: "To arrive in the USA with 10 million dollars."

Now, regarding the lack of trust between Brazilian entrepreneurs in the region, the researchers still have not found a plausible explanation for that fact, although it is clearly noticeable. The first hypothesis relates to the media exposure that Orlando has. In less notorious cities, like Pompano Beach, for example, the researchers found an entrepreneurial cluster with much more unity and trust, committed to the local Brazilian community and to their fellow businesses.

On the other hand, in Orlando, probably due to the weekly casual arrival of Brazilians in the region, the authors found a greater difficulty from the entrepreneurs to form organized groups. During the three years of research, the authors noticed businesses appearing and disappearing in a very quick manner. Various Brazilian entrepreneurs didn't know of or attended any similar meeting like the BBG's business round – such events are, by the way, unheard of in Orlando. Usually, there is a sort of categorization by time spent in American soil: the old and the new.

The researchers noticed that the lack of a consolidated business persons group causes an insecurity feeling in the old established ones, about the new ones who are arriving.

The existence of opportunities presumes that the company will also have to evaluate their risks and uncertainties. The original Johanson & Vahlne (1977) model was seen as a risk reduction model, however, in their current model, (Johanson & Vahlne, 2009), the authors acknowledged the necessity of analyzing opportunity by relating it to experiential learning. According to them, the companies' experiences help to perfect their capacity of perceiving existing opportunities.

In the perspective of the internationalization model through network, the knowledge shared by the partner companies includes all the content of the information that they obtain through their networks. Therefore, added to the internal knowledge of a company, there is the shared network knowledge, which contributes to the development of an opportunity-detecting capacity, and so interaction between companies fosters opportunity-taking. Johanson & Vahlne (2009) inferred that the opportunity-identification process is similar to the one of internationalization and relationship building.

Given the perception of the importance of networks for the internationalization process, if any company builds a relationship that is founded by trust and commitment, the internationalization process will not occur in a gradual manner, due to possible skipping of certain establishment chain stages. Due to this, much research conducted since the publication of the 1977 model have criticized the applicability of this model.

The researchers even observed entrepreneurs entering internationalization very quickly, or rather, skipping stages, although, these ones were most susceptible to strategic mistakes. For not having an established entrepreneurial network, relationships is between the three segments of which are quoted in this paper. Added to that, there is the insecurity of the older entrepreneurs about the new ones, and thus it's easy to conclude that the Brazilian network is weakened.

Hedlund & Kverneland, (1985), pointed out that companies sometimes skip stages in their establishment chains, Oviatt & McDougall, (1994), and Zahra, Ireland & Hitt (2000) stress the idea of gradual acceleration of internationalization, by stating that internationalization is happening faster now. Among the criticism, the studies which have been most contrary to the Uppsala model are related to the ideas of Oviatt & McDougall (1994), in which companies begin to go international soon after their founding, as a 'born global'.

Johanson & Vahlne (2009) believe that 'born global' firms are actually 'regional global', due to the fact that these companies do not conduct international activities which cover the globe in any significant manner. The authors of the current paper agree with Oviatt & McDougall (1994) concerning the fact that companies who conduct their international activities since their founding, or soon after it, are counting on the international experience of their administrator. In that case, when the entrepreneur has created bonds with foreign companies, and has international experience before creating a company, then there is no convergence with the establishment chain model, since the model does not indicate that is impossible to go international quickly, as long as there is time to develop a relationship with the market and for obtaining experience (Vahlne & Johanson, 2002). The authors are developing a paper on the attempt to explain the Brazilian phenomenon through the 'born global' theory; therefore, this topic will be saved for later work.

The updated Uppsala model highlights the relationship between network companies more than isolated commitment in a foreign market. The authors perceived that Brazilian corporate groups neglected this path, initially explored by Latin and Hispanic groups.

Lawyers mentioned another curious fact, which caught the eyes of the interviewers. They stated in an outright manner that Brazilian entrepreneurs who seek offices in Orlando show a lot more interest in an immigration process than in the internationalization of their businesses. To these entrepreneurs, their businesses would only be a means to allow for a visa application of the L-1², or the EB-5³ type.

According to the American Government's Travel State, between 1997 and 2013, Brazil was

²International companies employees Visa transferred temporarily to the head office, branch or subsidiary in the US

³Visa program that allows foreign businessman who makes an investment in a US company get a green card to become legal permanent US resident. The Visa is supportive to the spouse and minor unmarried children

responsible for 25% of visa applications for non-immigrants, relating to all of Latin America. Among the non-immigrant visas, also called temporary visas, are the L-1 (work), and the EB-5 (investor). Due to the particularity of these visas, it is possible to apply for a green card through them, and therefore, based on interviews with at least six Brazilian lawyers in various cities in the South of Florida, many foreigners are attempting to immigrate through the opening of business abroad, making use of these visas.

Of all of the L-1 and L-2 visas applied by Latin America, Brazil has kept up an average 45% from 1999 to 2013. The EB-5 visas were next to non-existent up until 2004, but since then, there has been some increase in the applications done through direct investment. However, the visas can be applied for through indirect investment, by using American Regional Centers. This category has gone from ZERO in 2007 to 28 in 2014⁴.

FINAL CONSIDERATIONS

The objective of the paper was to test the Brazilian immigrant entrepreneurship phenomenon through the Uppsala internationalization theory. Therefore, three hypotheses have been considered to be tested.

It became initially clear to the researchers that, in order to explain the small Brazilian ventures establishment phenomenon in the Orlando city, a model associated to immigration became necessary. The authors wondered many times if they were observing either a company internationalization phenomenon or just immigrant entrepreneurs. An alternative explanation to the phenomenon observed was linked merely to immigration which culminated in local entrepreneurship – given the fact that many of the respondents were entrepreneurs in Brazil, and “dropped everything” to live in the US.

Another point to be highlighted is the trust-based relationship seen in networks. Evidences collected on the research showed a low degree of association between entrepreneurs. Yet this is reinforced by the difficulties that Brazilians have in organizing themselves in a single class network, or even as an ethnic group – a situation which differs from those evidenced in Hispanic immigrant groups in the region. On Results and Discussion section three types of networks were described: Non-Institutionalized Entrepreneurial Networks, Institutionalized Entrepreneurial Networks and Institutional and Religious Networks. Although, an interviewee quotation reinforces that “if a Brazilian knows more than two people he believes he is already a community leader, with their specific demands”.

This dispersion character, which each individual looks for their own goals, fragments the network. So, they operate in an isolated manner, losing their political, economic and social strength, as opposed to Mexican or Chinese associations that are very well organized (Portes & Zhou, 2012). It appears to be different in the region of Boston, for example – where there are indicators of high collective initiative for ethnic organization (Sales, 1992). Thus, small businesses Brazilian entrepreneurship in Florida seems to derive from individual initiatives, emerging from individuals who possess a great deal of personal trust or those who are prone to risk.

The hypothesis #1 – does the Uppsala Method completely explain the establishment of Brazilian small business in Orlando? – is not applicable, among other things, because the decision of internationalization is mainly motivated by personal issues and not business related. These small businesses opened in the US are usually established in different activities which the entrepreneurs were engaged in Brazil.

The hypothesis #3 – is the method unable to explain the establishment of Brazilian small business in Orlando? – is reasonable. There is an evidence of an internationalization trajectory based on the concept of psychic distance, only from a personal point of view. Language and culture barriers are eased in the sense that the Brazilian ethnic community offers a business opportunity and ‘welcomes’ compatriots.

Therefore, the hypothesis #2 – is the method able to partially explain the establishment of Brazilian small business in Orlando? – is the most suitable.

In any case, the authors suggest that further work must be conducted using other internationalization models as well as transnational entrepreneurship theories, to achieve the complete theoretical triangulation about this issue.

⁴ <https://www.eb5investorvisa.com/eb5-statistics.html> and <http://travel.state.gov/content/visas/english/law-and-policy/statistics/annual-reports/report-of-the-visa-office-2003.html>

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