

# **Internationalization of Small Business: an investigation about Brazilian business in Orlando city**

## **Abstract**

Search for scientific evidences of the Brazilian "invasion" in Florida may seem unnecessary considering the amount of tourists crowding shopping centers, parks and beaches. According to Liston (2014) 768,000 tourists from Brazil landed in the state. But it is not only for entertainment that these people are choosing Florida. The number of investors in the real state is growing every year. Nevertheless, due to the known problems in Brazil, such as violence, the cost of living and the poor quality of the public service, many of these tourists end up fascinated by the American way of life and try by many ways to stabilize themselves in the country. Besides that, data from the US Department of State shows the increase of business related and investment visas. Observing this, a research group from the Entrepreneurship Department of Universidade Federal Fluminense - Rio de Janeiro, focuses its studies in small and medium Brazilian entrepreneurs living in the USA. The aim of present paper is show an overview of Brazilian businessmen conditions, including how they arrived in the USA, how long they have been there, social and personal information and, finally, some management data. As the preliminary results of this basic research, we believe we are facing a phenomenon not yet described in academic literature about small business internationalization, or at least not completely described.

**Key words:** international entrepreneurship, strategy of internationalization, Brazilian entrepreneurship

## **Internationalization of Small Business: an investigation about Brazilian business in Orlando city**

To infer from data coming from varied sources – from academic articles up to press reports, through economical newspapers editorials – we can affirm that Brazilian firm ventures in the world begin to get expressiveness. However, as it is an undone picture, the image we have is still little clear and lacks delimitation. Although we can count on precise official data of export and new ventures, in the dispute over the international market, very little we know about Brazilian small business investments abroad.

In general, specialized academic literature deals with Internationalization of Business theme from national origin of enterprises, whose goods find opportunity in international market. Internationalization is regarded as an expansion of business, once domestic market is satisfied and overtaken the barriers to export activities and to setting operational basis abroad. The focus of the approach is generally on business and products entrepreneurs and investors` are in second plan.

Nevertheless, in Brazilian case, we have observed a movement of people interested in determined way of life and getting experience abroad, when they can make use of their business and managing capacity to settle in other country. Far beyond daring and clandestine immigration, we have found Brazilian people with high formal education and capacity of investment who opt to set up in business abroad, follow the impulse – controlled, in a certain extent – towards a new way of life, and emigrate partially, or totally, with their families.

A little more than two years ago, the authors of this article started a research on small and medium business of Brazilian people set up in Orlando, Florida, USA. The

relevance of preliminary information collected in Brazilian land led us to that city, where we started a process of collecting primary data. At the moment, the research is in expansion to Pompano Beach and Miami, Florida, too, aiming to go over Boston and its surroundings, where we find a high concentration of Brazilians making great deals.

This article talks about the conditions, development and profile of small and medium Brazilian entrepreneurs abroad and aims to achieve two objectives, the first and main one and the second one. The first one is to describe and discuss comparatively important data of the research – *in locus* – in Orlando city and the second one is to suggest a new model of approach in Business Internationalization area – that includes migratory movements – to be discussed in another work.

The text is organized in 6 parts. After Introduction, the item 2, Preliminary Data, presents some information about business and immigrants, especially in USA. The item 3, International Entrepreneurship, presents theoretical questions about Internationalization of Business. The item 4, Orlando City, shows economic values and refers to the presence of Brazilians in the city. Methodological questions of the research conducted by the authors are presented in item 5; item 5.1 Data Analysis shows the first report taken from primary data collection about Brazilian undertakings in Orlando. The article closes with item 6, So What, where the last argumentations about the research are presented, and it will propose a review of the present models of Internationalization of Business theme.

## **PRELIMINARY DATA**

Usually, an academic research tries to delimit a theme known in the scientific universe and, within it, elaborates meaningful content, as if it were to draw images in the limits of a screen. But this is not our case. We started to paint a picture without

knowing – and nobody does – the dimensions the final portrait will have, what obliges us to create data and information, at the same time we look for reliable limit that can hold a concise and understandable picture.

What we present now, taken from official and not official information, will give some dimensions – large and not precise – of the phenomenon that we propose to observe.

“There is no precise number of how many immigrant entrepreneurs are Brazilians” (Raguzo, 2012). This is *Gazeta Brazilian News*’ report, a newspaper, written in Portuguese, which is found in some North American cities. It is the same information that the authors of this article heard many times in their field research, but is about a phenomenon that starts to be meaningful to the elucidation of the contemporary migratory movements and to the economy and employability in American territory. Still according to the same report, more than 236 thousands of jobs are created by foreign enterprises in the south of Florida, a region that holds 45% of foreign business in the USA. From this total, a considerable part – to be related yet – is made of Brazilian affairs.

The investments impact of the Brazilian entrepreneur emigrants on American economy is still to be revealed. Data from Brazilian Central Bank - BACEN (2014), similar to U.S. Federal Reserve, shows that the average increase of Brazilian investment in the USA raised, 6.67% on average a year, getting to 14 million dollars in 2013. However, it does not specify how much of this amount is made by people who left their country with the resources to invest in the USA and the ones who invest from Brazil, without leaving the country. Besides, BACEN data does not take into account Brazilian investments resulting from the accumulation of the results of started and developed

business, in American economy, since these results belong to the American economy itself.

Fourteen million dollars is a meaningless amount to an economy like the American one. Despite this, Brazilian partners of an economy assessorial enterprise in Orlando assure to these researchers that they have denied enormous purposes from Brazilian investors without certified origin. If the investments that come from all parts were accounted, the amount could reveal to be greater than that (14 million dollars).

Data quoted in the Final Report of Brazilian Immigration Parliamentary Commission of Inquiry (Republica Federativa do Brasil, 2006, p. 26) inform that between 1.8 and 2 millions of Brazilians lived in the USA, almost half of the whole number of Brazilian immigrants around the world. Report from “Veja Magazine” (1996) relates that the Brazilian community in Florida increased 20% a year, between 1990 and 1996, more than any other Brazilian metropolis, and estimated that 200.000 Brazilians lived in that state, in 1996. Today, according to “IstoÉ Magazine” (Delboni and Barboza, 2014), there are 250.000 Brazilians living in Florida.

Due to a great effort of Brazilian Consular Staff in USA, 112.252 Brazilian voters were registered in this country, being Miami General Consulate – that holds the residents in Florida, Puerto Rico and Virgin Islands – responsible for the emission of 22.294 election documents, the largest number of Brazilian voters in the USA. The number of Brazilian voters registered in Miami Consulate is superior to the Italian one (21.168), German one (18.113), and to all the other countries that know Brazilian immigration, except for Japan (37.638) and Portugal (30.910) (Barbosa, 2014).

As a result of the great number of irregular migratory situations, probably we will never know the exact extension of the “Brazilian diaspora”, except in Japan, a

country that controls the number of immigrants by means of employment contracts (Republica Federativa do Brasil, 2006, 2006).

However, the increase and the sensible volume of Brazilian business, and the jobs created, have stimulated efforts towards quantification, as well as the enlargement of the volume of information about competitive and market conditions. The Brazilian Business Group, founded in 2006, intends to extend its work of census of Brazilian people in the south of Florida, including business and immigrant entrepreneurs' data. Meanwhile, the Brazilian Confederation of Shopkeepers Directory – CNDL – has been accomplishing “Mission Florida”, whose aim is to show Brazilian entrepreneurs the market conditions in the USA, through visits to the local retail companies. According to CNDL (2012), “Knowing new concepts, our retails will be able to choose new opportunities to their business without depending on high investments, but on a single change of attitude.”

In 2012, the authors of this article developed a research project, whose final aim is to explain the factors that guide Brazilian entrepreneurs in a process of internationalization, which does not have, necessarily, its starting point in export goods manufactured in national territory. The project focuses on the citizen that emigrates and settles business, characterizing a new way of business internationalization not yet considered by the usual way of internationalization, to which we will dedicate some lines in item 3, as follows. More ahead, in item 4, information and preliminary analysis of the project collected in our field study are exposed.

## **LITERATURE REVIEW**

### **International Entrepreneurship**

We began our bibliography research reading some of the main Brazilian authors that had already studied the subject. So, we used two local instruments: Brazilian Lattes platform of Conselho Nacional de Desenvolvimento Científico e Tecnológico – CNPq and the articles base of Associação Nacional de Pós- Graduação e Pesquisa em Administração – ANPAD.

This study guided us to some writers. So, by reading the texts we were to identify two important aspects for the study: the identification of the main themes about internationalization and the mapping of the main international authors. We pointed out, for instance, the revision performed by Dalmaro (2006) that showed a range of studies about the theme, highlighting works on the development of the theories on international entrepreneurship, the relation between innovation and internationalization and the appearance of Born Globals.

The study of the theories and the models of internationalization helped us to organize an initial questionnaire to the field research and, in future time, it will be the conceptual basis to the critical analysis of the theories of internationalization. Following – considered that the main object of this article is to present a photograph of the Brazilian entrepreneurs conditions in Orlando – we will show the main approaches about the theme `internationalization`, which, far from being considered as panacea, it is known and accessible to scientific community.

It is possible to identify some considerations about internationalization since 1960's, with studies about the internationalization process focused on the organizational behavior theory (Hilal and Hemais, 2001). This process of internationalization is regarded, since then, as a rational process based on increase and can be focused not only on the enterprise itself, which drains off its position in the origin country and searches for opportunities in abroad markets. But also on the entrepreneur himself, who sights

the possibility of advantage or gains through networks and the possibilities to explore and develop new markets. In both cases, there are meaningful efforts from academia towards explaining the process of internationalization and creating models that can work as the basis for the next entrepreneurs minimize their trade risks.

### Theories of Expansion

The export is the simplest option for small enterprises to internationalize, but it offers little control over the international activities, bringing a performance in a level below the ideal one (Crick and Jones, 2000). However, studies on this matter involve other approaches and aspects, such as the innovative culture the enterprises assume in international markets (Knight and Cavusgil, 2004), or social relations that can help to identify opportunities abroad (Ellis and Pecotick, 2011).

Still on this matter, according to Holland (1999), the process of internationalization of an enterprise has basically three stages:

- Export
- Launching offices abroad
- Displacing production structure

### Economic Theories

According to the theory of the market force, huge monopolistic or oligopolistic firms use their structure to create market barriers. This strategy allows such a strengthening that the internationalization would be an action more easily executed (HYMER, 1960). This internationalization theory proposes to the transactional firms to go in abroad market by means of direct investments, instead of license, when they have differential advantages in relation to other firms (COASE, 1937).



Another version – the eclectic paradigm theory – to the economic theory involves the internationalization of production and looks for a differential over competitors, instead of giving their rights in to other firms (DUNNING, 1977).

### Behavior Theories

Uppsala's model is the one in which the process of internationalization happens in a gradual way, oriented by the psychic proximity, from the amount of knowledge the entrepreneur takes from the abroad market (JOHANSON & VAHLNE, 1977). This model was divided into two lines: the first would be the one of the traditional model, which is based on the experiences of the internationalization through smaller psychic distances, for they would present less linguistic and cultural differences, for instance.

The other one includes the internationalization in Networks, which involves business whose process occurs in relationship network that help and minimize risk, working as a support to a new firm (JOHANSON & MATTSON, 1986). In this way, these bonds of relationships and social interactions among the entrepreneurs, not necessarily the psychic distance, would determine the success of the process of internationalization.

In McDougatt and Oviatt's theory of international entrepreneurship (2000), we have a more comprehensive work involving fundamental aspects, such as commercial management, competitive advantage, prices and resources in other country, besides the combination among innovation, proactivity and risk aversion. These authors point out that there are four types of international enterprises trading startups, multinational dealers, geographically focused startup and global startup. They also indicate that the enterprises have different advantages and speed to the internationalization, determined according to 4 forces: viability, motivation, mediation and moderation. So, the concept

is turned to the analysis that the entrepreneurs have in relation to an opportunity of international expansion and the use they make of it.

### Born Global Theory

McDougall and Oviatt (1994) analyzed 24 studies of enterprises that have challenged the traditional theories of entrepreneurship, once they had different characteristics of internationalization, compared to multinational enterprises and the ones already settled in the local market. According to Dib (2008), born global are enterprises founded after 1990, holding international activities for a period between 2 to 15 years after their foundation, with a percentage of revenue coming from operations abroad (between 5% and 75%) and market comprehension (two or more international markets).

### Cultural Adaptation Theory

Transcultural adaptation is defined as the degree of psychological comfort in different aspects involving the immigrant life in the destination country (BLAK, 1988). This author analyzes the adaptation based on three main aspects: degree, way and facets. In relation to the degree of adaptation, four stages are revealed, presented by the U-curve. It begins with the period of enchantment and gleam, due to the novelty of the new country, going to the period of frustration and hostility, as a result of cultural conflicts. The curve passes by the period of stress reduction, for having acquired more linguistic skill and locomotion, to end in the adjustment, when the one presents the capacity to live in an ambient efficiently and with no anguish (BLAK, 1988).

Being fundamental for the theoretical enrichment of the Internationalization of Business, the study, resumed above, did not supply us entirely for the purposes of this

article. Probably, it will be necessary to have an additional investigation in the theory of human migrations area, in which we can insert entrepreneur bias, proposing a new model of internationalization.

### **Orlando City**

Worldwide known for being the seat of huge theme parks and resorts – along with its neighbor Kissimmee – Orlando city holds a fix population of less than 250.000 inhabitants. It is, however, one of the most visited city in the world, having received more than 50 million tourists a year, in average, in the last decade. From these ones, the number of Brazilian tourists exceeds a million a year. In spite of this, the city works. Except for the height of the season period, you can find parking places in malls, parks and resorts, the traffic is normal and all of the 100 thousand hotel units are able to hold their millions of visitors. Its International Airport (MCO) is the 13th busiest one in the USA and the 29th one in the world. One of its attributes is the important industrial and technological Center. The metropolitan area holds a business set focused on digital media innovation, agricultural technology, aviation and software design. Over 150 international enterprises, which represent about 20 countries, have offices in the county. Today, Orlando has the 7th largest research park in the country: the Central Florida Research Park, with more than 1.025 hectares (4,15 km<sup>2</sup>), besides being an important military navigation simulation center, developing and applying simulation projects for Army, Air Force, Navy and Coastguard.

A vital part of local economy is Tourism. Orlando is the basis area of Walt Disney World Resort, Universal Orlando Resort and Sea World. The convention industry is also important to its economy. The Orange County Convention Center, enlarged for more than 200.000m<sup>2</sup> of room of expositions in 2004, is now the second

largest complex of conventions, concerning space in the USA, losing for McCormic Plaza, in Chicago, only.

According to Forbes Magazine (Murray, 2012), Orlando has got the second place in greatest number of rooms rank in the USA, coming right after Las Vegas. It is also one of the busiest American cities, concerning conferences and conventions. Historically, accommodations in Orlando are demanded by low-income families, but there are also luxury hotels, like J W Marriott Orlando or Ritz-Carlton Orlando Grand Lakers.

Talking about cultural production, Orlando seats the Florida Cinema Festival, which takes place in different parts citywide, and is one of the most respectable local cinema festivals in the country, attracting beginner filmmakers of the whole world. The city is very popular among independent filmmakers and the incentives of Florida State have contributed to increase the number of movies that are made in Orlando and in other cities of the state, too.

The city also has an expressive number – not accounted, yet- of Brazilian residents and entrepreneurs and, due especially to this, it was chosen to be the basis of the first phase of the research, which we are going to relate. Some other facts that contributed to this choice were the concentration of Brazilian business alongside of International Drive, its most famous avenue, and the travelling costs for the researchers.

## **METHODOLOGY**

There are diverse classifications for the scientific researches that usually adopt their won elements for categorization. Especially in the present research we are convinced that it is a basic research, specifically for adopting the concept of Frascati Manual, edited and kept by Organization for Economic Co-operation and Development

– OECD. This manual describes the basic research as “an experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view” (OECD, 2002, p. 77).

Just to remind that the main objective of this article is to expose the result of a basic research, we pass on to the description of the observed results, aiming, in a second place, at the identification of the hypothesis to be explored in future works.

The first phase of this research project involved data and information collection, presented in this article. Its objective is mainly to bring elements related to size of business, number of employees, origin and profile of workmanship, schooling, adaptation, level of quality in products, attendance and aggregate services.

The enterprises initial mapping was performed by Brazilian supported local sites and Brazilian local newspapers. This initial sounding put in evidence experience business activities, but not the enterprises population, something these researchers were hopeful to get by the first visit. But today, after four visits, it is still unknown. In this first survey, 266 firms and institutions distributed mainly in areas of Foods, Leisure, Retail Trade, Health and Welfare, Home and Construction, Schools and Courses, Churches and Associations were identified.

Afterwards, the research group planned and organized the information collection instruments. In view of the exploratory nature of the first phase, we decided for a structured questionnaire, associated to semi-structured interviews, avoiding an invasive questioning in relation to the respondent. The first instrument aimed to get quantified and objective information and the second one was able to provide some ethnographic inferences of the population, but they still need analysis. The questionnaire was divided in theme areas, mainly related to business administration – basic activity, financial

management, marketing, human resources, purchasing and inventory – but it also included data that gave personal information about the entrepreneurs, such as attitudes and managerial skill, age group, schooling, migration time and some others.

Previously two entrepreneurs were contacted – the ones settled in the city for over twenty years – who were ready to contribute as informers, to whom we owe so much for the indications and presentations of potential respondents, tactics of approach and reliance acquisition by the interviewed people. In some cases, the entrepreneurs agreed to give answers only after personal and detailed information about the intentions of the project presentations. We felt that they were trying to avoid indicating the Yellow Brick Road for possible future competitors.

The first impression that we had by the first visit, in October 2012, was that there is a low degree of Association among the entrepreneurs, showed by the difficulty of Brazilian people to get organized in only one class of activities, even with only one ethnic group. This is completely different from the situation of several Spanish immigrant groups in that area, in a general way. There are Brazilian associations, like the Chamber of Commerce – it is our main reference – and some Clubs and Professional Groups. However, they work in an isolated way, losing social, economic and political force, obviously. Unlikely to what seems to happen in Boston region, for example – where we find indicators of great collective venture and high ethnic organization – Brazilian entrepreneurship in small business in Florida seemed to us to come from individual initiatives and held by people with high degree of self confidence and little risk averse.

It is considerable the dependence of most of business on Brazilian tourism. The call is so strong that we can find some shops with names in Portuguese and Brazilian flags on the store windows, whose owners were from Argentina or India.

Since the first phase of the works, it was possible to verify the need for a theoretical section of research in Internationalization of Business and/or International Entrepreneurship that fulfilled immigration theme. It is really meaningful in the researched sample the presence of entrepreneurs who were there due to the opportunity to leave Brazil. This motivation seemed greater and more intense than the entrepreneur purpose to enlarge his business economic success in the origin country, as the theories of internationalization suggest.

In 2013, after analyzing initially collected information, a second questionnaire was elaborated, free from questions that were not necessary, after analysis of the exploratory phase, but compatible to the first one, in order not to endanger the consolidation of the quantitative data. In the second visit, in November 2013, the works took place more easily due to two factors, the first one, the experience acquired by the researchers, and the second one, very important and revealing, the overtaken of the distrust from local Brazilian business community, which was found in the first travel. We attribute the minimization of the distrust to factors like keeping in contact through e-mail, the divulgation of the information on the site of the present research project and the return of the researchers, who began to be known in the local social ambient, reliable condition typical of Brazilian people relation system.<sup>1</sup>

On the second stage, about 28 entrepreneurs were interviewed. The data put together with the first 12 questionnaires were studied and presented some correlations.<sup>2</sup> With the assembled information in hands, we started a series of debate within the

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<sup>1</sup> In the pause between the first and the second interviews, the researchers tried to augment the information collection through internet, using a model specially designed for this. However, there was very little return, even from the entrepreneurs previously contacted and asked to answer a questionnaire by internet.

<sup>2</sup>We considered the sample satisfactory. Although the total researched population is unknown, it is small and finite.

research group, which culminated in realizing the need of one more interview. This occurred in May 2014, with interviews less dependent on a pre established questionnaire, of which only some entrepreneurs took part, mainly those living in the USA for longer time, with greater participation in Brazilian business community organizations, as well as professionals specialized in migration and tax and labor issues in the USA.<sup>3</sup>

### **Data Analysis**

The sample is made of individual entrepreneurs in retail business, food, services and journalism, but the first type predominates.

#### **- Age Group**

Preliminary information and bibliography research done before the first visit made the authors formulate the hypothesis of the existence of two distinct groups: the first one formed by young entrepreneurs that would have arrived at the USA porting complete college degree and already being business people. The other, presumed to be formed by older entrepreneur people that would have arrived at the USA in the decade of 1980, and established as workers of some other firms to, then, have their own business. The information was:

Interval	%
From 21 to 30 years	7.4%
From 31 to 40 years	33.3%
From 41 to 50 years	18.5%
From 51 to 60 years	33.3%
From 61 to 70 years	3.7%

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<sup>3</sup>We had a fourth visit in September 2014, when we interviewed the General Consul of Brazil in Miami and some others Brazilian entrepreneurs in Pompano Beach and Miami. However, the information collected this time, by means of interviews in Pompano and Miami, is still under analysis and does not take part of this article.



From 71 to 80 years	3.7%
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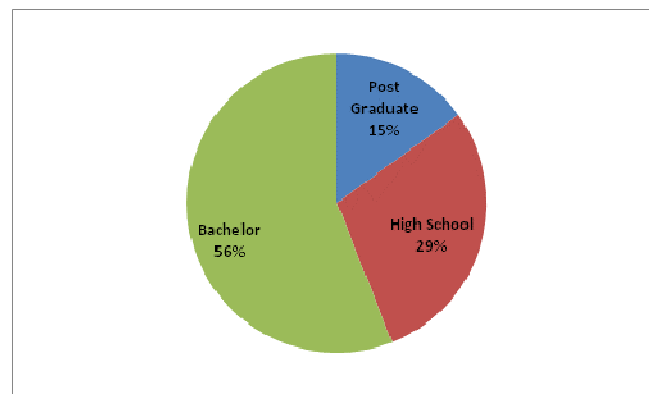
In fact, this information allows us to classify the groups as mentioned above. However, once we correlated the age group data with the members of the group, the hypothesis did not confirm. The average age in both of the groups was practically the same, 47 years old. The standard deviations were also very close.

### **- Emigration Time**

In the sample, the average time of emigrate from Brazil to The USA is of 12 years.

### **- Formal Education/Schooling**

The level of the formal education in the sample is surprisingly high, with a bit more than 70% of the entrepreneurs having complete college degree and/or graduation degree. We did not identify in the sample cases of schooling, at the mentioned levels, obtained in the USA. However, further information show that there are Brazilian entrepreneurs with formal education obtained in the USA, especially graduation level.



### **- Correlation between Formal Schooling and Time of Emigration**

Another hypothesis formulated before was that there would be more people with more schooling time among those who have less time in the USA. Yet, we got the following data,

- The index of total correlation between schooling and time of emigration in the sample is  $-0.03$ , that is, there is no correlation between these variables;

- People who arrived at the USA only with the high school degree were in the country for 14.88 years, in average, with standard deviation de around 10;

- The ones who arrived at the country with complete graduation course were in the country for 10.87 years in average, with standard deviation around 7.5;

- Those who arrived at the country with graduation course level were in the country for 17 years in average, with standard deviation around 14.

Again, the hypothesis cannot be confirmed by the data in the sample, once there is no total correlation between schooling and time of emigration, and the highest schooling level is among those who have higher average time of emigration, although presenting a higher standard deviation.

### **- Correlation between Occupation and Time of Emigration**

The correlation of data of the sample among these variables demonstrates that people who already hold business appear among those with minor average time of emigration. The ones known as *adventurers* (with no perspective of work) appear among those having higher average time in the USA.

<b>Which status arrived in the USA?</b>	
<b>How</b>	<b>Time in the USA Average</b>
As an entrepreneur	8.4 years
Whit a job	14.8 years
No job prospects	15.5 years

We must notice that the sample is entirely made of people who are entrepreneurs at the moment, including the ones who arrived at the USA as workers and those *adventurers* who became entrepreneurs. The data corroborate the personal perception of many of the interviewed people, who pointed for a `new generation` of people arriving at the city of Orlando as entrepreneurs, revealing a kind of change in Brazilian emigrant profile, from *adventurers* to *entrepreneurs*.

**- Occupation in Brazil before Emigrating**

Didn't work	10.7%
Formal entrepreneur	53.6%
Government employee	7.1%
Informal entrepreneur	3.6%
Private company employee	25.0%

More than half of the respondents (53.61%) were formal entrepreneurs in Brazil. But, if we remove this amount from the sample and check their occupations when they got to the USA, we will find surprising data.

<b>Just ones that were businessmen in Brazil: Which status arrived in the USA?</b>	
As an entrepreneur	56%
Informal employee	13%
No job prospects	31%

Most part of those who were entrepreneurs in Brazil held this condition in the USA. Nevertheless, around 44% of the ex-entrepreneurs in Brazil seem to have decided to face life in the USA initially without this condition, with high percentage of *adventurers* (with no work perspective). We shall notice, once more, that all of them are entrepreneurs today.

**- Initial Occupation at the USA**

Turning back to the total of the sample, we verify the conditions in which the present entrepreneurs arrived at the USA.

<b>General data: Which status arrived in the USA?</b>	
No job prospects	44.4%
Informal employee	11.1%
As an entrepreneur	37.0%
Formal employee	7.5%

Only 37% of Brazilian entrepreneurs established in Orlando at the moment got to the USA in this condition.

### **-Why Left Brazil**

This question brought us an important factor to elucidate the conditions and characteristics of Brazilian emigrant entrepreneurs in the city of Orlando.

We arranged the answers in four categories:

1. Do not Want Brazil anymore – 40.0%

Answers such as `I quitted because of violence`, `I'm tired, it's infeasible`, `I'd like to improve the quality of my family life` were grouped in this category. The most frequent items were security, education and health.

2. Were Enchanted with the USA – 21.0%

Answers of the entrepreneurs who declared have decided to quit Brazil after a trip to the USA, when they were amazed with the infrastructure and the urban order, the cleanliness, the balance between taxation and social justice and the formal education. We call the attention here to the fact that 56% of the interviewed people said that they arrived at the USA through Orlando, showing the enchantment it causes on Brazilians.

3. Personal Opportunities – 18.0%

Category of the answers of those left Brazil for seeing opportunities to study (English Language in especial). Because parents are living in the USA would offer opportunities for new personal experiences, because they found a way out for their problems in Brazil (matrimonial ones mainly) and other personal situations.

#### 4. Business opportunities – 21.0%

Answers of people who declared having left Brazil because of business opportunities for market expansion, by means of franchise or another commercial activity.

Only 21% of the present entrepreneurs in Orlando emigrated from Brazil to the USA looking for business opportunities. For researchers looking for economic motivations for internationalization of business, this research data may seem deceptive. Nevertheless, it was able to open a huge perspective for the inference of the motivations of “Brazilian silent migration” in the last thirty years, a phenomenon that “Relatorio Final da CPI da Imigracao” (Republica Federativa do Brasil, 2006) called “Brazilian diaspora”.

Furthermore, it authorizes these researchers to suggest that the present models in the literature about internationalization of Business and International Entrepreneurship should be reviewed towards the inclusion of non-economic motivations for the internationalization. Even motivated by the feeling of aversion to Brazil or of the enchantment with other country or city, the migratory movements we observed can bring economic consequences, expressed by means of employment and investments that affect both, destine and origin economies.

#### **- Business Extension in the USA**

In terms of extension, the sample data of Brazilian enterprises in Orlando are distributed in the following way.

<b>Business size in the USA:</b>	
Big companies	3.7%
Small companies	85.2%
Medium companies	11.1%

In Brazilian national territory, according to the Instituto Brasileiro de Planejamento Tributário – IBPT (2012), Brazilian enterprises are classified in the category of micro and small sizes, representing 85% of the total. Medium and big size enterprises represent only 15% of the sum. These data presented perfect correlation with those we had in Orlando.<sup>4</sup>

#### **- Knowledge in Business Area**

The theories of entrepreneurship point out the need to know the target market, mainly to minimize risks. In this way, we asked the entrepreneurs about previous knowledge before starting business.

	<b>Knew the type of business?</b>	<b>Knew the American Market?</b>
YES	56%	37%
NO	44%	63%

A SEBRAE (2007) study did in the 27 Brazilian Units of the Federation, with 14.181 firms created between 2003 and 2005, 13.428 of which are still working and 755 extinguished, showed the success factors for these entrepreneurs. In the result, 'good knowledge of the market they work' was one of the most important characteristics for the entrepreneurs in relation to managing abilities.

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<sup>4</sup>We shall make an observation here. The concept of small business in the USA is generally related to those firms whose annual revenue is less than 1 million dollars. Likely to what happens to Brazilian micro enterprises, they enjoy any tax benefit and procedural law, but their classification follows different criteria.

The great number of negative answers to knowledge of the fields of business suggests a businessman with low administrative profile, moved by personal impulses to the implement of his own business and low risk aversion. This suggestion got force when we identified that more than a half of the respondents alleged not to know the particularities of the market in which they intended to work.

### **- Differences and Similarities between Brazilian and American Business**

We also analyzed if fields of business of entrepreneurs in the USA were the same to or different from what they did in Brazil. It also includes those who were not entrepreneurs in Brazil and separates those who are entrepreneurs in the USA and still make business in Brazil.

General responses	Work in a DIFFERENT industry in US than used work in Brazil	67%
	Work in a SAME industry in US than used work in Brazil	33%
Only responses that were businessmen in Brazil	Work in a DIFFERENT industry in US than used work in Brazil	69%
	Work in a SAME industry in US than used work in Brazil	31%
Only that kept their business in Brazil	Work in a DIFFERENT industry in US than used work in Brazil	57%
	Work in a SAME industry in US than used work in Brazil	43%

The majority of the sample of present Brazilian entrepreneurs in Orlando makes different business. This can indicate 3 alternatives to the choices of the entrepreneurs: *i.* the entrepreneurs realize that their origin work area fulfilled in the USA, *ii.* They observe another opportunity and do their search before trying to work in the area they worked and *iii.* They just want to change life and hold the opportunity that shows. These alternatives elaborated *a posteriori* still need confirmation.

The fact is that the great number of answers showing different working areas combined to a meaningful part of those who declared not to know previously their present area of business and market (previous item) suggests decisions with small relation to academic framework of contemporary management.

#### **- Employ, Employability and Employees**

About 55% of the sample of Brazilian enterprises in Orlando started working with only the owner, with no employees. By the time of the research, nearly 25% of the firms did not have any employee. Facing lack of information about the total amount of employs created in the USA by Brazilian business, this is a fact that allows us to affirm that, at least, there is employs generation in Brazilian business. Despite the fact that the majority of employees in these enterprises were Brazilian, we could also find Spanish, North American and workers of other nationalities.

‘I’m not sure if people are aware of how big and increasing is the rule of some immigrants as firm owners’, said David Dyssegaard Kallick, research director of Fiscal Policy Institute to the NY Daily News. ‘Immigrants are expanding economy, and this is real’ (Gazeta Brazilian News, 2012).

As we learned from Schumpeter (1961), the entrepreneur is, over all, an innovator that pushes the economic and social development, by means of reform or revolution in production patterns. It seems to be what we can find among Brazilian entrepreneurs in Orlando.

In the People Management field, none of the entrepreneurs has declared to have relatives working in their firms and 68% of the new employees are unknown people. However, when asked about what is more important to be an employee – being reliable or having knowledge – of the work, the answers were:

- For 75% being reliable is more important,



- For 25% having knowledge of the work is so.

These answers seem to correspond to a signalization of Instituto Brasileiro de Geografia e Pesquisa – IBGE (2003) that micro and small firms are `an alternative for a great part of surplus labor force, usually with low qualification`. Nevertheless, a look over the nature of job relation in Brazilian society can easily explain that personal confidence is a decisive factor for a Brazilian employer to keep some personnel under his control, especially in small business where the owner`s look is permanent. After all, `the eye of the owner makes the ox fat`.<sup>5</sup> Professional reliance is not despised, but comes in second place. It is not to admire that Brazilian entrepreneurs, even being in the Land of `General Theory of Administration`, reproduce the patronage model of their cultural heritage.

#### **-Return on investments**

Talking about investments, 99% of the interviewed people said to be satisfied with their own business. They also declared the following return deadlines:

<b>Returnon Investment</b>	
Lessthan 1 year	48%
Between 1and 2years	26%
Between 2and 5years	19%
Not yet secceded	4%
Don`t know	3%

#### **-Expectations for the Future of Business in the Economy of Orlando City**

Besides an extremely short average term to the return, 75% of business people have optimistic views about the future of business, especially in Orlando:

- Great increase (54%)
- Some increase (21%)

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<sup>5</sup>Brazilian saying.

- Stability (18%)

- Fall (4%)

One of the principal characteristics of the entrepreneur is optimism. This is what Dornellas (2014) suggests. According to him, these feeling make the entrepreneurs always foresee success, instead of imagining defeat. Moreover, `they love what they do. And this love for what they do is the main fuel to keep them more excited and self determined, making them the best sellers of their own goods and services, for they know, as nobody does, how to do it` (Dornellas, 2014).

#### **- Layout and stock**

Questioned about their layout, 25% of the respondents believe that is not suitable for your business and plan changes. Most, however, consider the layout adequate. Among the companies that maintain inventory, 50% of its entrepreneurs think this stock is correctly sized and the other half think that is missing space. The fact that anyone can declare that leftover space,shows that entrepreneurs are waiting for demand appear for after expanding sales.

#### **- Localization**

Looking in the literature about localization`firms decisions we identify the following facts (not mutually exclusive responses were allowed):

<b>Fundamental facts</b>	
Rental price	48.15%
Customer ease of Access	77.78%
Store internal space	51.85%
The location is usual customers' frequency	62.96%

The stores' grouping in many US cities in malls and the need to create clusters destined for Brazilian tourists favor many entrepreneurs groups to invest in these

spaces, transforming them into small islands of Brazilian business, while not necessarily form a business community. This is the case of Orlando, where the crowd malls bakeries, gender subsistence markets, restaurants, travel agencies, retail stores in perfumery, electronics and vitamins, among others. This facilitates the movement of clients and generates a full Brazilian climate in the US.

The majority of Brazilian' stores are located in malls along International Drive.

### **- Pricing**

The pricing criterion for selling predominantly declared was the profit margin on the cost (54% of responses). The remaining respondents are divided between the pricing method in accordance with the competition or through the value perceived by the customer. It should be noted that a quick survey compared prices between online stores and American establishments reveal a practice of higher prices among the first, mainly in electronic items.

### **- Communication and Advertising**

The following data indicate the preferred channels for advertising and publishing. Also here do not exclude responses were allowed.

<b>Percentage of the total that uses</b>	
Opened television	18.52%
Tourist Channel	25.93%
Folder in other stores	51.85%
Folder in hotels	48.15%
E-mail	62.96%
Internet page	74.07%
Post mail	37.04%
Outdoor	7.41%

### **- Entrepreneurs Relation with the Brazilian Tourism and the City of Orlando**

About this issue, 56% of respondents declared that their business depends on Brazilian tourists to survive. However, 87.5% of them would not change to another city in search of other Brazilian tourists and 69% of respondents would not change their business even decrease the number of Brazilians in Orlando city.

This is business nonsense. The answers make us return to the real internationalization motivations, most of them personal ones, over issues such as market expansion and business opportunities. It seems that the attachment to the country and, in particular, to Orlando, makes entrepreneurs break the rationality of economic decisions and cling to personal passions.

Another data obtained reinforces this argument. About 56% of respondents arrived in US by Orlando city. If we remember that many of the respondents said they had decided to establish business after feel delighted with the country, it seems they are also willing to risk their business to stay in the city.

No conflicts or severe difficulties in cultural adaptation were observed, as proposed by Black (1988) model. However, a deepening research through ethnological reference is still ongoing.

Finally, 65% of the sample declared accompanies Brazilian news on television, but 82% said they would not come back to Brazil. Those who responded they could return all made restrictions or conditions (around factors such as safety, quality of life and education) or told us that they just come back to visit.

## **SO WHAT**

Instead suggests the lovely smiles on the blue Miami sea background in some photos that illustrate the story titled "Live in Miami" presented in Brazilian magazine Isto É (2014), most Brazilian immigrants' life in the USA is not exactly represented by

a tourism agency image. In our field research we found several entrepreneurs working 6 or 7 days a week, 10 hours a day, year round, with only one or two weeks of vacation – in Brazil employees have one month to spend their vacations. “Life is hard here in the Slave States”, said many of them, but most do not want to go back.

The overall impression that we have been realized is the predominance of a reward feeling. The work is hard, taxes are not low, but see that the result of the work actually becomes a quality of life causes in Brazilian businessmen a kind of “citizen happiness”. The city works well: traffic flows, public schools are good, public services seem to be really endowed with the property of serving. It seems Brazilian immigrants live in conditions that they would like to live in Brazil.

For this, they don't hesitate to invest their resources in business that they not always have experience to manage or in not known markets.

However, the outward absence of economic rationality causes a strong economic impact. In recent decades, both the academic literature in economics and business administration as in the press made it seem that only big corporations drive the US economy, giving the impression that there are no small businesses in the US. But the United States remains an immigrants land wherein, to survive, find in personal venture the most viable option to succeed in life.

The result is a huge small businesses economy, with significant impacts on the domestic goods, in the employability and in government collection. It is impossible don't recognize these movements as belonging to a certain category of internationalization of business.

Usually, facing internationalization movements from any national origin, the current models of international entrepreneurship have focused on investments arising from the accumulation of national wealth, whose strength expression is projected in

goods and skills exportations and, ultimately, creating jobs in the destination economies. Meanwhile, the immigrant entrepreneur creates jobs and pays taxes now.

In a future paper, grounded in the results of this field research and other sources, we intend to go deep in internalizations theories to try use one of them to explain the phenomenon of Brazilian businessmen movement to US. In other hand, we believe those immigrants' studies like Portes and Zhou (1992) can give us a different way to understand this. If none of those studies could explain the phenomenon, we will move forward in suggesting a new model for the Internationalization of Business that includes immigrant entrepreneur' participation.

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