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THE ROLE OF PORTUGUESE COMPANIES IN THE DEVELOPMENT OF CORPORATE STRATEGIES: CASE STUDY

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To my brother.

"Begin with the end in mind"

- Stephen Covey

Abstract

Strategy assumes a significant role in the managerial field. From the primordial military setting until the managerial context, strategy is becoming increasingly noticeable due to the complexity of business context itself. It aims to define goals in order to achieve competitive advantages, sustainable in the long term.

In academic terms, corporate strategy consists in a set of conceptualized strategies with distinct purposes. But how does one make a decision regarding corporate strategies? Which forces, internal or external, are capable of influencing it? Are these corporate strategies equally perceived by distinct companies?

It is possible to notice a gap of perception between the academic and business settings. In academic terms, strategy is only explored towards its aim. However, under real conditions, companies are exposed to further features. As so, the present investigation aims to develop an understanding about how distinct companies perceive strategy.

This study relies on data from 30 companies who operate in Portugal, with a variety of industries like, assurance, architecture, consulting, coffee production, energy food & beverages supply it/software logistics and distribution, metallurgic, online services, recruitment and retail.

The results include valuable information regarding the main drivers of the decision behind corporate strategies and the dissimilarities associated to the perception of strategy at the corporate level.

Keywords: Strategy, Strategic Management, Corporate Strategy, Strategic Decision

JEL Classification: M5; M190

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Resumo

A estratégia é um dos tópicos de referência no campo da gestão. Do contexto militar primordial até à perspectiva empresarial nos dias de hoje, a estratégia tem uma importância crescente devido à complexidade do contexto empresarial actual. Tem como objectivo a definição de metas para atingir uma vantagem competitiva sustentável a longo prazo.

Ao nível académico, existe um conjunto de estratégias já conceptualizadas, distintas no fim a que se destinam. Contudo, como é tomada a decisão relativamente à estratégia a adoptar ao nível corporativo? Que forças, internas ou externas à empresa, podem influenciar essa decisão? Terão as empresas percepções semelhantes em relação a cada uma das estratégias?

Existe uma disparidade notória entre a percepção da estratégia entre o meio académico e o contexto empresarial real, em que cada empresa é um caso individual, com influências internas e externas distintas. Deste modo, a presente investigação pretende aferir sobre os factores com maior influência na tomada de decisão. Igualmente, pretende-se criar um entendimento sobre a percepção de cada uma das estratégias em diferentes organizações e os principais factores na origem de possíveis diferenças.

Neste estudo, participaram 31 empresas ligadas a Portugal, de diversos sectores- Seguros, Arquitectura, Consultoria, Produção de Café, Energia, Distribuição Alimentar e Bebidas, IT/Software, Logística e Distribuição, Metalúrgica, Serviços Online, Recrutamento e Retalho..

Como resultado, atingiram-se importantes conclusões, nomeadamente no que respeita aos principais drivers da decisão estratégica na origem das estratégias corporativas e às diferenças de percepção das estratégias corporativas em diferentes empresas.

Palavras-Chave: Estratégia, Gestão Estratégica, Estratégia Corporativa, Decisão Estratégica

JEL Classification: M5; M190

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Introduction

From an organizational perspective, although there is not a single definition yet, strategy is related to firms' direction and scope. It is expected to provide companies support to achieve competitive advantages based on resources and capabilities (Johnson *et al*., 2008), sustainable in the long run.

Strategic thinking is intrinsic to settings with a strong competitive nature (Fernandes & Abreu, 2004), as in the military context, where it found its roots. As the enthusiasm about strategy increased, it was later adopted for business purposes (Özleblebici *et al*., 2015).

By exploring a multiplicity of studies on the topic, it is possible to find evidence of dissimilarities between different author perspectives, mainly based on the underneath assumptions.

Primordial studies were taken by Peter Drucker (1954), driven by "*What is our business?"* and "*What could our business be*?" as a suggestion of a broader view over the organization (António, 2006). Following, Chandler (1962) linked strategy to the determination of organizational goals for the long term. In turn, Ansoff (1965) introduced a continuous approach to strategy. It consisted in a possibility of facing unpredictability by anticipating changes among the business environment. Later, Kenneth Andrews defined strategy as a pattern, enhancing the interest of Harvard Business School on strategy.

The evolution of the *strategic management* concept was a logical consequence of the evolution of strategy itself (Rosa, 1999). Although both *strategy* and *strategic management* concepts are often considered as synonyms, it is possible, and important, to find proof of relevant distinctions between them.

Initially, authors had been driving their research through the foundation and scope of the concept, exclusively aiming the operational improvement to succeed, *i.e*., with focus on the internal perspective. Due to industrial developments, a disruptive approach to strategy was later provided by Michael Porter (1985), who based his approach to strategy on the industry, turning it competitive. As a consequence, many authors drove their research over it. Accordingly, strategic management recently emerged as one of the most critical fields regarding management.

Strategic management is increasingly evolving. Today, it is possible to distinguish at least three levels of managing strategy- corporate, business and functional. In strategic terms, distinct levels must be able to operate independently (Finlay, 2008).

Focusing corporate strategy, it founds the overall direction of an organization (Davison, 2015), *i.e.*, the general scope of the firm. In order to create an efficient system, corporate strategy must balance organizational resources and surrounding markets (Bodislav *et al.*, 2014). Here, strategic decisions include the correct allocation of resources regarding distinct business lines (Grant & Jordan, 2012).

Objectives

The main purpose of this investigation is to identify the major influences under corporate strategies. It is important to first develop an understanding of the perception companies have about corporate strategies, also considering the main influences. However, it is important to notice this is not a representative study. It represents a comparative study within a study sample constituted by distinct firms. Therefore, achieved conclusions should not be generalized.

In order to achieve the proposed objectives, investigation will be led following three key questions presented in the following table.

Investigative Questions	**Investigative Objectives**
What strategic level do companies prioritize?	Understand what forces motivate distinct orientations towards strategy and how they influence the way companies prioritize it
What are the main drivers of the decision behind corporate strategies?	Perceive the role of the business setting and the firms' resources when pondering the strategy to adopt at the corporate level.

Are corporate strategies always pondered the same?	Considering a set of distinct firms, evaluate if the perception of each corporate strategy varies in specific conditions and which features, internal or external, motivate those differences the most. There will be an attempt to assess if potential differences influence organizational performance.

Purpose

When transiting from the academic context to the business one, it is possible to notice a gap on the perception of strategic issues. In terms of academic approach, there is often an intrinsic *ceteris paribus* ideology. On the other hand, within the business context, there is a tendency to underestimate the academic field on behalf of practical experience. It is important to keep the solid academic basis in mind. However, dynamic contexts should be considered, in terms of internal and external influences.

With this in mind, the present investigation emerges as an attempt to evaluate the factors influencing corporate strategic decision the most. Moreover, it is developed an understanding about the perception of corporate strategy across distinct organizations.

Structure

Following the introductory statement, the present thesis will be presented in two main parts- a *literature review* (Chapter I) and an empirical study (Chapters II, III, IV and V).

Chapter I comprehends a theoretical approach to the concept of strategy. From its military roots, following through its evolution until the strategic management, several author perspectives are presented.

With focus on the corporate level, a set of previously conceptualized strategies was explored, and for which the same line of thought was followed. In this review are included the Vertical

Integration, Outsourcing, Alliances, Internationalization, Diversification and Merger, and Acquisitions strategies.

Moving forward, chapter II refers to Methodology and Data Collection. Here, it is drawn the process subject to study where the empirical investigation and its data collecting methods are included.

With an in-depth look at the collected data, the chapter III specifies the main objectives of this study by presenting the key questions driving the investigation. These questions result from a reflection over the *literature review* and author’s critical thinking.

With regards to the investigation, an empirical study was conducted. Its results are then presented in chapter IV.

Chapter V introduces a discussion of the investigation results as based on an arguing exercise towards the *literature review*.

At last, Chapter VI presents a set of key conclusions of the investigation. There are included final remarks regarding the main contributions to the study of the strategic management field, as well as some remarks to the acquired experience and the main limitations faced during the investigation, providing a set of suggestions for future investigations.

Chapter I | Concept and Evolution of "Strategy"

1. Concept of Strategy

Strategy is commonly defined as *" the art of devising or employing plans or stratagems toward a goal"* (Merriam-Webster, 2017).

From a business perspective, although there is an agreement about its contextualization, the definition of strategy is not consensual. In fact, organizational strategy is one of the most complex topics of research (Beard & Dess, 1981). Strategy is related with the "*direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations*" (Johnson *et al*., 2008:3). It understands several competitive movements coupled with multiple business perspectives. This combination is later converted into a set of guidelines, useful to stablish a desirable position within the market place.

In elementary terms, strategy leads companies *"through what they should do while highlights what they had better not"* (Thompson *et al*., 2012:7) It is assumed as "*the overall plan for deploying resources to establish a favorable position*" (Grant & Jordan, 2012:8) or simply as "*the theory about how to gain competitive advantages"* (Barney & Hesterly, 2012:10) over rivals by moving efficiently within the market place (Thompson, *et al*., 2012).

1.1. Evolution of Strategy

Strategic thinking is intrinsic to settings with a strong competitive nature (Fernandes & Abreu, 2004). In fact, these environments constitute a relevant engine to social development as it encompasses the human growth itself.

The etymology of the word *strategy* has its origin on the Greek *strategos* that stands for "*the art of the general*" (Rosa, 1999:7). It has its roots in military context and its first theorization goes back to the ancient China. Yet, it was popularized by Sun Tzu, a Chinese philosopher who conceptualized strategy based on the military positioning. Regarding the military background, strategy is concerned with exterminate the enemy, while avoiding the most the exposure to danger in order to win (Özleblebici *et al.,* 2015).

Accordingly, it is possible to stablish a parallel between military and business related strategy, due to the common principles and goals (Grant & Jordan, 2012). In fact, many authors focused this comparison as research topic. Enhancing a few for the purpose of this *review*, Lin (1994), Lee (1998, 2002), Wee (1991, 1994) and Lo (1998) drove their studies on Sun Tzu's ideologies. These studies focused, strategy's formulation and implementation under war values, the link between war art values and the concept of management and the parallel between Sun Tzu's principles and strategic quality management (Kilinç *et al*., 2012), for example.

The enthusiasm about strategy increased, as it has been later adopted for business purposes (Özleblebici *et al*., 2015). Moreover, it emerged the need to theorize strategic concepts, concerning the organizational environment. Strategy was *de facto* stablished as a topic in management research after the II World War. Nevertheless, it was brought to the lights in the following decade by the most renowned American business schools (Segal-Horn, 2004; Özleblebici *et al.*, 2015).

Focusing organizational strategy, primordial studies were taken by Peter Drucker (1954), based on "*What is our business?"* and "*What could our business be*?" These questions suggested a broader view over the organization (António, 2006). The 1960s were the most important decade as, in 1962, strategy came back to the lights with Alfred Chandler (1962:13), who defined it as *"the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals"*. Chandler explored the relationship between organizational structure and its strategic development. However, although this figured as an important approach at that time (António, 2006), it was still far from what is known nowadays.

Throughout the following years, important advances were taken essentially focused on the distinction between *strategy* and its formulation processes (António, 2006). Ansoff focused the importance of embracing a continuous approach to strategy in order to face the environmental unpredictability by anticipating changes. (Ansoff, 1965; António, 2006). Accordingly, Ansoff developed an analytical-based model to drive the strategic decisions along the strategic problem (Ansoff, 1965; Rosa, 1999). For the purpose, strategy was decomposed in four stages – determination of goals and objectives, analysis from both internal and external environments, formulation of strategic alternatives and monitoring (Ansoff, 1965; António, 2006).

Resulting, Harvard Business School's authors emphasized strategy as a major study subject (António, 2006) underlining Kenneth Andrews (1980:18), who defined strategy as the "*the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving these goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities*", combining Drucker's and Chandler's ideas (António, 2006). This discussion led the exploration of the strategic field under the positioning school paradigm (António, 2006).

1.2. From Strategy to Strategic Management

The evolution of the *strategic management* concept was a logical consequence of the evolution of strategy itself (Rosa, 1999). Although both *strategy* and *strategic management* concepts are often considered as synonyms, it is possible, and important, to find evidence of relevant distinctions between them.

Initially, authors had been conducting their research through the foundation and scope of the concept. The only aim was the operational improvement to succeed, *i.e.*, focusing the internal perspective. However, the development of the industrial field increased the complexity of demand. Accordingly, this new business context required the distinctive application of strategy. It focused different organizational levels in order to sustain businesses. Furthermore, there was also triggered a shift from a static to a dynamic perception of strategic problems (Rosa, 1999). At this point, survival was no longer a matter of internal success, with was about being better than the others.

1.2.1. Competitive Strategy

Dynamic environments lead to structural changes in terms of industrial circumstance. Consequently, it is required to restructure organizational goals. In this sense, Michael Porter became one of the most influent authors after bringing to the light his ''Competitive Strategy", later stablished as an academic field (Porter, 1998).

Until this point, strategic thinking was linked to organizational resource, according to Ansoff (2002). On the opposite, dynamic contexts exposed companies to multiple forces. This fact might have affected the way they compete. As a result, Porter approached to strategy through the most influent force – the industry (Porter, 1998). For the first time, a proper structure to the concept of competitive advantage was provided (Porter, 1998).

According to Porter (1980), every firm has a competitive strategy. It is either developed explicitly, through planning processes, or implicitly, as a result of activities of different departments. If complementing strategy formulation with planned activities, companies would benefit from an explicit process of formulation.

Here, strategy became more than *operational improvement*. It was a dynamic process with internal and external insights. Competitiveness was mainly driven by industry, as the rivalry among an industry incites improvement and innovation (Porter, 1998). Accordingly, strategy would be irrelevant without competition.

1.3. Strategic Management

The emergence of a new approach to competitiveness was later explored by many authors. A significant contribution was provided by Barney (1991), who first studied the relationship between organizational culture and competitive advantage. Beyond organizational culture, resources could represent a potential source of competitive advantage according to a set of empirical indicators- value, rareness, imitability and substitutability. For this purpose, resources are defined as all assets, capabilities, attributes information and knowledge companies can take advantage of in order to develop their core activities (Barney, 1991).

Companies with a proved superior performance have a strong set of core managerial values that induce organizational innovation and flexibility (Barney, 1986). Authors believe strong organizational cultures lead to management excellence (Peter & Waterman, 1982; Barney, 1986). As culture constitutes a distinctive factor (Alchian, 1950; Alchian & Demesetz, 1972; Barney, 1986), dissimilarities sustain competitive advantages (Chamberlin, 1933; Barney, 1989). The increased complexity of business environments, together with a new paradigm, found the nature of strategic management (Rosa, 1999). It can be described as a maturing process of complex managerial activities, considering all the intrinsic technological, economic and social developments (Rosa, 1999).

Strategic management was stablished as a field no more than forty years ago. It was stablished as a critical managerial activity (Finlay, 2000) and enhanced the development of long term performances (Ansoff *et al*., 1976). Accordingly, organizations must be *"willing and able to develop a critical appraisal of its own management conception and practice, through the search for and the implementation of innovative strategies."* (Ansoff *et al.*,1976:33) in order to employ strategic management.

The idea of managing strategy results from distinct fields' insights (Rosa, 1999). Within firms, it became a top concern. Managing strategy comprehends decisions that potentially determine business survival (Rosa, 1999). Its scope is greater than other managerial areas. Strategic management is characterized by its degree of importance. It is responsible for the overall direction and, consequently, the sustainability of the organization.

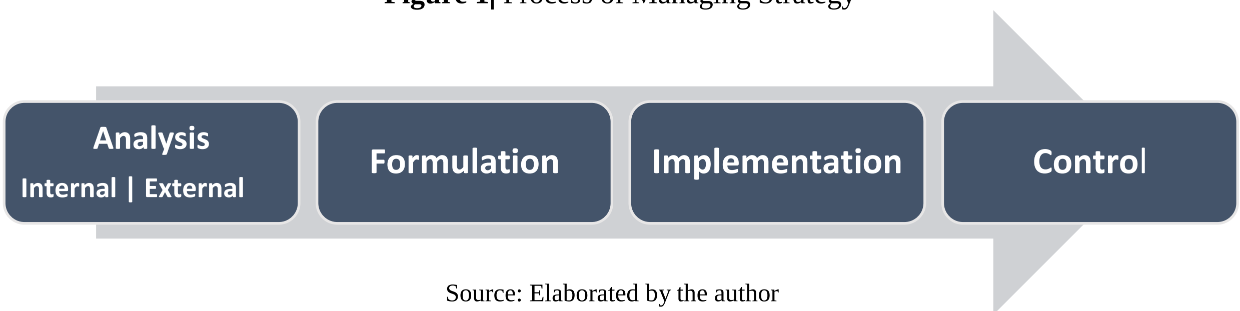
1.3.1. Strategic Management Process

Due to the inherent complexity, is not possible for a company to ensure it is following the best strategy. Nevertheless, it is possible to reduce the probability of mistakes by following the strategic management process (Barney & Hesterly, 2012). The process is dynamic (Thompson & Strickland, 1987), as it embraces "*understanding the strategic position of an organization, making strategic choices for the future and managing strategy in action"* (Johnson *et al.*, 2008:12). Therefore, strategic decisions are not permanent (Thompson and Strickland, 1987).

The process of managing strategy is more than just a set of rules to follow. It comprehends sequential analysis and choices (Barney and Hesterly, 2012), able to drive companies to achieve competitive advantages.

Traditionally, strategic management process is constituted by four main stages - analysis, formulation, implementation and control. The more efficient this process is, the higher the chances to create value (Thompson and Strickland, 1987).

Figure 1| Process of Managing Strategy



Source: Elaborated by the author

Nevertheless, several authors propose further stages. Porter (1981) considers goal-setting as a primordial stage. By their turn, Thompson and Strickland (1987) state the process of managing strategy starts at the moment companies define their mission and strategic goals.

1.4. Levels of Strategy

Organizational strategy constitutes one of the widest and multifaceted concepts (Beard & Dess, 1981) in business terminology. Considering an organization, strategy exists in different levels of activity (Johnson *et al.*, 2008). In fact, the effective implementation of a strategy across different organizational levels, founds a potential source of performance improvement (Thompson *et al*, 2013).

Ansoff (1965) firstly theorized different levels of organizational decision making - product mix and market related decisions. Nowadays, it is possible to distinguish at least three levels of strategy. In strategic terms, distinct levels must be able to operate independently (Finlay, 2000).

From the top to the bottom, corporate strategy founds the overall direction of an organization (Davison, 2015), *i.e.*, the general scope of the firm. Its main concern is focused on how a company will add value to its different business units (Rosa, 1999). Corporate strategic decisions are an "*attempt to exploit the firm's distinctive competences by adopting a portfolio approach to the management of its business and by developing long-term plans*" (Pearce and Robinson, 2011; Rosa, 1999:5). Accordingly, an unclear corporate strategy can compromise other strategic decisions as it drives companies to a non-optimal range of business (Johnson *et al.*, 2008).

Following, business strategy constitutes a competition-based strategy that emphasizes how to compete against rivals considering concrete markets. Business decisions aim to pursue *"what markets are best served with what sort of products or services"* (Rosa, 1999:5), regarding a single line of business (Thompson *et al.*, 2013). This is typically related with issues such as pricing strategy, differentiation or innovation of products, services or even distribution channels. According to Porter (1980) companies positioning themselves by leveraging strengths usually fall into cost advantage or differentiation. As a result, three generic strategies emerged- cost leadership, differentiation and focus- independent of the firm or industry (Porter, 1980).

At last, functional strategy defines the third strategic level. Due to its operational role, its main issue is to effectively deliver both corporate and business strategies in terms of resources, processes and people (Johnson *et al.*, 2008).

When formulating strategy, companies should ponder potential sources of value which will later drive to the most suitable strategy. It is said companies who want to perform better than their competitors should ponder to compete in diverse businesses. For the purpose, firms should adopt a corporate strategy. On the other hand, companies exclusively focused on profits, tend to find competitive advantage within the same business line. In this case, companies should be aligned with the market, through a business strategy.

2. Corporate Strategy

2.1. Features of Corporate Strategy

In a broad sense, corporate strategy establishes the general direction of the firm (Johnson *et al.*, 2008). It is concerned with the industry and markets where companies compete. Thus, corporate strategy essentially aims to create value, aside with a sustainable competitive advantage (Bodislav *et al.*, 2014). At the corporate level, created value derives from *"the task of developing and implementing action plans to improve the firm's overall business position, thereby enhancing long-term performance"* (Thompson and Strickland, 1987:182)

In order to create an efficient system, corporate strategy must balance organizational resources and surrounding markets (Bodislav *et al.*, 2014). Corporate decisions include the correct allocation of resources regarding distinct business lines (Grant & Jordan, 2012).

Following diverse empirical studies, authors defined a set of performance criteria able to evaluate the efficiency of corporate strategies (Peters & Waterman, 1982; Lynch, 2002; Bodislav *et al.* 2014).

Table 1 | Performance criteria of strategies

Criteria	Explanation
Compatibility	Between internal and external environments and the followed strategy
Coherence	By framing horizontal vision and optimal integration towards the vertical flow in the long run
Validity	Based on comparable economic information;
Economic risk	As a quantitative criteria
Attractiveness	Based on the interest created among stakeholders
Feasibility	Considering culture, competition and resources

Source: Peters & Waterman, 1982; Lynch, 2002; Bodislav et al,. 2014

Corporate strategy is the result of opportunities and constraints companies meet in the real economy, following an external to internal flow (Bodislav *et al.*, 2014).

2.2. Vertical Integration

Value chain can be described as the set of activities developed in order to produce a good or service, from raw materials to the final consumer. These activities are developed within company's borders, concerning both economic and technological processes. The main aim is to enhance competitive advantage.

Vertical integration constitutes a corporate strategy that allow firms to assume multiple responsibilities on supplying goods, services and capabilities in order to establish its core business. At this point, these activities were associated to external providers or distinct business units.

By adopting a vertical integration strategy, companies can potentially increase their power in the marketplace, reduce transaction costs and secure supplies or distribution channels (Jurevicius, 2013). This strategy represents a potential alternative to increase a firm's value-added margins for a particular chain of processing (Harrigan, 1985).

Historically, vertically integrated firms have been recognized as key instrument of change. This concept has been an important innovation among management field, a boost to develop certain industries (Harrigan, 1984). This was, in fact, a sequence of Chandler (1977), who had previously pointed vertical integration as *"a key force in the development of high productivity and managerial sophistication in U.S. business"* (Chandler, 1977:363).

Focusing the formulation process, companies should internalize the activities that can potentially add value to the value chain. It can occur upstream, where activities are internalized in their primary stages or downstream, where the internalization occurs after the production. Upstream integration provides an easy access to raw materials in pre-production stage to assure maintenance of technological secret, keep supply regular and enhance the product differentiation. On the other hand, downstream integration facilitates the contact with the final consumer, information straight from the market and access to distribution channels

2.2.1. Dimensions of Integration

When formulating a vertical integration strategy, decisions are based on a set of key dimensions.

Table 2 | Dimensions of integration

Dimension	Description
Stages of Integration	Number of steps in the processing flow integrated within firms' operations.
Breadth of Integration	Numbers of activities companies perform within the boundaries of their business units.
Form of Ownership	Proportion of equity companies invest in a certain vertically linked venture.
Degree of integration	Amount of internal transfers from a business unit to a parent unit.

Source: Harrigan, 1984

Each vertical integration strategy must consider a set of dimensions in order to best fit companies' needs. Starting with the stages of integration, it refers to the steps in the processing flow companies integrate. It may represent a concern when companies are not able to effectively manage complexity. Following, the breadth dimension recalls the activities companies perform within their boundaries. The more responsibilities companies engage, either upstream or downstream, the broadly integrated they become. Due to a potentially wider production portfolio, the breadth of integration is important to ponder since it may involve opportunities of scale economies, for example. The way companies "own" the integrated icons is another important dimension to consider. The form of ownership is associated with the invested equity in integration. In practical terms, it assumes the materialization of responsibility over integrated activities, constitute a potential asset. By taking advantage of multiple possible arrangements, firms become able control assets they do not own fully. At last, there are multiple potential degrees of integration, linked to the proportion of a resource, either a particular component or a service, transferred internally from a business unit to a parent unit.

Although some combinations occur more frequently than others, all the previous dimensions impact the overall strategy. Thus, decision to adjust one dimension will affect the values of the others.

2.2.2. Benefits and Risks of Vertical Integration

When engaging a vertical integration strategy, companies tend to assume responsibility over activities they do not usually perform. The enlargement of scope of activity can potentially influence companies' operational performance, in both internal and external perspectives.

Table 3 | Benefits and risks of vertical integration from an internal perspective

Benefits	Risks
Integration economies reduce costs by eliminating steps, reducing duplicate overhead, and cutting costs (technology dependent)	Need for overhead to coordinate vertical integration increased costs
Improved coordination of activities reduces inventorying and other costs	Burden of excess capacity from unevenly balanced minimum efficient scale plants (technology dependent)
Avoid time-consuming tasks, such as price shopping, communicating design details, or negotiating contracts	Poorly organized vertically integrated firms do not enjoy synergies that compensate for higher costs

Source: Harrigan, 1984; Harrigan, 1985

Table 4 | Benefits and risks of vertical integration from a competitive perspective

Benefits	Risks
Avoid foreclosure, services or markets	Obsolete processes may be perpetuated
Improved marketing or technological intelligence	Creates mobility (or exit) barriers
Opportunity to create product differentiation (increased value added)	Links firm to sick adjacent businesses
Superior control of firm's economic environment (market power)	Managers integrated before thinking through the most appropriate way to do ossified
Create credibility for new products	Lose access to information from suppliers or distributors Synergies created through vertical integration may be overrated
Synergies could be created by coordinating vertical activities sinfully	

Source: Harrigan, 1984; Harrigan, 1985

Internal environment is usually linked to companies' performance, in terms of resources and costs, for example. In this sense, vertical integration can perform an advantage based on costs, inventory and time reduction. However, poor integrations can potentially harm companies' performance since the lack of coordination, for example, reflects a decrease of efficiency and, consequently, higher costs. On the other hand, competitive setting is associated with how companies position themselves in the marketplace in order to get advantage over other players. Here, vertical integration can be considered as useful for companies to boost their offer in terms of variety, flexibility and, as a consequence, value. Nevertheless, organizational performance can become compromised due to the engagement to the new activities.

2.2.3. Forces Potentially Influencing Vertical Integration

The potential effects of a vertical integration strategy were only pointed assuming its implementation. Nevertheless, the implementation itself may be affected by forces inherent to business contexts- industry development, bargaining power, volatility of competition and strategic objectives. Overall, different forces tend to be more impactful than others. Forces likely to influence vertical integration will affect all of the strategy's dimensions. Additionally, some dimensions will be affected indirectly (Harrigan, 1985).

2.2.4. A Resource-Based View Approach to Vertical Integration

Regarding vertical integration, one of the most important strategic decisions associated is related with organizational boundaries (Barney & Clark, 2007), deeply linked to the nature of the strategy. A significant approach to firm boundaries was developed by Williamson (1975), who conceptualized boundaries through Transaction Cost Economics (TCE) theory. Generally, TCE recognizes how companies manage particular economic exchanges, associated with alliances or market contractions (Barney & Clark, 2007).

Considering exchanges resulting from vertical integration activities, *"TCE tends to ignore firm resources and capabilities"* (Barney & Clark, 2007:162), as productive capability is taken as given (Barney & Clark, 2007). Moreover, authors believe inherent decisions are only based on the distribution of gains, since the choice of governance encompasses the value potentially created by resources controlled by the firms (Barney & Clark, 2007). So, it is possible to point three main pillars supporting the definition of organizational boundaries- opportunism, governance and transaction-specific investment (Barney & Clark, 2007), whose combination is able to avoid potential inherent threats.

The delineation of boundaries can influence organizational sustainability. Companies that assume responsibility for the wrong activities within their boundaries risk losing strategic focus. On the opposite, when companies are unsuccessful when bringing the right business activities within their boundaries, compromise their competitive advantages (Jones, 1986; Postin, 1988; Barney & Clark, 2007).

Accordingly, resources and capabilities play an important role in defining boundaries and consequently, vertical integration strategies (Barney & Clark, 2007). Differences between organizational capabilities can be significant. "W*ithout significant differences, there would be no potential gains from trade*" (Barney & Clark, 2007:167). According to the authors, this association can be stated into three issues- the potential lack of sufficient resources and capabilities to assure organizational competitiveness, the costs to create proper resources and capabilities and the cost to acquire a company that owns the resources and capabilities firms need to be successful. In this context, companies need to develop forms of governance in order to access the desired resources and capabilities (Barney & Clark, 2007).

Vertical integration constitutes an instrument that allows companies to face opportunism threats, prevenient from unfair exploration of a company. Accordingly, if capabilities are valuable, rare and inimitable, companies should integrate them. However, the key to successful use of vertical integration is recognizing when and where it offers significant competitive advantages and forging the necessary vertical linkages without creating excessive risks.

2.3. Outsourcing

When pondering which activities should a company perform within its borders, there is also the need to think about the reverse. In extent, companies should find the best way to integrate external sources in their strategies (Dolgui & Proth, 2013).

Outsourcing is defined as the act of obtaining components, products or services from the "outside" (Dolgui & Proth, 2013). In a deeper understanding, it refers to the strategic use of external resources to perform activities usually assured by the company (Dolgui & Proth, 2013). In general, companies delegate tasks to *"specialized and efficient service providers, who become valued business partners"* (Handfield, 2006; Doval, 2016:79).

During the 70s, outsourcing activities were deeply associated with low value added products (Doval, 2016). Throughout the following decade, due to the emergence of industrial activities, outsourcing was adopted by production plants. It focused, for example, the incorporation of automobile parts (Doval, 2016). After 1990, along with the industries development, there was an increase of outsourcing requirements related with high value products. It mainly involved software and semiconductors. Since then, outsourcing is a frequent strategy among high value added products and services (Doval, 2016). Recently, it is becoming a frequent strategy within the business environments when it requires to increase organizational performance (Doval, 2016).

Nowadays, outsourcing is a useful tool for companies to leverage their resources by *"developing a few well-selected core competencies of significance to customers and in which the company can be best-in-world, focusing investment and management attention on them, and strategically outsourcing many other activities where it cannot be or need not be best"* (Doval, 2016:79). Furthermore, Chung *et al.* (2002; Doval, 2016:79) also enhance "*the superior competency, asset transfer, utilization improvement, economy of scale and business risk mitigation*".

2.3.1. Types of Outsourcing

Regarding organizational context, it is possible to clearly point distinct types of outsourcing, taking into account strategic goals, resources or any other underlying forces.

Table 5 | Types of outsourcing according to the relationship nature

Professional Outsourcing	Facilitates the access to high-quality resources, reducing significantly associated costs
Manufacturer Outsourcing	Involves the transferring of blue collar jobs to a third party for various reasons such as expertise, human capital, time to market and cost factors
Process-Specific Outsourcing	Has specific operation-related aspects, mostly to other companies or units that specialize in that specific service to reducing costs and time, such as delivery
Business Process Outsourcing	Is mostly specific to manufacturing companies for specialized activities such as machine maintenance and equipment repair, landscaping, cleaning services, and facilities maintenance or property management

Source: Doval, 2016

Whatever the type of outsourcing a company decides to go into, a research conducted by *Harvard* identified four outsourcing-based strategies- business processes outsourcing (BPO) and out-taking risk models (Doval, 2016). Outsourcing strategies are conceptualized regarding the portfolio of outsourcing decisions across organizational areas (Moen, *et al.* 2013; Magelssen & Sanchez, 2015).

According to Doval (2016), comprehensive BPO infers a *"complex, strategic, long term, and demanding relationship"* (Doval, 2016:81). It is usually stablished between companies and suppliers. In turn, selective BPO represents a less inclusive agreement including a reduced integration of functional processes. Instead of including multiple processes from distinct functional areas, it is focused on multiple processes within a specific functional area of activity. Following, licensing agreement is associated with a commitment of out-tasking. It is used to source a tangible asset in order to avoid either implementation or set-up costs. This is believed to be the most common form of outsourcing in the training industry (Doval, 2016).

2.3.2. Impact of Outsourcing on Organizational Performance

Inherent to each one of the previous strategies, different dimensions were defined (Magelssen & Sanchez, 2015) as a result of the decisions that organizations make when selecting which activities should be outsourced (Harrigan, 1984; Magelssen & Sanchez, 2015) – "*depth, the extent to which organizational activities are outsourced; breadth, the dispersion of the organization's outsourced activities across business areas or activity groups; and dynamics, the extent to which the organization changes the provision of its activities from in-house to outsourced and vice versa*" (Magelssen & Sanchez, 2015:1). Different outsourcing decisions lead to distinct levels of organizational performance. Authors suggest depth negatively impacts organizations. On the opposite, breadth is positively linked with efficiency. In addition, there was not found any learning effect from outsourcing dynamics (Magelssen & Sanchez, 2015). Overall, when it comes to create value, outsourcing induces profitability through lessening the intensity of competition. Firms become able to take advantage of different channels and, consequently, increase marginal costs (Rosar, 2017). In fact, researchers found cost reduction as a major incentive for outsourcing (Yao *et al.*, 2010; Dolgui & Proth, 2013).

2.3.3. Benefits and Risks of Outsourcing

Following the value creation perspective, it is possible to point the main advantages of strategic outsourcing through four main vertices- cost reduction, increased productivity, management flexibility and risk avoidance (Doval, 2016). However, a company implementing an outsourcing strategy can potentially face some threats, mainly, the uncertainty and risk inherent to the loss of control of the delegated activities. There can also emerge some concerns related with its work-force.

Table 6 | Benefits and risks of outsourcing from an internal perspective

Benefits	Risks
Cost Reduction	Loss of Control
Increased Productivity	Business uncertainty and
Flexibility and Risk Avoidance	Risk threat

Source: Doval, 2016

From an internal perspective, outsourcing can positively impact operational outputs. Externalizing secondary activities allows companies to focus their resources on core activities. By taking advances of external resources, companies are able to reduce fixed costs as well as their exposure to risk. Accordingly, when a company adopts an outsourcing strategy, it is potentially able to decrease its costs and also increase its performance.

However, giving away some of the firms' activities may represent some risks. If firms externalize the wrong activities or more activities than expected, important capabilities can become weaker. Also, it can induce a loss of contact with key activities and expertise, which constitute a potential source of long term success. Moreover, give external suppliers the responsibility for important tasks of the business might affect the products' quality and the pace of the delivery.

2.3.4. A Resource-Based View Approach to Outsourcing

The main concept of outsourcing derives from the concept core competences (Gilley & Rasheed, 2000; Teng *et al.*, 1995; Espino-Rodriguez & Padrón-Robaina, 2006). In these terms, the RBV School enhances core competences as those companies should not outsource. Recalling the conceptual framework established by Grant (1991), capabilities play an important role in determining the boundaries of the firm, due to the cost associated with their creation or acquisition (Barney 1999; Espino-Rodriguez & Padrón-Robaina, 2006). Accordingly, tradable capabilities usually do not constitute a source of competitive advantage (Gilley & Rasheed, 2000; Espino-Rodriguez & Padrón-Robaina, 2006).

2.4. Alliances

As another alternative to externalize operation, the creation of synergies was a common practice for several years. Essentially, it comprehended sharing mutual operations across different units within the same business (Aaker, 1995; Porter, 1985; Das *et al.*, 1998). Later, potential benefits had also started being caught by "*independent firms forming strategic alliances or working partnerships through mutual understanding"* (Anderson & Narus, 1990; Bucklin & Sengupta, 1993; Das *et al.*, 1998:27), as the 1992's agreement between IBM, Toshiba and Samsung illustrates (Das *et al.*, 1998).

Strategic alliances understand voluntary relationships between two or more independent firms that share likeminded goals and attempt for mutual benefits (Ireland *et al.*, 2002; Mohr & Spekman, 1994; Albers *et al.*, 2016). It involves product exchange, shared technology development or delivery of services (Gulati, 1998; Lin & Darnall, 2014). Alliances tend to be a particularly complex arrangement among organizations. They are used across distinct contexts and can potentially involve a wide variety of configurations (Albers *et al.*, 2016). Strategic alliances allow companies to pursuit a set of specific goals and exhibit various levels of commitment and investment from the involved partners (Albers *et al.*, 2016).

Finlay (2000) proposes a set of distinctive characteristics which allow pointing alliances as strategic instead of simple collaborative relations- extent of resource commitment, level of interdependence, the alignment with partners and time frame.

2.4.1. Structure and Typology

There are two potential dimensions under which it is possible to define alliance - the degree of hierarchical elements they embody and the extent to which they replicate both control and coordination of organizational features (Gulati, 1998; Hilte & Mardjan, 2007). Throughout the time, many authors have conducted several researches focusing alliances typologies. As a result, there were defined different distinctions, in three main groups – ownership agreements, contractual agreements and licensing agreements (Lin & Darnall, 2014).

2.4.2. Reasons to Form Alliances

Businesses are progressively adopting strategic alliances for a multiplicity of *"whys and wherefores"*. From the organizational point of view, alliances represent an opportunity to increase organizational performance and also to access resources, useful to penetrate or exit foreign markets. At the same time, strategies potentiate a more favorable competitive environment. On the other hand, alliances can expose companies to unpredictable threats. Thus, regarding strategic alliances, value is created by exploring opportunities and neutralizes threats.

At the moment firms come together to formalize their alliance agreement, each one of them is moved by a distinct set of motivations, concerning their business context in both internal and external perspectives. Concerning the multiplicity of driven studies, Lin and Darnall (2014), for example, suggest two different set of motivation -resource- or legitimacy-based motivations.

Resource-Based Motivations

Primordial researches over motivation inherent to alliances, theorize its foundation on the resource-based view. RBV "*focuses on the access or development of idiosyncratic resources and competencies that lead to competitive advantage"* (Barney, 1991; Lin & Darnall, 2014:551).

It is possible to point at least two resource-based motivations for companies to take part in alliances- shared resources, which lead to the development of valuable organizational competencies (Das & Teng, 2000; Lin & Darnall, 2014) and the possibility of increasing organizational learning (Kogut, 1988; Hamel, 1991; Gulati, 1998; Lin & Darnall, 2014). Knowledge is straightly linked with organizational intelligence. So, strategic alliances usually simplify the flow of valuable information among partner companies (Sharma & Vredenburg, 1998; Lin & Darnall, 2014). Here, organizational learning is stimulated due to the addition of distinct perspectives over information. Strong internal competencies empower companies to face *"complex environmental issues as strategic business opportunities"* (Lin & Darnall, 2014:553).

Strategic alliances based on a RBV perspective are defined as competency-oriented alliances. These alliances constitute a useful tool for companies to manage increased uncertainty and complexity in the business environment. Furthermore, they typically enhance organizational resources and internal competencies, thus inducing organizational learning (Lin & Darnall, 2014).

Institutional Motivations

Institutional theory emerges to justify strategic alliances formed considering external pressures driving a certain business. In a common environment *"rules, norms, and values exert pressures* *on firms to adopt similar practices and structures" (*DiMaggio & Powell, 1983; Lin & Darnall, 2014:553), with the purpose of *"appear legitimate in the eyes of their competitors, and to mimic other organizations that they perceive as being more successful"(*DiMaggio and Powell, 1983; Lin and Darnall, 2014). Institutional pressures arise from, least three sources- the regulatory system, industry norms, and community constituents (Hoffman, 2000; Lin & Darnall, 2014).

Regulatory pressures involve regulations, rules, and norms for companies to follow (Oliver, 1991; Lin & Darnall, 2014), with potential legal consequences. In this case, strategic alliances establish an attempt to reduce pressures found on regulation by induce firms to strategically align to legitimize current business practices, products and processes. (Lin & Darnall, 2014). Succeeding, industry norms constitute another source of institutional pressures, when companies operate within similar industries. Regarding compatible firms, norms enhance industry's overall legitimacy (Hoffman, 1997; Etzion, 2007; Lin & Darnall, 2014). So, as an attempt to improve companies' legitimacy, alliances emerge to justify collective environmental approach. At last, in order to face community constituents, alliances legitimize companies' existing business practices, products and processes. As, for example, social concerns about environmental issues, community constituents increasingly impose pressures (Delmas & Toffel, 2004; Lin & Darnall, 2014).

Overall, institutional theory offers an important basis to understand how business threats from regulators, industry norms, and community constituents motivate some firms to form strategic alliances. Facing these pressures can improve the social legitimacy, potentially enhancing their chance of survival (Dacin *et al.*, 2007; Lin & Darnall, 2014). Lin and Darnall (2014) define these alliances as legitimacy-oriented alliances. Legitimacy-oriented alliances tend to form from firms' desires to maintain or increase their social legitimacy.

2.4.3. Value Creation through Alliances

Both competency and legitimacy-oriented alliances essentially emerge as means to optimize organizational performance. Subsequently, these alliances aim to create economic value. Das *et al.* (1998), explored the value creation through strategic alliances over three main dimensions - the nature of the strategic alliance, whether it is a technological or a marketing alliance, the first mover among partners and the relative resource dependence of a firm on its alliance partner. Following a value creation perspective, VRIO model can act as a key engine since it allows mutual win situations, learning and networking. Also, it gives companies the access do distribution channels, as well as, governmental protection. The success of strategic alliances, according to Finlay (2000) is founded on five C's- Competence, Compatibility, Complementarity, Cooperation and Commensuration.

2.4.4. Benefits and Risks of Alliances

When engaging a strategic alliance, companies face a set of potential benefits, deeply linked to the advantages of creating synergies. To be related with other companies constitutes a way to access resources, products or technology in order to succeed. However, these relationships have some intrinsic characteristics which can potentially turn into downsides in a changing environment due to a misalignment between involved parties.

Table 7 | Benefits and risks of alliances from an internal perspective

Benefits	Risks
Access a set of resources which were not possible if competing alone	Strategic divergences with potential partners
Risk Sharing	Partners can be found with less capabilities than expected
Development of new capabilities	Common goals can become obsolete
Speed market access	Long development time
Increased efficiency of supply chain	Potential damage to capabilities and competences
Reduced Costs	
Opportunity to explore economies of scale	

Source: Das *et al.*, Johnson *et al.*, 2008

Despite representing a core component of a firm's competitive setting (Kumar, 2014), many alliances fail to meet the expected outcome. The same author defends it is possible to underline two major potential threats for alliances to fail, common among partnerships – ambiguity and opportunism. Regarding ambiguity, companies are able to take the most advantage of alliances' potential benefits if they effectively manage ambiguity. It refers to situations where a given phenomenon has no clear interpretation considering coexistent conflicts. A lack of clarity is a result of inadequate or missing information (Kumar, 2014). By its turn, opportunism is a common practice companies should be aware of, when engaging alliances. It essentially involve failing commitments or trying to gain access to information that is beyond the scope of collaboration. (Kumar, 2014).

2.4.5. A Resource-Based View Approach to Alliances

Competition assumes a critical role in determining companies' strategic position (Eisenhardt *et al.*, 1996). Alliances provide access to resources from other firms, motivating costs and risks sharing. Thus, by engaging strategic alliances, companies turn out to be able to face challenges imposed by competitors (Eisenhardt *et al.*, 1996), as these strategies allow companies to grow (Elmuti & Kathawala 2001; Eisenhardt *et al.*, 1996) in multiple perspectives such as legitimacy, market power or flexibility.

2.5. Internationalization

Internationalization is a corporate strategy based on an expansion perspective. It characterizes the development of a company's activity beyond its home market (Mikić *et al.*, 2016), usually reflected by an extension on the geographical location. Market enlargement is one of the most used forms to reflect organizational development (Finlay, 2000). Overall, it symbolizes an important opportunity for firms to maximize their businesses by controlling operational costs, or to enable companies to seek for more favorable suppliers in foreign markets (Mikić *et al.*, 2016).

The concept of internationalization, as a corporate strategy, has been evolving throughout the past decades. Johanson and Vahlne (1977:23) defined it as "*a process in which the firms gradually increase their international involvement*". The same authors also stated that *"internationalization is the product of a series of incremental decisions"* (Johanson & Vahlne, 1977:23). The literature on internationalization emphasizes the role of process influences in the development of international operations over time.

2.5.1. Motivations to Adopt Internationalization

Firms usually adopt international expansion as a strategy to take advantage of business opportunities presented by target markets. Common objectives include increasing revenue, escaping a hypercompetitive or saturated home market, entering an emerging or lucrative market, and leveraging domestic capabilities in a bordering country (Yoder *et al*., 2016).

Honório (2006) pointed three main sources of motivation for companies to engage an internationalization strategy – individual, organizational or environmental settings (Honório, 2006; Galdino & Gomes da Costa, 2015). Individual motivations refer to motivations from the decisor's point-of-view. In turn, organizational features include all the managerial concerns, enhancing strategic goals. Environmental motivations infer all the external features which can potentially influence companies' performance, such as location and infrastructures. Authors classify internal motivations, *i.e.*, individual and organizational features, more rational than external motivations, associated with environmental settings (Galdino & Gomes da Costa, 2015). This international expansion phenomenon became possible due to globalization, which motivates the integration and exchange of products and money as well as cultural activities (Jonsson & Foss, 2011). Globalization has been facilitated by fast technological advances regarding communication and transportation (Gnyawali & Park, 2011). Adding to this, economies have become tightly integrated, which has led to the decrease of trade barriers (Langdana & Murphy, 2014). They are motivated to compete in the global arena to increase sales, improve profits, remain competitive, and diversify their market and customer bases, and gain market share (Khorana and Servaes 2012).

2.5.2. Benefits and Risks of Internationalization

From a competitive point-of-view, adopting an internalization strategy constitute a potential tool in terms of four major aspects – cost reduction due to key locations, as a mean to decrease transportation costs as well as to enjoy economies of scale, timing to launch the right product on the right time corporate learning, by taking advantage of insights from distinct areas and synergies due to shared resources between subsidiaries around the world. However, even though international expansion is extremely alluring and necessary in order for large companies to remain competitive, it is accompanied by a significant amount of risk (Bromiley *et al.*, 2015).

Nevertheless, driving a business to international markets understands a set of concerns which can potentially harm the whole strategy. These risks can be categorized into four groups – Cultural, Technical, Commercial and Legal- with variable weight concerning different businesses.

In practical terms, commercial features must be verified as companies must assess what the market expects along with other players' practices in terms of distribution, customization or order fulfillment. Then, cultural issues must be considered in order to adapt companies' business practices, as well as adjust the offer. So, consumption habits, behaviors and social conducts must be considered. Following, in order to avoid technical gaps, firms must assure that key features of their offer are not affected by potential technical constraints inherent to foreign countries. Standards should be assessed, along with specific conditions to support common practices, such as physical presence or transportation. Also, communication barriers should be eliminated.

It is also important to notice foreign countries are usually driven by their own regulation and laws, regarding national security issues. Thus, companies must consider the best way to get into each market in order to minimize legal constraints.

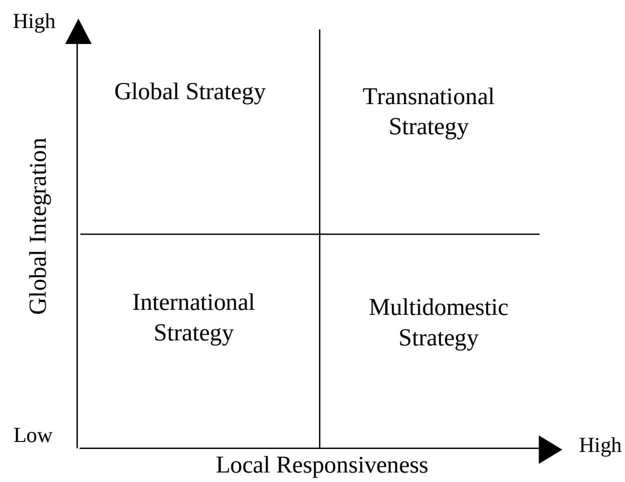
2.5.3. Formulating International Strategies

When formulating an internationalization strategy, in terms of resources and capabilities, companies must, at first, ponder the positioning of industries and segments, taking into account the relative weight of, on one hand, global integration forces and on the other, local responsiveness. If companies lack their knowledge about their own resources, they will not be able to assess their global integration capability. Then, companies should also address the current situation and evaluate it throughout the following times.

There are four different approaches to internationalization – global strategy, transactional strategy, international strategy and multidomestic strategy. Global strategy sets the decision making centralized at the main company, whether subsidiaries have no autonomy. Products and services are commonly standard, thus, there are opportunities to enjoy economies of potentially associated. Following an increase concerning local responsiveness, transnational strategy characterizes companies which have their production spread all over the world but, on the opposite, assembly activities are performed in specific locations. This strategy is deeply rooted on a cost-quality-know-how perspective. Companies performing a transnational strategy are frequently criticized due to the inexistent social capital. Concerning a lower level of global integration, multidomestic strategy is the opposite of a global approach. Here, subsidiaries have enough independence to make their own decisions and perform a self-conducted management.

An international strategy is associated to lower levels of both global integration and local responsiveness, as it acts an enabler of exportation activities.

Figure 2 | Internationalization Strategies Matrix



Source: Elaborated by the author

The major concern of formulation step is the global positioning. It comprehends three main tasks- choose the country, create a value proposition and assess potential competitive advantage. Particularly, when addressing which country should they expand their business to, companies must confront the characteristics of each country in terms of business practices and consumption habits with their strategic goals. According to these features, companies can be gathered in distinct typologies, as it follows in table 8.

Table 8 | Classification of countries according to key features

Typology	Characteristics
Key countries	Critical in terms of long-term sustainability
Emergent countries	High growing rate
Platform countries	Location, logistic structures and qualified work-force
Marketing Countries	Attractive markets with low strategic importance
Resource Countries	Limited market perspectives.

Source: Elaborated by the author

Countries can be distinctly classified, considering the set of characteristics they offer and which companies should pounder according to their strategic needs and resources. ´

The "*best*" set of conditions is concentrated in key countries, which can potentially drive companies to a long-term sustainability. Emergent countries should also be considered since due to a high growing rate, can potentially become part of the previous group. Considering specific-value countries, platform countries are also known as "hubs" to regional centers and confer advantages regarding location, logistic structures and qualified work-force. On the other hand, marketing countries constitute attractive markets, with, however, low strategic importance. Usually, provide easy access, political stability and economic power. At last, resource countries represent source for a specific resource although they have limited market perspectives.

2.5.4. How to internationalize

At last, firms should assess the terms of their internationalization strategy, *i.e.*, the how should operational features be internationalized. Internationalization process tend to be complex (Saarenketo, 2004; Almas, 2014), thus, the perception of this concept varies according to each company's context (Reid, 1983; Almas, 2014). Accordingly, there is no standard approach when it comes to internationalization strategies.

In order to understand the features inherent to internationalization, Lehtinen and Pentinen (1999) enhanced two underlying dimensions- international orientation, linked to how do companies face internationalization and international engagement, associated with the effort and extent of the overall operation (Lehtinen & Pentinen, 1999; Almas, 2014). Throughout the time, many authors defined theories in order to explain internationalization and the best steps to achieve it.

According to Jones and Young (2009), when engaging an internationalization strategy, firms must aim to create value through the implemented activities. Welch *et al* (2007), in turn, associate value with two key dimensions- location and governance model (Almas, 2014). Focusing the governance model, Root (1994) proposes several typologies which group the options companies usually follow when intend to go international into three main categories- Exportation, Contract Agreements and Investment (Root, 1994; Almas, 2014). The decision over these methodologies is directly influenced by companies' context in both internal and external perspectives (Root, 1994; Almas, 2014). In an internal perspective, forces influencing internationalization decision are based on the products companies develop and their degree of engagement with their resources (Root, 1994; Almas, 2014). On the opposite, from an external point-of-view, decisions are influenced by the market, contextual and production factors linked to the destiny country. Following this thought, Lasserre (2003) underlines the importance of the timing of internationalization and its association to risk.

Considering the whole picture, there are critical features to ponder. In theory, if costs and risks are higher than benefits, companies should export, which mean, they should produce internally and then externalize. On the other hand, if there are more benefits than costs, companies should adopt direct transactions and produce from the outside. Companies must found competitive advantage based on customer loyalty, networking and learning from experience. Conversely, in a real context, companies can also combine methodologies.

2.6. Diversification

Since corporate strategy implies a multi-business perspective, it motivates diversification strategies to emerge in order to meet market requirements.

Diversification is a central topic in management research nowadays (Ramanujam & Varadarajan, 1989). It can be defined as *"the entry of a firm or business unit into new lines of activity (…) which entails changes in its administrative structure, systems, and other management process*" (Hubbard *et al*., 2015:255). In depth, diversification is a well-known corporate-level strategy, related with "*the transfer of an organization to a new segment of activity, by processes of internal development of the business, or by acquisitions, generating changes within the administrative structure, the internal organization and operation systems and the managerial processes*." (Creţu, 2012:625). It involves a change of the scope of organizational activities (Finlay, 2000) aim the creation of economic value.

As one of the first authors to explore diversification, Ansoff (1957) established an initial association between the concept of diversification and potential modification in the characteristics of the product line or markets companies compete into. Here, the author clearly disentangles diversification activities from other restructuring initiatives such as market penetration, market development or product development (Ansoff, 1957).

2.6.1. Distinct Conceptualizations of Diversification

Throughout the time, authors explored the concept of diversification from different perspectives. Dissimilarities essentially derive from distinct conceptualizations, definitions and measurement (Ramanujam & Varadarajan, 1989). Taking industry or market boundaries as an assumption, Gort (1982) explored the concept of diversification regarding the heterogeneity of a certain output, by taking into account as many markets as it serves. In turn, Berry (1985) focused his approach to diversification on the multiplicity of industries companies start competing into. Also concerning industrial context, Kamien and Schwartz (1975) associated diversification to the act of producing goods to a different industry.

Contrariwise, approaches beyond the previous assumptions were also taken. Pitts and Hopkins (1982) were the first authors to defend the concept of “business” instead of “industry” when defining diversification as the variety of business simultaneously engaged by a company. More recent studies on diversification focused the multidimensional nature, always concerning its goals and direction.

2.6.2. Motivations to adopt Diversification

Companies decide adopt a diversification strategy for a multiplicity of motivations, either internal or external. For the purpose of the present *review*, internal perspective is illustrated by Reed and Luffman (1986), who enhance diversification occurs due to both proactive and defensive motivations (Ramanujam & Varadarajan, 1989). On the opposite, external view is linked to Mile (1982) who stated environmental forces would contour diversification decisions.

2.6.3. Creating Value through Diversification

The effect of diversification on firms’ value has become an important study issue since the 1990s (Ushijima, 2016). It is supported by two main objectives- *“the improvement of the execution of basic processes”* and *“the emphasis of the structural position of a business unit”* (Creţu, 2012:626). Universally, diversification tends to turn organizational structures more complex, comparing with single-business firms. It comprehends, not only the enlargement of industrial scope but also the alignment of internal structure to the increased scope (Ushijima, 2016).

Within organizations, two common forms of diversification emerge. Related diversification comprehends associated business lines, so, it is possible to transfer know-how and resources. By its turn, regarding unrelated diversification, there is no relation between distinct lines (Finlay, 2000).

When formulating a diversification strategy, there is a set of major concerns companies should ponder about. First, new industries should be deliberated along with the adequate ways to penetrate it. The developed activities should prompt business performance. Also, companies must follow opportunities that can potentially boost strategic alignments and relations, crossed between businesses' value chains. Investments should be prioritized, along with resources which should be allocated to more profitable businesses. This is also an opportunity to induce synergies in order to create value for the firm.

In order to ponder to adopt a diversification strategy, Porter developed two tests. The attractive test assures the chosen industries are structurally attractive along with the cost-of-entry test, which constitute a guarantee of profitability (Thinkers, 2002).

2.6.4. Benefits and Risks

When implementing a diversification strategy, there are several potential benefits. The enlargement of the company is a potential motivation to diversify (Finlay 2000) as well as the consequent risk reduction and economies of scale. Conversely, adopting a diversification strategy has high costs associated (Finlay 2000), especially if main objectives are not met.

Table 9 | Benefits and risks of diversification from an internal perspective

Benefits	**Risks**
Market Power	Potential incapacity to take advantages of synergies
Economies of Scope	Duplication of Resources
Economy of International Transaction	Incapability of managing distinct business drivers
	Limited Competitive Advantage

Source: Finlay 2000; Wan & Hoskisson, 2003

Diversification-based strategies may increase market power as companies become able to practice predatory prices. Also, it enables economies of scope as a result of synergies and transference of capabilities, supported by the economy of international transactions through transaction costs avoidance. However, engaging multiple and distinct business lines may represent a constraint to synergies and, consequently, lead to overlapped resources. Thus, in some cases, companies can only achieve a limited competitive advantage.

2.6.5. A Resource-Based View Approach to Diversification

Diversification has a great feature within a business. Besides clarifying the role of management, it also enhances the contribution of each business segment to the created synergy and, consequently, to the overall value creation. The relationship between diversification and performance became an important research topic (Hauschild & Knyphausen-Aufse, 2013).

Specifically, resource-based view associated to diversified companies figures a potential enlightenment for its success (Hauschild & Knyphausen-Aufse, 2013), as diversification constitutes an expected source of performance improvement since it facilitates the access to strategic assets (Williamson, 1996).

Resource-focused authors have always find interest on the causes and consequences of diversification (Wernerfelt, 1989; Chatterjee &Wernerfelt, 1991; Barney & Clark, 2012) and later its linkage to core competences (Prahalad & Hamel, 1990; Barney & Clark, 2012).

Core competences can be defined as *"the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies"* (Prahalad & Hamel, 1990; Barney & Clark, 2012:186). Although core competences are crucial, authors only find them enough to explain why companies engage corporate diversification when associated with market failures (Barney & Clark, 2012).

From a value creation perspective, it is believed related diversification generates more value than unrelated diversification, depending on the exploitation of core competences among diversification efforts (Barney & Clark, 2012). Firms which do not exploit core competences on the course of a diversification strategy are more likely to incur in market failures. In these terms, bringing this transactions to firms boundaries, will lead to inefficiencies and consequently lower levels of performance.

According to Lang and Stultz (1994) and Comment and Jarrell (1995), diversification is able to destroy economic value, especially due to organizational costs of implementation which are commonly higher than the value created by exploiting core competences across multiple business (Barney & Clark, 2012).

On the opposite, authors state that controlling organizational growth among the current business, corporate diversification does not destroy value or might even create value. Costs of diversification may be greater than the benefits created by exploiting core competencies. Besides associating corporate diversification as one of the most efficient ways to exploit core competencies, it can also constitute a source to develop those (Barney & Clark, 2012).

2.7. Merger and Acquisitions

Merger and Acquisitions (M&A) can be defined as "*strategically planned transactions in which the target company and the bidding company jointly create a new entity to gain competitive advantage in the market place"* (Koričan *et al*., 2014:32). As it suggests, M&A strategy comprehends not only the simple combination of two or more companies into a single corporate entity- the merger- but also the effective purchase of organizational assets and shares- the acquisition (Koričan *et al.*, 2014). In these terms, negotiation is typically pleasant since there is a common desire between all intervenient (Finlay, 2000). However, it is believed one organization traditionally exercise strategic influence over the remaining (Johnson *et al.*, 2008).

Throughout several years, researchers believed M&A strategies constituted a significant engine of strategic growth and also main source of diversification. Authors commonly found the improvement of organizational performance as a main motivation to engage a M&A strategy (Lubatkin, 1983; Koričan *et al.* 2014). New sets of resources, often associated with synergies, led to organizational restructures, which helped companies to face environmental changes.

2.7.1. Evolution of the conceptualization of Merger and Acquisitions

Primordial studies focused merger and acquisitions as a mean of diversification (Straub, 2007; Larsson & Finkelstein, 1999; Koričan *et al.*, 2014). From a strategic perspective, studies focused, on one hand, the purposes of different types of combinations and, on the other, the performance effects of those combinations. Later research on M&A emerged from a financial perception "*by focusing on factors such as economies of scale and market power as the motives and on the acquisition performance, based on stock- market measures*" (Koričan *et al.*, 2014:32). At last, merger and acquisitions have been studied from an organizational behavior perspective. This approach emphasizes that *"acquisition process itself is a factor, in addition to the strategic and organizational fit, that affects the outcome"* (Koričan *et al*., 2014:33).

2.7.2. Benefits and Risks of Merger and Acquisitions

As merger and acquisition strategies suppose the creation of a new entity by joining previously existent organizations, the combination of distinct cultures, processes and goals may represent diverse benefits and drawbacks from an organizational perspective.

Table 10 | Benefits and risks of merger and acquisitions strategy

Benefits	**Risks**
Access to resources	Cultural mismatch
Superior competitive position	Mismatch in managerial salaries (equity)
Less likelihood of retaliation from competitors	Heightened risk
Enhanced financial position	Disposal of assets
Avoidance to risk	

Source: Finlay, 2000: 507

Besides the advantages for companies to embrace M&A strategies, there are also noticeable changes regarding the competitive environment. Merged companies become able to restructure their business context by enforcing barriers to entry and triggering competition, as they take advantage of their consequent superior financial position.

Although it constitutes a corporate strategy by itself, merger and acquisitions are often implemented as a facilitator of other strategies such as internationalization or diversification. As previously stated the fact M&A allow companies to access key resources or achieve a superior competitive advantage, for example, can be recognized as a valuable asset when going to a foreign country or engaging a new business line.

2.7.3. A Resource-Based View Approach to Mergers and Acquisitions

Merger and acquisition found a useful strategy to access resources and capabilities owned by other players, as previously stated. Although these strategies can assist companies to achieve the necessary resources to succeed, M&A have some inherent barriers (Barney & Clark, 2012), extremely important throughout the process. Legal barriers, commonly associated to M&A, can assume two distinct configurations- Antitrust or local ownership barriers to acquisition (Barney & Clark, 2012).

Accordingly, the acquisition process can impact the resources value (Barney & Clark, 2012), as *"the acquisition of a firm can reduce the value of the resources and capabilities*" (Barney & Clark, 2012:173), mainly due to the potential loss of key characteristics of the original firm.

Another recurrent constraint is related with market uncertainty. Within highly uncertain markets, it is not possible for companies to ensure which resources or capabilities will provide them competitive advantage in the long term. In these terms, acquisition incites a lack of flexibility associated with governance choices, thus, merger and acquisition strategies are more likely to succeed in low uncertainty settings.

3. Impact of Corporate Strategy on Organizational Performance

It does not matter what corporate strategy companies adopt, it is expectable to positively impact organizational performance. Empirical research found evidence of a consequential relationship between corporate strategy and organizational performance.

Beard and Dess (1991:669), for example, structured this relationship into two perspectives– "*the effects of the quantity and type of diversity in a firm's business portfolio on its profit performance"* and *"the effects of variation in industry on firm profit performance"*. Starting with diversity, authors enhance its poor relationship with profitability (Beard & Dess, 1981). In fact, diversified firms might create barriers to entry to various by using profits from one industry to subsidize predatory pricing in another industry and by obscuring attractive returns in one or more of their industries through consolidated financial reporting (Rhoades, 1973; Beard & Dess, 1981). Opposing to diversity, variation on average profitability of industry has perceivable impact on firms' profitability (Beard & Dess, 1981).

Thompson and Strickland (1971) have also pointed evidence on this linkage. Authors' state high-performance firms have a clear sense of direction as they are results-driven, conscious about achieving a superior performance. The more involved in implementing strategy, the best performing companies become (Thompson & Strickland, 1987).

Basically, strategy is focused on two main dimensions- industry, concerning competitors, suppliers and consumers- and the company, in terms of goals, values, capabilities and its overall performance.

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Chapter II | Breaking down the Investigation

Along with the investigation taken for the purpose of the present *literature review*, different authors' point-of-view and my own perception of the business context were contrasted, in both theoretical and practical terms. As a result, there emerged a set of key questions, which will be driving the following discussion.

Starting from a general approach to strategy, although there is an agreement on the on the extent of the concept, as it founds a set of guidelines to achieve a relevant position within the marketplace. There is no consensual definition relating to it. However, the role of "strategy" in the different levels of activity of a company became clear, specifically, in how to implement and manage it.

According to Johnson *et al.* (2008), strategy exists in different levels of activity of an organization, which must be able to operate independently (Finlay, 2006). Starting from the top, corporate strategy founds the overall direction of an organization (Davison, 2015), *i.e.*, the general scope of the firm. It is mainly focused on adding value to companies' business units, *i.e.*, businesses companies should compete in (Rosa, 1999). Business strategy, by its turn, founds a competition-based strategy that emphasizes how to compete in a certain market. Business-level decisions focus *"what markets are best served with what sort of products or services"* (Rosa, 1999:5) regarding a single line of business (Thompson *et al.*, 2013). At last, functional strategy plays an operational role, thus, its main issue is to effectively deliver both corporate and business-level strategies in terms of resources, processes and people (Johnson *et al.*, 2008).

In the context of the different levels of strategies, companies should ponder potential sources of value which will later drive to the most suitable strategy.

It is believed companies must decide on the business they want to compete, by adopting a corporate strategy if the return is higher than competitors'. On the other hand, if organizational goals are just related with profits, competitive advantage's features should be aligned with the market, through a business strategy. However, at this point, it is important to assess how to companies prioritize strategic decisions.

Each company constitutes an exclusive case due to the multiplicity of internal and external forces behind. Following this perception, the first question arises in order to understand, not only how do these forces motivate different perspectives of strategy, but how do they influence the way companies prioritize it- **What strategic level do companies prioritize?**

Companies cannot ensure they are following the best strategy. Nevertheless, managing it allow companies to reduce the probability of mistakes (Barney& Hesterly, 2012). Following the inexistence of a concrete definition of strategy, the process of managing strategy performs consequently inconstant.

Strategic management emphasizes the importance of managers respecting strategy (Johnson *et al*., 2008). The managerial role has a distinct nature concerning further managerial functions, due to its greater scope (Johnson *et al*., 2008). The process of managing strategy is dynamic (Thompson & Strickland, 1987), as it involves "*understanding the strategic position of an organization, making strategic choices for the future and managing strategy in action"* (Johnson *et al.,* 2008:12), in pursuance of competitive advantages.

Traditionally, strategic management process is constituted by four main stages - analysis, formulation, implementation and control. However, there is no agreement over it as different authors consider a distinct set of stages as part of the process turning it more or less wider. Porter (1981), for example, considers goal-setting as a primordial stage, before starting the analysis. Further, Thompson and Strickland (1987) state the process of managing strategy starts at the moment companies define their mission, vision and values.

It is also important, however, to underline the strategic decision intrinsic to the strategic management process, simultaneously considered for the purpose of this investigation.

Strategy allows companies to pursue competitive advantage in changing environments (Johnson *et al*., 2008). As it involves shaping resources and competences in order to meet stakeholder prospects in the long-term (Johnson *et al*., 2008), strategic decision has some inherent specificities which need to be pondered.

Concerning strategic decision, there are two important characteristics to evidence- complexity and uncertainty (Johnson *et al*., 2008). Complexity emerges due to the business setting, as companies embrace wide scopes and face fast-moving markets which, sometimes, internal competences cannot go along. By its turn, uncertainty is related to the unpredictability of the future, considering the long-term perspective of corporate strategy (Johnson *et al*., 2008).

Accordingly, strategic decision tend to affect operational decisions (Johnson *et al*., 2008) since it involve a considerable change. The association between strategy and operational context of an organization has two important premises- considering there is no alignment between strategy and operational features *"no matter how well considered the strategy is, it will not succeed"* (Johnson *et al*., 2008:5). Further, it is believed the real strategic advantages are achieved at the operational level since competences developed at the functional level can potentially determine which strategic moves fit the company's the most (Johnson *et al*., 2008).

So, the second question emerge as an attempt to understand the role of the business setting and the firms' resources when formulating the strategy to adopt at the corporate level. From a comparative perspective, it is also important to find evidence about features that can potentially diverge considering different companies- **What are the main drivers of the decision behind Corporate Strategies?**

Following the decision of the corporate strategy to implement, adopting now a strategy perspective, it would be also important to figure if, within the set of corporate strategies explored through the previous chapter, exist any difference on the relative perception of each strategy.

At the highest level of an organization, strategy focuses the value creation across distinct business units within the same company. It aims to drive companies into decisions regarding their portfolio or the spread of markets, for example.

In this context, Ansoff (1957) proposes a matrix which describes the four basic directions of an organization to grow - penetration of existing markets, market development, product development and diversification (Ansoff, 1957; Johnson *et al.*, 2008).

In order to choose the strategy to engage at the corporate level, companies must balance both market and products/services approaches, in order to meet organizational goals. However, it is important to consider any further forces influencing not only the decision, but also the perception of each corporate strategy (Chapter II), either internal or external.

Therefore, the last question arises in order to understand if the perception over corporate strategies varies in specific conditions and which features, either internal or external, motivate those differences the most. Also, there will be an attempt to if potential differences influence organizational performance- **Are corporate strategies always pondered the same?**

Chapter III | Methodology

1. Methodology and Data Collection

Methodology constitutes itself an academic field whose roots are linked to logical thinking and mainly aims to drive the scientific method's study (Tarski, 1977). It is described as a set of practices, proved and accepted by the scientific community, therefore, valid to expose any theory within the scientific context. These practices constitute a source of knowledge since they go along with the investigation process (Vilelas, 2009), by analyzing and questioning the surrounding reality.

According to Vergara (2006) and Vilelas (2009), there are two approaches to methodology, assuming an orientation whether by goals or by means. Focusing this research specifically, goal-oriented approach refers to the applied and exploratory research that aims to describe a phenomenon linked to a certain population. By its turn, means-oriented approach is linked to bibliographic research. Furthermore, the present research is classified as qualitative. Creswell (2007), states that qualitative research aims to assess the contextualization of a phenomenon concerning its interaction with the main actors.

For the purpose of this dissertation, after defining the research topic, there was settled an investigation, presented as a *literature review*, encompassing a pragmatic or inductive[1] reasoning. Thus, the present *review* founds the roots of a subsequent set of questions (Chapter III), which led the remaining investigation.

Focusing the key questions of investigation, a questionnaire was created in order to achieve the main conclusions over the topic under study (Appendix I). Accordingly, the mentioned questionnaire mainly aimed to collect real insights about corporate strategies, directly from the Portuguese business environment. These insights were majorly related with the perception and the importance of corporate-level strategies and potential issues inherent to different industries, contrasting with multiple challenges companies face nowadays.

[1]Opposing the deductive reasoning, inductive method does not aim achieve any true conclusions by taking advantage of equally true premises. Inductive method intents to measure a set of issues associated to the phenomenon under study to reach a set of probabilities in order to establish parallels between them.

Due to the nature of the subject, it was required to hand out the questionnaire within an universe of people who have influence on corporate-level decisions in order to consider their past experiences and knowledge. So, the questionnaire was distributed within a target group formed by 30 people, defined by convenience[2] sampling, according to the nature of the issues under investigation. With the intention of achieving as much responses as possible, there were sent 55 questionnaires through LinkedIn and email. As a reference, 3 informal talks were stablished in order to clarify and expand the understanding over more subjective topics. Finally, collected data were analyzed and then interpreted in order to clarify the key topics proposed in Chapter III.

In this context, 55 online questionnaires were sent, via email and LinkedIn message, contextualized by a brief explanation on the subject of the present investigation. The questionnaire was created athwart SurveyPlanet online app (Appendix II). It was delivered in Portuguese to avoid potential restrictions. There were received 30 answers, corresponding to 54.5%. According to Menon *et al.* (1996), the acceptable rate of response regarding top management oriented surveys is set between 15% and 20%. In this sense, it is considered a satisfactory rate of response.

Nevertheless, it is important to underline the sample was intentionally constituted, in terms of industries, in order to best represent the phenomenon under study. Moreover, it is also important to notice this investigation's main aim is to explore and compare different features of distinct environments – in this case, industries- concerning the phenomenon under study. Overall, it is advised a careful reading.

In this context, it is important to evidence the verification criteria of this investigation. Concerning the goal-oriented approach, it is linked to an exploratory reasoning by assessing a certain phenomenon within a real context (Yin, 1994) in order to develop an understanding about how companies perceive corporate-level strategies and how do the context features influence it.
Focusing the means-oriented approach, the present investigation was based on a set of primary sources, taking advantage of the application of semi-structured questionnaires with both closed-

[2] Convenience sampling refers to a non-probability sampling technique. Non-probability sampling has its roots on the judgement of the researcher. In the context of convenience sampling, included respondents were selected for convenience. Hence, this sampling process is not representative due to its volunteer nature as respondents were kindly asked to participate. Any generalizations regarding the final results should be carefully taken.

ended and semi open-ended questions to professionals performing roles with strategic responsibility, along with secondary sources which include bibliographic research in books, journals, papers and online files. Close-ended questions perform a facilitator role when trying to obtain information (Vilelas, 2009) since they guide the respondent. On the other hand, semi open-ended questions, like open-ended questions, allow collecting a larger amount of information (Vilelas, 2009).

The decision of engaging a questionnaire to support this investigation was essentially based on the intrinsic readiness to obtain questions, taking into account the nature of the inquired group. In this specific case, questionnaires allow the collection of a broader range of distinct points of view from different business contexts and backgrounds.

Traditionally, questionnaires establish a well-known tool in social sciences (Ghiglione & Matalon, 2001; Sierra Bravo, 1988) conducive to attain information, essentially focusing fundamental issues (Barañano, 2008). In fact, this is the most recurrent method regarding business research as it is the greatest option in terms of cost reduction, treatment of data and error level (Vilelas, 2009) due to its nature. Furthermore, it allow to group data according to the objectives of the study. However, questionnaires can potentially incur in some subjectivity resulting from distinct individual perspectives (Wood & Hader, 2001), for example.

Concerning the quantitative analysis of results, descriptive statistics was believed to be more adequate analysis against analytical statistics, exposing final results in tables and charts as a result of the application of rules an techniques to summarize the information obtained from the questionnaires in terms of frequencies, percentages, measures of central tendency such as mean, mode and median, variances, standard deviation and count data (Vilelas, 2009).

Summarizing, the first phase of the present investigation is linked to the bibliographic research, coupled with the analysis and critical assessment. The second phase inferred the transfer of the theoretical content into the real business context in order to best assess the expected results. The third phase was characterized by the data collection from the Portuguese business context. At last, the fourth phase included a qualitative analysis coupled with a comparison between distinct sources of information in order to establish an understanding about perception of corporate-level strategies among the Portuguese business context and differences that may occur derived of specific features of each industry.

In relation to the external validity, allied to the possibility of generalizing the obtained results to further contexts or samples, the present investigation supports some existent studies related to corporate strategies. Nevertheless, it motivates additional investigations in order to deep the comparative analysis of each strategy between distinct industries (or prolong the comparison to other typologies) or even extend this comparison to further topics in management.

Chapter IV | Results

1. Study Sample

In order to drive this investigative study, primary-sourced data was collected by analyzing a total of 30 questionnaires, handled to a group of people whose professional roles infer any strategic influence at the corporate level, across distinct firms.

Regarding the referred questionnaires, there were received 30 responses from a total of 55 questionnaires sent.

1.1. Profile of Respondent

First, it is important to state a general profile of the respondents. Taking into account the study subject- corporate strategies- it was required respondents to have both professional experience and strategic influence at the corporate level.

From a demographic perspective, key variables were considered in order to formulate an objective analysis regarding respondents' age, professional role in the company and the total of time in the function. The intention is to develop a generic profile of roles with strategic responsibility at the corporate level. The main aim was to find a potential linkage between respondents' characteristics and the subject under study (Freitas, 2003).

Age

Regarding the group of inquired professionals, the average age is 41 years old. This is an acceptable fact as the referred roles are commonly associated with experienced stages of career. As presented in table 11, age ranges were defined. The most relevant range, in absolute terms, is set between 51 and 60, representing 30% of the sample. However, younger groups are also noticeable- 20 to 29 and 30 to 40- associated with the entrepreneurial trend of creating companies and consequently assuming strategic roles at early stages of career (Appendix III).

Table 11 | Study sample by age range

Age Groups	**Abs. Frequency**	**Rel. %**
20-29	8	26,7%
30-40	7	23,3%
41-50	6	20,0%
51-60	9	30,0%
Total	**30**	**~100%**

Source: Elaborated by the author

Role

In terms of professional role, as respondents were required to have either direct or indirect strategic influence at the corporate level, it refers to a more restricted group. It is possible to notice a dominance roles associated with corporate-level strategic decisions- Senior Manager/ Manager (43,3%) and CEO (23,3%) (Appendix III).

In this specific case, some managers argued, despite the knowledge and indirect influence, they were taking the questionnaire on behalf of more influent roles, commonly associated to CEO, Founders, Partners and members of the Board of Directors. On average, corporate related roles represent less than 15% of the total universe of a company.

Table 12 | Study sample by role

Role	**Abs. Frequency**	**Rel. %**
Senior Manager/ Manager	13	43,3%
Founder/CEO	7	23,3%
Director	3	10,0%
Partner	2	6,7%
Project Manager	2	6,7%
Key Account Manager	2	6,7%
Vice President Board of Directors	1	3,3%
Total	**30**	**~100%**

Source: Elaborated by the author

Total of Years in the Role

As the roles under consideration require a proved professional experience, they are generally associated to advanced stages of career. This fact is verified by pointing higher totals of years to greater age groups. However, it matters to highlight representative groups with lower totals, due to the entrepreneurial trend previously mentioned, as young professionals are engaging proper businesses each time earlier (Appendix III). Concerning the universe of respondents, the average time in the role is 8 years.

1.2. Demographic Data

The sample group under presents a high level of heterogeneity regarding its key characteristics, such as nature, dimension and purposes. Besides analyzing the respondents, their correspondent companies were also explored in order to develop a general overview. In this sense, a set of demographic indictors was analyzed, mainly focusing organizational activity and founding.

Industry

Companies under consideration explore a multiplicity of professional activities, across several industries. For the purpose of this investigation, generic groups of professional activity were created based on the nature of the underneath sector (Appendix III), in order constitute reference groups for posterior comparisons, as it is presented in table 13.

Table 13 | Study sample by professional activity

Professional Activity	Abs. Frequency	Rel. %
IT/Software	6	20,,0%
Assurance	5	16,7%
Business Consulting	4	13,3%
Retail & Distribution	3	10.0%
Finance	2	6,7%
Food & Beverages Supply	2	6,7%
Logistics and Distribution	2	6,7%
Architecture	1	3,3%

Coffee Production	1	3,3%
Energy	1	3,3%
Metallurgic	1	3,3%
Online Services	1	3,3%
Recruitment	1	3,3%
Total	**30**	**~100%**

Source: Elaborated by the author

With a total of 6 answers, IT/Software is the most representative group, signifying 20% of the sample. There are included consulting, ICT and software related firms. Following, assurance constitutes another considerable sector, representing 16.7% of the study sample. Business consulting by its turn represents 13.3% of the sample counting with 4 answers. Finance, food & beverages supply and logistics and distribution groups represent each 6.7% of the sample. All the remaining groups count with one answer each, as it is possible to point in table 13.

Date of Founding

Following, the date of foundation of each organization was also assessed in order to figure the consolidation of their operations. As it is possible to point on table 14, this sample is majorly constituted by companies with more than 20 years of professional activity.

Table 14 | Study sample by date of founding

Range	Abs. Frequency	Rel. %
1-5 years	7	23.3%
6-20 years	11	36.7%
More tham 20 years	12	40,0%
Total	**30**	**~100%**

Source: Elaborated by the author

Region

A great portion of the sample is based or at least operates in Lisbon (80%). For this purpose, were also considered companies performing activities in other cities of Lisbon District, such as Sintra, Cacém and Vialonga. Nearby, there is also a company from Almada. With regards to the North area, it counts with 6 involved companies, highlighting Porto and Matosinhos.

Considering the national scope, 3 of the inquired companies have operation across the entire country. In a broader perspective, regarding the study sample, one of the companies has its HQ in Madrid and a total of three have international activity.

In the present study, were also involved three companies operating in London (UK), Luanda (Angola) and Cape Verde, whose strategic responsibility belongs to Portuguese professionals (Appendix III).

Market Positioning

Focusing the typology of inquired firms, 50% of the study sample is constituted by multinational firms. PMEs, where are also included startup, represent 30% of the sample, followed by Nacional companies with the remaining 20%.

Table 15 | Study sample by market positioning

Pos.	**Frequency**	**Rel. %**
Multinational	15	50%
PME	9	30%
Nacional	6	20%
Total	**30**	**~100%**

Source: Elaborated by the author

Founding

Following, the classification of the origin of each involved company was also assessed. As it is described in Table 16, a relevant portion the sample was found as professional based.

Regarding the type of business entity, from a total of 30 companies, the most representative portion is linked to Individual (33.3%) and Anonymous (33.3%) companies while 26.7% was founded by quotes (Appendix III).

Table 16 | Study sample by origin

Origin	Frequency	Rel. %
Professional	11	36,7%
Family Business	8	26,7%
Social/Friends	8	26,7%
Individual	2	6,7%
Other	1	3,0%
Total	**30**	**~100%**

Source: Elaborated by the author

Table 17| Study sample by business entity

Business Entity (Portuguese Denomination)	Frequency	Rel. Percentage (%)
One Man (Individual)	10	33.33
Plc (Sociedade Anónima)	10	33.33
SGPS (Por Quotas)	8	26.67
Other	3	10
Total	**30**	**~100%**

Source: Elaborated by the author

Number of Employees in the last 3 years

In order to analyze the total number of employees in the last three years, from an explorative perspective, dimensional groups were set. The most frequent groups were *"1 to 10"* and *"more than 1000"*, which follows the though inherent to previously analyzed criteria (Appendix III).

Volume of business in the last 3 years

Following the previous topic, dimensional groups were also set in order to explore the volume of business in the last three years. The most frequent groups were *"1 to 10"* and *"more than 1000"*, which follows the though inherent to previously analyzed criteria. It is important to mention this question obtained the higher number of blank answers (Appendix III).

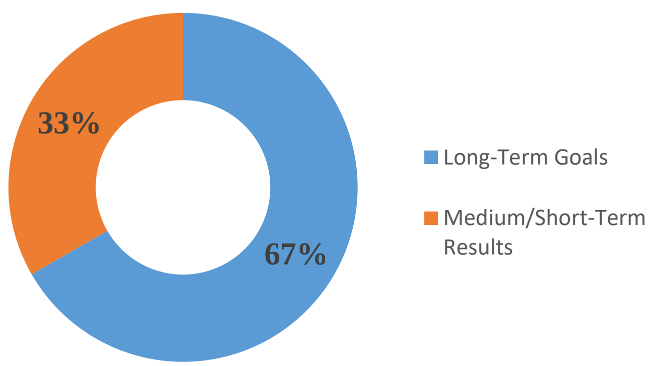
2. What strategic level do companies prioritize?

Regarding an organization, there are two main features characterizing each strategic level- time scope and strategic orientation. This was the basis to evaluate companies' strategic prioritization. In this sense, two important questions were taken.

Which of the following must be prioritized, considering the business setting?

Time scope is commonly characterized by long term and short term perspectives. For this purpose, *"long term"* was conceptually associated to the long term goals, while *"medium/short term"* referred to more immediate results for competitive purposes. These constituted the given options.

Graphic 1 | Long term *vs.* medium/short-term



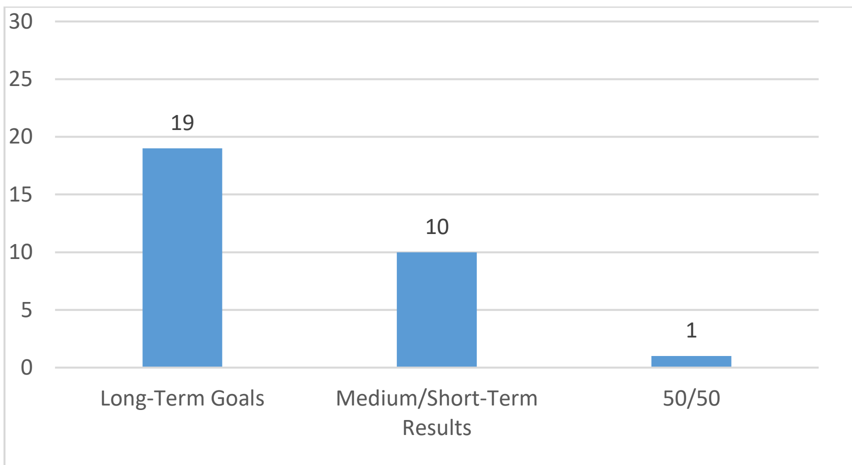
Source: Elaborated by the author

As it is possible to figure regarding graphic 1, long term represents the most relevant approach to time scope, with a total of 20 answers (67%). This enhances the increasing importance of defining long term results in order create a sustainable structure to face the challenges intrinsic to the business setting.

Relative Importance

Aiming to develop a parallel between long and short terms, respondents were asked to weigh time scopes according to their orientation.

Graphic 2 | Time scope orientation



Source: Elaborated by the author

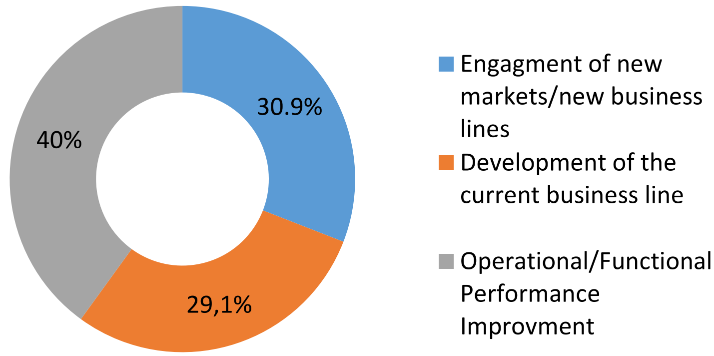
A substantial part of the sample value long term perspective the most, with an average of 63.3%.

Regarding the medium/short term scope, higher weights were attributed by companies associated with recruitment, retail and IT. Among the study sample, the orientation to long term tend to be associated with bigger firms, as small firms prefer to be oriented by immediate results (Appendix III).

What is the most adequate approach to strategy considering the current context?

Assessing now the strategic orientation, companies were asked to point the most adequate approach to strategy, considering the business environment they act into. Again, respondents were given three options, which were implicitly related with the three levels of strategy – *"Engagement of new markets/new business lines"* linked to corporate strategy, *"Development of the current business line", referred* to Business Strategy and *"Operational/functional Performance Improvement"* associated with functional strategy (Appendix III).

Graphic 3 | Adequate Approach of strategy



Source: Elaborated by the author

It is possible to point *"Operational/functional Performance Improvement"* as the most relevant (40%), followed by *"Engagement of new markets/new business lines"* with 30.9%. The less relevant refers to *"Development of the current business line"*, representing 29.1% of the sample. It is important to notice respondents were allowed to select more than one option. Thus, it was supposed to ponder each chosen option.

Relative Importance

Analyzing the overall ponderation, it is possible to notice a linkage between the adequate approach to strategy and professional activity of the companies. It was possible to notice, for example, IT/software sector is more concerned with the *development of the current business lines* while food & beverage related businesses focus the *engagement of new markets and new products*. It is important to underline the majority of the involved companies combined more than one option. Operational/functional performance improvement was frequently chosen (Appendix III).

3. What are the main drivers of the decision behind Corporate Strategies

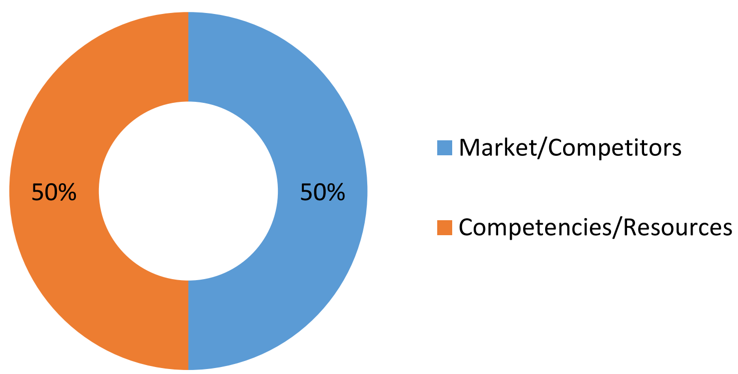
Another important point of attention is related to the drivers behind the strategic decision.

With the aim of creating an understanding over the rationale driving the choice of a strategy at the corporate level, there were assessed the major forces influencing it.

Forces influencing strategic decision the most

Within their own setting, companies are usually exposed to two main environments, the external and the internal. In this sense, external environment was conceptually associated *"market/competitors"*, while *"competencies/resources"* referred to the internal context. These constituted the given options.

Graphic 4 | Factors influencing strategy



Source: Elaborated by the author

Considering the sample under study, external and internal forces, they are perfectly balanced when assessing the influence on the strategic decision.

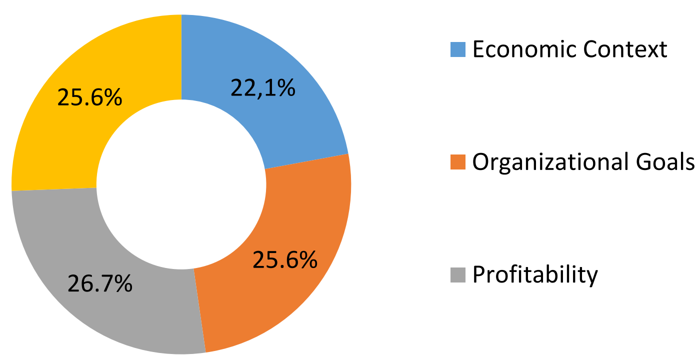
When analyzing more in depth, it is possible to figure *market* and *competitors* exercise a more relevant influence in companies operating in Assurance, Finance, Consulting or Food and Beverages, for example. These businesses are deeply rooted to the market setting, especially dependent of the final consumer.

On the other hand, *resources and competencies* constitute a more relevant influence for companies whose resources constitute the main source of value of their business. As an example, IT/software, retail, logistics and architecture related companies (Appendix III).

Elements to consider during the strategic decision

When pondering a corporate strategy, key elements need to be considered. In order to assess the most relevant drivers among the study sample, respondents were asked to indicate which features they value the most, with respect to the business setting.

Graphic 5 | Elements to consider during the strategic decision



Source: Elaborated by the author

Regarding graphic 5, the proposed drivers present a balanced distribution along the study sample, between 25 and 26%. The economic context constitutes the lower relevance, set in 22.1% of the sample.

Relative Importance

Once again, there was proposed a parallel between the given options in order to relativize them as respondents were allowed to select multiple options.

The most influent force driving strategy at the corporate level, according to this investigation, is relates with *"organizational resources and capabilities",* constituting, on average, 29% of the sample, followed by *"Profitability"* set at 28.6%. The less influent force is, at it suggests, the *"Economic Context",* figuring on average 20% of the sample (Appendix III).

It is important to notice, the attributed importance has some relation with the nature of the output of the company and consequently, organizational performance. For example, Consulting and Recruitment companies constitute the higher rates regarding "Resources and Capabilities" while food and beverages supply consider "organizational goals" the most (Appendix III).

4. Are corporate strategies always pondered the same?

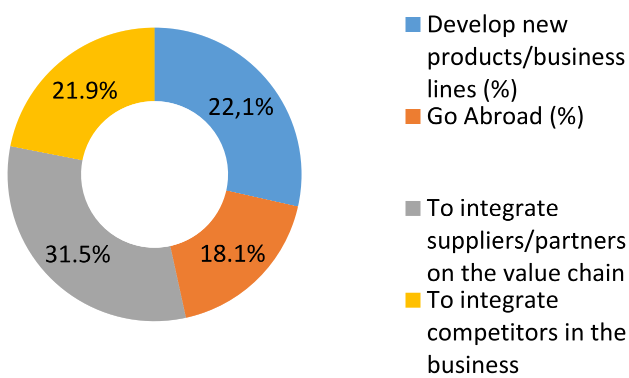
The main aim of this section was to assess the perception of corporate strategies across distinct firms, in order to understand the motivation behind their implementation.

The most adequate approach to business development

Inquired professionals were asked to reflect about their current business and the main features intrinsic to the environment in order to specify the most adequate approach to business growth.

As previously referred, these options refer to implicit characteristics of corporate strategies.

Graphic 6 | Adequacy to business development



Source: Elaborated by the author

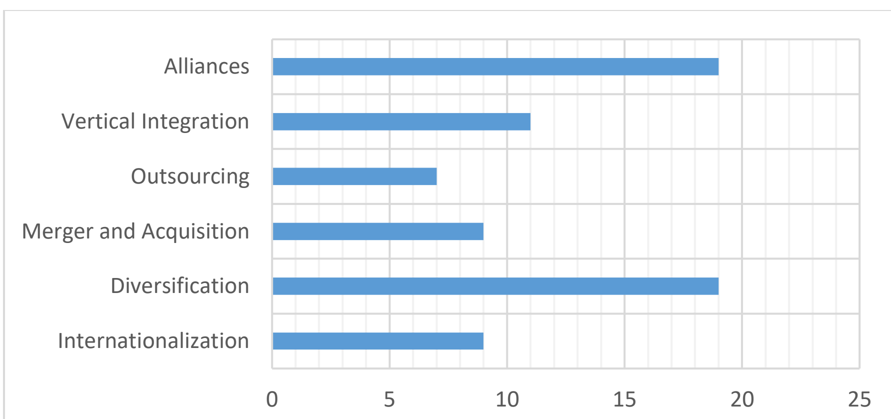
In these terms, the most likeable approach when pondering to expand a business is *"to integrate suppliers/partners within the value chain",* representing a total of 31.5% of the sample under study. Following, "Develop new products/business lines" constitutes 22.1% of the sample and "Integrate competitors in the business" signifies 21.9%. "Go abroad" is the less pondered approach, constituting only 18.1% of the sample.

Most likeable strategy to:

With the aim of figuring the perception different companies, exposed to distinct environments, have on corporate strategies, a set of scenarios were proposed as respondents were asked to indicate the most likeable strategy (or strategies) to each case.

Develop new products or business lines

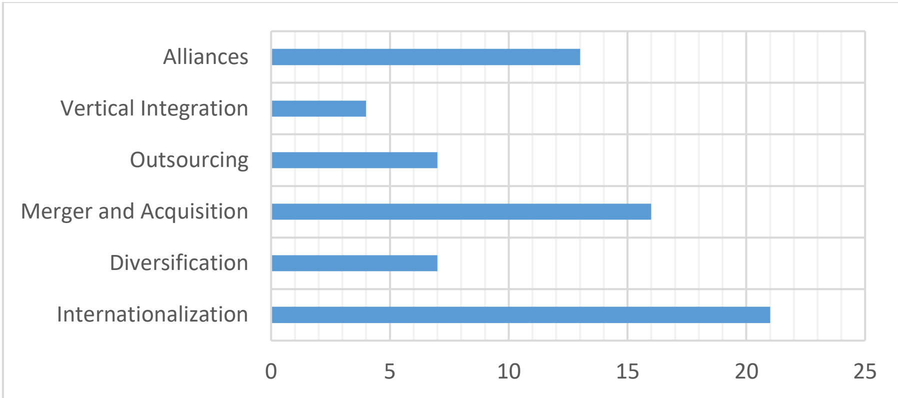
Graphic 7| Most likely strategy to develop new products or business lines



Source: Elaborated by the author

Expand business abroad

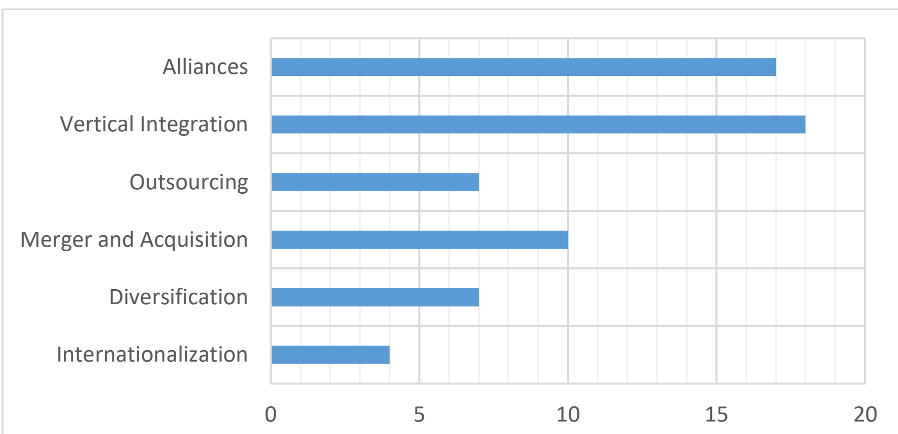
Graphic 8 | Most likely strategy to expand business abroad



Source: Elaborated by the author

Integrate suppliers/partners in the business

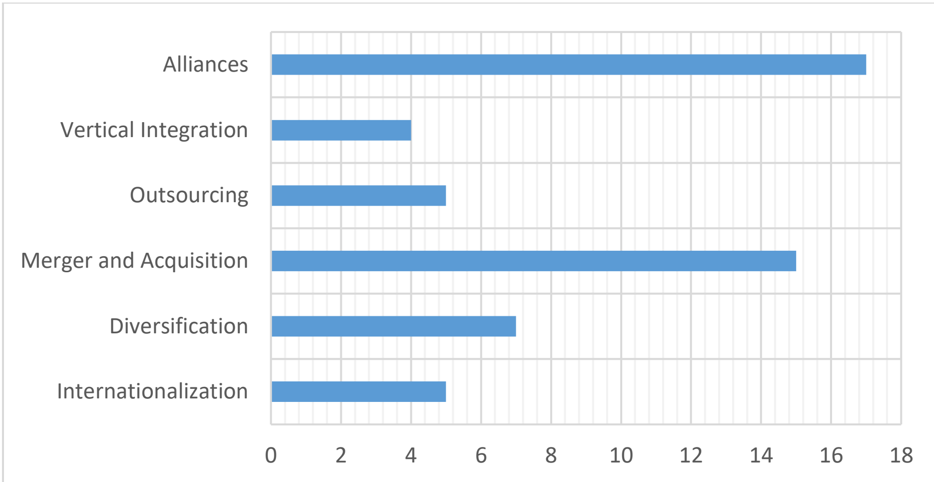
Graphic 9 | Most likely strategy to integrate suppliers/partners within the business



Source: Elaborated by the author

Integrate competitors within the business

Graphic 10 | Most likely strategy to integrate competitors in the business



Source: Elaborated by the author

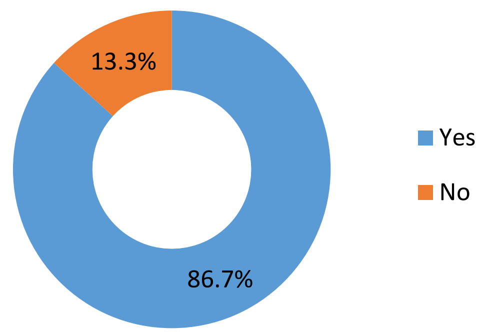
By analyzing the previous graphics, it is possible to point distinct perception of corporate strategies when facing the same proposed scenarios. It is believed these differences are motivated by both internal and external forces, as each company, in a specific moment, constitutes a single case.

Moreover, it is noticeable the predominance of specific strategies, focusing Alliances, which assume a relevant role in all the proposed scenarios.

Possibility of use corporate strategies as an operative part of the strategic process

Exploring further approaches to strategy suggested by the *literature review*, it was asked inquired professionals to evaluate the possibility of using corporate strategies as an operative part of the strategic process.

Graphic 11| Possibility of engaging a corporate strategies as an operative part of the strategic process



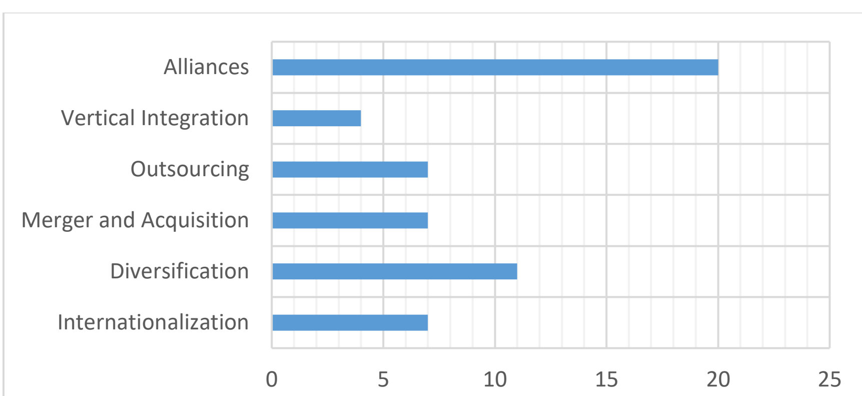
Source: Elaborated by the author

The majority of the respondents (86.7%) assumed the possibility of engaging corporate strategies, not only with a strategic aim, but also as an operative part of the strategic process, for example, as a facilitator to implement other strategies.

More likely strategies to perform an operative role in the strategic process

Regarding graphs 7 to 10, it is possible to identify strategies continuously considered to face distinct scenarios. Resulting from the previous though, this last question objectives the existence of corporate strategies used as an operative part of the strategic process, by specifically identifying them.

Graphic 12 | Strategies Potentially Able To Perform Operative Roles



Source: Elaborated by the author

Overall, it is possible to point alliances as a polyvalent strategy as inquired professionals recognized the possibility of forming strategic alliances as an operational part of a strategic process, in order to facilitate and support, for example, the implementation of other corporate strategy posteriorly.

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Chapter V | Discussion

1. What strategic level do companies prioritize

Conceptually, strategic levels have intrinsic characteristics under which they were analyzed- in time and orientation scopes. In terms of time scope, corporate strategy is defined by a long term view, linked to longstanding goals. With regards to strategic orientation, its motivation to a disruptive approach to business, often suggests the engagement of new markets or new business lines. In this sense, the present question intends to understand dissimilarities regarding strategic prioritization, from time and orientation scopes.

Exploring the time scope perspective, respondents were asked to select a *window* to prioritize according to the general business context- *long term*, conceptually associated to the long term goals, and *medium/short term,* linked to more immediate results for competitive purposes. A considerable part of the sample (67%) considers the long term as the most adequate time scope, regarding their setting. According to Jordan and Grant (2012), the definition of simple and consistent long term goals is one of the three key pillars to achieve strategic success. It is also noticeable, a positive impact on organizational performance, in terms of evolution of business volume (essentially) and the number of employees, when comparing companies focusing distinct time scopes.

When assessing the strategic orientation, the inquired professionals were asked to point out the most adequate approach to strategy in the business environment. The presented options constituted a reference to the key points of each strategic level. *Engagement of new markets/new business lines* was linked to corporate strategy, the *development of the current business line to* business strategy, and *operational/functional performance improvement* was linked to functional strategy.
It was possible to conclude that the strategic orientation is deeply connected to the nature of the professional activity of the company. The *engagement of new markets/new business lines* is more frequent in companies performing, for example, in highly regulated sectors (*i.e*. assurance, energy) or developing products with unpredictable life cycle time (*i.e*. fashion). Conversely, firms acting in dynamic or fast moving environments, such as IT/Software, are less likely to engage in long term initiatives. In terms of orientation, these organizations tend to focus internally in order to

improve their operations. Consequently, they are able to increase their competitiveness among the current market (Appendix II).

Finlay (2000), defends distinct strategic levels are expected to operate individually. However, this investigation suggests a collaborative perspective. As an example, it is noticeable that, *operational/functional performance improvement* frequently occurs in combination with other main initiatives. This fact allows to conclude to certain extend, that operational/functional strategies are able to provide support to business and corporate strategic levels.

2. What are the main drivers of the decision behind Corporate Strategies

The following question emerged as an attempt to assess the main drivers behind the strategic decision at the corporate level, *i.e.*, perceiving the role of the business setting and the firms' resources when pondering the strategy to adopt. This constitutes a relevant approach since an accurate decision leads to well defined strategies. Agreeing with Johnson et al., (2008), a clear determination of the set of businesses to engage defines the basis of further strategic decisions, increasing the probability to succeed.

Strategic decision constitutes a significant part of the process companies take advantage of in order to adapt to the environment (Beard & Dess, 1981). It is commonly believed that, when formulating strategy, companies should ponder based on potential sources of value which will later drive to the most suitable strategy. In general, it is believed that companies who want to perform better than their competitors should ponder to compete in diverse businesses. On the other hand, companies exclusively focused on profits, tend to find competitive advantage within the same business line. However, this matter tends to be more complex than stated.

Regarding the present investigation, it was not possible to list the main drivers of the strategic decision in terms of the development of a corporate strategy, as previously explored by diverse authors. However, it is conceivable to conclude that distinct firms conduct the strategic decision based on different drivers.

Focusing the analysis on the influence of both internal and external environments, explored by Johnson et al. (2008), it is possible to figure they assume different levels of relevance according to the nature of the business. The external environment, represented by market and competition, constitutes a major influence within sectors where the organizational performance is dependent of the marketplace, especially due to the importance of the consumer. In this investigation, examples include companies operating in assurance, finance, consulting or food & beverages supply. With regards to the internal context, resources and competencies, companies whose resources constitute the major source of value are the most impacted. As an example, the IT/software, logistics and architecture companies. (Appendix III).

With respect to the elements to consider when pondering a corporate strategy, there is evidence that the attributed importance has some relation to the nature of the output of the company. For example, Consulting and Recruitment companies constitute the higher rates segment regarding "Resources and Capabilities" while food and beverages supply consider "organizational goals" the most (Appendix II).

3. Are corporate strategies always pondered the same?

Today, each corporate strategy represents a reliable topic of research on the subject of strategic management. Many authors have conceptualized distinct strategies at the corporate level, developing an understanding of the conditions companies are more likely to succeed towards a potential implementation. So, it was required to evaluate potential variations with respect to the perception of corporate strategies under specific conditions along with the features- internal or external- that motivate those differences the most.

From an academic perspective, studies point at specific strategies more likely to succeed under certain conditions. Conversely, the present investigation proposes a different approach to the perception of corporate strategies across distinct firms. For this purpose, multiple scenarios were presented in order to assess what strategies would be companies implement. Although most of the times an agreement on the overall perception was achieved, there emerged noticeable distinctions when contrasting with the literature.

For the same scenario, there were suggested multiple strategies as viable options, supported by a significant part of the study sample which does not recognize the existence of an exclusive strategy for each type of situation. The apparent distinctions on how companies perceive strategy at the corporate level are mainly incited by, internal perspective the volume of business, and, external perspective, the typology of sector companies operate (both in terms of opportunities and restrictions).

Moreover, it was noticeable a set of strategies recurrently pointed as viable, even considering distinctive scenarios. This fact drives to the potential existence of “polyvalent” strategies, i.e., strategies whose implementation would possibly succeed to achieve a broader set goals under distinct settings. Alliances, for example, represent a relevant option across distinct scenarios, followed by merger and acquisitions.

It was also pointed the possibility of using corporate strategies as an operational part of the strategic process. These strategies emerge in order to subsequently facilitate and support tasks like the implementation of other corporate strategies. Alliances were identified as the more likely strategy to perform as operational roles.

Chapter VI | Conclusions and Final Remarks

In current language, strategy is stated as *" the art of devising or employing plans or stratagems toward a goal"* (Merriam-Webster, 2007).

The present investigation had as main objective to conceive an understanding of strategy in terms of perception and inherent decision at the corporate level by exploring its development in Portuguese-influenced companies. Besides Portuguese companies, or international companies with professional activity in Portugal, there were also included international companies whose strategic responsibility is associated to Portuguese professionals.

Corporate strategy, for this purpose, was divided into two perspectives- long term time scope and strategically orientated to the engagement of new markets or new products. In terms of time scope, within the study sample, there is a clear evidence of the preference for the long term. It provides companies with a sense of stability and sustainability, and becomes more relevant as the company volume increases This is closely related to stakeholders expectations. Additionally, it impacts positively the organizational performance.

When it comes to strategic orientation, engaging new markets and new products assumes a proven approach to business development. However, by matching the explored orientations with the conceptualized strategic levels, it is possible to state that the operational/functional strategic level can provide support to the overall strategic engagement through the combination with either corporate or business strategies.

The strategic decision behind corporate strategy, is a process holding higher complexity than only contrasting organizational results and goals. Both external and internal environments can influence the strategic decision. However, they assume different levels of relevance according to the nature of the business. Although it was not possible to list the main drivers leading the strategic decision, it was noticeable that distinct firms conduct the strategic decision based on different sets of drivers.

Finally, with respect to the strategic perception across distinct companies it was found evidence of a multiplicity of strategic perceptions towards the same scenario. Furthermore, it was not recognized the existence of an exclusive strategy for each type of situation. Also, it is important to highlight the potential existence of *polyvalent* strategies, *i.e.*, strategies whose implementation would potentially succeed considering a multiplicity of scenarios.

Moreover, it has been recognized the possibility of implementing corporate strategies as an operational part of the strategic process, with either facilitating or supporting purposes.

1. Contributions on the Strategic Management Field

Strategy is one of the main research topics regarding the management field. Focusing strategic management, its continuous evolvement is a consequence of increasingly complex features prompting the overall business context.

The present study aims to develop an understanding on the subject of corporate strategy and its impact on firms' performance. It focuses the forces influencing the perception of strategy and its inherent decisions at the corporate level, across distinct firms.

From the organizational point of view, this investigation can potentially constitute an interesting source of value as it presents an innovative approach to strategic issues. Multiple features of both internal and external environments were taken under consideration in order to analyze the rationale behind strategic decisions at the corporate level of activity and potentially point common trends by activity group.

Regarding the professional context, as each firm constitutes an individual case, there is a tendency to take each case as its own reality. Thus, this investigation proposes a broader perspective over corporate strategies, recalling less accessible issues and presenting "other realities" to firms.

2. Study Limitations

Considering the nature of the present study, along with the subject under investigation, it is important to consider distinct limitations, either methodological or associated with the researcher. Overall, this is a restricted investigation in terms of contextualization and sample size.

From a theoretical point of view, empirical investigation was supported by multiple authors and researchers as strategy is an important topic of investigation among researchers. However, it was possible to notice some limitations, especially to sustain the degree of detail regarding all the explored strategies as not every topics are studied the same. Regarding the practical approach of this investigation, limitations are deeply associated to the nature of the subject under study.

The questionnaire aimed to access the perception of corporate strategies across multiple firms. Hence, it was required respondents to have professional experience and influence on strategic decisions at the corporate level. Since roles with responsibilities concerning the highest level of management are associated with relevant personalities among companies – Owners, CEOs, Directors- the sample size is limited. Also regarding the study sample, besides including Portuguese companies and international companies with professional activity in Portugal, there were also involved international companies whose strategic responsibility belongs to Portuguese professionals.

Following, due to the complexity associated to access roles at the corporate level, one of the most efficient strategies to handle questionnaires was to contact other hierarchic levels in order to identify profiles within firms who could potentially fit in the requirements. Here, it was identified a misunderstanding between corporate and business levels of responsibility.

In terms of external validity, this study starts from existent theory and tries to create an innovative approach to corporate strategy. Nevertheless, it is an exploratory study as it cannot be considered as representative.

3. Acquired Experience

With regards to the present dissertation, one of its most particular characteristics is related with the foundation of its topic in academic terms coupled with the interest it encourages, professional and personally. This study constitutes a source of knowledge due to the combination of theoretical and practical approaches to strategy and strategic decisions at the corporate level.

From a theoretical perspective, it was a great opportunity to expand the understanding about strategy-based topics. The academic research allow to explore strategy roots and evolution, comprehending distinct authors' contribution throughout the time.

Nevertheless, the major experience to highlight is associated to the practical research. The opportunity to stablish contact with roles with influence on firms' strategic decision, induced a new perspective of strategy to the author. Collecting insights from the real business context was a way to mainly understand how and each the forces, either internal or external, influence the perception over each corporate strategy and, consequently, the inherent decision. It is not common in the academic context.

Moreover, approaching strategy at the corporate level is always enriching experience in order to figure the complexity inherent to the business setting.

4. Suggestions for future research

Following the previous reasoning, academic context has significant differences when compared to real business context. In these terms, the lack between both environments constitutes an opportunity to expand the knowledge over strategic management topics and a potential source of value.

Concerning corporate strategies, assessing the main influences under their inherent strategic decisions may constitute an important asset to firms as it provides a broader perspective of the setting along with further features other players may be exposed to.

Thus, it would be interesting to explore these patterns and detail tendencies in order to find common forces and perspectives in specific segmentation criteria – country, industry.

At last, it would be also remarkable to apply this methodology to further strategic management topics.

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Appendices

Appendix I – Questionnaire Structure

Instruções para preenchimento deste questionário:

♦ Este trabalho visa explorar o __________ procurando recolher dados que permitam ______l.
♦ A resposta a este questionário deve ser realizada por profissionais com alguma experiência em trabalhos desenvolvidos no setor de ____________
♦ Por favor, responda a todas as questões de acordo com as respetivas instruções.
♦ Procure responder com os dados mais próximos da realidade relativamente à interacção tida no desenvolvimento dos projetos/trabalhos em que esteve envolvido
♦ Procure que o questionário esteja completamente preenchido, mas se não souber responder a alguma das questões por favor deixe-a em branco e passe à questão seguinte. O meu muito obrigado.

I. Dados Gerais Referentes a 2017

1. Setor de Atividade: ____ CAE: ________________

2. Início de atividade: _________ (Ano) **2.1.** Região/ Cidade ________________________________

3. Tipologia da sua empresa: Multinacional ☐ PME ☐ Outra Qual?__________________________

4. Origem da fundação da empresa: Individual ☐ Por quotas ☐ Anónima ☐ Outra ☐ Qual?

5. Origem da fundação da empresa: Familiar ☐ Individual ☐ Profissional ☐ Social/Amigos ☐

Outra ☐ Qual? ____________________________

6. Nº de empregados nos últimos 3 anos: 2014 _______ 2015 _______ 2016_______

7. Volume de vendas nos últimos três anos: 2014 _______ 2015 _______ 2016_______

II. Nível de Estratégia a Priorizar

8. No contexto atual, qual dos seguintes panoramas deve ser priorizado?

☐ Objectivos a longo-prazo ☐ Resultados a curto/médio prazo

Em caso de escolha das duas opções, qual a percentagem que atribui a cada uma?

Objetivos a longo-prazo ________% **9.2** Resultados a curto/médio prazo ________%

9. No contexto atual, qual dos seguintes panoramas deve ser priorizado?
☐ Objectivos a longo-prazo ☐ Resultados a curto/médio prazoEm caso de escolha das duas opções, qual a percentagem que atribui a cada uma?

Objetivos a longo-prazo ________% **9.2** Resultados a curto/médio prazo ________%

10. No contexto atual, qual das seguintes opções constitui uma aproximação mais adequada à "estratégia"?

☐ Entrada em novos mercados/linhas de negócio ☐ Desenvolvimento da actual linha de negócio

☐ Optimização da performance operacional/funcional

Em caso de mais do que uma opção, qual a percentagem que atribui a cada uma?

10.1 Entrada em novos mercados/linhas de negócio ________%

10.2 Desenvolvimento da atual linha de negócio ________%

10.3 Otimização da performance operacional/funcional ________%

11. No contexto actual, qual dos seguintes elementos exerce maior influência?

☐ Mercado/ Concorrentes ☐ Competências/Recursos internos

Em caso de escolha das duas opções, qual a percentagem que atribui a cada uma?

11.1 Mercado/Concorrente________% **11.2** Competências/Recursos internos ________%

III. Da Decisão à Gestão Estratégica

12. Qual dos seguintes elementos exerce maior influência sobre a decisão estratégica, ao nível corporativo? ☐ Conjuntura económica ☐ Objectivos organizacionais ☐ Rentabilidade

☐ Recursos/Competências internos

Em caso de mais do que uma opção, qual a percentagem que atribui a cada uma?

12.1 Conjuntura económica _____% **12.2** Objectivos organizacionais ________%

12.3 Rentabilidade______% **12.4** Recursos/Competências internos ______%

13. Considerando as características do sector de actividade em que actua, qual (quais) a(s) abordagem(ns) de crescimento mais adequada(s)?

☐ Criar novos produtos/linhas de serviço ☐ Iniciar actividade em novos países

☐ Integrar os fornecedores/parceiros na cadeia de valor (montante e/ou jusante) ☐ Integrar concorrentes no negócio

No seguimento da questão anterior, seleccione a(s) estratégia(s) favoráveis a:

13.2 Criar novos produtos/linhas de serviço

Internacionalização ☐ Diversificação ☐ Fusões e Aquisições ☐ Outsourcing ☐ Integração Vertical ☐ Alianças ☐

13.3 Iniciar actividade em novos países

Internacionalização ☐ Diversificação ☐ Fusões e Aquisições ☐ Outsourcing ☐ Integração Vertical ☐ Alianças ☐

13.4 Integrar os fornecedores/parceiros na cadeia de valor (montante e/ou jusante)

Internacionalização ☐ Diversificação ☐ Fusões e Aquisições ☐ Outsourcing ☐ Integração Vertical ☐ Alianças ☐

13.5 Integrar concorrentes no negócio

Internacionalização ☐ Diversificação ☐ Fusões e Aquisições ☐ Outsourcing ☐ Integração Vertical ☐ Alianças ☐

14.1. Considera a possibilidade de utilizar estratégias corporativas como parte operativa do processo estratégico da sua empresa? ☐ Sim ☐ Não

Em caso afirmativo, indique qual (quais) das seguintes estratégias desempenha(m) uma função operativa com maior frequência

Internacionalização ☐ Diversificação ☐ Fusões e Aquisições ☐ Outsourcing ☐ Integração Vertical ☐ Alianças ☐

IV. Dados Sobre o Inquirido

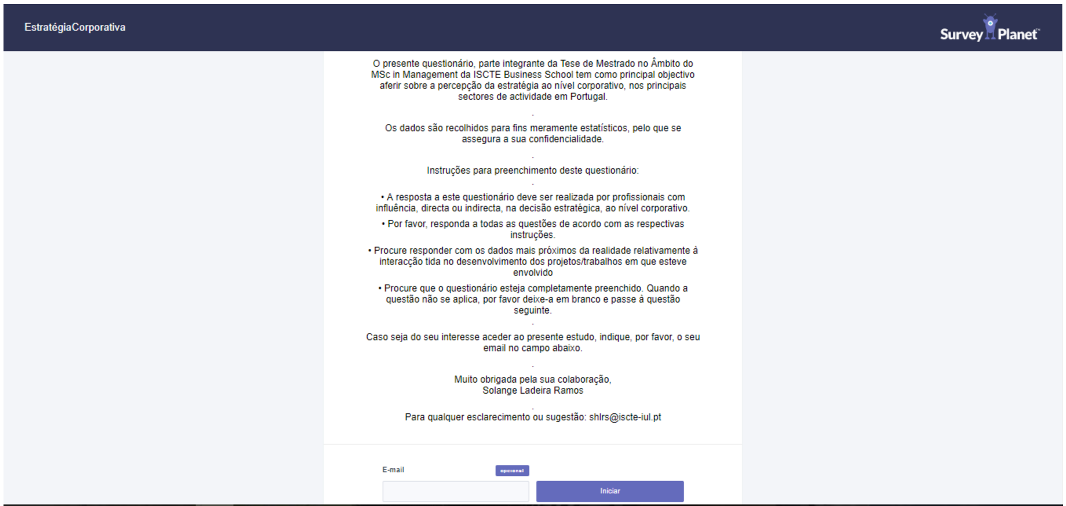
15. Idade _____ anos **16.** Funções que desempenha _______________________

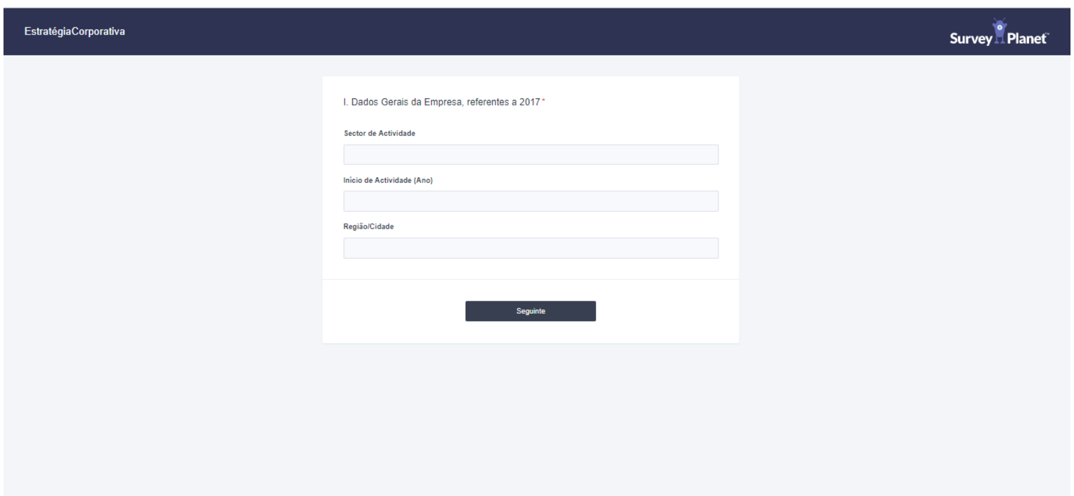
17. Há quantos anos está nesta empresa? _____ anos

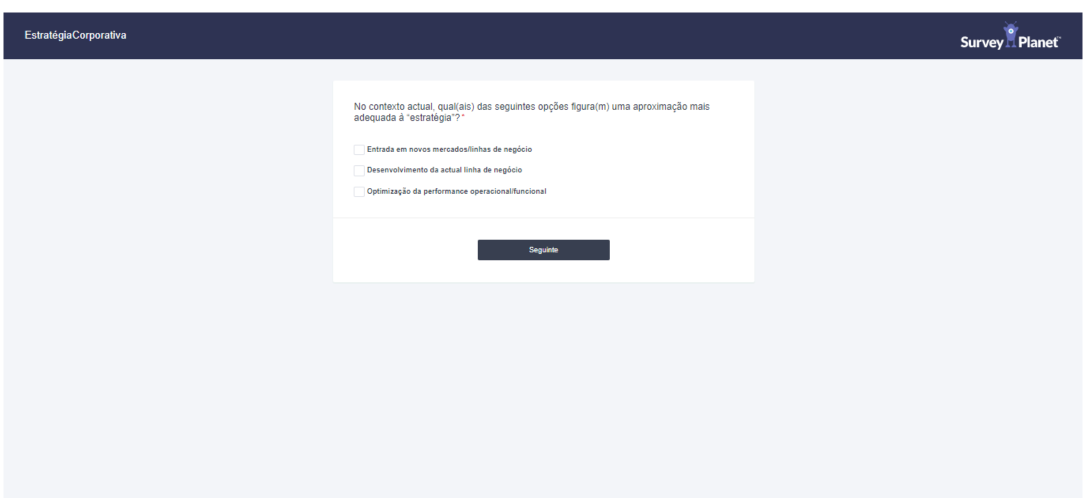
Muito Obrigado pela sua colaboração.

Desejo receber uma cópia do estudo. Enviar para o e-mail:
____

Appendix II – Questionnaire Survey Planet (Examples)







Appendix III | Results

1. General Data (2017)

Original answers - Portuguese

P	Sector	Date of Founding	Location
1	Banca de Investimento	1986	Lisboa
2	Moda	2012	Lisboa
3	Consultoria	2007	Lisboa
4	Retalho	2007	Lisboa
5	Arquitetura	2014	Lisboa
6	Consultoria	2016	Cabo-Verde
7	Consultoria	1980	Lisboa
8	Seguros	2006	Angola
9	Consultoria Software	2015	Londres
10	ICT	2013	Lisboa
11	Financeiro- B. Privada	1987	Lisboae Porto
12	Seguros	1973	Lisboa
13	Distribuição Alimentar	1972	Portugal
14	Energia	2014	Lisboa
15	Logística	2010	Lisboa
16	Seguros	1808	Nacional e Internacional
17	Seguros	2002	Portugal
18	IT	1980	Lisboa
19	Seguros	1808	Nacional
20	Business Software	2001	Lisboa
21	Café e Chá	2015	Norte
22	Pagamentos Online	2010	Lisboa
23	Comércio	1974	Lisboa

24	IT	2009	Lisboa
25	Comércio Motociclos	1998	Cacém
26	Distribuição	1985	Matosinhos (sede)
27	Consultoria	2002	Madrid (Sede)/Worldwide
28	Recrutamento	2010	Almada
29	Indústria	1985	Sintra
30	Alimentos e Bebidas	1934	Vialonga

Company Typology

Tipology	**Frequency**	**Rel. Percentage (%)**
Multinacional	15	50
Nacional	6	20
PME	9	30
Total	**30**	**100**

Company Origin

Origin	**Frequency**	**Rel. Percentage (%)**
Family Business	8	26.67
Individual	2	6.67
Professional	11	36.67
Social/Friends	8	26.67
Other	1	3
Total	30	100

Company Capital Statement

Business Entity	**Frequency**	**Rel. Percentage (%)**
One Man (Individual)	10	33.33
Plc (Sociedade Anónima)	10	33.33

SGPS (Por Quotas)	8	26.67
Outra	3	10

1. Number of Employees in the last three years

Original answers

P	2014	2015	2016
1	1500	1600	1700
2	2	3	4
3	3	4	5
4	200	201	201
5	15	22	25
6	1	1	3
7	1900	2000	2200
8	25	27	30
9	N/A	1	1
10	8	7	8
11	250	225	200
12	3200	3150	3100
13	7871	8071	8066
14	79	70	70
15	1500	2000	2200
16	n.r	n.r	n.r
17	160	165	168
18	1500	1700	2000
19	n.r	n.r	n.r
20	5	90	115
21	N/A	2	3
22	30	80	150
23	15	18	20
24	5	7	8
25	5	6	6
26	n.r	n.r	30000
27	1350	1700	1900
28	40	50	36
29	30	25	22
30	+1500	+1500	+1500

2. Volume of Business in the last three years, in euros

Original answers

P	2014	2015	2016
1	43.413.633	43.815.088	45.146.860
2	300000	500000	500000
3	38000	50000	95000
4	2M	3.7M	5.2M
5	1000000	1500000	n.r
6	n.r	n.r	784.000,00
7	n.r	150M (PT) / 29B (mundo)	180M (PT) / 31B (mundo)
8	3000000	3500000	4000000
9	N/A	n.r	100000
10	2000	47000	250000
11	n.r	n.r	n.r
12	n.r	n.r	n.r
13	1361661	1306346	1347095
14	n.r	n.r	n.r
15	n.r	n.r	2M
16	40M	42M	45M
17	42.518.862,44	43.722.539,89	45.418.915,96
18	n.r	n.r	n.r
19	n.r	n.r	n.r
20	0,7M	2,2M	6,1M
21	n.r	150000	180000
22	100000	350000	500000
23	2018903	2876720	3569153
24	300000	600000	700000
25	n.r	n.r	n.r
26	n.r	n.r	n.r
27	109.763.000	120.299.000	123.480.000
28	2M	3M	0,8M
29	2M	1.7M	1.5M
30	300M	300M	300M

1. Strategic Prioritization

P	Long Term (%)	Short Term (%)
1	60	40
2	80	20

3	60	40
4	70	30
5	70	30
6	80	20
7	75	25
8	65	35
9	70	30
10	10	90
11	20	80
12	80	20
13	55	45
14	60	40
15	70	30
16	40	60
17	60	40
18	30	30
19	75	25
20	30	70
21	20	80
22	75	25
23	30	70
24	70	30
25	40	60
26	50	50
27	65	35
28	30	70
29	35	65
30	80	20

P	**Engagement of new markets/new business lines (%)**	**Development of current business lines (%)**	**Operationa/ Functional Performance Improvment (%)**
1	10	40	50
2	50	10	10

3	10	90	
4	30	20	50
5	50		50
6	30	40	30
7	25	25	50
8		100	
9		70	30
10		85	15
11	40		60
12	50		50
13	40		60
14	80		20
15		100	
16	20	30	50
17	100		
18		50	50
19	50		50
20	10	60	30
21	40	60	
22	100		
23		60	40
24		70	30
25			100
26	20	50	30
27		55	45
28			100
29	40	25	35
30	60		40

P	**Economic context**	**Organizational Goals**	**Profitability**	**Resources Capabilities**
1	15	25	60	0
2	10	30	50	10
3	0	0	0	100
4	25	25	25	25
5	0	25	25	50
6	80	0	20	0
7	10	40	10	40
8	20	20	40	20
9	30	30	10	30
10	0	70	0	30
11	20	10	50	20

12	25	20	35	20
13	10	10	20	60
14	20	30	40	10
15	0	30	0	70
16	20	20	30	30
17	20	0	40	40
18	50	0	50	0
19	0	30	40	30
20	10	20	40	30
21	0	30	70	0
22	30	30	25	15
23	50	0	50	0
24	60	40	0	30
25	70	0	0	30
26	10	40	30	30
27	40	30	0	30
28	0	0	0	100
29	0	0	100	0
30	0	80	0	20
Total	**20.83333333**	**22.83333333**	**28.66666667**	**29**

3. Profile of respondent

P	Role	Age	Date
1	**Vice-Presidente Cons. Adm**	**45**	**1986**
2	**Fundador/CEO**	**25**	**2012**
3	**Partner**	**53**	**2007**
4	**Director**	**42**	**2005**
5	**CEO**	**25**	**2014**
6	**CEO**	**45**	**2016**
7	**Senior Manager**	**40**	**2015**
8	**CEO**	**35**	**2013**
9	**Director**	**33**	**2016**
10	**CEO**	**28**	**2013**
11	**Director**	**56**	**2010**
12	**Director**	**41**	**2010**
13	**Director**	**57**	**2007**
14	**PMO**	**48**	**2008**
15	**Key Account Manager**	**25**	**2016**
16	**Administrador**	**52**	**2012**
17	**Director**	**52**	**2016**

18	**PMO**	**39**	**2012**
19	**Director**	**60**	**2005**
20	**Head of Services**	**36**	**1997**
21	**Manager**	**28**	**2015**
22	**Director**	**24**	**2015**
23	**Director**	**40**	**2016**
24	**CEO**	**33**	**2009**
25	**Administrador**	**57**	**1998**
26	**Director**	**53**	**2016**
27	**Partner**	**46**	**2000**
28	**Sócio Gerente**	**27**	**2017**
29	**Fundador/CEO**	**57**	**1985**
30	**Key Account Manager**	**29**	**2014**