

Caio Mota

Foco Competitivo: Making room for change

Any organization worth its salt has in its essence a strategy that is clearly established or it is implicit in the way the organization Works.

Matheus Carvalho SEBRAE-MG Operations Director

On the night of December 16th, 2009, Matheus Carvalho was sitting next to several businessmen of the electronics industry in the city of Santa Rita do Sapucaí. The occasion was a public presentation that was crucial for the success of a project undertaken by his organization, SEBRAE-MG. That previous year had been extremely work-intensive for his team in the electronics cluster of Santa Rita do Sapucaí and Matheus outlined a mixed expression of weariness and satisfaction.

The event was coming to an end as Thais and Carla, two of his employees who had led the project locally, were making their final remarks. The audience - the elite of local businesses - had become familiar with both of them due to the intense contact since the beginning of the project. Matheus could not hide his pride. Thais turned to him and invited him to make the final speech.

That moment was important and decisive; important because it crowned several months of work by SEBRAE-MG in a leading and traditional manufacturing cluster of Minas Gerais. Decisive because of the possible reactions from the businessmen regarding the path that SEBRAE-MG was taking in its development policies.

As he walked in front of the audience, he reflected about what he would say to the businessmen. Although his speech was already defined and the key messages to pass to the audience were very clear to him, since he was heavily involved in the leadership of this strategic project SEBRAE-MG, he began to think about his organization and how its position had changed with regard to regional development projects. That moment would also define a new positioning in Santa Rita do Sapucaí. While he was approaching Thais, Matheus was agitated by these thoughts...

This case was prepared by Caio Mota under the supervision of Inés Sagrario and Emiliano Duch on 2011 based on a real experience in the State of Minas Gerais (Brazil), as the basis for class discussion rather than to illustrate the effective or ineffective handling of an administrative situation. Some situations, characters and companies have been disguised to preserve confidentiality.

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SEBRAE-MG Fostering Economic Development

SEBRAE, Support Service for Micro and Small Enterprises, was one of the leading organizations for the promotion of economic development in Brazil. Although it was established as an autonomous entity since 1990, SEBRAE had its origins in the 1970s when it consolidated a formal structure to support small and medium enterprises within the Federal Ministry of Planning, after several government efforts started in the previous decade. The CEBRAE, as it was called in this early period, grew exponentially, reaching virtually every state in the country two years after its creation¹.

SEBRAE-MG was the autonomous branch responsible for operations in the Brazilian state of Minas Gerais. In a country of continental proportions such as Brazil, SEBRAE was divided into autonomous state organizations to increase efficiency in resource allocation. All of the state organizations made up the SEBRAE system. SEBRAE-MG was responsible for a state with 586 thousands square kilometers, roughly the size of the entire Iberian Peninsula. Its organizational structure was also divided into macro-regions to meet the local needs of its entrepreneurs throughout the state.

The funds to finance SEBRAE system's activities were sourced by a compulsory contribution from the payroll of all companies operating in Brazil². In 2010, the total budget of the entire SEBRAE system was BRL 2.5 billion (approx. USD\$ 1.5 billion), of which SEBRAE-MG accounted autonomously for approximately BRL 130 million (approximately USD\$ 75 million)³.

These funds financed 191 projects distributed in approximately 25 different economic sectors. In addition, they supported a structure of approximately 500 employees, who were organized according to a macro-regional division of the state of Minas Gerais.

A Strategy

In early 2007, SEBRAE-MG went through a phase of reflection about what direction it should follow. Dr. Matheus Carvalho, Director of Operations of SEBRAE-MG at the time, believed it was necessary to redefine their direction in order to continue pursuing the organization's mission (see Exhibit 1). Thus, the organization engaged in a strategic planning effort that resulted in the development of a balanced scorecard (BSC) strategy map for the organization (see Exhibit 2).

The BSC became the cornerstone to start redefining SEBRAE-MG's operations, with goals and specific indicators to measure the gains. Within this framework two issues were highlighted: Competitiveness and Sustainability.

¹ Federal Law n° 8.029/90. Available at: <http://www3.dataprev.gov.br/sislex/paginas/42/1990/8029.htm>. Accessed in: 03/11/2010.

² The figure is 87.5% of the rate of 0.3% in social contribution incurred on the payroll. (Federal Law n° 8.029/90).

³ SEBRAE. Transparency Portal. <http://www.sebrae.com.br/customizado/sebrae/institucional/orcamento-do-sistema-sebrae-1/2010>

In this context, it was relevant to encourage a number of strategic sectors and territories. This effort reinforced the work carried out by the institution with clusters in the State of Minas Gerais and, strengthened SEBRAE-MG's commitment to develop the competitiveness of companies operating in these regions.

However, Matheus was not satisfied with the strategic realignment of the institution. He felt that they were still missing a connection between the new goals and each of the end activities and projects offered to its customers. It was essential to learn how to adapt its operations in this new context. According to Matheus:

We had developed our strategic map. Our strategy is represented in a map with objectives, indicators and so on. But what links our projects to the institution's strategic objectives? We need to focus these projects on competitiveness. If we do not have this capability, we have no reason to exist. Our existence is only justified if we have the ability to add something to collaborate in achieving these goals.

Projects... But which Projects?

SEBRAE-MG had already been working with clusters for nearly 10 years. However, before 2007, most of its actions towards what was called territorial development were related to meeting the demands raised by industry representatives in institutional meetings.

The first attempt to streamline projects by establishing goals and measuring results was done through the deployment of the Results Oriented Management (GEOR) system. The system supported project monitoring by establishing goals and metrics to identify the satisfactory execution of projects. The definition of projects and of criteria to measure results was done in conjunction with local businessmen, particularly those in executive positions within the local business associations - which SEBRAE termed the local governance. Thais Pinho who worked in the Industry Support department at SEBRAE-MG recalled:

When we only worked with GEOR, we approached the cluster only to listen: "What are your needs?" SEBRAE-MG would then work on top of what businessmen and the local governance told us. Of course we would also get to know the industry in the region and create our own vision too, but our view was very shortsighted.

Investments from SEBRAE-MG were often directed towards projects where businesses had a guaranteed gain, in other words, where they could invest autonomously. Support was also provided for businesses that were in decline and that would not have long-term sustainability. Brenner Lopes, manager of SEBRAE-MG in the region of Santa Rita was strict regarding this point:

I'm delivering mortuary services. The support to certain actions is sometimes just helping the guy to reach the bottom. [...] We say we will solve their problems, but we don't touch what is essential.

The top management of SEBRAE-MG wanted to create a way to think strategically about the projects and define the targets to be reached. Working exclusively with the leaders of the local institutions was not enough to achieve this goal. These businessmen were often so caught up in their day-to-day that they had no time to look at their businesses strategically, and when they did have time to do this, they were focused on their own business rather than on a sectoral strategy. Matheus reflected:

We were there and we supported a set of actions that subsidized or served the immediate interests of businessmen. But in reality this implied that SEBRAE-MG gave up its role of increasing competitiveness. When I think of competitiveness I'm not thinking of the short term, and I'm certainly not thinking about subsidies, but on the contrary! But I was acting exactly the opposite of what I should do. I didn't act towards reinforcing competitiveness, I provided subsidies to fund otherwise unsustainable activities. To the extent that I paid for a set of actions that should be the businessmen's costs, I had no positive effect on competitiveness.

What would often occur in these situations was that the vast majority of private sector requests were very specific to their concerns and problems faced in their day-to-day business. Thus, there were always difficulties in determining which actions should be taken, and also measure the impact of these actions that were being put in place with SEBRAE-MG's resources.

SEBRAE-MG concluded that GEOR was not enough to ensure the success of its projects and programs. It was essential to identify a strategic objective for each sector, and identify results that were in line with such objectives and are relevant to increase competitiveness. This was essential in order to align the organization's operations with its strategic map. Otherwise, the projects would continue to be created based on trial and error. According to Matheus:

We were implementers of actions. At most there was an impact assessment, but without a long-term view on increasing competitiveness. With this approach we could be very well evaluated, but without really knowing if we are helping the businesses' sustainability.

SEBRAE-MG's top management concluded that their projects were only short-term focused. It was necessary to bring about changes that could redirect SEBRAE-MG's operations towards the goals set in its strategy. Matheus was resolute on this issue:

From the point of view of a support institution, we were abdicating our capacity for innovation and knowledge generation. As set out in our BSC strategic map, these are the foundations for competitiveness. This was equivalent to institutional suicide. Adding knowledge to our customers is our gold, that's what differentiates us and allows us to survive. If we do not have the capacity to generate knowledge, we will become completely expendable. Our major concern was to change SEBRAE-MG and prepare it for the tasks and challenges it was facing; we could not be relegated to a secondary role.

In Search of Competitiveness: A new methodology

SEBRAE-MG began implementing a new methodology to guide its projects. They called this methodology “Foco Competitivo” (competitive focus), and it was based on some previous experiences that the institution carried out with the support of an international consulting firm. The methodology consisted in carrying out 'initiatives' that aimed at increasing the competitiveness of certain industries in the region. After the pilot implementation of this methodology SEBRAE-MG decided it was essential to absorb it within its structure.

From this decision on, SEBRAE-MG would start implementing these initiatives on its own. It needed to decide where to implement the next initiatives. Santa Rita do Sapucaí was an important choice, albeit difficult. Marise Xavier, the manager responsible for industry and territories, said that there wasn't a spontaneous demand for intervention in the region. According to her:

There wasn't a concrete demand from business as existed in other regions. We made the choice and had to negotiate with local leaders in Santa Rita to carry on the project.

However, Matheus Carvalho and his team stuck to the decision. They were firm in their belief in the importance of establishing clear objectives for the allocation of SEBRAE-MG's resources, especially in this important cluster in Minas Gerais. Matheus said:

We chose the electronics industry for its relevance. Moreover, it is a sector that has a critical mass to develop something sustainable and that apparently was positioning itself, from our point of view, in a way that would be unsustainable in the long run. Additionally, we had been working for many years in the cluster, and we wanted to obtain more concrete results.

The Cluster in Santa Rita do Sapucaí

The Electronics Business in Brazil and in Santa Rita

In 2009, companies in the consumer electronics sector in Brazil employed 160 000 people, and had a total revenue of approximately BRL 125 billion. The sector's performance in foreign markets was suffering; exports decreased by 20% between 2007 and 2009, while imports increased dramatically.

With 137 electronics companies present in the region, the cluster of Santa Rita do Sapucaí accounted for BRL 1 billion in revenues. The electronics industry employed nine thousand people in the area.

Most industries in Santa Rita were micro and small enterprises. Their production was very diverse including:

- Telecommunications equipment
- Computer equipment
- Medical and dental equipment
- Automation equipment
- Safety equipment
- Software development
- Specialized services

One of the most important segments was telecommunications, which met 70% of the domestic broadcasting market. The prominence of this segment was due to the production of converters (set-top box) and signal transmission equipment for digital TV, recently implemented in Brazil⁴.

Origins and Development of the Cluster

With a population of 36,000 inhabitants according to the census of 2010, Santa Rita do Sapucaí was a small municipality in the southwestern state of Minas Gerais. If someone had to guess its economic vocation, he would probably say that the city produces coffee and milk, like many others in the same region. However, some historical events changed the evolution of this city.

In the early 1950s, a lady from a wealthy family who had lived much of her life away from her homeland came back to Santa Rita do Sapucaí. Luiza Moreira Rennó had been educated in the great Brazilian urban centers and then lived in Japan after the war with her husband, witnessing the growing consumer electronics industry that emerged in that country. Upon her return, she started political actions directed at promoting culture and development.

Similarly, to what had happened to her, at the time many young people were leaving the city in search of better educational opportunities. However, Luiza

⁴ Cf. Cluster Diagnosis of the Valley of Electronics industry: market, technology and innovation, 2007.

Moreira was determined to retain and develop these young people and develop talents in the city. In 1959 she created, with her own resources, the first secondary technical school specialized in electronics in Latin America. It was named Escola Técnica de Eletrônica (ETE) Francisco Moreira da Costa (Technical School for Electronics (ETE) Francisco Moreira da Costa).

In 1965, some years after the founding of ETE, Santa Rita do Sapucaí received a new investment with the establishment of the National Institute of Telecommunications (Inatel) offering a degree in Engineering (Telecommunications). The creation of this course was once more linked to the local elite. However, instead of being tied to a single benefactress, it arose as a result of strong ties with the political elite of Minas Gerais and also with the public telecommunications company in the state⁵. Another local institution was created in 1971, the Faculdade de Administração e Informática - (FAI) (School of Business and Computer Science), through an initiative lead by teachers and the local community⁶.

For many years, the institutions of this small town were the only providers of skilled labor in electronics and telecommunications in Brazil. With the strong development of Brazil at that time - a period known as the Brazilian "economic miracle" (1970-1973) - these economic sectors grew dramatically and many of the young talented graduates were recruited to work in large companies.

Already in the 70s some electronics companies started to appear in the city. It was not until the strong economic downturn in the 80s, commonly known among Brazilians as the "lost decade", that the city's industry flourished. Although it may seem counterintuitive, the dramatic reduction of jobs in the electronics industry nationally led to a burst in entrepreneurship locally. Many of the young local graduates who could not find jobs as well as those who were returning to the city after losing their jobs in the large companies resorted to starting their own businesses. Many of these business projects grew in incubators created during the 1980s to stimulate the local enterprise development⁷.

Fostering the Industry in Santa Rita do Sapucaí

SEBRAE-MG had worked extensively with the electronics industry of Santa Rita. The main actions were focused on supporting access to buyers as well as to technical (e.g. INMETRO) and management (e.g. ISO 9000) certifications. Regarding access to buyers, local businessmen requested subsidies to participate in national and international trade fairs of the electronics sector and trade missions.

To measure the impact of these actions SEBRAE-MG had two main indicators: the increase in the average number of customers per firm and in the average number

⁵ Cf. Comin, A.; Freire C.T. (2009). About the quality of growth. Actors, institutions and local development. *New studies - CEBRAP*. N°.84, 2009.

⁶ FAI. Institutional website. <http://www.fai-mg.br/>. Access in: 04/11/2010.

⁷ Cf. Comin; Freire. Op. Cit.

of products launched. In order to measure the projects' results, SEBRAE-MG also considered other indicators to measure the periodic evolution of actions in the cluster, such as the average number of employees, the number of companies with ISO 9000 and the average export revenue per company.

These goals and indicators resulted in actions that did not meet the expectations of SEBRAE-MG's leadership. According to Mr. Brenner Lopes:

Suddenly we started doubting. Trade fairs are good for business: there are people who already went once, twice, even three times. Businessmen go to do business and they know that there is business, but why do we have to support it? Just to do more of the same?

Foco Competitivo in Santa Rita

Before starting the initiative, negotiations were carried out with the local governance in Santa Rita de Sapucaí so that the project had legitimacy in the region. The top managers of SEBRAE-MG worked intensively to convince the local leaders about initiative's importance. The redirection of resources from other projects that previously received support from SEBRAE-MG, towards the implementation of the Foco Competitivo was also questioned. In the end, the effort paid off and the initiative went through its three phases (see Exhibit 3). As Matheus pointed out:

We gathered the business leaders to talk and we agreed that part of the resources that had been previously set aside for actions in the cluster would be invested during the implementation of the actions resulting from this initiative [...]. We had to hold several meetings to decide this [...]. At the end we even helped the local leaders to seek for funds from other sources to finance other actions that we could not cover due to re-allocation of resources [...]. We tried to reconcile, but firmly, without compromising SEBRAE-MG's technical role.

Thais Pinho and Carla Farias were nominated to lead the work in Santa Rita do Sapucaí together with the regional manager from SEBRAE-MG, Rodrigo Ribeiro (see Exhibit 4 and 5 for SEBRAE-MG's organizational structure). None of them was an expert in consumer electronics. This was not a barrier for SEBRAE-MG, as Matheus recalled:

It is not important to be an industry expert ... For example, a coffee expert in SEBRAE-MG knows the ideal leaf weight, grain sizes, earth composition ... He wants to understand more about coffee production than the producer himself, but he does not understand the "coffee business". What does the value chain look like? Who are the main buyers? What are the key industry trends? [...] Our expertise should be in business analysis, not necessarily in the production details of the sector. [...]. In order to do that it is important to study the right

things, to have a method. In two months you can know everything that is necessary; you only need to ask the right questions.

The main issue was to properly train the people who would go to work in the cluster. It was important that everything happened as planned. This remembered:

Santa Rita was an initiative where we were walking on thin ice. We were always prepared for what could happen. We talked a lot and we were always trying to anticipate situations.

Taking the First Steps

Once all the necessary preliminary activities had been carried out, the team was ready to take the first steps. The team responsible for the project set up several interviews with local businessmen, visiting them directly in their factories. This was not standard practice by SEBRAE-MG, but it was essential to provide the project team with the necessary inputs.

Through these interviews, the team not only got information about the local business outlook. Most importantly, they established a closer relationship with the businessmen, which was key to engage them to participate in the initiative, and especially in the first milestone which would be a public presentation to all the businessmen in the electronics cluster of Santa Rita. As Thais recalled:

The target was to get the purest information possible. Also, this proximity with the businessmen allowed us to explain better what we were doing and to get their commitment to the project. [...] In my case these interviews helped me to know the businessmen by their names.

It was fundamental to get to know the place in depth, always avoiding preconceived ideas about the companies we were going to visit. It was also important to avoid the risk of not effectively including in the initiative entrepreneurs who had been indifferent to previous SEBRAE-MG projects. As Thais said:

We tried to go into the field without prejudice. Of course this is difficult, but we tried our best. We would often talk to entrepreneurs who were considered 'annoying', but who were actually just people of strong opinions. Others, who were judged by the business leaders as unengaged with the cluster, were in fact growing businessmen who didn't have time to participate in endless meetings [...]. When you have direct contact with the entrepreneurs you can correct some old misconceptions.

Besides this intense contact with the local businessmen, the team carried out an intensive and detailed research of the consumer electronics industry. This was the main content of the first public meeting with the businessmen. However, the team identified a potential problem in the generic sector definition as 'electronics'. The

industry in Santa Rita do Sapucaí had companies with very different characteristics (see Exhibit 6 for the enterprises' areas of activity), as Thais said:

There were several segments [...]. During our analysis we saw that there were different businesses grouped together, such as medical equipment, telecommunications, [...] as well as safety equipment and a number of other products that they assemble there.

In spite of this issue, SEBRAE-MG decided to continue working with the entire electronics sector in the region. The first public meeting with the local businessmen had taken place at the end of the first phase. One of the crucial moments during that meeting was the open debate that was encouraged so that everybody could contribute to the identification of the main challenges for the businessmen in Santa Rita do Sapucaí, and therefore engage the entrepreneurs in the initiative. Matheus recalled:

When you ask businessmen "What challenges do you have?", their answer is always a list that rarely has anything to do with him, or rather, he doesn't include himself as part of the challenges. It is as if he didn't have challenges. "I'm great and the whole world is holding me back." So what we did at this stage was to break this common position and try to engage them in the challenges.

Despite some disagreements with the local governance, the meeting went well. The team presented general data on the electronics sector in the world, and more specifically in the Brazilian and Santa Rita do Sapucaí context. The teams decided to present aggregated data and to show the great growth potential in this sector, as well as the importance of Santa Rita do Sapucaí. Thais recalled:

The result was a good impression about the work; they understood that we were searching for knowledge and would bringing it back to them. During the first meeting we basically presented what they already knew, but in a structured way that they were not used to. I was confident about the knowledge I had acquired so far and I could make a smooth presentation. I was expecting be more bombarded with questions, but there were no questions. We pushed the audience to come forth with questions or comments, but it just didn't happen.

The first part was over. It was carried out together with the local businessmen. It was time to start the next phase, in which it was necessary to outline the future vision to be followed by SEBRAE-MG in its actions in the region.

Building Momentum

After the first public meeting the team moved away from the cluster. The goal now was to agree on what would be the best strategy for the companies of Santa Rita do Sapucaí. At this stage, in order to advance in the strategic analysis, the team interviewed advanced buyers of electronics, i.e. those who are already demanding requirements that will be common in future.

A few weeks later the team was sure that, as electronics included extremely different business, it would not be possible to work with all the companies in the cluster. This caused discomfort within the team. As Thais recalled:

The cluster was too segmented and we had the impression of excluding other companies. Due to the way I used to work in SEBRAE-MG, I was used to seeing everything very collectively. I thought I had to suit everyone. Eventually I started to think that maybe it would be better not to suit everyone, but to serve well.

In parallel, the project team realized that the electronics components and products that were produced in locally were being 'commoditized'. Most of the production was being shifted to China and other countries with lower production costs. These findings left the team on red alert.

However, after intensive research and discussions, hard work and the support of the consulting firm that was hired by SEBRAE-MG, the team found a segment that could be attractive for most of the companies in Santa Rita. The business was related to the connectivity of electronic equipment for buildings, where a number of successful companies were competing (see Exhibit 8 - Reference Companies Visited).

There was one more decision to take. In the connectivity business, there were companies that supply domestic users and others who deal with corporate clients. These segments were defined by the team, respectively, as "home connectivity" and "building connectivity." The choice was based on business attractiveness analysis, and the result was to focus on "building connectivity".

After this decision, it was necessary to research the business even further. The strategic analysis had been sophisticated, but to increase their knowledge and build up their arguments, the team went on an international trip to gather relevant examples from the electronics industry. As Thais recalled:

When we prepared the trip we had already decided to work with building connectivity and not home connectivity. [...] We went to Valencia to see the experience of a cluster that did not work out [...] but it did not really add much information. When we got to Sweden I grew more confident, because we got in contact with small companies being successful in this business.

Returning from the trip, both the team and SEBRAE-MG's top management were convinced that this segment was the most viable and attractive for the local companies. However, the team needed to know the local businessmen's opinion regarding this business of Building Connectivity. After all, if the businessmen did find it attractive, they would not apply it in their businesses, and the work would have been in vain. In order to get this feedback, the team held focus groups with a reduced number of local entrepreneurs to discuss the issue. As Thais noted:

We identified some companies that already had the potential to work in this business of building connectivity. We had managed to build a good relationship with some of them during the first phase, with some interesting discussions. During the second phase we called them to talk about the strategy and what we had discovered. One of the businessmen was very excited about it, and we tried to pull these more enthusiastic people to take ownership of the strategy.

With this material in hand the team went on to the second public meeting. During the event the team presented the strategic information collected about building connectivity and the opportunities that lied therein. The team also invited all businessmen to directly participation of the joint activities that would be carried out in the third phase of the initiative. But despite of the positive feedback that the team had received from the smaller groups consulted previously, at the public meeting there was noise coming from other electronics companies in the cluster. Thais recalled:

When we presented a very new business option in the second public meeting, some companies reacted saying that this was not what the cluster worked with. This idea of working together to deliver an integrated solution would be too difficult. The denial was very strong.

What to do?

Early on during the third phase, the team had to deal with an additional problem that arose. A number of the companies that had always been together and collaborating with the SEBRAE-MG's previous projects did not come to the 2nd public meeting. It was however important to keep these companies taking part in the initiative, because they were essential for the continuity of the work afterwards. Thais recalled:

For the second public meeting we had identified key companies that needed to be there. [...] Out of these companies, I believe eight were not there, so to keep them involved we went back to Santa Rita, two weeks after the larger meeting [...] and we redid the presentation again in a reduced format.

After that, the team began to outline what would be the projects to be undertaken by SEBRAE-MG to promote this more attractive business of building connectivity in the region. Over the following weeks, the team held a number of meetings with

local businessmen about the most important areas that need to be tackled in order to address this new business of building connectivity in the region. During those meetings, the team asked them what actions needed to be undertaken and how would it be better to perform those actions.

The meetings went well and a number of proposals for projects and actions to address the strategic challenges posed by this new business were identified. This was what SEBRAE-MG's team was after; they had achieved what they had been working for during the past six months.

With the lines of action established together with a number of businessmen that had wanted to contribute in this effort, it was necessary to communicate the plans to the rest of the entrepreneurs in the cluster. In order to ensure that the businessmen that had actively participated in the definition of the action lines really took ownership of the results, the team asked them to present the results to their peers. The businessmen themselves presented the actions needed to be undertaken, in order to allow them to compete in the building connectivity business. This third public meeting was an important turning point because it defined the objectives and policies for SEBRAE-MG with regards to the cluster for the coming years.

The Final Speech?

When he arrived in front of the entrepreneurs Matheus picked up the microphone and began his speech. In his thoughts, he wondered if the challenges faced by SEBRAE-MG before the beginning of this project had ended or if they had just changed. Moreover, he reflected as to whether the businessmen would not be right in continuing to invest in their own business segment rather than entering into the new strategy of "Building Connectivity". Finally, had the process of engaging the businessmen in this initiative with SEBRAE-MG been done in the best possible way? Matheus had no answer to these questions; his only certainty was that the work of SEBRAE-MG in Santa Rita do Sapucaí was just beginning...

Exhibits

Exhibit 1 – SEBRAE-MG Mission / Vision

Mission

To promote competitiveness and sustainable development of micro and small enterprises and foster entrepreneurship.

Vision

Be recognized as the reference institution in the country in solutions for the management of MSEs and entrepreneurship.

Source: SEBRAE-MG.

Exhibit 2 – SEBRAE-MG Balanced Score Card

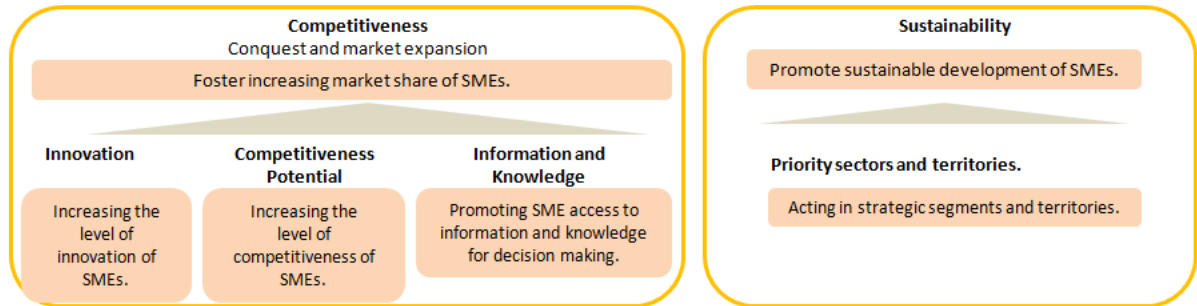
Vision of the Future-Sebrae-MG

To be acknowledged as a reference institution in the country in solutions for SMEs and entrepreneurship.

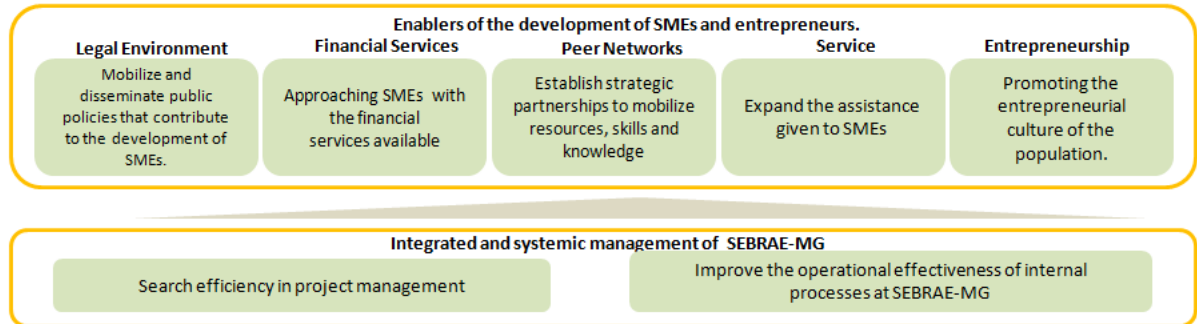
Clients and Market

Institutional visibility and Sebrae-MG's image

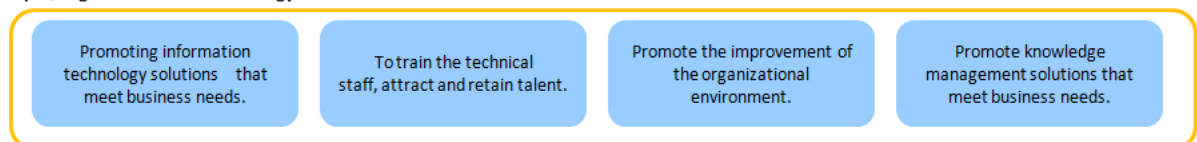
Strengthen the image of SEBRAE-MG as an institution capable of promoting competitiveness, sustainable development and entrepreneurship.



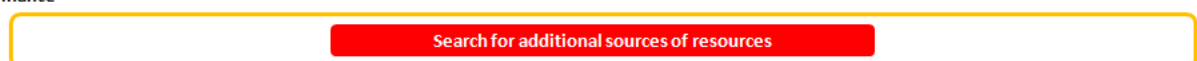
Process



People, Organization and Technology

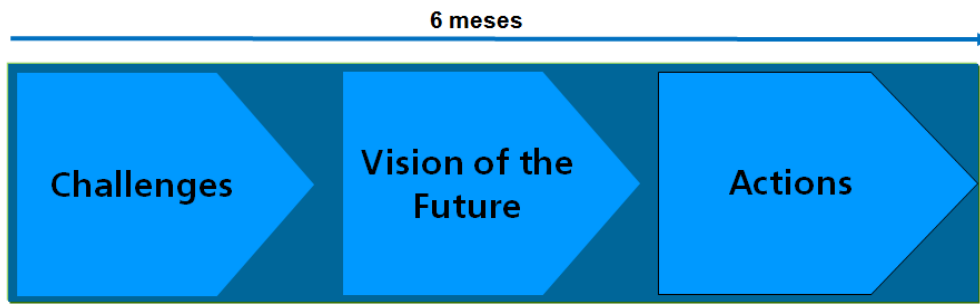


Finance



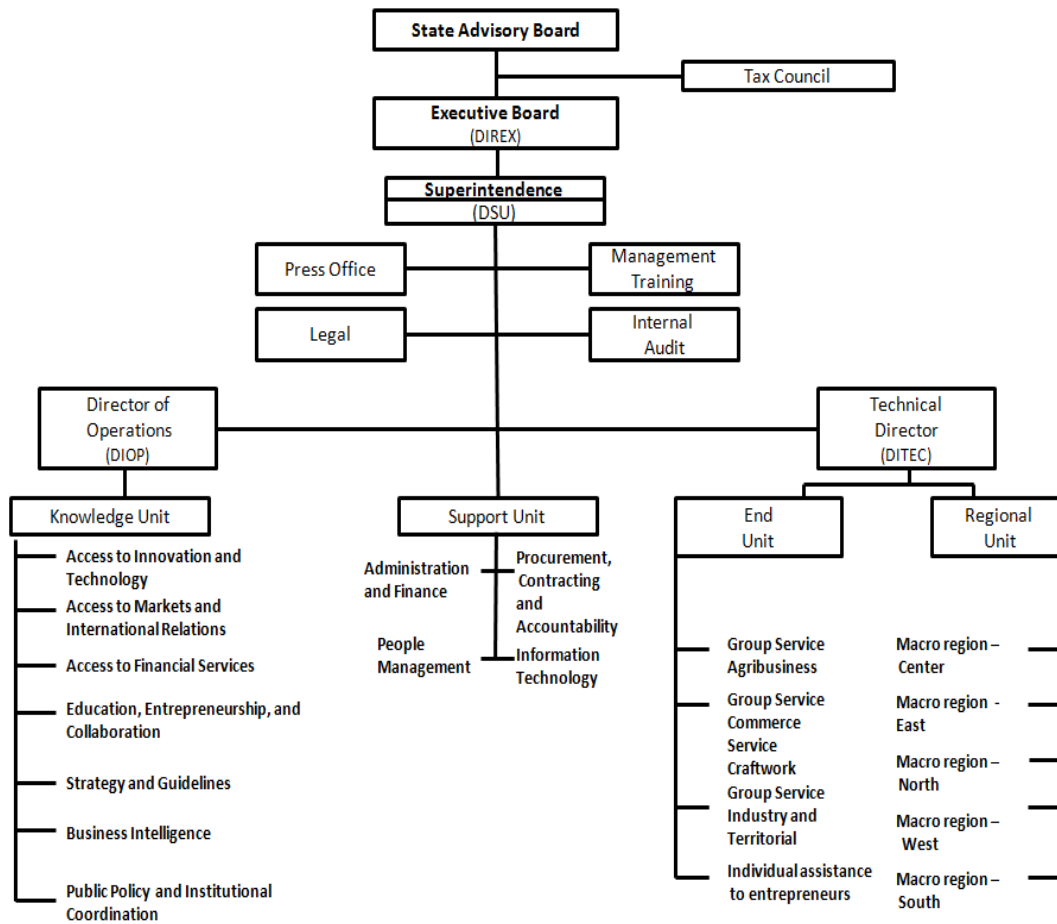
Source: SEBRAE-MG.

Exhibit 3 – Workflow



Source: SEBRAE-MG.

Exhibit 4 – SEBRAE-MG Organizational Structure



Source: SEBRAE-MG.

Exhibit 5 – Competitiveness Reinforcement Initiative Project Structure

Roberto Simões – Head of the Deliberative Council

Afonso Maria Rocha – Superintendent

Luiz Márcio Haddad – Technical Director

Matheus Carvalho – Operations Director

Marise Xavier – Manager – Industry and Regional Support Unit

Lina Volpini – Manager – Access to Markets and International Relations Unit

Brenner Lopes – Southern Region Manager

Thais Pinho – Competitiveness Reinforcement Initiative Team – Industry Support

Carla Farias – Competitiveness Reinforcement Initiative Team – Access to Market Unit

Rodrigo Ribeiro – Technical analyst in the micro region of Santa Rita do Sapucaí (includes + 14 municipalities)

Source: SEBRAE-MG.

Exhibit 6 – Business Activity in Santa Rita do Sapucaí

Hardware:

- Development of application software embedded electronics;
- Modem with voice communications and data;
- Computer Motherboard;
- Computers and Notebooks;
- LCD Monitors;
- MP3 and MP4.

Electronics

- Audio amplifiers, video and power;
- Central alarm, sensors and accessories;
- Central intercom to condominium;
- Central Telesupervision;
- Decoder, set-top box (digital converter);
- Stabilizers & nobreaks;
- Sources of power and switching;
- Instruments for lab and educational;
- Tracker satellite vehicles and loads;
- Micro-cameras (CCTV);
- Chargers and batteries for cellular phones.

Telecommunications

- Device to phone and wireless PBX for small and medium-sized;
- Microwave links;
- TV Channel transmitters and repeaters;
- ID and call blocking;
- Video modulators and amplifiers;
- POS for credit cards;
- Broadcasting - AM / FM / TV;
- Transmitters and walking distance to residential solutions;

Automation

- industrial automation, building, commercial and irrigation;
- Central control;
- intrinsically safe galvanic isolators;
- Module input and output for industrial networks;
- Sensor analog and digital precision;
- Pressure sensor;
- Proximity sensor, capacitive, inductive and photoelectric;
- Temperature Sensor

Inputs

- Graphic arts;
- Whips and electromechanical components;
- Packaging carton and plastic and metal enclosures;
- Printed circuit board;
- Solutions for uniforms;
- Transformers;
- Machining and tooling

Source: SEBRAE-MG.

Exhibit 7 –Reference Companies

Schneider Electric - www.schneider-electric.com

Schneider Electric, a global specialist in energy management, offers integrated solutions safer and more efficient markets in energy & infrastructure, industry, data centers & networks, buildings and residential. Are integrated solutions to increase productivity and ensure continuity of services with safety and efficiency, providing the highest levels of technology, according to the main standards of quality and national and international security.

TAC - www.tac.com

With over 80 years of experience in building management, security and energy TAC has over 8,000 employees worldwide with partners and branches in 80 countries. Currently the TAC is the fastest-growing company and the most innovative in the industry of building management. Its mission is to provide greater added value through building environment services for indoor climate, security and energy use, delivering advanced technology to end users and property owners throughout the world.

TAC has established the concept of Open Integrated Systems for Building IT™ in the market. The company develops, manufactures and markets open systems for building management to improve the internal environment and reduce operating costs.

Akademiska Hus - www.akademiskahus.se

The Akademiska Hus was created in 1992 from Sweden a parliamentary decision to reorganize the administration of state property in favor of fighting the abuse of authority and optimization of government resources. The knowledge and experience of its experts in building and provide support and administration support to the various activities of their customers.

Its main activity is the administration of universities and higher education entities. Other tenants are companies and research institutes to promote research and business in general, public authorities and other organizations connected to the campus strategically managed by Akademiska Hus and contribute to the attractiveness of the environment as a whole.

Strand School in Klagshamn – Malmö

TAC Sweden initiated a dialogue with the city of Malmö on what to expect from a supplier of building management systems and solutions. The initiative produced a vision document outlining key areas to be focused over the next year. The priority is energy efficiency of existing buildings managed by the city of Malmö.

The School in Klagshamn Strand, near the city center Malmö, is the first project in Sweden, where systems and solutions for energy conservation, air conditioning and security were considered as opportunities for building management systems level.

AVATHA Association - www.avatha.org

The Valencian Association for Housing Technology (AVATHA) represents the business sector entities and home automation / building. It encompasses security companies, electronic gates and access control, automation, home automation, communication, air conditioning, energy efficiency, sustainable architecture, universities and technology centers and research.

Domoval - www.domoval.com

The Domoval Electronics was established in 1995 with the aim of developing and commercializing products for the home automation (home automation). It promotes and provides technical support of products aimed at this sector. The company is a reference to working exclusively with the cardio, the Canadian company secant, distributing to Spain, Portugal, Ireland, Poland, Turkey, Greece, Cyprus, Israel and the Middle East. In addition, the company has sought to present to the market innovative systems for different environments, from mansions, hotels and corporate offices.

MiniaTec - www.miniatec.com

In the MiniaTec are high-tech products developed, designed and patented by the team in various parts of the world. About 90% of its resources are devoted to applied research, generating great results for the company. Its flagship product is the ComuniTEC system, "home automation" that presents a comprehensive solution, converging advanced security, comfort, communication, entertainment and energy efficiency.

Source: SEBRAE-MG.

Exhibit 8 – Maps

