

## Article

# How Economic Development Influences Entrepreneurial Networks-Dissecting Reasons for the Birth, Development and Death of Local Development's Agents

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**Abstract:** This case study will reflect upon the experience of important agents for local development—the Local Productive Arrangement (APL) composed by South American companies in the sector of wedding parties. This work will then reflect how Economic Development creates—but also may destroy—entrepreneurial networks. Data were observed by interviews with 30 businessmen participating in the Local Productive Arrangement. In 2009, the APL received support from Brazilian Service of Support to Micro and Small Companies (SEBRAE), which has been supporting several APL since 2002. However, starting in 2012, membership and motivation began to diminish, and in 2014, despite efforts made by the association's president, the board decided to close it. This experience motivates several insights about how an entrepreneurship network evolves because this case study has been a pioneering case in Brazil. The analysis of the case offers an observation of the benefits of creating the association as well as the difficulties and challenges involved in the initiative.

**Keywords:** local productive arrangement; organizational networks; wedding parties

## 1. Introduction

Economic development processes are dynamic processes. In line with [1], the continuous improvement in living standards, the growth in productivity and the growth of the distributed income and the realization of rights—in short, development—involves profound changes in individuals and social groups.

At the individual level, and in the wake of [2], three changes are made—the relative satisfaction (usually achieved with increasing costs), the concentration of structures of production and of use in the tertiary sector, and, as a consequence, the growth of urban spaces, also due to economies of agglomeration [3].

However, as [4] argue, social groups and communities also change due to economic development. If in the primary stages of development processes, groups' work is supported by structures that are mostly informal and maintained by simple rules, due to posterior phases of the Development process and due to the trend towards the professionalization of activities, simple structures are replaced by hierarchical structures supported by more complex rules. Another

transformation takes place with the monopolistic concentration of the levels of influence of the leaders—in the initial phases, the leaders of the social groups are supported by the property of capital resources with high liquidity capacity; in the later stages, social groups demand diversified capital resources from leaders, who have to exhibit combined forms of capital—from social capital, political capital, monetary/financial capital and a high liquidity capacity. Finally, social structures evolve because of the development process. Actually, associations (of individuals or of firms), companies or non-profit organizations, that in the initial stages of the development appeared and were relevant agents fostering those early phases of development, will tend to disappear (or at least to suffer deep challenges) when having to face the new objectives of the new development processes.

Here a problem arises—is the disappearance of these development agents beneficial to everyone or is it the result of socio-economic impulses with important hidden costs (unemployment, losses of social capital, etc.)? We must therefore understand not only how certain agents or groups emerge but also how they disappear and why along the different stages of the development process. The importance for studying this phenomenon has already been highlighted by several generations of authors [5,6]. If authors like [6] try to find linear relationships between economic development and the birth/death of firms or of other entrepreneurial initiatives, other scholars recognize that different stages of the development process are especially associated to different groups of economic agents [5]. This implies that earlier stages of the development process are associated to a certain distribution of firms across economic sectors, initiatives or networks, which is significantly different than the distribution of firms, initiatives or networks of a different stage of the development process [5]. If this holds for networks and firms, we also claim that business networks—essentially defined as associations of autonomous firms created for enhancing individual objectives, like profit maximization or sustainability purposes—will also evolve along the different stages of development processes. Although there is a considerable list of publications on the appearance/disappearance of individual economic agents along the stages of development process, the list of publications on the appearance/disappearance of business networks is remarkably shorter.

For contributing to this discussion, several authors [7,8] suggest the usefulness of case studies, as the one here analyzed. Case studies explore the details that may be forgotten or neglected in other methodological resources [7]. Additionally, case studies tend to offer the possibility of further studies collecting published cases and later of comparing them by additional resources, like content analysis, bibliometric approaches, or longitudinal data [8].

The concept of entrepreneurial networks evolved over time and several authors dealt with it. Jack et al. [9] presented valuable work on entrepreneurial network processes. In their empirical investigation into network transformation over time, Jack et al. [9] identified patterns in network continuity and change and developed a conceptual framework. The study demonstrates that networks are vital living organisms, changing, growing and developing over time. According to the authors, the relational dynamic of networks act as a structural configuration representing the social construction of the entrepreneurial environment.

In this work, just like [9], a chronological lens was used in order to understand the relational dynamics of the network. It is possible to observe the actions developed by the companies participating in Local Productive Arrangement (APL) along the seven years in which it existed, in an evolutionary perspective. The four models presented by [9] (Stage Model, Teleological model, Evolutionary model and Dialectic model) can be used to analyze this evolution. But it is noteworthy that these approaches did not emphasize the discussion of bankruptcy situations in the network, as observed in our focused case.

The study carried out by [9] aimed to explore network process over time, paying special attention to identifiable stages, to purpose, to the role or social construction of the environment and to dialectic issues of group conflict and co-operation. Hansen [10] also states that entrepreneurial action sets may be organizational in nature and may be investigated in organizational terms. He links three pre-founding entrepreneurial action set variables: (1) Size, (2) Degree (a measure of inter-connectivity within the entrepreneurial action set), and (3) Frequency (a measure of how often

entrepreneurial action set members interact with each other) to first-year new organization growth. Authors like [10] validated these hypotheses/variables.

In Brazil, encouraged by the public sphere, some types of entrepreneurial networks known as the APLs (“Arranjos Produtivos Locais”, or in English “Local Productive Arrangements”) were created for fostering local development. The case studied in this work consists of an initiative to establish an association of companies dedicated to the organization of wedding parties, which was supported by Brazilian Service of Support to Micro and Small Companies (SEBRAE) as a local productive arrangement. The denomination Local Productive Arrangement (APL) was adopted in Brazil and awarded by the Ministry of Industry and Commerce in 2002. SEBRAE (“Serviço Brasileiro de Apoio às Micro e Pequenas Empresas” or “Brazilian Service of Support to Micro and Small Companies”) is a public entity that promotes the competitiveness and sustainable development of micro and small enterprises. In 2019, SEBRAE completed 47 years of work focused on strengthening entrepreneurship and accelerating the process of formalization of the economy through partnerships with the public and private sectors, training programs, access to credit and innovation, encouragement of associativism, and organization of fairs and trade shows (SEBRAE, 2019). Among SEBRAE’s priorities was the proposal to develop Local Productive Arrangements (APL) in every Brazilian State [11].

The Bridal APL worked for seven years in Brazil’s metropolitan region of São Paulo. The founder of the Bridal Association owned a company that started by offering transportation services in special vehicles for brides. In 2009, he located his company in a furniture mall, and many brides looking for furniture passed by; he noted that couples (newlyweds or those about to get married) did not know about the car rental service. The founder of the Bridal Association included in his space advertising information about buffets and other services aimed at wedding celebration and new marriages. He realized that there was a gap between the clients and the companies focused on providing service for the bride and groom. This led him to initiate contacts with companies in the industry since he had experience and contacts with them. He also concluded that businesses like this did not exist in the area. Therefore, the first Bridal Association in Latin America was created; it had a phase of strong development and recently it closed. This work, focusing on the relevance of entrepreneurial networks’ models for the local development and for the sustainability of associations, is therefore a case study aiming to provide insights for the study of similar institutions across the globe.

This work is subdivided as follows: In the next section, we discuss the phases through which the APL of the Bridal Association passed until its dissolution. Next, a discussion of the case is presented that includes an analysis of the reasons a company chooses to belong to an entrepreneurial network as well as its reasons for leaving one. After presenting several examples of entrepreneurial networks in other segments of the economy, the case of the Bridal Association’s APL is analyzed in light of several entrepreneurship network models. Finally, Section 4 is the conclusion.

## 2. Phases of the Development of this Entrepreneurship Network

To better understand the various phases of this association, we conducted a total of 14 interviews, all recorded, with the founder and President of the association. The protocol terms are registered and will be shown if required. Expressions taken directly from these transcriptions are marked because they are transcribed in quotation marks (“...”). Let us also highlight the relevance of this case study, which has already motivated a published thesis: [12] thesis—which had an exploratory nature and adopted a qualitative approach. The main strategies used for the data collection were the administration of a questionnaire with open questions and interviews (at Appendix A). Entrepreneurs were invited to talk about several aspects, including the exchange of information with other actors, the actions conducted among them, what they understood to be the association’s objectives, and the difficulties encountered by the group.

### 2.1. Some Related Statistics and Preliminary Methodological Steps

#### 2.1.1. The Economics of Weddings in Brazil

According to [13], preparing a wedding ceremony requires about 40 different services, from photographers to makeup artists, hairdressers, musicians to buffet services, etc. In 2016, the Brazilians handled R\$ 17 billion (US\$ 57.8 billion) of social events, according to data from the Locomotiva Institute for Abrafesta (Brazilian Association of Events).

Although there is an expressive variety of services offered to couples who intend to hold a wedding party, it can be said that the buffet invariably plays a central role within this set. It is very common for couples to hire a professional called a wedding advisor, who is responsible for selecting and coordinating the actions of all participants. Usually, wedding parties are held in halls belonging to the buffets themselves. The cost of a wedding party varies widely, but it will be difficult to have a quality party with less than US\$12,000, considering an average number of 100 guests. However, Otsuka [13] states that, in 2016, the expenses with the realization of a wedding were, on average, R\$25 thousand (US\$4600) per event, which are paid by the bride and groom and family. This figure varies according to the requirements of couples and inflation. Although there is a wide range of services offered to the bride and groom, some can be considered essential: buffet, photography, decoration, and costumes. The buffet offers food and drinks to guests, who are served by waiters.

The service called the Bride's Day is held on the wedding day, where the bride spends the day in a physical space such as a spa or specialized beauty salon. The bride goes to the place early, alone or with her mother, mother-in-law and friends, and receives all kinds of relaxing treatments, among them are: breakfast, hydromassage bath, therapeutic massages, skin cleaning, hair treatment, makeup, hair. That is, she spends a peaceful day without worries and, moreover, leaves there ready for the wedding, straight to the ceremony.

In 2014, a time of crisis and unemployment in Brazil, couples nevertheless insisted on having a commemorative ceremony for, on average, 100 to 150 guests, moving the event market [13].

In fact, since 2013, the wedding market has been on the rise. Spending grows, on average, 10.4% per year. Between 2013 and 2016, the growth was 25%. In the city of São Paulo alone, 74 thousand marriages moved R\$1.4 billion in 2016. Considering the State of São Paulo, the figure reaches R\$4.9 billion [13].

### 2.1.2. The Origins of the Association

The Bridal Association came about as “a result of an informal meeting of different actors from this field.” The organizers of buffets or days of the bride—who usually saw themselves as competitors—sat side by side to seek a joint performance. The founder of the APL sought to put into practice the idea that it was better to align with his competitors to attract customers than to capture them on his own. He told the other businessmen that, “while a buffet alone receives 20 visits, by participating in this synergistic experience, it could receive 30 or 40 visits.” According to the Bridal Association's founder, there was a delay in the participants' perception and acceptance regarding this new reality, but also some original criticisms regarding the various prices established by different competitors. He pointed out that “a rather difficult, and sometimes frustrating, aspect of the association's initiative was to get participants to come together to make decisions and act together.” It was not a situation where there was one boss who dictated the rules. Instead, these were entrepreneurs, each with his or her own way of working, ideas, opinions, and egos, and for the founder of the Bridal Association, this was the most difficult task to manage.

Thus, the first dilemma for the founder and manager of the Bridal Association was “how to motivate the participants and gain their cooperation and agreement in regard to how to accomplish the association's tasks.”

The Bridal Association participated in two events in 2007. The first was held in the parking lot of Shopping Móveis and was called “BRIDE IN THE GARAGE.” The event was similar to a fair; booths were set up and occupied by suppliers or service providers for parties of different segments. The participants of the group also used the term “workshop” to designate events that brought together companies for joint presentations to the public. In this first event, contacts between the service providers and the public led to the identification of the possibility of developing an association that would add value to the associates' businesses and guarantee customers reliability in

regard to hiring suppliers capable of satisfactorily delivering what they and the consumer had agreed on. The second event, held in 2007, was the installation of a booth, which occupied an area of 15 m<sup>2</sup>, representing the group of companies that attended bridal fairs; this was called “Real Estate Hall” and lasted three days.

## 2.2. Formal Constitution and First Steps

The Bridal Association was formally established in October 2008. As stated in the bylaws (“Estatutos”), the association aimed to make the region a destination for wedding planning in Brazil. According to the group’s website, the association’s vision was to build a group of companies that acted predominantly in the events’ market, with a strong brand. They aimed to make the associated companies solid, cohesive companies with administrative excellence, offering high-quality products and services that exceeded customers’ expectations and, consequently, increased the sales of the sector.

As a mission, the group aimed to “enhance and highlight the excellence of member companies in order to promote products and services and to bring together effective and efficient business and customers.” The bylaws of the Bridal Association defined the entity as a private association organized by companies in the sector of social and business events, for the Association’s non-profit purposes, with the objective of providing any services that could contribute to the promotion and rationalization of activities and defense of its members.

In order to participate in this association of firms and companies providing support and services to wedding events, a company/firm member should be legally established, have its headquarters in a city of the metropolitan region where the association was located, and be willing to contribute to the achievement of its objectives.

For the operation of the Bridal Association, the members approved in 2008 a monthly contribution of R \$150.00, the main purpose of which was to cover the costs of the activities developed for the benefit of the members themselves. Table 1 shows the number of companies participating in the Bridal Association in 2009.

**Table 1.** Number of companies associated with the Bridal Association by category of services.

Category	No. Companies	Category	No. Companies
Alliances	1	Band and choir	5
Bartender	1	Drinks	1
Cakes and candies	2	Buffets	19
Consortium(1)	1	Consortium(2)	3
Gastronomy Course	1	Decoration	5
Wife’s Day	7	Layette	1
Photography	18	Hotel	0
Gifts	2	Lingerie	1
Wedding list	3	Magazine	1
Sound, lighting	6	Costumes	6
Transport	2	Tourism	2
Grand Total			88

Source: Elaborated by the authors and based on the website of the Bridal Association, accessed in May 2014.

As envisioned in the association’s charter, several companies were not accepted as members of the Bridal Association because they presented problems related to their suitability and customer complaint rates that would tarnish the image of the Bridal Association.

In 2008, the Bridal Association participated in another event (the “Real Estate Exhibition”), which was associated with a fair organized by Caixa Econômica Federal and took the opportunity to address couples who were looking for a property. At the same date, a folder (photo book, invitations, memorial composition papers) was also released with information from the Bridal Association, which was handed out to clients along with an agenda and a music box as a gift.

Another undertaking by the Board of Directors of the Bridal Association during this period of establishment was the elaboration of a prototype study for a Bridal Suppliers' Flow Map, which would offer a map of the businesses brides sought most often. There were two purposes for this. The first was to determine whether the bride sought the associate as part of the Bridal Association or not, and the second was to map members' suppliers so that participants in certain segments of the APL could make purchases from the same supplier in order to reduce costs due to the greater quantity supplied. As a prototype only, this project was not implemented.

As an advertising tool, the Bridal Association acquired a vehicle that displayed the logo of the association and phone numbers and addresses of contacts. This vehicle started to circulate through the streets of the cities in order to arouse interest in and demand for the Bridal Association's members' services.

In 2008, the Bridal Association was well on its way, and new action was needed to attract not only customers but also new members. As defined in the institution's bylaws, the Board of Directors comprised six effective members, with the appointments of chief executive officer, director-vice president, 1st and 2nd directors-secretaries, and 1st and 2nd directors-treasurers, each elected for a four-year term. The founder of the Bridal Association had more effective support from two directors, one a businessman from the photography sector (Wilson) and another from the decorations sector (Roberto). On this occasion, the group attempted to bring innovations to the marketing of parties and events. The main objective was to strengthen the association and the brand of the Bridal Association, presenting it as a new option for brides and businessmen, since in addition to weddings, companies hold business events, birthdays of 15 years, and other gatherings.

### *2.3. Development Phase*

In 2009, the Bridal Association returned to participate in the Real Estate Exhibition due to the "positive responses gained from their first participation." It also supported an event at Shopping Móveis; this was the first Furniture Festival, which was supported by the city council of the municipality in which the mall is located. Another organization ("APL de Eventos") started to maintain a permanent booth for the Bridal Association in the furniture mall in order to facilitate the search and indication of its services to members.

In 2009, SEBRAE's formal support of the Bridal Association began. As an initial activity, SEBRAE promoted a Participatory Planning Workshop (OPP) that was attended by members of the local productive arrangement. The meeting, which lasted two days, aimed to identify ways to increase the sales of those companies participating in the Bridal Association as well as their visibility. The OPP sought to raise the members' expectations as well as to analyze issues related to the event market. The SEBRAE team also sought to analyze possible improvements to be implemented in the participating companies, both internally and in the relationships they established with the market.

Later, SEBRAE presented action plans for the Bridal Association based on business concepts, especially in marketing. In general terms, the resulting OPP guidelines were defined as joint marketing developments, collective sales, and collective purchases. However, according to the founder of the Bridal Association and other members of the board, business owners generally did not follow these established guidelines, instead developing their marketing strategies in their own ways.

One of SEBRAE's initial suggestions was the development of a blog to inform about all the participating companies of the association, thereby facilitating new consumers' access to information about the associated companies.

Since the inception, "SEBRAE became a consistent partner of the Bridal Association and continuously participated with ideas and sponsorships." One of the ideas that emerged was the sale of wedding packages, similar to travel packages, with all necessary items included in the package. The associates had significant expectations regarding the results gained through their participation into the entity.

In 2010, with the support of SEBRAE, the Bridal Association held an event called the Bridal Hall at a convention center. It was attended by more than 40 associated companies with the aim of promoting the participation of all members and attracting new clients. That year, the organization

was also requested to register a trademark with the Trademark and Patents' regulator INPI (National Institute of Industrial Property), in order to protect the innovative idea of the entrepreneurship network. In the same year, under the guidance of SEBRAE, meetings were held between participating companies in smaller groups according to the segments of the companies, in order to unite the entrepreneurs so that they could exchange ideas and information and learn from each other's successes and mistakes.

However, a difficult situation for the Bridal Association arose in 2011 when it was discovered that an associate was creating a similar association in the same region. This associate had also criticized the organization's CEO and sent emails to other associates maligning him. This member was ejected from the group at a meeting to which all participants were invited.

Another initiative that took place in 2011 was the creation of a prototype of a tablet application that would allow members to simulate event options to facilitate the commercialization of services and integrate the areas or service providers involved in an event. This action, however, was also not implemented because most of the members did not attend the presentation of the project as no funding was available to market this application, which was of paramount importance.

In 2011, the Bridal Association launched its First Marriage Consortium, with the purpose of assisting the bride and groom in the financial planning process and facilitation of the wedding ceremony and celebration. The grooms would use the consortium as a means of financing the services provided by members. The proposal was not implemented, however, since there was no fixed revenue and no cash to conduct this action, but the idea was passed on to a local entrepreneur who already had experience in the consortium business, who individually implemented the idea that left the group.

The 2012 financial year began with a great growth prospect for the participants of APL de Eventos. A project called "Fundamental Stone" was launched on January 30 that envisioned the construction of a large space where the products of the various participants of the group would be presented. A competition for architects was launched for the design of this space, and a trip to the Furniture Show in Milan, Italy—one of the most prestigious events in the furniture sector—was designated as the prize for the winning project. "APL de Eventos" also held the Bridal Hall in a convention center, conducting a marketing event utilizing brides that became magazine covers, allowing instant postings on various social media. This action aimed to provide the enchantment of the brides and sharpen the expectations of their friends and family for the big day. In the same year, the SEBRAE National Entrepreneur Fair also took place, giving members opportunities to demonstrate new projects being developed for other events, such as the World Cup.

Also held in 2012 was the First Bridal Association Workshop, which enjoyed the participation of the majority of members and had as its main focus the presentation of new trends for the sector and lectures on management development with the support of SEBRAE. At this event, a loyalty card for the APL was also launched, with the aim of securing customers' loyalty by converting the accumulation of points to benefits such as discounts on the costs of services and on contracted products.

At the end of 2012, the Bridal Association promoted an event called "I WILL MARRY IN MY REGION" in partnership with SEBRAE-SP, aiming to promote the participation of all members in a single event and granting a special discount to APL participants, although the response of participants in the event was positive. It is clear that the year 2012 was the most productive year for the participants of the Bridal Association.

Due to the success of the event "I WILL BE MARRIED IN MY REGION" at the previous year, in 2013 SEBRAE-SP promoted another event of this nature, with a greater number of participants. This was considered the largest and most luxurious wedding-related event in Brazil that year. It was covered by SEBRAE's blog, and the Bridal Association booth was chosen as the most interesting and innovative one according to voting by brides and the event's organizer.

In 2013, contacts were also initiated with event advisors and party organizers in the region, seeking to demonstrate to these professionals the differentials and excellence of service delivery by

Bridal Association participants and aiming to provide these professionals with a differentiated option and increase their portfolio of clients.

As a way to strengthen the Bridal Association brand, the board members invested in advertising in diverse media, including magazines, websites, blogs, Twitter, folders, stores in malls and others.

In order to develop a database for future contacts, the events held also served to capture new registrations that began to be distributed free of charge to all members.

Another way of offering the members and their businesses exposure was through the Bridal Association's blog, which, through a TV link, provided videos of the events developed by the members, as well as interviews with businessmen and customers who attended events. Included in the TV link was the filming of an event held at a company that specializes in wines and provided suggestions about wines to serve at weddings. A competitive advantage of the company is that it offered the wines on consignment; that is, only those wines that were consumed would have to be paid for. The owner of the wine shop was pleased to attend the Bridal Association event and with the results of the video's release. In another video, a celebrant priest interviewed the owner of a company that provides lighting, sound, and DJ services and described the services his company offers. He highlighted the importance of the bride seeking reliable service providers such as those accredited by the Bridal Association. Other videos were also made available to introduce companies that rent clothes to members of the wedding party, beauty salons and others. All videos were performed by members of the Bridal Association.

Since the Bridal Association was in the media for a long time, and it was a different case in the market, an exclusive report was made for the program Great Deals ("Grandes Negócios") of TV Broadcasting Channel Rede Globo.

#### *2.4. Final Phase*

Although activities continued to take place, thanks mainly to the efforts of the Bridal Association's founder and several members of the board, the association "has undergone a decline in membership and interest." According to interviewed directors, this began after the launch of the Fundamental Stone in 2012. The event was attended by 100 people, plus 70 percent of the association's members, the Municipal Secretary for Regional Development, and representatives of SEBRAE and other institutions. The competition for architects, which was previously described, and the offered trip to Milan as a prize for the winning project was a serious problem because, later, the APL was unable to obtain financing to execute the project. The members were dissatisfied, especially with the large amount of money awarded to the winning architect for the trip. Since then, there were new projects, especially workshops as described above, but with less membership and the reduced motivation of the associates. There was a third case of an associate creating another association with similar characteristics, in this case, a street with bridal-related businesses, causing the associate's resignation and additional dissatisfaction among the participants.

Earlier, the first dilemma faced by the CEO of the Bridal Association and his colleagues on the board of directors was pointed out: What should be done to enable members to devote themselves to the activities of the association? It is worth noting that the work of the directors was not remunerated, and there were complaints from them regarding this aspect since they stopped work at their own companies to voluntarily dedicate themselves to the tasks of the association. A second dilemma presented was how to prevent members of the association from adopting hostile attitudes towards board members, which happened three times. The last two times, the dissident associates launched initiatives that were similar and, in some ways, competed with the work of the association, adopting an attitude that was considered betrayal. It can be said that the two dilemmas or problems described here shared a common element, which was the difficulty of obtaining membership participation in the association's activities. A few worked; a majority had low participation; and some even adopted hostile attitudes.

But, in fact, the managers of the Bridal Association faced an original dilemma throughout the organization's existence, and this was the problem that led to the low participation of entrepreneurs: How to implement mechanisms that allow members to identify what their role is within the



association, i.e., what tasks should be carried out, and to achieve what result? It is obvious that the main goal of business owners is to sell their products or services and make a profit, and, likewise, this is the goal that initially motivated them to join an entity such as the Bridal Association. Most members realized the benefits of joining, supporting, and believing in the initiative, but this was not enough to keep the entity functioning.

### 3. Strengths and Weaknesses of Entrepreneurial Networks along the Socio-Economic Development of a Region: The Case of São Paulo's Bridal Association

In order to analyze the strengths and weaknesses of this case of an entrepreneurship network, we will use the framework provided by authors such as [14–17].

The experience of this entrepreneurship network is a good example of an entrepreneurial network in line with the work of [14]. The concept of entrepreneurial orientation (EO) to the network level was extended by [14]. The central issue analyzed by [14] is strongly related to the difficulties faced by the Bridal Association. Wincent et al. [14] investigated how diversity among officers serving on network organization boards affects network level entrepreneurial orientation (NEO). They found that insider/outsider and functional diversity among network board members promotes NEO. The impact of board insider/outsider diversity is stronger in networks where board members lack long tenure. On the contrary, the effect of functional diversity on entrepreneurial network orientation is stronger in network organizations with tenured boards [14]. According to [14], the influence of firms on network-level strategies is limited, and the strategy-making power and authority is vested within network governing bodies—the so-called network boards. Board group tenure refers to the extent of the board experiences turnover. Tenured groups tend to isolate themselves from novelty.

The reported situation led to the need to be able to set up a governance structure for the network that would enable the group's objectives to be met so that it would not be dependent on only voluntary actions by members. This structure includes the creation of information systems and rules designed to make it clear to the participants how they function in the network and what results can be gained based on these actions.

Coordination among roles requires constant negotiation due to the uncertainties involved in a project [18]. The central idea defended by [18] is that the connection between actors is fundamental and that “collective success is more important than individual success.”

The proposed implementation of governance in the Bridal Association was based predominantly on the collaborative network model. For discussing this model, we are going to analyze the model proposed by [15], focusing on the creation of the broker figure to promote the merging of companies around wedding projects.

In the period in which the study of the Bridal Association was conducted (Aug 2013–May 2014), there were 37 companies participating in the group. Of a total of 29 respondents, 17 questionnaires provided relevant elements for the analysis of the case. In addition to the questionnaires, semi-structured interviews were conducted with three directors of the association, one of whom was the president, and with the SEBRAE manager responsible for the APL project.

During the study of the Bridal Association, which aimed to identify the joint actions carried out among its members, negotiations to dissolve the entity took place “unexpectedly” (considering the President's words). A complex situation was revealed from the point of view of organizational analysis, which deserved the elaboration of this analysis. Although studies in the area of organizational networks have intensified since the 1990s, it can be considered that many unresolved issues remain, especially regarding the elaboration of prescriptive models for governance/management of networks and APLs. A speech by the president of the Bridal Association revealed this. According to him, “SEBRAE did not know how to make the association work.” Thus, the analysis of the trajectory of the association and the way it was administered provide interesting material for the analysis of the topic of governance in organizational networks.

Considering the literature on the topics of entrepreneurial networks and organizational networks, there are several approaches available. In this case study, several topics were selected to assist in the analysis of the failure of the Bridal Association. The first aspect to be highlighted is the

importance of companies acting in networks from a strategic perspective. Gulati et al. [19] considered that research conducted in the area of strategy until then dealt with companies as autonomous entities striving for a competitive advantage, but they pointed out that it is necessary to take into account the important role of networks of inter-firm ties when examining the fundamental questions of strategy research. For them, the network of relationships in which businesses are embedded influences their conduct and performance.

Considering that the Bridal Association was classified by SEBRAE as an APL (a Local Productive Arrangement, from the Portuguese “Arranjo produtivo local”), it is worth recalling elements present in the definition that [17] give to the concept of the entrepreneurship network:

- agents (companies or organizations of another nature) are located in the same territory, and they establish strong bonds with each other;
- the agents also play a role in the social construction of the place and in its various dimensions—social, economic, cultural, political and environmental; and
- collective actions conducted by the agents promote the sharing of information, thereby generating collective learning.

Throughout the body of entrepreneurship literature, there is consensus that the network plays a critical role in the entrepreneurial process as it provides the entrepreneur with access to resources that can facilitate the likelihood of the firm’s emergence and growth [20].

One of the aspects considered to be positive when establishing a network is the possibility of the exchange of information and knowledge among the participants. This exchange can be accomplished in several ways, one of which is holding meetings in which direct contact between the entrepreneurs is possible, thus allowing an exchange of information and sharing of ideas, either tacitly or by chance. These meetings can be considered spaces of interaction [21].

Reasons generated by the local development for producing an entrepreneurship network and for joining an entrepreneurship network

One of the reasons companies seek to participate in entrepreneurial networks is the need to seek new knowledge. But for this, it is important to have interaction spaces available for network participants [22]. Several examples of interaction spaces are presented by the authors and include meetings, assemblies, trips and visits to fairs, strategic planning (network consulting) and electronic space.

Based on the study of the literature on innovational clusters and APLs, Lima [16] states that for the development of APLs, it is possible to adapt management mechanisms:

- informal meetings between entrepreneurs;
- training sessions with companies/employees;
- workshops and lectures with companies/employees;
- meetings to discuss problems;
- the promotion of local fairs;
- participation in external fairs;
- presentations of successful practices adopted by participants in group meetings;
- network websites (information sharing);
- the creation of handouts and manuals that can standardize methodologies and practices among network members; and
- forums, polls and blogs (Internet).

In Table 2, we show the main activities carried out by the Bridal Association during its active period.

**Table 2.** Actions by the Bridal Association.

Action	Year	Participants	Duration	Outputs	Objective
Bride in the Garage	2007	All	1 day	Positive	Demonstrate market options
II Real Estate Exhibition	2007	Board of Directors	3 days	Positive	Customer acquisition
Bridal Scrapbook Prototype with Music Box and Calendar	2008	Board of Directors	–	Not implemented	Gifts to customers
Prototype and Flow Chart for Brides and Suppliers	2008	All	–	Not implemented	Study of the type of clients
III Real Estate Exhibition	2008	All	3 days	Positive	Customer acquisition
Car Propagating	2008 to 2012	All	5 years	Positive	Customer acquisition
IV Real Estate Exhibition	2009	All	3 days	Positive	Customer acquisition
First Furniture Shopping Festival	2009	All	3 days	Positive	Customer acquisition
Starting SEBRAE Support	2009	All	5 years	Positive	Planning Workshop
Blog Creation	2009	40	Fixed	Positive	Customer acquisition
Bridal Salon—Vera Cruz	2010	All	3 days	Positive	Participation of 100% of members, but only 40 participated effectively.
Trademark Registration at INPI	2010	All	Fixed	Increased Credibility	Patent
Launch of Territory of Innovations Book	2010	Board of Directors	Fixed	Positive	The initiative was considered an innovation
Prototype of IPolo	2011	Board of Directors	–	Not implemented	Customer acquisition
Launch of the First Marriage Consortium	2011	Board of Directors	3 years	Positive	Customer acquisition
Action at the Agência do Banco do Brasil do ABC	2011	All	3 years	Positive	Customer acquisition
Vera Cruz Wedding Dresses	2012	All	3 days	Positive	Customer acquisition
2012 Entrepreneur Fair—SEBRAE National	2012	Board of Directors	–	Positive	Sale of articles and services for weddings and social events

					related to the event
City of the Child — Re-inauguration — SBC City Hall	2012	All	1 day	Positive	Territorial marketing
First Workshop of the Polo of Brides in the Shopping House Total	2012	Board of Directors	1 day	Positive	Attempted mass membership participation
Prototype of the Loyalty Card	2012	All	—	Not implemented	Customer acquisition
Women's Day Action at Home Total Shopping Furniture	2012	All	1 day	Positive	Customer acquisition
Launch of the Fundamental Stone of Polo's Own Headquarters — Thematic	2012	Buffet Samyr	1 day	Not implemented	Own headquarters construction
Marriage on TV Bandeirantes	2012	All	1 day	Positive	Promotion in national network
I will marry in ABC — 2 editions — Support SEBRAE	2012	All	3 days	Positive	Promote the participation of 100% of members
Entrepreneurial Women's Day — Prefeitura de Santo André	2013	All	1 day	Positive	Customer acquisition
Get married 2013	2013	All	3 days	Positive	Customer acquisition
Salão das Brides Vera Cruz 2013	2013	20 accessions	3 days	Positive	Customer acquisition
MEG — Program promoted by SEBRAE for free evaluation of companies	2013	Board of Directors	6 months	Positive for those who joined	Training and guidance for entrepreneurs
Partnership with ABC Advisors	2013	All	—	Not implemented	Customer acquisition
USCS and Bridal Polo	2013	All	1 day	Positive	Partner interaction analysis
Polo in the Media	2013	All	Fixed	Positive	Promotion in national network
Bridal Registry	2013	All	Fixed	Positive	Send mailing to members

A relevant aspect when it comes to organizational networks and APLs is the analysis of failures in this type of experience. Gulati et al. [19] point to the fact that networks, while offering a number of

benefits, also have a potential black side, which may trap firms in unproductive relationships or impede partnerships with other viable firms.

#### Reasons for leaving an Entrepreneurship Network due to Economic Development

The processes of Economic Development can also lead to the lack of trust among the members of a network. These problems can emerge due to discussions related to the distribution of network's incomes, to communication issues or to the divulged perception of biased gains captured by some of the network's members.

On the other hand, a poorly managed partnership, in which there is no trust and motivation among the partners involved, can lead to the exit of network companies and to the failure of this type of strategic alliance [23]. Other factors are also involved in this process, such as problems in knowledge transfer among agents [24]; lack of learning and commitment of the members [25]; asymmetry in information; costs of cooperation [26], and lack of value generation.

Among the reasons that lead companies to leave a network, Lima [16] pointed out the following: the size of the participating companies; the asymmetry of information; relations of distrust; the management process developed by the networks; and the cost/benefit ratio resulting from this movement.

Lima [16] studied the literature on innovational clusters and APLs, and he states that for the development of APLs, it is possible to adapt management mechanisms. Involved agents must take into account both the nature of the economic activity and the chain value in which the APL is inserted. Therefore, solutions and approaches that work in one APL may not work in others. It should be noted that the Bridal Association consisted of a group of companies that provided services in the sector of parties, which gave it particular characteristics regarding the way of acting in a network. Another important feature of the network studied is the fact that the work of companies happens around the project, which is the wedding party.

The study by [18] analyzed a situation in which the different actors come together for a project realization. The central idea presented, which resulted from the analysis, is that the connection between actors is fundamental and "collective success is more important than individual success."

### *3.1. Discussing Development, Sustainability and Entrepreneurship Networks as Agents of Local Development and Sustainability*

There are several studies on other cases of entrepreneurial networks located in Brazil. There is the example of a network of the existing tourist attractions in the city of Ouro Preto, which was studied by [27]. It is a network that does not have a defined structure, a central power, or a delimitation of borders as it happens in the three situations mentioned above. The Health and Information Technology (IT) sectors are examples of networks analysed by authors like [28] classified as a specific network of entrepreneurship the Cluster of Services in the Medical Center of Recife. The joint action of companies from different segments developing Information Technology projects for a given client is also an example of a network supported by different companies that work in a nutshell.

In Brazil, the success that involved the creation of Local Productive Arrangements was such that a permanent working group was created for this type of development agent within the scope of the Ministry of Development, Industry and Trade, in 2004, with the objective of articulating the actions of governmental organizations that aimed at adopting integrated support for APLs [29].

The Brazilian Ministry of Economy currently has a Permanent Working Group for Local Productive Arrangements—GTP APL, whose duties are:

- Identify the existing local productive arrangements in the country;
- Define criteria for joint government action to support and strengthen local productive arrangements, respecting the specific performance of each institution and encouraging partnership, synergy and complementarity of actions;
- Build an information system for managing the actions referred to in the previous paragraph; and
- Develop a Term of Reference that contains the relevant conceptual and methodological aspects related to the work theme.

In 2015, there were 677 APLs recognized by the Ministry of Economy. The number of covered municipalities was 2175 (approximately 40% of Brazilian municipalities) and the number of direct jobs generated in the APLs was 3,051,244.

The program to encourage the formation of APLs was considered highly important because they brought positive results to the regions where they were implemented in different dimensions. Amato Neto [30] developed a reference system that helped public managers to evaluate the performance of APLs. The system consisted of nine dimensions, each consisting of a set of indicators. The analysis of the indicators also allowed the identification of the positive effects that the APLs can produce in the region where they are located.

Local productive arrangements were originally more geared towards industrial clusters (Porter 1998), but the concept of APL was also widely applied to the service and agriculture sector.

The first dimension pointed out by [30] is the Geographic dimension, which included indicators such as proximity to raw material, suppliers, quality of the road network, and railway.

Deepening the various dimensions of sustainability impacted by APL, we have other dimensions such as Economic (with visible results in customer flows, workforce, costs, share of sales in the region), Institutional (representative entities, quality seal, support entities unions), Social (literacy level of employees, joint actions) and Technological (presence of Teaching and Research Institutions, an of quality certifications).

The Environmental dimension, proposed by [30], comprises indicators related to pollution, water supply, sewage treatment, waste recycling and environmental preservation.

With a wider scope than the environmental dimension, the implementation of APLs is especially related to sustainability. Silva et al. [31] analyzed the issue of sustainable local development promoted by the APL of clothes confections in the city of Palmas, state of Tocantins, Brazil. In the analysis, they used the partial sustainability indicators proposed by [32].

According to [32] it is necessary to disaggregate sustainability into dimensions to better understand and apply it to local and regional problems and differences. The dimensions of sustainability proposed by [32] are: social, cultural, ecological, environmental, territorial, economic, national and international politics.

These productive and innovative agglomerations generate, in their dynamics, the cooperation of local actors in their social network. They are developed based on capacity, socio-cultural potential and natural vocations for a given economic sector in the search for a more inclusive development with the reduction of social inequalities and collective learning processes [31].

The nomenclature “Local Productive Arrangement” was adopted only in Brazil, but similar experiences are spread throughout the world. It should be noted, as pointed out by [33], the fact that business networks in particular markets may be dissimilar because of differences among institutions. However, it can be considered that in all situations there is an emphasis on social relations, and these are the basis of the proposal of APLs and business networks. Social relations can be projected in this space, since it is a geographic space that presents a collective identity, which can be historical, cultural, political, economic, social and environmental [32].

The Health Cluster Portugal, a case of business service networks, was studied by [34]. The authors analyzed networks’ process of emergence. They integrate an industrial network approach (INA) into the services area. According to the authors, integration of the INA and other process-related approaches in the area of business services networks provides practitioners and policymakers with a structured framework to understand, and how an intentional “bottom-up” business service network may be created or orchestrated. The study identifies the diversity of factors that may condition the inclusion of firms in specific (business service) networks, such as social inter-linkages and personal connections, and complementarity of resources within specific sub-clusters.

Another experience of business networks occurred in the northwest of England. According to [35], business cooperation and networking have been posited as crucial elements within successful approaches to local development. Studying Small Business Networks of Northeast England, they raise questions concerning to the potential of local business to represent these communities legitimately and to represent patterns of social and economic differentiation. They also demonstrate

how attempts to promote or use local cooperation must include awareness of the implications of policy intervention.

According to [29], the experiences of the Italian industrial districts showed alternative growth paths for developing countries and regions, when the importance of small companies in the capacity to generate economic dynamism was reassessed, as long as they are clustered in the geographic space. For the authors, the term “social capital” started to spread.

A novel manner of inter-firm networking that is emerging in Italy is presented by [36], based on the “contratto di rete” (business-network contract). According to them, this is a new-generation of business networks. They identified success factors in the three cases under study, such as: the shared belief that a new way of doing business is needed; the reciprocal trust between firms; the commitment and personality of the entrepreneurs involved; the balance of cooperation and competition in intra-network relationships; and the co-evolving perception of network success.

### 3.2. The Model of Camarinha-Matos and Afsarmaneh (2006) for Discussing the Interactions between Development and Networks Organizations

One approach that may contribute to the analysis of the Bridal Association case is that of [15], called Collaborative Networks Organization (CNO). This approach is, on the one hand, a representation of how companies are joining together in networks. On the other hand, it can contribute to fostering and formatting collaborative networks. The authors consider that Collaborative Networks (CNOs) are drivers for creating value for participants. They present the questioning, which is usual for potential participants: What will my organization gain if I participate in a collaborative network? In fact, collaboration entails considerable costs/preparation time. Partners need to be ready to move forward and ready to participate in such collaborations, and they should remember that any collaboration requires a basic level of trust between organizations.

In this scenario, Camarinha-Matos et al. [15] presented the concept of the virtual breeding environment (VBE), which provides the necessary context to effectively create the dynamics of entrepreneurial networks, especially in the cases of virtual dynamic organizations. One VBE, according to the authors, consists of associating or arranging organizations, partners, and vendors with a desire for collaboration and long-term cooperation with rules, principles, and infrastructures to quickly build optimal configurations of virtual enterprises to meet the opportunities of a segment. An opportunity is identified by a member who acts as a broker, when a set of VBE participants is allocated to respond competitively to the opportunity by forming a virtual organization. Table 3 presents the reasons that motivate a company to participate in a VBE, according to [15].

**Table 3.** Examples of reasons to join an entrepreneurial network.

Market-Related Reasons	Organizational Reasons
(1) Increase activities/profit	
(2) Cope with market turbulence	
(3) Increase chances of survival	
(4) More chances to compete with larger companies	(16) Management of competencies & resources
(5) Lobbying & market influence (branding/marketing)	(17) Approaches to building trust
(6) Easier access to loans	(18) Improve risk-taking potential
(7) Less-costly group insurance	(19) Support members through necessary reorganization
(8) More negotiating power (e.g., joint purchasing)	(20) Learning & training
(9) Prestige, reputation, recommendations	(21) Shared toolkit of assets (e.g., tools, lessons learned, legal information, sample contracts)
(10) Access/explore new markets/products (e.g., multidisciplinary sector)	(22) Organize success stories & joint advertising
(11) Expand geographic coverage	(23) Help in attaining clear focus/developing core competencies
(12) Increase potential for innovation	

- 
- (13) Economy of scale
  - (14) Develop branding
  - (15) Achieve (global) diversity
- 

Source: [15].

After collecting the APL bridal managers' responses, we constructed Table 4. These managers indicated which goals they understood should be achieved by the association. Table 4 presents their responses, and the third column indicates which ones correspond to those presented in Table 3. The main reason pointed out was the sharing of assets, especially customer and market information. Second is the development of the brand, or the seal of quality that would be attributed to the companies belonging to the APL. In the third position, one can see the longing for prestige and reputation, which in a way are associated with the seal of quality.

**Table 4.** Reasons given by the Bridal Association Local Productive Arrangement (APL) entrepreneurs for joining the group.

Respondent/Associate	What Should the Main Objective of the Entrepreneurship Network Be?	Corresp. to Table 3
# 1	Add value to the brand, promote it, and attract new customers	5; 14
# 3	Promote companies among the participants themselves and become a reference in the wedding market, further increasing the value of each company's service	9
# 4	Attract new customers and maintain quality and brand identification	11
# 5	Unite associates with the common goal of attracting new customers	16
# 6	Maintain a quality seal that attracts customers and gives them confidence	9
# 7	Show associates the benefits of working together for the same goals	24
# 8	Indication of new clients and partnerships with other associates, resulting in cross-referencing their membership	21
# 9	Promote events to publicize the brand and demonstrate the high quality of the association's companies to potential customers	22
# 11	Members must interact, exchanging information and experiences, so that there is internal growth, reflecting in the marriage market	20
# 12	Members stay in touch, enhancing the quality seal	14; 21
# 13	Market the quality seal of those companies associated with the Polo	14
# 17	One company recommends the others	21
# 19	Each one respects and trusts the work of the others and points this out to potential customers	17
# 20	Increase the promotion of Polo beyond mailings	5
# 23	Raise customers to associates	10
# 24	Greater dissemination of Polo and participation of members	11
# 25	Indication of customers, exchange of information on the market	21
# 26	Publicize the names of the associated companies, adding security and credibility to the market	9, 14



# 27	Indication of customers, strengthening the stamp of the Bridal Polo	9
# 28	Share information about new customers and indicate members of Polo	21
# 32	Assist associates with lectures and courses to improve management, help attract clients, and promote names of associates	20
# 33	Indication of new clients and strengthening of the quality seal	14
# 34	Change of indication of new customers	21
# 35	Indication of clients among members	21
# 36	Change of customer indication	21
# 38	Exchange of information about market news	21
# 39	Exchange of information about performance at events	21

Source: information collected from the research.

According to [15], the factors that initially attract members to the network are not the same. A company may be attracted by the possibility of gaining new knowledge, but later, after this goal has been reached, different reasons will be needed to keep it in the network. Other barriers to entry into the network have been identified by the authors in their research. Still, according to [15], the challenge is to find solutions for overcoming these concerns. Several examples of solutions are presented in Table 4. However, as Table 5 indicates, there are still reasons that may be identified as disadvantages for belonging to an entrepreneurship network.

**Table 5.** Disadvantages of belonging to an entrepreneurship network.

<b>Fear</b>	<b>Possible Solution</b>
• Return on investment of time/cost— fear of not having ROI	– Proactive opportunity brokerage (active broker) – Building Success Stories
• Lose the power of decision-making, collateral side of collaboration	– Creating flexibility in decision-making – Transparent rules/regulations – Establish different levels of adhesion
• Conflict issues and intellectual property rights	– Mechanisms to establish trust/reliability prediction – Strengthen confidence in the establishment of transparent rules and regulations for the VBE – Definitions of incentives and sanctions – Application of rules defined to be a “good citizen” in the VBE

Source: [15].

Through the responses collected in our questionnaire, the managers of the Bridal Association highlighted the difficulties they encountered in attempting to achieve the association’s objectives; these are listed in Table 6. It was verified that the main difficulty was related to the low adherence/participation of the members. There was also no broker figure in the Brides APL who would be an intermediary element to carry out joint projects among associates.

**Table 6.** Difficulties in achieving goals, according to associates.

Main Difficulties	
1	Lack of commitment of the associates within the group
2	Indication of shopkeepers from outside the Polo
3	Lack of exchange of information and indications of new customers
4	Little participation of members in meetings and events
5	Lack of knowledge about members and their services

Source: own work.

### 3.3. The Models of Oparachoa (2015) and Slotte- and Coviello (2009)

Alternative models to the previous one are those of [37] and of [38]. Institutional networks by Small and Medium Enterprises (SMEs) were studied by [37] in the context of international entrepreneurship. The study provides insights into SMEs' awareness of, access to and current use of resources available through institutional networks and whether these are inducements or deterrents for entrepreneurial activities in foreign markets. The entrepreneurial network constituted by the association could gain significant advantages by seeking relationships with foreign organizations, especially European ones, which could present new trends in the production of wedding parties.

Thus, the adoption of a board-nominated model, the definition of the broker-led process, the strong partnership with regional authorities and the focus on the pursuit of knowledge and innovation are the suggested measures for the success and development of the entrepreneurial network.

A conceptualization of network development was carried out by [38]. According to them, entrepreneurs or firms interact with various environments. It creates tie variation and influences tie selection and retention. Since multiple entities interact, disruptions can occur. Entities adapt or conform to their environmental context to solve the crisis of thesis vs. antithesis. Long run network stability is punctuated by purposeful enactment. Adoption of the four elements proposed by the network could produce long-term stability for the Bridal Association and it is here stated as a potential challenge for further research.

Several works have also analyzed the relationships between economic development and sustainability. According to [39] a new type of adaptive change management is needed, in which social and territorial cohesion are key elements of governance, in accordance with sustainable development requirements. These are elements that enable determining a viable managerial sustainable development "model" for communities.

A conceptual integrated model which promotes a balance of interaction between systems—economic, human, environmental and technological—in a dynamic, flexible and functional process was used by [39] to analyze public administration. The development of the management capacity of local public administration institutions requires the use of some modern management instruments that shall lead to an increase of the administrative capacity at the local level.

### 3.4. Synthesis of the Models

The analysis of the Bridal Association's APL experience considering the previous models offers important elements for orienting other experiences with similar characteristics of entrepreneurial networks. The importance of achieving adherence and commitment of the associates to the proposals and actions carried out by the group has been highlighted. The associates sought to expand their customer base, creating a quality seal. It has also been highlighted the importance of exchanging experiences and knowledge. However, at any given moment, the capacity to obtain adherence and commitment of the participants can be exhausted and therefore serious decisions must be made.

Regarding the participation and support of the federal government to entrepreneurial organizational networks, the work of [40] offers additional insights. According to these authors, entrepreneurship is an important driver of regional innovation and growth, although the role of the business networks in these processes has been less formally examined. Thus, it is important that the

network's management is able to highlight the beneficial effects produced by the Local Productive Arrangement for the surrounding region. [40] highlight that the nature of the networks formed by entrepreneurial firms is a key determinant of regional growth.

#### 4. Final Considerations and Further Challenges to Be Researched

This paper has reflected on the importance of local development to evolve business networks. For this purpose, we took the case study of a Sao Paulo's Local Productive Arrangement—in this case, a business network focused on bridal events. Despite the richness of the experience of the focused initiative and the added-value generated for the region, this initiative finished after years of activity.

Thus, one of the main measures proposed to prevent the failure of future projects similar to the Bridal Association shall also be the reconfiguration of the board of those Local Productive Arrangements, taking into account the pointed elements—rotation and functional diversity of the members and diversity. Secondly, it is proposed to adopt the aforementioned definition of the care process for couples seeking the Bridal Association. For the definition of this process, the formal institution of the broker role, presented in the model elaborated by [41], can be an interesting option. Thirdly, the network board should make every effort to get support and public participation from this entrepreneurial network. Reinforcing this aspect, we highlight the implications of the network theory of entrepreneurship, innovation and regional growth presented by [40]. According to the authors, the performance of companies/firms that participate in the network of companies that perform weddings favors innovation and regional development. The bridal association had the support of the government, but the fact that the city's authorities did not fulfil their promise to provide resources for the creation of the physical space that would be used by companies participating in the association can be considered an element that contributed to its dissolution. The variable “government support” is exogenous to the members of such businesses network, but the analysis of this case indicates that the entrepreneurial network must previously consider this aspect as a critical factor. Fourthly, the partnership between the board of the association and the public authorities should give priority to stimulate the relationship between entrepreneurship and innovation. According to [40], theories of the firm such as the knowledge-based view and extensions of the resource-based view recognize that the need for access to knowledge is a key reason why firms build or enter networks with other organizations.

The Bridal Association has provided a diverse set of collected materials and experiences which must be considered as potential challenges for further researches. At the moment, we highlight four major lines. The first line relates to the extension of the present observation to other cases of Brazilian Local Productive Arrangements. This extension would allow us to clarify the dimensions able to enhance the survival or the failure of these types of organizations. Secondly, despite the failure of the Bridal Association “per se,” it has provided individual/institutional members with several sources of value—including social capital to organizational experience and to groups' dynamics. These sources of value shall be studied recurring to interviews or to questionnaires distributed to the individual and institutional members of the Bridal Association. Thirdly, it would be important to detail the network of each association's member and the role of the Bridal Association in the enveloping networks. This third line of further research would provide insights towards a clarification of the central role of this network and how its centrality could have played a directed stimulus on the survival/failure of the Bridal Association. Fourthly, we also agree that the topic of entrepreneurial networks can be explored for clarifying the connections of these entrepreneurial projects as part of a management process, where social capital plays an indispensable role in the success of complex projects.

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## Appendix A

### Questionnaire

Dear Associate,

The Board of the Bridal Association requests that you respond to this questionnaire prepared by the team of the Masters and Doctoral Program in Administration of the Municipal University of São Caetano do Sul.

For each member of the Bridal Association, you are asked to indicate whether you have already gained important information pertaining to your work:

1. Describe your experience of exchanging information with at least two participants of the Bridal Association. Please indicate who they are and report the experience in detail.
2. In your opinion, which one(s) should be the main objective(s) of the Bridal Association?
3. To what does (do) the objective(s) you have referred to in the previous question contribute?
4. What factor or factors make it difficult for these objective(s) to be reached?

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