

Challenges for Innovation in Small Businesses: The Local Innovation Agent Program in Brazil

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Abstract— *The Local Innovation Agent Program (ALI-Agentes Locais de Inovação) in Brazil is a national action that has invested billions of reais in the last decade supporting small businesses to face the various barriers to innovate. Thus, this article aims to identify the perception of micro and small companies in Brasília-DF about the challenges to innovate while participating in the ALI Program. To this end, the present work made use of the descriptive methodology and the qualitative analysis method. As for the means, it used bibliographic research, case study and field research, as described by Vergara (2007). The results showed the perception of two different audiences, first, of the Local Innovation Agents, who helped to identify the stages with the greatest degree of difficulty; second, from the participating entrepreneurs themselves, who contributed, with their perceptions of difficulties, positive points and learnings when applying the ALI methodology for the innovation of their businesses.*

Keywords— *Innovation. Micro and small business. Local Innovation Agent Program. Retail.*

I. INTRODUCTION

The effects of technology, in a global trade, especially impact the small business. Therefore, this type of enterprise needs to keep itself updated and constantly innovate its own products, services and processes in order to survive. On the one hand, large corporations have high bargaining power, scale and investment; on the other hand, they are hierarchical and procedural. In addition, they have difficulties in identifying the need for changes and also in implementing new management paradigms.

Plunged in a framed panorama of economic uncertainties and significant changes in the employment relationship, Brazil has been presenting successive records of formalization of companies (Varella, 2019), thus showing the exponential increase in the offer of products and services, while at the same time the great level consumer demand and broad market competition.

Less than 20% of people involved in entrepreneurial activities in the country create new products for the market (Bizzotto, 2008). The culture of commodities is still a reality that harms and weakens mainly the small retail entrepreneur, subjecting him to a

true “guerrilla” for the most competitive price, destining his business to stagnation (Bogmans & Retrepo, 2019).

In this context, it is clear that smaller companies are in a good position to innovate, either because of their lean structure, which favors proximity to the end customer; possibility of making decisions and identifying opportunities to innovate faster, even within the limitations of strategic vision, financial and human resources.

Therefore, it is necessary that these companies have access to tools that help them on this path towards innovation. To that end, a wide portfolio of products and services promoting technology and innovation were developed by Sebrae to support the sustainable development of small businesses (Sebrae, 2017).

Among these products, the projects “Sebraetec”, “Capital Empreendedor” and “Agentes Locais de Inovação” (ALI) stand out. In this second case, the program was developed nationwide, more than ten years ago, in conjunction with the National Council for Scientific and Technological Development (CNPq). (Sebrae, 2019a)

In 2019, Sebrae reformulated the ALI methodology, using more advanced and current innovation methods, including concepts and tools applied by large innovation companies and fast growing startups. Thus, allowing to validate innovation with potential customers, scale the business and reduce innovation risks in a shorter period of time. (Sebrae, 2019b)

The present study seeks to identify how was the experience of participating companies with the new methodology applied in the Federal District in 2019, from the perspective of difficulties, positive points and learnings experienced by them during this first cycle of the program. Understanding these empirical experiences will allow future participating companies to better understand the benefits, prepare for obstacles and develop strategies to mitigate challenges, thus contributing to the generation of expected results (increase in revenue, productivity and cost reduction), with fewer errors in the process towards innovation. In this sense, how can management tools help innovation processes for small business owners?

Therefore, this article has the general objective of identifying the perception of micro and small companies in Brasilia about the challenges to innovate while participating in the ALI Program. As a specific objective, a comparative approach was made to the contents worked on in the theoretical framework with the identification of the standards experienced by entrepreneurs in the process of business innovations, as well as to describe the behavior that retailers in the region of Brasília / DF have in the theme of innovation.

According to (Gil, 1999), the delimitation of the research refers to the establishment of limits for the investigation, given that not all aspects of the problem can be researched simultaneously. Thus, the focus of this work will be restricted to the universe of Local Innovation Agents and entrepreneurs approved in the selection process of the Local Innovation Agents Program (ALI), which concluded the ten meetings predicted in the methodology.

The Brazilian Micro and Small Business Support Service (SEBRAE-Serviço Brasileiro de Apoio às Micro e Pequenas Empresas) together with the National Council for Scientific and Technological Development (CNPq-Conselho Nacional de Desenvolvimento Científico e Tecnológico) disseminate innovation to the small business owner through the ALI Program, in which there will be a final stage focusing on four small retail companies through the Innovation Radar by Bachmann and Destefani (2008), by observing the aspects of Culture of Innovation, Customer Experience, Productivity and Cost Reduction,

through which the evolution of retail companies will be investigated regarding their sales processes in commercial points.

The methodology used to carry out the diagnosis in the companies was based, mainly, on the understanding of the type of research by Vergara (2007). Thus, the basic criteria that will be considered for the purposes are the descriptive and the method of qualitative analysis. Descriptive, since it exposes characteristics of a certain group of companies and their correlation with the object of study and qualitative, since the researcher is a direct source of the data collected. As for the means, it is characterized as field and bibliographic research, since it is intended to make a study from the reality experienced in the ALI Program and a systematic study, using books, articles, magazines and electronic networks in general.

This article is structured, in addition to this introduction, into four other topics. In the second, there is a review of the literature and the insertion of three case studies on the subject addressed. In the third one, the methodological aspects used for the development of this article will be highlighted. The fourth topic will present the analysis and discussion of the results. Finally, in the final considerations, a brief discussion of the results is promoted based on the conceptual references used.

II. THEORETICAL BACKGROUND

2.1 Innovation as a driver for Competitiveness

Considering that Brazilian companies are inserted in a global environment where the competitiveness of the markets is increasingly fierce, they must seek innovation to differentiate themselves from competitors, improve their performance and, consequently, gain a competitive advantage over others.

Before discussing the importance of innovation for the greater competitiveness of Micro and Small Companies (MSC), it is worth understanding what innovation is. According to the Oslo Manual, innovation can occur in four areas of the company: a) the introduction of a new or significantly improved product (good or service); b) a process; c) a new marketing method or d) a new organizational method in business practices, in the organization of the workplace or in external relations. (OECD & FIEP, 2005).

Innovation can also be seen as a business management strategy that has the function of breaking a balanced state of economic forces, through the insertion of new products, goods or services in a certain segment or market. Shumpeter (1934) states that "innovation is the

crucial source of effective competition, economic development and the transformation of society". As a result, Kupfer and Hasenclever (2002) consider that innovations can provide cost reduction, productivity gains, increase in the quality of products or services, competitive asymmetry and, often, temporary monopolization of a market opportunity, earning greater profits.

In line with the other authors, Vasconcelos and Cyrino (2000) understand that competitive advantage is related to the occurrence of levels of economic performance above the market average from the strategies implemented by companies. In this sense, investment in innovation can provide differentiation from competition, achieve competitive advantage and, consequently, provide the conditions for superior financial performance and perpetuity in the market.

Oliveira (2013) considers that traditional organizations have faced difficulties in maintaining their business when faced with some types of market and technology changes, especially in the face of technological disruptions. In his opinion, they fail not because of their deficient management, but because they follow a management guideline resulting from express attention to their customers, a study of trends and the allocation of resources for innovations that pointed out the best return. However, they failed to consider disruptive innovations that created new customers and markets for products with lower margins and greater appeal.

Schumpeter (1939) introduces the concept that innovation can be incremental - significant improvements from something that already existed before - or radical - by totally revolutionizing a market or creating a totally new market. This same concept is used by Oliveira (2013), who also believes that radical innovation becomes mandatory even in traditional companies that are willing to innovate, since purely incremental innovation can become obsolete with exponential speed with which technology grows, with a population that is seven times greater than that of the 18th century. After all, disruptive innovations, when exploring unknown territories, present original proposals that can generate competitive differential and, consequently, allow to explore those that were not their consumers, to open new niches and non-existent markets. Oliveira (2013) also contributes with the perspective of how to identify the needs of consumers to deliver value and an orientation of the effort required to invest in incremental and radical innovation:

Innovation must offer its consumers the possibility of doing something that it was previously unable to accomplish, either due to the lack of resources or the

complexity of the product. Thus, the best way to think about innovation is to identify the gaps left by products and services until then offered to the market, in terms of their functions. In general, it is proposed that organizations dedicate 90% of their efforts to incremental innovation and 10% to radical innovation, both essential to organizations. (Oliveira, 2013).

This suggested percentage will depend on the sector in which they operate, the dynamics, the influence of external factors and even the culture of the company, but it is very important that both initiatives are considered together and, whenever possible, are conducted separately in the company because different processes are needed for each type of innovation.

It is worth mentioning that it is not enough that the innovative proposal is creative and interesting, if the market is not willing to pay for it. Therefore, radical innovation is often accompanied by innovation in the business model. On the one hand, radical innovation seeks to solve consumer needs, while innovation in the business model proposes to analyze how the organization should structure itself and adapt its processes to innovate, in terms of distribution channels, revenue generation and processes and operations. Due to their complementary nature, both types of innovation must be applied simultaneously.

2.2 Retail Sales and Innovation

When analyzing Brazilian retail, there are a number of inferences within the management behavior of companies that directly affect their sales processes. In particular, the difficulty in interpreting the performance indicators and the absence of the development of the value proposition in the offers aimed at the customer are factors that trigger in the sales team an inhospitable environment for their work. As a result, this environment generates a high rate of employee turnover in the company, a direct impact on productivity, sales conversion and, subsequently, on the company's revenue, as noted below:

- (i) Few retailers make use of performance indicators that allow them to assess the cost of their operations (sic.) And that provide a better management of their human and material resources;
- (ii) In general, the store team is fixed, with a constant number of employees, scaled by the average, which creates idleness during low-traffic hours (sic.) poor service and eventual loss of customers during peak hours, as on Saturdays;
- (iii) It remains to develop a value proposition for the client, covering among others (sic.) services, store image, layout, logistics and communication;
- (iv) Retail work is seen as "beak", employee

dissatisfaction is high and the annual turnover is large. Retail companies, in general, are concerned with creating marketing strategies to try to bring customers into the store, but few seek to design and implement service strategies to keep them loyal. (Nascimento, 2005, pp. 22)

In this scenario, Bizzoto (2008) points out that professionals try to fit into the vacancies opened by companies, that is, “no matter what we like to do, we have to adapt to what the company needs”. This has serious consequences, causing 74% of the economically active population in Brazil to dislike the work they do. On the other hand, Many small and medium-sized businesses fail because they do not see or recognize the need for change. They are introspective, very busy with putting out their own fires and dealing with the current crisis to worry about possible storms that may arise (Bessant, 2009).

The competitive environment within the retail universe requires companies to find alternatives to remain in the market, whether by launching new products, new processes or new business models.

Innovation is a fundamental element of business competitiveness, since it allows organizations to increase their market share by adding value to the product or service better than other companies (PORTO, 2013). In a categorical tone, if we do not change what we offer to the world (goods and services) and how we create and offer, we run the risk of being overcome by others who do. Microsoft - one of the largest and most successful companies in the world - takes the view that it is always two years from its extinction (Bessant, 2009).

The sales team can contribute to retailers' offerings to conquer the market, but this is in fact not the basic reason for consumers to buy our solutions. We know that on a daily basis, we, as buyers, need to perform certain tasks and in that circumstance we look for products or services that can be “hired” in order to solve them. In this logic, Bizzoto (2008) highlights that the companies that direct their products in the circumstances in which customers find themselves, and not in the profile of consumers, are those that create successful products.

In this context, Nascimento (2005) asserts that proximity and the focus on the customer to deliver value to the market is seen as a prerequisite and an imperative for high performance companies. Companies understand, serve, exceed the needs and interests of customers, plan targeted actions aimed at speed and effectiveness of responses in a competitive context, maintain ethical relationships with customers ensuring that they know what to expect from them and keeping all stakeholders

(controllers), community, government, employees, users), exceeding their expectations.

The focus on the customer is the source of fundamental ideas for creating value that aims to offer innovative solutions, since innovation only reaches concreteness when it is accepted and valued by the market:

[...] What these customers say and think weighs heavily as a source of ideas - hence its high concreteness. Market research is an efficient way to reach them. Among its various techniques, it is deserved to be mentioned the focus group, a qualitative research modality carried out directly with small groups of people with knowledge or experience in relation to the good or service that is intended to be analyzed in depth. (Barbieri, 2009, pp. 32)

Helping the company team to format a questionnaire that will be used as a basis for the interview with the client (when it was defined that only one type would be interviewed) or clients (when the company understood that it needs to interview more than one type of client) is essential to find out what the client is wanting to do and is not getting, that is, what is the progress the client wants in the circumstance he is experiencing (Soares; Bezerra, 2018).

As it is considered that it is always a risky and uncertain process, many retailers and small businessmen choose not to innovate, even though the possible rewards seem attractive, however in the panorama that we experience today - it is rarely an option - especially in turbulent sectors of the economy. of sudden changes. Some companies need to change dramatically to survive in the business. A company founded in the early 19th century, for example, that had Wellington boots and toilet paper on its list of products today is one of the largest and most successful in the world of the telecommunications field. Nokia started its activities as a lumber and sawmill, manufacturing equipment for cutting trees in Finland. He started to explore the paper industry and from there he reached TI's “paperless” office - and at that point he reached cell phones (TIDD, 2008, p. 60).

As important when understanding the benefits that innovation provides for the business to perpetuate itself over time, it is to understand the challenges that the small business has to survive. Thus, in 2007, Deloitte Brasil, an Audit and Business Consulting company, carried out a study that seeks to understand the factors of innovation for the survival of micro and small companies in Brazil. (Deloitte, 2007)

According to the survey, entrepreneurs associate innovation more with a new business model than with the differentiation process (significant improvement) of this product and | or service. They associate innovation with the ability to expand their business inside and outside their own markets, with 2/3 of the interviewees saying that innovation was able to make their businesses more profitable. This study also reinforces that innovation is a decisive factor for the survival of the business, since more than 80% of the interviewees stated that innovation is important to grow faster than the competition.

Fleck (2003) reinforces that the measure of success of an organization is its ability to survive and self-perpetuate the business, linked to an intense search for innovation in solutions that respond to market needs.

However, according to the survey carried out by Deloitte, the great challenge for entrepreneurs is to raise funds in the long term, few existing lines with reasonable rates to finance innovation and the excessive bureaucracy to release resources.

In 2016, MJV, a technology-based company focused on innovation, developed a survey of 288 business leaders and managers to verify how they see and plan innovation in their corporations (MJV, 2016).

In this study, despite half of the companies claiming not to have a structured process, the motivation to innovate is explicit, and for 62% of the interviewees, the main motivators for the development of innovation projects are:

- Improving the quality of existing services or products
- Meeting customer expectations
- The development of new products or services
- Business expansion to new customers and / or segments
- Improving operational efficiency.

It is observed that, in this study carried out by MJV there is a more timid behavior for radical innovation and a tendency to make incremental innovations, in comparison to the study carried out by Deloitte. The study carried out by Sebrae-SP considers both scenarios, but focuses on the need to know how to control the management of your business well in order to survive. Therefore, this latest survey shows that leaders are more attracted to the improvement in the current solution (improving the quality of existing services or products and meeting customer expectations) than investing in a new business model

(developing new products, services and business expansion to new customers and segments).

III. METHODOLOGY

This work has a qualitative approach. As for the research methodology, it was based on the taxonomy presented by Vergara (2007), which qualifies the research under two aspects: as to the means and as to the ends.

As for the means, the research was field, bibliographic and case study. It is classified as field research since it empirically investigates the place where the phenomenon occurred from interviews conducted with Local Innovation Agents and participating entrepreneurs. Bibliographic, because the information contained in books, magazines, technical and academic publications was used. In addition, the case study was adopted as a means of investigation because it investigates the contribution of the Local Innovation Agents Program (ALI) in the sales processes of participating micro and small retail companies, with character of depth and detail of information.

As for the purposes, the research was descriptive. According to Godoy (1995), in his qualitative analysis descriptions, "the researcher is a key instrument, the environment is a direct source of data, does not require the use of statistical techniques and methods. They are descriptive, the result is not the focus of the approach, but rather the process and its meaning, that is, the main objective is to understand the main difficulties, positive points and learning experienced by entrepreneurs during the first cycle of the new ALI methodology and its correlation with the studies published by solid institutions regarding the thematic studied.

In order to identify which were the main difficulties, learning and benefits experienced by entrepreneurs in applying the ALI Project in their companies, the interview was conducted with two different audiences. The first corresponds to Local Innovation Agents who participated in the entire first cycle and to those entrepreneurs (participants in the ALI / DF Project - Local Innovation Agents of Cycle 1 of 2019) who also completed all the tools of the cycle. In this way, an initial portrait was made, with the eight Local Innovation Agents to understand their perceptions regarding the investigated theme.

Then, a sample of 20 companies assisted in the first cycle of the ALI Program in 2019 in the city of Brasília / DF was selected, in which the companies located in the Plano Piloto, that is, the Asa Norte neighborhood and,

later, in the In step 2, eight interviews were selected and conducted with the entrepreneurs who completed all ten stages of the project to check how the practice experienced by these entrepreneurs was based on the initial identification made with the Local Innovation Agents.

As can be seen in Appendix I, Local Innovation Agents were asked only one open question: from their empirical perceptions, what were the three biggest challenges faced by entrepreneurs in applying the ALI methodology? Following the analysis of the result above, questions were also asked to the entrepreneurs. These questions consisted of four open questions, with the aim of allowing them to express their opinion on the challenges raised by the ALIs; a question with five options to measure the practical effectiveness of the tools and content worked to apply innovation in the business, and, finally, a sixth open, generic and optional question, seeking to identify some other point that the interviewees would like to explore.

Finally, among the eight selected micro and small companies that completed all stages of the cycle, as a last step, we sought to deepen the research in the cases of four (04) participating micro and small retail companies, that is, those that presented better performance regarding the delivery of innovative solutions to the market at the end of the program, using physical points of sale (PPS) as the purchase channel and having a sales team to assist the customer during the retail experience.

IV. ANALYSIS AND DISCUSSION OF RESULTS

Before actually starting to analyze the results found in the field research, it is necessary to explore an overview of the new ALI methodology, since the questions are linked to this experience. An overview of the tool will then be discussed, making a dialogue with the study objects covered in the theoretical framework.

4.1 Phases of the Local Agent Innovation Program.

This topic intends to make a relation with the points treated in the case studies presented in this article, while briefly explaining the methodology applied to the companies that participated in the first cycle.

The ALI Innovation Management Methodology was structured so that any company, regardless of its size and structure, can generate successful innovations, in a systematic way. This methodology is based on the most advanced and current methods of innovation, using concepts and tools that are applied by large innovative companies, as well as fast growing startups, thus allowing

to validate the innovation with potential customers, scale the business and reduce risks (SEBRAE, 2019).

The ALI program has free monitoring for the micro and small companies (MSEs) served. It has regular face-to-face meetings, with a methodology aimed at generating concrete results for the participating companies, whether with increased revenue, reduced costs and / or increased productivity. However, in order to arrive at the value proposal described and the expected results, the work must be carried out jointly and collaboratively in the company, in addition to being supported by different actors, namely: the Local Innovation Agent, the advisor, the consultant, the state manager and the innovation ecosystem.

The first phase seeks to identify the entrepreneur's innovative profile and assess whether he has a market problem that is worth solving. In line with the research carried out by Sebrae-SP (2014), it was identified that entrepreneurial behavior makes all the difference to the success of the business, so the Innovation Radar was developed, a tool applied in the selection process, to help identify entrepreneurs with an innovative profile.

Still in the first phase, the Potential Problems Prioritization Framework works on the importance of the entrepreneur and his team to put themselves in the role of a client, to generate insights of problems experienced by these clients in order to later select the problem with the greatest potential to be worked on terms of market and level of stress experienced by the client. This dynamic works on several points brought along in the theoretical framework, such as: the Sebrae-SP (2014) survey highlights that 38% of the companies did not identify needs met by the market, that is, there is no immersion work in the experienced reality by the customer. MVJ's research also identifies the difficulty of finding internal leaders and staff to support initiatives linked to strategic direction and risks inherent to innovation. As the ALI project encourages team participation, it automatically contributes to fostering a culture of innovation, training the team - so that it can constantly identify improvements in the quality of existing services or products - with meeting customer expectations | market, as well as the empowerment of the solution, since it was built collectively.

The second and third phases work with a series of tools that aim to validate whether the hypothesis of the identified problem is a real market/customer need, as well as what is the progress, the value proposal contained in the product, good or service to be created in addition to the identification of possible gaps not satisfactorily addressed by the current market.

During these phases, we apply the Job to be Done concept that was created by Clayton Christensen (1997), which provides a change of paradigms about the possibilities of innovation for small businesses, in order to encourage them to think about more radical solutions, either with the development of new products, goods or services or with the expansion of business to new customers and / or segments. This stimulus increases the chance of the small business detaching itself from the competition, delivering more value to these markets, increasing revenue and the chance of self-perpetuating the business over time. In the third phase, they also introduce the concept of MVP (minimum viable product), popularized by Eric Reis (2011), which seeks to test the market potential of a given innovation without depending on large investments.

In the fourth phase, we arrive at the modeling of the business, where we work on the importance of management planning for the implementation of the new solution. At that moment, possible costs, expenses, expected revenue and sales conversion necessary to tangible the expected results with innovation are identified. At this stage, strategic planning is also developed in the Canvas Business Model, by stimulating the development of networks and partnerships, exposing the company to various offer channels, exploring new revenue models for the reality of the new solution in the market that small business proposes to explore.

It is noted that all these points were worked on in different perspectives throughout the theoretical framework, thus reinforcing the importance of the Innovation Management Methodology of the ALI Project.

4.2 Analysis of the results found in steps I and II

Based on the consolidation of the data collected with the Local Innovation Agents, the biggest barriers that entrepreneurs faced to put the ALI project into practice in the company were identified. In the first place, the Agents considered that interactions with customers - validation processes provided in the tool - were the most difficult steps for entrepreneurs. Second was the difficulty in dedicating itself to the project as a whole, followed by the difficulty of implementing the MVP.

From the above survey, we sought to understand the positive points, difficulties and their learning with the entrepreneurs. The compilation of the interviews generated the analyzes that will be presented below.

As can be seen in Appendix 1, the first question asked sought to understand the positive points, difficulties and learning experienced in the interaction | validation phase with customers. Entrepreneurs considered the tool

to be positive to encourage greater contact with their customers based on an open and structured conversation, favoring attentive listening to their real intentions, to identify their genuine and indirect needs. At the same time, it was considered difficult to extract this information, either due to the lack of practice in asking open and indirect questions, the lack of time for customers to answer the structured questionnaire, the difficulty of the entrepreneurs themselves in dedicating themselves to collecting information. according to the instructions of the methodology, or for the period of fifteen days suggested for completion of the stage, it was considered short for the achievement of the proposed objectives. This whole experience also generated important learnings in their opinion, as it allowed them to be aware that it is necessary to make a good approach with the customer, learn to manage the interaction time and carefully interpret the progress that the customer wants, to then develop a product , good or service suited to their needs.

The second question sought to understand the strengths, difficulties and learnings that entrepreneurs faced when dedicating themselves to the ALI project. Being part of this project, allowed the company to make adjustments to the product according to the market need, expand its horizons of possibilities for innovation, better plan its actions, test hypotheses and quickly identify difficulties, model and | or remodel before launching something new on the market, in addition to better understanding the value that the product provides and the innovation applied in it.

On the other hand, difficulties also accompany this trajectory. Entrepreneurs reported that it is not easy to launch the product in practice. The difficulties were justified because they involved a certain cost of implementation, time, application of unconventional remuneration models and fear of the project failing. It was also considered very difficult to get the engagement of other people (employees, partners, etc.) to contribute, execute and run the project together with them.

After participating in the ALI project, the interviewees also reported that the methodology provided a logical construction of thought that is fundamental to any business, stimulates the expansion of the mindset towards new solutions, new market options, new ideas and even, the improvement of what was already being thought by the company, so that the construction of an MVP did not present itself as something so complicated and that it seemed to meet the market's desires.

The third question sought to identify how companies experienced the implementation of MVP and |

or solution of the product (good or service found), following the same criteria of the previous questions, that is, the presentation of positive points, difficulties and learnings. According to the understanding expressed in the responses, this phase was the moment when ideas materialized in the stimulus when looking at areas that normally would not receive attention and focus on the solution (instead of focusing on problems). It was also reported that this moment was conducive to the maturation of new ideas - from the assimilation of new techniques - generating renewed enthusiasm to run the business.

On the other hand, this step demanded even more dedication from the entrepreneur to the project and the report of additional efforts was repeated, in addition to the day-to-day demands, which made the solution difficult to implement. Also in this line, the lack of financial resources and the engagement of other team members also contributed negatively to putting the developed solution into practice. Given the experience of completing all stages of the project, learning was reported that it is important to set and manage time to dedicate to innovation in the company, focus on creating a single product and better understand the value proposition that this product has aims to deliver to its customers and the market.

The fourth question aimed to compare the perception of ALIs with that of entrepreneurs. It was sought, then, to understand which of the aspects addressed in the questions was the most challenging. The time to dedicate to the project as a whole, represented 62.5% of the interviewed sample and the reasons presented by the entrepreneurs were: lean team, difficulty to engage in the project, excessive operational, managerial or personal demands, in addition to the cases when the company was going through moments of internal adjustments - not necessarily related to the program. All of these aspects were related to the difficulty in placing the innovation project as a central element of the business.

The interaction with the customer - which was identified by the ALIs as one of the greatest difficulties of entrepreneurs - was reported as the biggest challenge by only 25% of the sample among entrepreneurs, who considered that this interaction forced them to look outside and leave comfort zone. Finally, 12.5% of entrepreneurs pointed out the development of MVP as the greatest challenge encountered. In these cases, it was reported that the process of selecting a single idea, as well as, advancing the feasibility and modeling of the new product was difficult due to the lack of knowledge of the chosen segment, lack of partnerships and little knowledge about its target audience.

The penultimate question had the objective of measuring with the entrepreneurs, the real usefulness of the contents and tools used in the ALI project, so that 88.9% of the sample considered the contents and tools used "extremely useful" to put into practice the innovation of their business, followed by the "partially useful" option, which accounted for 11.1% of responses.

Complete the statement below according to the following options: The contents and tools worked on during the ALI project were _____ to put innovation into practice in my business.

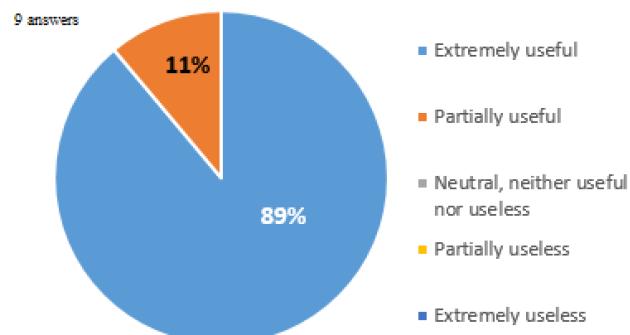


Fig.1: Results of Question 5

Source: Prepared by the Author.

The last question was open and optional for those who wanted to contribute with an unexplored point. Those who spoke up showed a lot of satisfaction with the project, expressing that the tools are simple, allow use in different scenarios, in addition to being reusable. It was also highlighted that the dedication and motivating vision of the Local Innovation Agent made a difference in enriching the process, insights and reflections generated throughout the project. An interesting contribution was also made by one of the interviewees, who highlighted that the methodology could have fewer tools, but encourage more discipline in their implementation.

It is observed that from the responses collected it is possible to make good connections with the theoretical framework worked on. In the case study carried out by Sebrae-SP, the tool helped and enabled entrepreneurs and their staff to know their customer's consumption habits, to identify the real market needs, to know their competitors, as well as to think and plan the actions, dividing tasks and defining responsibilities.

Most of these elements were also brought up in other words, in the MVJ case study (2016), in the case study by Delloite (2007) and de Oliveira (2013). In all of these sources, the importance of working to meet customer needs, improving quality, possible development of new products, as well as expanding business to new customers and / or segments is emphasized. The references are also

strong when it comes to the difficulties with day-to-day operational management, lack of resources to finance innovation projects, lack of financial management, in addition to issues related to human resources, such as less engaged and resistant professionals to changes and innovation initiatives.

4.3 Analysis of the results found in stages III

The last stage focused on four cases of micro and small retail companies. Thus, the interview was adopted as the form of analysis for this work and we submitted the interviewees to judge the following statements to the values of “totally agree” to “totally disagree” based on their participation in the ALI Program:

Implementation of innovative solutions in management processes that made the operation more efficient;

Delivery of new innovative products and / or services to the market that positively impacted current revenue

Understanding of new innovation concepts that, when applied, reduced the costs of operating in the business

Implementation of new strategies that helped in the sales processes and contributed to a better work environment

Increase and-or improvement in the business presence points

Understanding of productivity indicators giving rise to more assertive strategies for the business

As a result of applied research, we show in Figure 1, the results measured according to the cutouts to be analyzed:

Table 1: Evaluation template answered by the four companies covered. Source: data obtained from the survey

Evaluate below the statements presented according to the company's participation in the ALI Program:						
Attitude object to be measured	AFIRMATION	Completely agree (5)	Agree (4)	Do not agree, nor disagree (3)	disagree (2)	Completely disagree (1)
Management processes	Implementation of innovative solutions in management processes that have made operation more efficient	4				
Supply	Delivery of new innovative products and / or services to markets that positively impacted annual sales	2	1	1		
Cost reduction	Understanding of new innovation concepts that, when applied, reduced operating costs in the business		1	3		
Sales processes	Implementation of new strategies that helped in the sales processes and contributed to a better work environment	1	2	1		
Presence	increase and / or improvement in business presence points	1	2		1	

Productivity	Understanding of productivity indicators giving rise to more assertive strategies for the business		2	2			
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Source: Prepared by the Author.

In red, we quantify the number of companies that marked the value gaps, judging the statements presented.

Table 2: Score assigned by participating companies per statement. Sum of the assessment, considering the maximum score of 30 points (maximum of 5 in each statement).

COMPANY	Afirmation 1	Afirmation 2	Afirmation 3	Afirmation 4	Afirmation 5	Afirmation 6	Total
DOC VINHOS	5	4	3	5	2	3	22
ARCO-ÍRIS LIVROS	5	3	3	4	4	4	23
MEU CLOSET	5	5	3	4	4	4	25
GRÃO GRAAL	5	5	1	3	5	3	22

Source: Prepared by the Author.

Given the first statement, it is unanimous to say that the participating companies succeeded in implementing innovative solutions in management processes that made operation more efficient through the methodology applied by the ALI program. When justifying the evaluation in this regard, the 4 (four) companies fully agree that the learning conceived in the meetings generated insights, new ideas and strategies that were applied in parallel with the meetings.

Regarding the second statement, two of the four companies fully agreed that through the ALI Program they were able to offer new innovative products and / or services that positively impacted their current earnings; a company agrees with the statement while a company has indicated that it neither agrees nor disagrees. When justifying the answered assessment, the excerpt from the speech of one of the entrepreneurs who was successful in this regard:

[...] We are still in the launch phase of our new service, of course we need to improve it as the customer uses and immerses himself in this new

experience, but the acceptance has been very positive.

An interesting point of analysis for this research is the observation of the third statement. Three of the four companies considered neither agreeing nor disagreeing that participation in the ALI Program brought an understanding of new concepts of innovation that, when applied, reduced the costs of operating in the business, while one company agreed with the statement.

In answering the “why” of the assessment, the three companies that positioned themselves as the majority share that they already applied some strategies of their own in this sense because of the current economic scenario that they experienced, in which they needed to reduce the costs of their operations in order to continue supporting themselves in the market and that because of these actions, these indicators are stable.

In order to elucidate in a more direct way the measurement of the results investigated by this work, the fourth statement is provided: The ALI Program contributed to the implementation of new strategies that helped in the sales processes and contributed to a better

work environment. Two companies agree with the statement, one company fully agrees, while one company neither agrees nor disagrees.

The company that scored neither disagree nor agree with the statement, asserts that the gains obtained in the methodology came from other attributes such as productivity (more precisely the optimization of the company's management processes) and that its sales processes remained unchanged.

Highlighted, the company that considered to fully agree with the statement expressed in its testimony the following actions:

With the focus on the customer, we had gains that changed the way we approach our product presentation, the survey of consumers and even the organization of the store, so we started signaling through punctuation measured by the customer experience the most requested products and we molded the store window with these offers to save the customer's effort in finding what he wants [...]

The fifth statement can be pointed out by companies as one of the possible solutions in the sales processes in order to make the offer more comprehensive and reduce the effort of the potential customer, thus triggering a greater assertiveness of the sales team when succeeding in selling. Two companies agree that the ALI Program contributed to the increase and / or improvement of the business's points of presence, one company fully agrees and one company disagrees with the statement.

When investigating the only statement of disagreement considered in the research, the entrepreneur justified that to improve or increase his points of presence he would have to invest in actions and innovation projects which would cause the raising of financial resources, in which the company does not have and does not captures external resources. The companies that considered to agree with the statement, said that they made small improvements in their points of presence, looking for solutions that did not need external financial investments, in the last case, having as their own, often derived from their working capital as a source of resources.

Finally, the sixth statement seeks to understand whether the ALI Program contributed to the entrepreneurs' greater understanding of productivity indicators, giving rise to more assertive strategies for the business. Two companies agreed with the statement, while, likewise, two companies neither agree nor disagree. On this case we obtained the following lines:

"[...] As I offer services, it is very difficult to understand and quantify productivity indicators for my business. I know the company's total results but I can't control the performance of the employees "

"I believe that it (the program) contributed to see what I need to be better for my company (sic.) I think I will reap these results in the medium term, but it is good to be able to see how productive I am"

In addition to the statements submitted to the judgment of values by companies, at a later time, companies were qualitatively asked to answer the categorical question: "How did participation in the ALI Program influence the sales process? Was there any impact? "

One of the companies replied that bringing together the entire sales team and managers during the program meetings provided the good habit of allocating a moment in the week to build strategies, evaluate opportunities that can improve the company's sales and efficiency processes in general.

Another company replied that its team started to observe the client's behavior more due to the meetings of the ALI Program and that, due to this circumstance, the managers began to remodel the team and the service script, highlighting what allows the client's progress to obtain more correct communication as they offer new products and services.

During the cycle of the Program, one of the analyzed companies increased its presence, recently opening a physical store in the Asa Norte neighborhood, where until then it marketed its products on stands at fairs in the region. The businesswoman sees this action as an opportunity to enhance customer access, maintaining the existing points of presence and investing in the sales process to generate greater impact on her sales.

V. CONCLUSION

It was possible to identify in this article the difficulties, learnings and benefits of innovation experienced by entrepreneurs when participating in the ALI 2019 Program promoted by Sebrae-DF, as well as establishing a dialogue between these points with the selected theoretical framework.

From the points of benefits and difficulty raised throughout the theoretical framework for innovation, it is possible to note that the ALI Project proposes to be a way for the small business to face the challenges of the highly competitive environment, with an innovative solution,

which allow the small to deliver value to the market, differentiate itself from the competition and achieve concrete financial results.

The need to validate ideas, the value proposition and the solution with customers before actually investing in the product. This trajectory brings more confidence, not only for the company that proposes to innovate, but also for possible investors interested in financing the solution. In addition, it increases the chances of participating in calls for innovation and minimizes the risk of failure in the innovation process. In a way, the financial issue was raised as a limiter of small business in every selected theoretical framework and also appeared in the field study carried out.

The result of the interviews carried out showed the following aspects:

- Difficulty: entrepreneurs end up interacting little with their customers, market, partners and competitors, due to the diverse demands explored in this article;
- Limiter: there is a need for innovation, but in practice, the small business owner is unable to devote efforts in this direction;
- Learning: the tool provides a paradigm shift that allows the entrepreneur to shift the focus from the inside out (from the company to the customer);
- Benefit: the ALI methodology follows a logical and simple structure for innovation, with more ownership, as well as using tools and transferring useful content to put innovation focused on small businesses into practice.

When the entrepreneurs highlighted that the greatest difficulty faced in the project was the dedication, in a way, they approach the vision of Local Innovation Agents, when they highlight their difficulty in interacting with their customers in the validations, as these are the steps that demand the greater dedication of time, apprehension of the transferred content and its applicability.

In addition, the contribution for companies was to improve the sales and communication processes of these solutions offered to the market by the guidelines of the ALI methodology, for customers to become more fluidly convinced and sales to occur more assertively. Innovative strategies for more and / or better revenue streams and points of presence helped to “drain” the pressure exerted on the sales team, providing a healthier and more sustainable environment within MSCs.

The verification of the topic under review, considering the analysis of results and its theoretical basis and empirical results, serve as an encouragement for other companies in the retail business that wish to differentiate themselves in the delivery of their solutions, relieving market pain and making the environment of sales, a space that inspires its professionals to work more efficiently, more results with less effort.

In the same vein, the study suggests that a higher level of awareness about the turbulence of the path to be followed, has the potential to result in a higher level of engagement and a reduction in the evasion of the program, consequently reducing the waste of human resources. and financial investments in the innovation ecosystem.

This is, precisely, the objective of this article, which aims to provide a greater awareness of the challenges, benefits and turbulences that small entrepreneurs may encounter on the path towards innovation. It is expected that, anticipating obstacles ahead, will result in greater engagement and, consequently, in a greater result or reduction in the program's dropout rate, avoiding waste of energy and public resources.

Despite the ALI program proposing to be a tool that helps the entrepreneur to revolutionize small business through innovation, it was observed that there are still difficulties that remained and prevented the participating companies from being able to dedicate themselves more to the project. This may have happened due to flaws in the selection process, with the possible participation of companies that were not properly framed and expected. This point, however, requires further investigation so that, in other cycles, the results are more effective for companies and the market.

Other elements present in the interviews were not addressed in this article - because they escape the proposed objectives - but have the potential to be explored in future studies, such as: from the feedback given by one of the entrepreneurs, a study would be relevant to identify possible improvements on the applicability of the tools used in the ALI project. It is also necessary to reinforce that, as it was not possible to measure concrete financial results within this first cycle, a study is needed to identify the factors that led companies participating in this new methodology to have, or not, results with their application.

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APPENDIX I

Interview script 1

Field research applied to local innovation agents

- Difficulties encountered when applying the ALI methodology

Therefore, the question asked to Local Innovation Agents was: From your perceptions, what were the 3 biggest bottlenecks that entrepreneurs had to apply the ALI methodology?

Interview script 2

Field Research applied to entrepreneurs participating in the First cycle of the ALI Pro-gram 2019

How was the company's experience in the:

1. Interaction phases | validation with customers. Briefly highlight the following:

- Strengths
- Difficulties
- Learnings

2. About your dedication as an entrepreneur to the ALI project.

- Strengths
- Difficulties
- Learnings

3. Implementation of the minimum viable product (MVP) and / or product solution (good or service found) in your company. Briefly highlight the following:

- Strengths
- Difficulties
- Learnings

4. Based on the 3 questions above, which of these points was the most challenging and why?

5. Complete the statement below according to the following options: The contents and tools worked on during the ALI project were _____ to put innovation into practice in my business.

- Extremely useful
- Partially useful
- Neutral neither useful nor useless
- Partially useless
- Extremely useless

6. Would you like to add any other point that has not been explored and would you like to contribute? (optional)