

# Mata Nativa Restaurant: Adaptation or Opportunity in Time of the COVID19 Pandemic

## Restaurante Mata Nativa: Adaptação ou oportunidade em Tempos de Pandemia da COVID19

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### ABSTRACT

This teaching case describes the trajectory of the Mata Nativa Restaurant. The restaurant's history based on semi-structured interviews presents several entrepreneurial triggers for the development of its dishes, forms of service, and strategic planning. Analyzing the company's trajectory and in order to face moments of turbulence in the scenario, the objective is for students to identify the processes of development of acquisition, assimilation, transformation, and the application of knowledge to generate results, overcoming the difficulties and creating opportunities, in the turbulent scenario generated by the COVID19 pandemic. This article identifies technological and market knowledge as two critical components of prior knowledge in the organizational learning process of absorptive capacity.


**Keywords:** COVID19; absorptive capacity; social integration mechanisms.


### RESUMO


Este caso de ensino relata a história do Restaurante Mata Nativa. A história do restaurante baseada em entrevistas semi-estruturadas apresenta diversos momentos de gatilhos empreendedores para o desenvolvimento de seus pratos, formas de atendimento e seu planejamento estratégico. Analisando a trajetória da empresa e para no enfrentamento de momentos de turbulência no cenário, tem-se como objetivo que os alunos identifiquem os processos de desenvolvimento das capacidades de aquisição, assimilação, transformação até a aplicação do conhecimento para geração de resultado, superando as dificuldades e criando oportunidades, no cenário turbulento gerado pela pandemia da COVID19. Este artigo identifica o conhecimento tecnológico e de mercado como dois componentes críticos do conhecimento prévio no processo de aprendizagem organizacional da capacidade absorptiva.


**Palavras-chave:** COVID19. Capacidade Absortiva. Mecanismos de Integração Social.

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## Introduction

This teaching case tells the story of Mata Nativa Restaurant, traditional in à la carte service and has always explored the integration with nature as its competitive advantage. The restaurant's 15-year history presents several moments of improvement in its dishes, forms of service, and learning. However, they were still not prepared to face the crisis caused by the Covid19 Pandemic.

In March 2020, the owners of the Mata Nativa Restaurant received the first health guidelines on operating restrictions as measures to face the public health emergency resulting from the COVID-19 disease caused by the SARS-CoV-2 coronavirus. The Government of the State of Acre published the Decree that from March 20, 2020, restaurants in the city would have to close their doors for 15 days. International, national and local news shared the worsening of the situation while the first cases of COVID-19 appeared in Rio Branco (AC). Due to various misinformation in the press and much speculation regarding the worsening of the emergency, the Brazilian and Acre Governments initiate several actions to support companies, maintain employment and assist the homeless.

At that moment, entrepreneurs and thousands in Brazil felt distressed about their responsibilities to support their families, responsibility to their employees, and maintenance of their business. What destinations should they follow? What would happen to your company? How long would it take for life to return to normal? Now think, we have been through many crises, and what have we learned? We are in the market and growing. What have we learned, and can we learn from other moments of crisis? Was there a lot of insecurity and uncertainty regarding the market, and what was ahead?

There were many guidelines regarding restrictions on the operation of restaurants and, at other times, flexibility by legislation. However, the main fear was people who did not feel safe leaving home. Mata Nativa Restaurant saw its movement reduce by about 70% in the first months of the pandemic. The preservation of the employment of its employees was a concern, they participated in the growth of the restaurant, and the entrepreneurs know that it is costly to form new teams. On the other hand, the employees realized that the crisis had arrived in Rio Branco (AC), the restaurant was no longer the same, something needed to be done.

The Federal Government has provided companies with some emergency job preservation actions. Employees received early vacation, some had their employment contracts suspended, and tax incentives were an opportunity to relieve cash flow. From that moment on, seeking solutions to the situation, the projects for 2020 were revised. Renovations, space expansions, and product diversification could not have the expected return and could jeopardize the company's resources. Entrepreneurs wondered how to maintain Mata Nativa Restaurant during the health restrictions imposed by the Covid19 Pandemic, preserving jobs and their company at a time of so many uncertainties.

## **FROM THE FIRST STEPS TO THE MATA NATIVA RESTAURANT**

The young entrepreneurs worked in different activities until they received a proposal in 2006. To take over the structure of a regional food restaurant located on a Federal Highway, with only three dishes on the menu: the traditional Galinha Caipira, the Costela de Tambaqui<sup>1</sup>, and Carne de Sol. For them, the sparkle in their eyes came from the ecological appeal that the place offers: trees, ample space, thatched roof, and natural ventilation, providing customers with a pleasant climate with unique characteristics.

In his first experience managing a business, the simple day-to-day activities became enormous challenges: Closing the cash at the end of the day? How to compose a menu? How to manage a team? What is the routine of a restaurant in terms of shopping, food handling, conservation, equipment maintenance?

The entrepreneurs realized the need for training. Even though they have a degree in Tourism, they took some improvement courses such as EMPRETEC from SEBRAE, an MBA in Business Management, and technical courses from SENAC. This way, the management of the restaurant was improved. With a good relationship with other entrepreneurs, informal conversations, and coexistence with other members of the Brazilian Association of Bars and Restaurants in the State of Acre (ABRASEL/Acre), they brought experiences that supported them to have new ideas for the restaurant.

1 The Tambaqui fish is native to Brazil and one of the most important in Amazonian cuisine. It has a large, greasy rib that can be roasted, like a barbecue. It has been increasingly used in national fish farming and gaining space in the international market as a high quality delicacy.

Family trips were also an opportunity to research new ideas in the northeast of Brazil. There were moments when leisure and duty came together. In visits to trendy restaurants, they sought to discover new dishes, forms of service, the flow of operation of the kitchens, and create a virtual network with other entrepreneurs in the segment from different cities. New strategies and dishes were added to the restaurant's menu and services with each return trip. Nonetheless, at various times the implementation of new strategies was marked by the search for raw material for a new dish, to locate in the market new equipment, which could produce a new package or even some supplier that could maintain the standard of the size of the fish or chicken served.

The businessman recalls that to establish the spineless Tambaqui band. He had to go to Porto Velho (RO) with another local businessman who had supermarkets in Acre and Rondônia. On the trip, he was introduced to a restaurant owner who showed him the entire execution of the dish and to a new fish supplier when he managed to standardize the size of fish to serve the dish. Today this dish is a sales champion. The history of Mata Nativa Restaurant was structured to overcome local economic moments and others incidents.

Some difficulties seemed simple to solve, such as restoring the restaurant's roof with straw from the buriti<sup>2</sup> palm. Anyhow, there is no difficulty for professionals with mastery of the technique, which is already in disuse in current constructions; or changes from the sanitary legislation to the operating license, in which a specific requirement of one year, the following year was already judged as inadequate. Until there was an accident in 2016, their kitchen burnt in a fire caused by an improperly installed cooking gas leak.

After all, do you remember that phrase from Friedrich Nietzsche, "what does not kill me, makes me stronger"? With difficulty in restoring the roof, the entrepreneurs, with the knowledge acquired previously and the relationship network, sought new solutions for the use of the characteristic material and planned the expansion of the restaurant, with the construction of a recreation area for children, also occupied with tables for customers on busy days, and a new environment for receptions and

2 Buriti is a palm tree of wide occurrence in South America, reaching up to 40m in height in the Amazon region. It stands out due to the uses of different parts of the plant: the fruit - pulp and oil; petiole - furniture and utensils; of the leaves - covering of houses and fibers.

corporate events – called “The Glass House,” with a modern architecture integrated with regional woods and local vegetation. The kitchen gained more modern and efficient equipment that overcame obstacles in the sanitary legislation and made orders more efficient.

Credibility and visibility were built by the work developed, and the place became a stopping point for business and tourism visitors. Public people, families, and admirers of the environment and cuisine became regulars. Other opportunities arose; invitations to cook at events proposals for renting space for celebrations and corporate events became part of the activities and became an essential part of the revenue from the company.

Based on the learning provided by the trips, the entrepreneurs noticed that it would be necessary to expand the menu. A menu of 25 dishes was created with regional appeals ranging from a chicken gizzard, free-range chicken, boneless barbecued tambaqui, and tambaqui in tucupi<sup>3</sup>. The one-of-a-kind menu also pleased those who prefer a more traditional menu, like the Fillet Parmigiana with fries. The restaurant staff crew was composed of 12 full-time employees, and on weekends they always needed the support of temp workers to meet the peak times.

## **THE PANDEMIC HAS ARRIVED, NOW WHAT?**

Returning from one of their vacation trips, already with new ideas to be implemented for 2020, the entrepreneurs follow the news about a new disease initially identified in China and spread across all continents. The news was not very encouraging, actually quite frightening, brought an apprehension of what could happen.

Due to health agency guidelines or fear, people stopped going to public places or attending crowded environments. At the beginning of March 2020, the first suspected case of a person infected by Covid19 in Rio Branco (AC) is reported, on 03/20/2020 the first measures of health restrictions to face the pandemic determine the closing of restaurants in the city, initially for 15 days were extended by a sequence of state regulations. According to IPEA, social distancing policies directly and immediately affect the Federal Government’s productive economic activity, and

3 Yellow tucupi is a broth extracted from wild manioc and extremely tasty. Widely used in typical dishes of Amazonian cuisine, tucupi is a sour broth and highly seasoned with Amazonian herbs.

measures to maintain workers' employment and income amid the Covid-19 pandemic crisis are fundamental.

Without prior knowledge of how to handle a new situation, the 2020 strategic planning for execution in 2021, such as the construction of a buffet for wedding events and immense social parties, renovation of the facade, bathrooms, and reception for waiting customers, and even a daring plan to build a brewery integrated into the environment were all postponed indefinitely. Concerned about the sustainability of their business and the government's measures to preserve employment published by the Federal Government, employees were granted vacations, and employment contracts were suspended. With the team's rotation, the impact on the payroll during the downtime in the restaurant was reduced.

With the experience acquired and visualized in other moments of crisis, even in economic crises, the entrepreneurs understood that the current crisis, health, was similar to other crises of economic origin. The difficulties that have always existed in Acre companies have become even more remarkable, from unavailable primary inputs, increasing prices for meat, cooking oil, and other raw materials for the culinary activity. Price adjustments in the menu and a change of the offered menu were necessary.

With the legislation and restrictions on the operation of bars and restaurants, the Mata Nativa Restaurant gained a competitive advantage and anticipated its opening, as it was located on a federal highway and by an Ordinance of the Ministry of Agriculture, Livestock and Supply. Its operation was allowed to serve truck drivers. Following the legal sanitary norms of health preservation, the customers returned. However, the consumption behavior is changed because on weekdays, there are only quicker meals for those working, and on the weekend, the significant number of customers were no longer the same.

Needing to improve their movement, they started marketing actions and knowing their audience very well, the entrepreneurs took a simple action, but it had much effect. The second Sunday in May caught the attention of competitors when a promotion for Mother's Day was published on their social networks with the offer of a toast in the dessert. Complaints were made asking for the restaurant's closure by the health surveillance. Even in compliance with current legislation, they received guidance to close the face-to-face service.

## NEW DIRECTIONS

A few months after the beginning of the pandemic, the restaurant was working under the rules of health surveillance. Billing was already out of its balance point, with the cash flow impaired and the government's measures to face the pandemic each increasingly rigid. The business model needed new directions; once again, the entrepreneurs needed to look in their management history for situations, processes, and ideas that minimized the impact of this problem.

They decided to start the service with the acquired practice of always listening to the customers<sup>4</sup> suggestions and the constant relationship with other companies in the business segment. Strategy is always far from the business people's plans because some details become significant problems. For example, the delivery fees started at R\$15.00 for the moto boys, as they were far from the city. Customers did not want to pay that much.

Nevertheless, as the businessman quotes: "from every crisis, I manage to take an opportunity." With access to the National Support Program for Micro and Small Businesses (Pronampe), they identified the opportunity to install their kitchen close to the downtown, with the emergence of Mata Nativa Delivery.

The bar and restaurant segment's strategic dialogue with employees, customers, and other entrepreneurs enabled the new kitchen, delivery system, and necessary operational adjustments. At this moment, the waiters assumed the position of delivery people. The cooks served, and it was possible to adapt and adjust the Mata Nativa Restaurant to the new structure for delivery with everyone.

Adapting its menu for delivery during lunch was not tricky. It was necessary to look for something new, incorporate delivery services, and adapt to delivery applications such as ifood; Uber Eats; WhatsApp and Direct Delivery used with the restaurant's brand. Entrepreneurs did not explore delivery at night for fear of adapting to the menu. Investments in the purchase of computers, equipment, and staff training were necessary to adapt to the new business model.

In 2020 there were no investments in face-to-face service, all focus was on delivery, but it ended with a positive balance in the movement of the Mata Nativa Restaurant. The number of meals served in face-to-face service and delivery was

4 Technical Note No. 71 of IPEA/Directorate of Social Studies and Policies, An Analysis of MP No 936/2020 on Workers' Income and Household Income Per Capta, available at [ipea.gov.br](http://ipea.gov.br).

already higher than in 2019, operating restrictions were flexible, and entrepreneurs have reasonable expectations for 2021.

## 2021, WHAT TO EXPECT?

The year 2021 began with even more significant challenges or great opportunities. Once again, the operating restrictions with the trade of bars and restaurants are back to the red flag. The news is of a collapse in the public health network, and experts signal a new worsening in the number of deaths across the country. The affliction again takes care of entrepreneurs.

Now reflect on the trajectory of entrepreneurs to overcome turbulent moments and help them reflect on the conduct of the business. Consider the new normal brought by the Covid19 Pandemic, responding to the following dilemma: Taking into account memory, organizational culture, and learning, define a plan for future strategies and achievements for the Mata Nativa Restaurant. Table 1 demonstrates the Health Guidance for the control of the COVID19 Pandemic.

**Table 1** Health Guidance for the control of the COVID19 Pandemic

Date	Health Guidance for the control of the COVID19 Pandemic
02/03/2020	Ordinance No. 188, of the Ministry of Health, declares a Public Health Emergency of National Importance (ESPIN) due to Human Infection by the new coronavirus called SARS-CoV-2.
02/06/2020	Federal Law No. 13,979, which provides for measures to deal with the public health emergency of international importance resulting from the coronavirus.
03/11//2020	World Health Organization - WHO has classified COVID-19, the disease caused by the new coronavirus, as a pandemic.
03/11/2020	Ordinance No. 356 of the Ministry of Health, which provides for the regulation and operationalization of the provisions of Federal Law No. 13,979, of February 6, 2020.
03/13/2020	The Ministry of Health advises that during the period of public health emergency, mass governmental, sporting, cultural and/or political events should be postponed or canceled.
03/16/2020	Decree No. 5,465 of the Government of the State of Acre. Provides for temporary measures, within the State of Acre, to face the public health emergency resulting from the COVID-19 disease.



03/20/2020 Decree No. 5,496 of the Government of the State of Acre. With measures to deal with COVID-19. Restaurant activities are prohibited, acting only with delivery.

03/22/2020 Provisional Measure No. 927 of the Federal Government. Labor measures to face the state of public calamity.

03/26/2020 Ordinance No. 116 of the Ministry of Agriculture, Livestock and Supply/Minister's Office. Provides for services, activities and products considered essential by the Ministry of Agriculture, Livestock and Supply for the full functioning of the food and beverage production chains, to ensure the supply and food security of the Brazilian population while the state of public calamity lasts, resulting from the COVID-19 pandemic.

04/01/2020 Provisional Measure No. 936 of the Federal Government. Establishes the Emergency Employment and Income Maintenance Program and provides for complementary labor measures.

05/18/2020 Law No. 13,999. Establishes the National Support Program for Micro and Small Businesses (Pronampe), for the development and strengthening of small businesses.

06/22/2020 Decree No. 6,206 of the Government of the State of Acre. Provides for the creation of the Acre Without COVID Pact and extends the deadlines provided for in Decree No. 5,496, of March 20, 2020.

07/03/2020 Resolution 02 of the Special Monitoring Committee for COVID19 of the State of Acre. Authorizing the operation of a restaurant in accordance with the levels of Risk, at all stages with delivery service. Prohibited activity; Drive-thru allowed; Capacity up to 50%, with a distance of 2.5m. Self-service restaurants with specific protocol and authorization; Capacity up to 80% and other yellow level guidelines.

10/07/2020 Resolution No. 09 of the Special Monitoring Committee for COVID19 in the State of Acre. Allows, during the Attention Level (yellow color), the holding of corporate events.

11/05/2020 Decree No. 7,225 of the Government of the State of Acre. Provides for the return of classes and other face-to-face activities within the scope of public and private educational institutions.

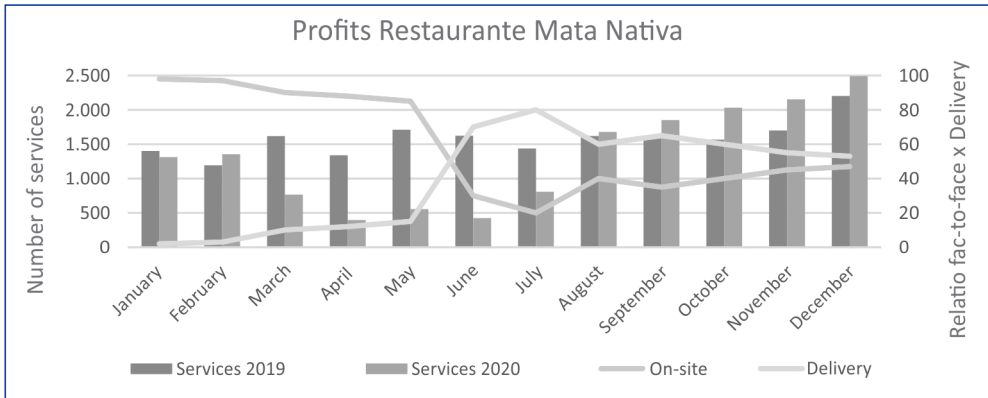
Resolution No. 15 of the Special Monitoring Committee for COVID19 in the State of Acre. Changes the operating conditions of restaurants in accordance with Risk levels, at all stages with delivery service Red: Activity prohibited; Orange: Capacity up to 30% until 11 pm, with a distance of 2.5m. Self-service restaurants with specific protocol and authorization; Yellow: capacity up to 50% and other Orange level orientations maintained; Green: Capacity limited to 80% and other Yellow level guidelines.

Resolution nº 18 of the Special Monitoring Committee of COVID19 in the State of Acre. Changes the operating conditions of restaurants in accordance with the levels of Risk, at all stages with delivery service. Red: capacity of up to 20% until 22:00 and sale of alcoholic beverages until 20:00. Self-service restaurants with specific protocol and authorization; Orange: capacity of up to 30% until 23:00, with a distance of 2.5 m, operation until 23:00 and maintaining other red level guidelines; Yellow: capacity up to 50% and other Orange level orientations maintained; Green: capacity up to 80% and other Yellow level orientations.

Source: Research Data (2021).

Figure 1 indicates Restaurante Mata Nativa's Services: On-site versus Delivery.

Figure 1 Restaurante Mata Nativa's Services



Source: Research Data (2021).

## Teaching Notes

### TEACHING OBJECTIVES

This study was developed for application in undergraduate courses in Administration and graduate courses *lato sensu* or *stricto sensu* in subjects related to the definition of organizational strategies and organizational knowledge management. Analyzing the company's trajectory and in order to face moments of turbulence in the scenario, the objective is for students to identify the processes of development of acquisition, assimilation, transformation, and the application of knowledge to generate results, overcoming the difficulties and creating opportunities, in the turbulent scenario generated by the COVID19 pandemic.

The academic debate of the Theory of Absorptive Capacity, focusing on a small business and its applicability in defining strategies in turbulent environments, is the contribution of this case to teach. Students will be able to identify how the absorption of knowledge is essential for identifying opportunities for the company.

### SOURCES AND DATA COLLECTION METHOD

This teaching case was prepared based on a semi-structured interview with the entrepreneur and the authors' observation throughout 2020, informal conversations, and the exchange of several messages via the WhatsApp application. Monitoring the profiles of the enterprise and entrepreneurs on social networks was also an essential source of information (Instagram @restaurantematanativa and @wiversonqueiroz; Facebook /restaurantematanativaac).

### SUGGESTED SUBJECTS

Entrepreneurship, Strategic Management, Small Business Administration, Organizational Strategies, Strategic Planning.

### ACTIVITIES PROPOSAL

For the best use of the teaching case, the following steps are suggested :

- Previous presentation of the concepts of absorptive, organizational and individual capacity, as well as the existing theoretical debate on the process and essential components for its better development;

- Individual stage: with prior knowledge of the absorptive capacity, it is recommended to read the case for teaching and identification of activation triggers, experiences, social integration mechanisms, dimensions of acquisition, assimilation, transformation, and application of knowledge results achieved during the process.
- Discussion in small groups: dividing the class into up to three groups, the first focusing on the presentation of activation triggers, experiences, and social integration mechanisms; the second group will identify the dimensions of knowledge acquisition and assimilation; the third group to present the necessary steps for the transformation and application of knowledge, in addition to the results achieved by the entrepreneur with the application of strategies.
- Plenary discussion: each small group presents their perceptions. Motivate students to discuss the importance of the absorptive capacity for the entrepreneur during the pandemic crisis by COVID19.

Among some questions to motivate the debate, the provocative questions of the topic “What to expect?” can guide the discussion. Among some questions to motivate the debate, the provocative questions of the topic “What to expect?” can guide the discussion. Table 2 presents estimated suggestions time for application for the case application.

**Table 2** Suggestion of time distribution for application of the teaching case

Activity	Estimated Time (in minutes)
Opening: plenary discussion	20
Small group discussion	50
Plenary discussion	60
Closing	20

**Source:** The authors (2021).

## DISCUSSION PLANNING

Based on the dilemma, “taking into account memory, organizational culture and learning, define strategies for future strategies and achievements for Mata Nativa Restaurant.” The discussion is vital for contextualizing the moment the bar, restaurant, and entertainment sector is experiencing during the Covid19 pandemic.

Opening of the discussion: it is crucial to contextualize the moment the bar, restaurant, and entertainment sector is experiencing during the Covid19 pandemic. For better understanding, we suggest reading an article on the Portal G1 Notícias São Paulo, “12 thousand bars and restaurants close in the capital of São Paulo during a pandemic, says association; delivery is consolidated.” São Paulo | G1 (globo.com).

Alternatively, the R7 News Portal release the article (Crisis in the restaurant sector breaks companies and cuts jobs - Notícias - R7 Economia). Although the teaching case has a temporal cut, its discussion in future moments does not de-characterize its contribution potential. However, this rescue of the experienced situation becomes fundamental.

## BIBLIOGRAPHY SUGGESTION

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## QUESTIONS FOR DISCUSSION

To begin the debates, each group presents their perceptions about the previous activity, the entrepreneurs’ dilemma, and some questions to consider to reach the educational objectives. As a suggestion: How did the experience acquired by entrepreneurs during the history of Mata Nativa Restaurant help in the strategies to face health restrictions imposed by the Pandemic situation?

- a. How did social integration mechanisms contribute to the absorption of knowledge and the development of consistent strategies?
- b. In the history of the Mata Nativa Restaurant, identify situations in which **knowledge acquisition** processes occurred.
- c. Which passages refer to the processes of **knowledge assimilation**?
- d. At what moments are the processes of **knowledge transformation** perceived?
- e. What improvements, adaptations, or innovations were generated in **knowledge application** processes?
- f. What factors lead entrepreneurs to dedicate themselves to the restaurant business?
- g. What prior knowledge base was used to produce the new menu?
- h. What kind of new knowledge is **identified, assimilated, transformed, and applied** in the restaurant enterprise?

At this point, it is essential to detail the process of identifying the identity of the Mata Nativa Restaurant, but also the lived experiences and the social integration mechanisms used by entrepreneurs to identify opportunities. It is vital to present elements of constructing the entrepreneur's absorptive capacity process during the debate.

## **ABSORPTIVE CAPACITY**

For Zahra and George (2002), absorptive capacity (ACAP) is a dynamic competence that creates and uses knowledge to obtain and sustain competitive advantage. In essence, it offers strategic flexibility and degrees of freedom to adapt and evolve in high-speed environments. Increasingly, it is recognized that the knowledge produced needs to be managed and developed in society. The companies turn new and existing knowledge into jobs, money, and economic growth. Its ability to acquire, assimilate, transform, and apply knowledge is fundamental to society's social and economic well-being.

The best way to explain the ACAP of individuals is by four interrelated individual activities that empirically cannot be distinguished independently (LOWIK; KRAAIJENBRINK; GROEN, 2012). Acquisition, similar to 'entrepreneurial alert,' con-

sists of scanning, researching, making associations, connections, evaluation, and judgment (LOWIK; KRAAIJENBRINK; GROEN, 2012; TANG; KACMAR; BUSENITZ, 2012). In assimilation as an individual action of interpretation, articulation, and codification of newly acquired knowledge and after making it available to others, it is incorporated into organizational memory (LOWIK; KRAAIJENBRINK; GROEN, 2012).

Furthermore, the transformation dimension is proposed for the individual ACAP or as the individual activity of generating new ideas in collaboration with others. Finally, the application is defined as the activity of someone applying new knowledge in their work routines (LOWIK; KRAAIJENBRINK; GROEN, 2012).

The entrepreneurs demonstrate at various times that the ACAP process has been covered, from identifying opportunities to the application and use of the insight already transformed by necessity. For example, business people travel to other regions of Brazil to observe successful restaurants, implement the idea, identify the raw material available in the local market to adapt the menu, presentation, and proposed appeal to the product. Alternatively, even when the kitchen fires and ACAP improve the production process, the solution to regulatory problems and modernization of facilities.

As it is a small company, internal factors are the ones that most influence the absorptive capacity. The reason is that the ability to assimilate knowledge occurs simply through sharing information and experiences in a company. The development of absorptive capacity in companies happens because they are exposed to external knowledge within their environment and with the efforts of individuals to translate and align it with the company's experience, capabilities, language, and culture and to transfer it to the organization (TER WAL; CRISCUOLO; SALTER, 2017; ZUBIELQUI; JONES; LESTER, 2016).

Furthermore, in each of these moments, individuals have empirical insights that explain capabilities at the firm level, with different external sources, thus exerting an unequal effect on innovation (FLOR; COOPER; OLTRA, 2018; GAO). et al., 2017; PIHLAJAMAA, 2017), especially in turbulent and uncertain environments when the company needs a strategy adjusted to survive and grow long-term (ROSSETTO et al., 2019).

These insights were fundamental to entrepreneurs during the initial moments of health restrictions to control the COVID19 pandemic, from monitoring current legislation and identifying operating alternatives. In contrast, other restaurants remain-

ned closed in monitoring measures to preserve jobs until the close relationship with their customers, mainly through social networks, which allowed the identification of the alternative of implantation of delivery.

Another critical moment was the delivery implementation process. The restaurant location did not favor deliveries. Its employee structure did not meet the logistical demand of the new operation, and adaptations of the restaurant's operation would be necessary for the operation to the delivery platforms. At this point, engagement occurs in all dimensions of recognition, assimilation, and application of knowledge, which were relevant to value the potential of knowledge, corroborating the value and defending its integration (SJÖDIN; FRISHAMMAR; THORGREN, 2019).

It was possible to overcome the COVID 19 pandemic crisis by observing the ACAP process at an adverse time, through the restaurant's billing chart and with the opening of new insights to the entrepreneur - now no longer because of the need to save his business, but to take advantage of opportunities assimilated during his previous experiences – such as the implementation of delivery at night and the extension of his business as a pizzeria. Synchronously driving innovation and absorptive capacity is indispensable to obtain the best results in turbulent markets. The simultaneous benefits allow companies to progress in situations of significant market turmoil (TSAI; YANG, 2017).

This teaching case corroborates with Picoli and Takahashi (2016) and Zhai et al. (2018) when demonstrating that the learning process happens with the use of knowledge fluidly, generating competitive advantage regardless of the company's size supporting problem-solving in companies that seek good performance in dynamic environments. Also, with Ramayah, Soto-Acosta, Kheng, and Mahmud (2020), ACAP has a central role in achieving innovation performance and competitive advantage, essential for business success, including seeking to imitate the results of innovation carried out by other companies.

## **THE IMPORTANCE OF EXPERIENCES AND SOCIAL INTEGRATION MECHANISMS**

To be well used, knowledge absorption needs mechanisms that facilitate information sharing, understanding the meaning of information, and transforming individual to organizational knowledge (Cohen & Levinthal, 1990; Slater & Narver, 1995;



Kim, 1998). Social Integration Mechanisms (SIM) are the motivators of the process that allow the reduction of barriers and support in sharing information to increase capacity efficiency (Zahra & George, 2002).

During the process, the development of entrepreneurial skills takes place with the adequacy of their individualities, training, or accumulation of experiences (BEHLING; LENZI, 2019). In the first steps, entrepreneurs demonstrate the affinity with the branch of activity in their trajectory. They already had academic training in Tourism. However, the restaurant routine brought the need to face difficulties and develop skills. At times they took preparatory or academic courses and participated in other informal debates with professionals.

The individual characteristics of prior knowledge diversity, relationship network, and cognitive style will contribute to constructing the absorptive capacity of knowledge. Generating the benefits in innovation and performance (LOWIK; KRAAIJENBRINK; GROEN, 2017), and the motivators that support the process is the mechanisms of social integration that allow the reduction of barriers and support in the sharing of information in order to increase the efficiency of capabilities (Zahra & George, 2002).

Regarding Social Integration Mechanisms, the ACAP literature suggests that the ability to benefit from new ideas can be studied by looking at social integration mechanisms, which facilitate the sharing and exploitation of intra-organizational knowledge (Jansen et al., 2005). Bjorkman and Vaara (2007) proposed that social integration mechanisms and the degree of operational integration moderate the effects of cultural differences on an organization's social integration and absorptive capacity. Organizational integration mechanisms are related to the combination of knowledge in formal structures and relationships or informal social connectivity that make it easier to combine this knowledge with existing skills and experiences (JANSEN; VAN DEN BOSCH; VOLBERDA, 2005; VEGA, 2005; VEGA). -JURADO; GUTIÉRREZ-GRACIA; FERNÁNDEZ-DE-LUCIO, 2008).

Entrepreneurs demonstrated at various times the importance of social integration mechanisms during the life of the company: the search for training; visit to specialists, observation of the competition; informal conversations with other entrepreneurs from different segments; in connectivity practice; relationship networks; relational learning; routinization and capabilities of information systems are some examples observed in following the history of the restaurant (PIHLAJAMAA, 2017).

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