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## Msc in Business Administration

Logoplate: How Business Models can play an  
important role in the achievement of Sustained  
Competitive Advantage.

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## **Abstract**

Dissertation title: Logoplaste: How Business Models can play an important role in the achievement of Sustained Competitive Advantage

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The following dissertation gives focus to the case study of Logoplaste, a successful Portuguese company where strategy plays an important role in the short and long term success of the company. Focusing on writing a dissertation that gives highlight to the creation and development of the firm's valuable resources and the way it generated a sustained competitive advantage.

As said, the company chosen to analyze, and to illustrate what VRIO (Valuable, Rare, Perfectly Inimitable, Organizational) resources are and the importance of a business model in the path to success of a firm is Logoplaste. As a company, Logoplaste has clearly showed how a small company can strategically position itself apart from the bigger competitors and deliver a value-creating proposition that is valued by its costumers. In the present dissertation, Logoplaste was able to sense a market opportunity due to changes of consumer needs and the integration of the firm within its costumers' value chain, and the importance of a "just-in-time" service. Trying to determine how firms can create and sustain competitive advantage is becoming a very important research topic.

So this thesis, aims to try and highlight the importance and relevance of Logoplaste's business model. Giving a brief background on how it was developed, and providing a VRIO analysis of the firm's business model. Logoplaste is recognized for delivering the best rigid plastic packaging solutions.

## Resumo

A dissertação que se segue tenta explorar, em detalhe, a Logoplaste, uma empresa portuguesa de sucesso onde a estratégia faz parte integrante da carreira positiva que a empresa tem vindo a desenvolver desde a sua constituição. Um dos principais objectivos desta tese é, portanto, tentar realçar o processo de criação e desenvolvimento de recursos valiosos para empresa e como com elas é possível obter vantagem competitiva sustentada.

Como referido, a empresa escolhida para análise, e, para ilustrar o que são recursos VRIO e também a importância do modelo de negócio de uma empresa no caminho para o sucesso é a Logoplaste. Como empresa, conseguiram demonstrar como uma pequena empresa familiar pode evoluir e crescer, ao ponto onde atinge um patamar em que se está a diferenciar estrategicamente dos seus concorrentes pela entrega de uma proposta de valor acrescentado aos seus clientes. Nesta tese, veremos como a Logoplaste foi capaz de encontrar uma oportunidade de Mercado devido às mudanças nas necessidades dos consumidores e necessidade de um service “just-in-time”, respondendo com uma estratégia de integração total na cadeia de valor dos seus clientes. Tentar determinar como as empresas podem criar e sustentar uma vantagem competitiva face à sua concorrência, é um ponto de investigação cada vez mais relevante. Esta tese tenta realçar a importância e relevância do modelo de negócio da Logoplaste, o impacto da estratégia “hole in the wall” e também a forma como a empresa conseguiu diferenciar-se dos seus concorrentes mais próximos. Ilustrando um pouco de como foi criado e desenvolvido o modelo de negócio da empresa e oferecendo uma análise VRIO do referido modelo de negócio.

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# 1. Introduction

Business models play an important role in the way firms interact with the environment around them and are also a good mirror of how the company perceives itself. The success or failure of modern companies depends on the firms' ability to create a sustainable competitive advantage independently from the industry in which it operates.

All companies work daily in order to achieve success. Success may be measured in different ways, but in order to achieve success, companies must adopt strategies that will enable the firm a way to deliver more value to the client than its competitors (Freire, 1997).

For companies, nowadays, it is more and more important to understand the sources of competitive advantage. Different authors have focused their attention on

the identification of the sources of competitive advantage (see Porter, 1985; Rumlet, 1984).

The world is an ever more competitive environment. Nowadays, products normally have shorter life cycles due to changes in customers needs or tastes, this especially visible in Fast Moving Consumer Goods (FMCG) market. Leaving companies with the pressure of responding quicker and quicker to the needs of demand. One way to ensure quick turnaround is by holding inventory, but inventory costs can be easily prohibitive, as well, as the tendency of inventory of going obsolete. To this, the only possible answer is the Just-in-Time (JIT) philosophy.

Logoplaste is one of the most successful companies when it comes to JIT production, due to its innovative business model; Logoplaste has established itself as a recognized expert in the “Hole in the Wall” approach.

The following case study will illustrate the background and industry analysis that creates the environment that surrounds Logoplaste. Reading through the case study will allow the readers to better understand the importance of business models in the creation of competitive advantages as well as a better understanding of how the business model of Logoplaste was developed and came to be a VRIO (Valuable, Rare, Perfectly Inimitable, Organizational) resource that helped the company to attain the respectable position it occupies nowadays. Furthermore, this case study aims to illustrate how Logoplaste was able, through its business model, to align its industrial activity and capabilities to generate the required competences that provide a competitive advantage, leading the company to be a natural choice in the supply of rigid plastic packaging solutions in Portugal and abroad.

Finally, it is expected that this example can be used to understand how well designed business models can be used to create value for the customers and for the stakeholders. It is also intended to demonstrate that even in an industry with big “sharks”, a smaller but innovative company can succeed.

## 2. Literature Review

The Literature Review chapter of this dissertation aims to provide an overview of the existing theories and knowledge that concern the main topics covered, and will provide the basic logic behind the entire thesis.

This chapter will present several themes that will be considered a theoretical background that will help to explain why the company under study in this dissertation has a competitive advantage and how it was created. It provides a look through some of the highlights of the Resource-Based View (RBV), along with the understanding of the importance of business models in the potential success of the companies. In order to be able to study the competitive advantage of the company presented in this work, one needs to first identify and highlight the main streams of ideas presented by other authors about the topics related with competitive advantage, RBV.

## 2.1. Firm Resources and Capabilities

There is no doubt in the existing literature that firms, in order to create an advantage over their rivals, must look to the resources available and organize them in a value-adding proposition that can generate a competitive advantage. Firstly, firm resources should be defined as all assets, capabilities, organizational processes, information and knowledge controlled by a firm (Barney, 1991). We can eventually discuss that these resources should be divided according to the Williamson, Becker and Tomer approach into “*physical capital resources*”, that include all physical assets of the company, including raw materials, geographic location, buildings, factories, etc. (Williamson, 1975), “*human capital resources*” that include training, experience of the employees, relationships, etc. (Becker, 1964), and finally, “*organizational capital resources*” that include the firm’s structure, controlling and coordinating systems, etc. (Tomer, 1987). So, with regard to firm resources, these are the definitions to apply. Along with resources, it is also important to state that we could also look at firm’s capabilities. Capabilities have been explored by Makadok, that emphasizes the distinction between capabilities and resources by defining capabilities as “*a special type of resource, specifically an organizationally embedded non-transferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm*” (Makadok, 2001).

## 2.2. Competitive advantage

Another important definition is related with the notion of competitive advantage. Since this dissertation aims to explain how a specific firm developed a competitive advantage, it is crucial to understand what is defined, for the purpose of this dissertation, as a competitive advantage.

In his article of 1991, Jay Barney presents a vision about the firm's competitive advantage, stating that a firm has a competitive advantage when it is implementing a value creating strategy no other current or potential competitor is able to replicate.

This definition requires some discussion. Firstly, it does not focus exclusively on a firm's competitive position, but also analyze firms that are already operating in the industry. Furthermore, a firm's competition is assumed to include not only all of its current competitors, but also potential competitors positioned to enter an industry at some date in the future. Secondly, the definition of sustained competitive advantage adopted here does not depend upon the period of calendar time during which a firm enjoys a competitive advantage. "*Whether or not a competitive advantage is sustained depends upon the possibility of competitive duplication*" (Barney, 1991).

## **2.3. Resource-Based View**

### **2.3.1. The RBV**

As this dissertation aims to explain how a specific firm created and takes advantage of a competitive advantage, it is important to look into the existing literature to understand ways that a company may follow to attain that objective. Starting with one of the most important theoretical concepts in the management literature, the Resource-Based View (RBV).

The RBV has been a very influential framework in the understanding of how firms are able to achieve and sustain a competitive advantage (Eisenhardt and Martin, 2000). The RBV is, without a doubt, a very good example of a theory that integrates a management perspective with an economics perspective (Peteraf and Barney, 2003). This theoretical framework is the bases to the research of many scholars and assumes that firms can be seen as "*bundles of resources*", and helps to understand how firms

can base their competitive advantage on those resources. Resources, as we have seen, can be of three different types and companies that manage those resources well may be able to generate VRIN resources.

In the RBV, competitive advantage comes from firm-specific resources that must be rare and better utilized by the firm, when compared to others. (Peteraf and Barney, 2003).

The theory of the RBV has a view on the firm as if it is a “*collection of resources*” (Williams, 1994). Based on this theory, a firm is said to engage in strategies to “*serve ends of creating, enhancing and capturing economic rents*” (Barney, 1991; Peteraf, 1993; Makadok, 2001; Peteraf and Barney, 2003). Barney is the author that is generally acknowledged to have been the first to formally present literature to base this formal framework (Madhok *et al*, 2010). In his article of 1991, Barney, argued that firms possess and exploit resources and capabilities that are valuable and rare in order to attain competitive advantage (Madhok *et al*, 2010).

### **2.3.2. Assumptions of the RBV**

Since its creation, the RBV theory has been linked to a number of assumptions in order for it to make sense. Barney, in an article of 1991 highlights the two main assumptions of the model:

- “*firms within an industry may be heterogeneous with respect to the strategic resources they control*”
- “*these resources may not be perfectly mobile across firms*”

One can understand from these assumptions that the model assumes a level of heterogeneity between enterprises operating in a certain industry (or very similar industry). It also implies that the resources that make firms in the same industry heterogeneous do not need to be a tradable asset. The resource-based view of the firm has two alternate assumptions in analyzing sources of competitive advantage. First, the RBV model assumes that firms within an industry (or group) may be heterogeneous with respect to the strategic resources they control. Second, the RBV

model assumes that these resources may not be long lasting. The resource-based model of the firm examines the implications of these two assumptions for the analysis of sources of sustained competitive advantage (Barney, 1991).

### **2.3.3. The VRIN framework**

VRIN (valuable, rare, perfectly inimitable and non-substitutable) is a framework within a framework, meaning that the VRIN framework may be used to identify the type of resources that are the bases of the RBV. According to this framework one can say that a resource is what a firm possesses or has learned and that may allow a firm to create value adding strategies, that can further enhance it's efficiency and effectiveness.

VRIN was designed and presented by Barney, and according to the author, a firm critically needs to be familiar with its resources, to better analyze them in order to establish the key resources which are further responsible for competitive advantage and save the firm from maintaining strategic advantage (Barney, 1991).

According to the RBV, firms want to achieve what is called a “sustained competitive advantage”, and in order to do so, a firm must control resources that have a distinct characteristic, meaning that they must be valuable, rare, inimitable, and nonsubstitutable (VRIN) and also have an organizational control in place, that allows to absorb and apply the resources (Barney, 1991a, 1994, 2002).

So, what does it take for a resource to be considered VRIN? Below there is a set of definitions that help clarify this question and that will be used further on, in this thesis:

- Valuable: “resources are valuable when they allow a firm to conceive of or implement strategies that improve its efficiency and effectiveness. The traditional “strengths-weaknesses-opportunities-threats” model of firm performance suggests that firms are able to improve their performance only when their strategies exploit opportunities or neutralize threats” (Barney, 1991).

- Rare: resources must be considered rare when they are possessed by one firm, and are not possessed by a large set of similar firms at the same time. A resource that is possessed by a large number of firms at the same time is not rare, since all firms that possess it may exploit it and create strategies that in the end will not be very different from each other.

- Inimitable: resources are considered inimitable if the firms that do not control them are not able to obtain them (Barney, 1991), or replicate the value they can retrieve of a similar resource.

- Nonsubstitutable: The existence of strategically equivalent resources means that several firms can implement the same strategy, none of them achieving a sustained competitive advantage. Substitutability of resources can occur in two different ways: a firm might use a similar resource to implement the same strategy or, instead, to achieve the same goal it might also use very different resources that are still considered strategic substitutes (Barney, 1991).

### **2.3.4. The VRIO framework**

More recently, another type of resources have been proposed, namely VRIO resources, again they focus on the importance that a resource should be valuable, rare, inimitable. But, now focusing also that resources should have organizational relevance, meaning that they can also be organizational related resources. VRIO is a framework explored by Barney (1991), and can be used as an internal analysis tool. This came to light with the presentation of the term “business process”. Gautam, Barney and Waleed in their article of 2004, define “Business processes” as actions that firms engage in to accomplish some business purpose or objective. Thus, business processes can be seen as the routines or activities that a firm develops in order to get something done (Nelson and Winter, 1982; Porter, 1991). They justify the definition of VRIO resources based on three reasons. Firstly, to adopt the effectiveness of business processes, as the dependent variable in resource-based

research is that a firm may excel in some of its business processes, be only average in others, and be below average in still others. A firm's overall performance depends on, among other things, the net effect of these business processes on a firm's position in the market place. A second reason to adopt the effectiveness of business processes as the dependent variable in resource-based research is that it is possible for a firm's stakeholders to appropriate the economic profits that can be generated by a firm's business processes before those profits are reflected in a firm's overall profitability. A final reason to adopt the effectiveness of business processes as a dependent variable in resource-based research is that business processes are the way that the competitive potential of a firm's resources and capabilities are realized and deserve study in their own right. Most scholars acknowledge that resources, by themselves, cannot be a source of competitive advantage (Gautam *et al*, 2004).

### **2.3.5. Overview of the RBV**

Despite of being a widely used theory in modern business schools, the RBV has been target to some criticism in recent years. Some of the major criticisms are related with the fact that the RBV has no managerial implications, because the theory does not highlight how to obtain VRIN resources, despite defending that in order to develop sustained competitive advantage, a firm must obtain those resources. Secondly, the RBV implies infinite regress, because a second order capability is always more valuable than a first order capability companies will always be looking for higher order capabilities. Third, the RBV's applicability is very limited, some authors say it only applies to unique resources, to large firms with big market power (Connor, 2002) or that the resources needed to achieve a sustained competitive advantage are the ones that are hard to obtain (Miller, 2003). Fourthly, sustained competitive advantage is attainable for short periods of time due to the fact that firms' environments are dynamic and are always changing. Fifth, the RBV is not a theory about the firm; it lacks the explanation of how and why firms exist, for example.

Sixth, VRIN resources are neither sufficient nor necessary in order to attain sustained competitive advantage. (Foss and Knudsen, 2003).

The final two critiques are related with the fact that different resources have different values, and one might be more valuable to a company than to another. Therefore the notion of value of a resource depends on the possibility to implement strategies that would improve a firm's efficiency (Barney, 1991).

## 2.4. Importance of Business Models

Business models have been examined by scholars in a wide range of aspects, such as the environment, organization structure (Miller, 1988) and technology (Dowling and McGee, 1994). Scholars have explored how these and other factors interact with strategic variables to determine firm performance (Zott and Amit, 2008). *“The study of business models is an important topic for strategic management research because business models affect firms’ possibilities for value creation and value capture”* (Zott and Amit, 2001).

The design and performance specifications of a business model will be a way for a firm to define the way the firm delivers value to its costumers (Teece, 2007).

The business model of a firm reflects the managers’ ideas of what costumers expect from the firm, and how the firm should organize it in order to meet those costumer expectations (Teece, 2007).

According to Teece, designing a good business models is in part “art”. However, the chances of success are greater if enterprises:

- Analyze multiple alternatives.
- Have a deep understanding of use needs.
- Analyze the value chain thoroughly so as to understand just how to deliver what the customer wants in a cost-effective and timely fashion.
- Adopt a neutrally or relative efficiency perspective to outsourcing decisions.

It is important to develop a little on the importance of a firm’s business model, since this dissertation aims to explain how a specific firm created and takes advantage of a competitive advantage. It is also important to understand the fit between the product market strategy and the business model. We can consider this model with the

limitation that Logoplaste does not sell on a business to customer basis, but in a business-to-business basis.

	Business Model	Product Market Strategy
Definition	A structural template of how a focal firm transacts with customers, partners, and vendors. It captures the pattern of the firm's boundary spanning connections with factor and product markets.	Pattern of managerial actions that explain how a firm achieves and maintains competitive advantage through positioning in product markets.
Main Questions Addressed	How to connect with factor and product markets? Which parties to bring together exploit a business opportunity, and how to link them to the focal firm to enable transactions What information or goods to exchange among the parties, and what resources and capabilities to deploy to enable the exchanges?	What positioning to adopt against rivals? What kind of generic strategy to adopt? What to enter the market? What products to sell? What customers to serve?
Unit of Analysis	Focal Firm and its exchange partners	Firm
Focus	Externally oriented: focus on firm's exchanges with others	Internally/Externally oriented: focus on firm's activities and actions in light of competition

As presented by Amit and Zott (2008)

Some scholars have talked about the importance of the business model, but it is still a very recent topic in the literature of management. The function of the business model of a firm is to link the value proposition of the firm with a firm's available technologies, in a way that will help define the structure of the value chain

along with the structure of that firm's costs and profits (Chesbrough and Rosenbloom, 2002).

### **2.4.1. Structural Concept of the Business Model**

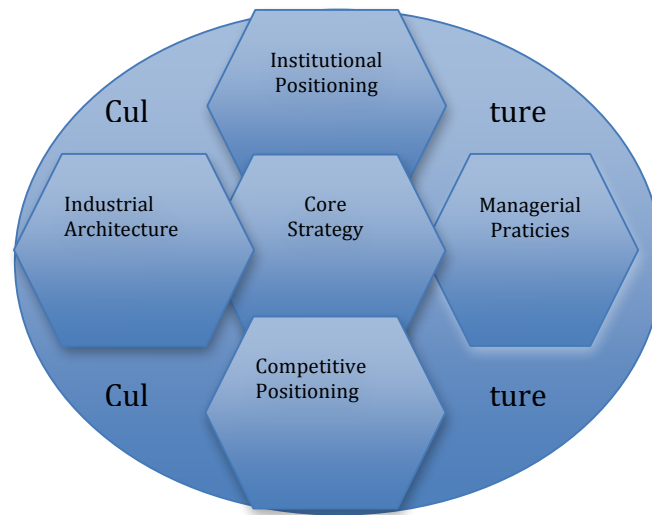
Along the readings made in order to generate theoretical background it became clear that many authors defend that technological progress in the last years has brought in some new opportunities for the creation of business models, or as some authors call them, “*organizational arrangements*” (Geoffrion and Krishnan, 2003).

The business model can be seen as the structural template of how a firm transacts, cooperates and interacts with its customers, partners and vendors, this is further explained the way the firm may choose to connect with the market (Amit and Zott, 2008). The business model can also be defined as a structure, meaning, it can be the structure between the firm and its exchange partners. “*It represents a conceptualization of the pattern of transactional links between the firm and its exchange partners*” (Amit and Zott, 2008). Along this thesis, it will hopefully be clear how the chosen company creates its transactional links with its costumers and suppliers.

It has been argued, that good business models help the firm to achieve advantageous cost structures and generate value propositions acceptable to customers. They will enable innovators to capture a large enough portion of the (social) value generated by innovation to permit the enterprise at least to earn its cost of capital (Teece, 2007).

Stephanie Hurt presents in her paper of 2008 how one should look at a business model. Since the business model is a very “*complex art*” (Teece, 2007), Hurt

suggests to separate the model into clusters. Therefore she presents a simplified view of the business model:



**Figure 1**

**Simplified Business Model**

It is worth highlighting that this model is simplified in order to make it more accessible and useful, both for practitioners and academics (Hurt, 2008). The business model concept allows analyzing the way firms in an industry operate in their home context and tackle the problems they encounter. A well-designed business model will aid the firm in assessing the feasibility of transferring the model from one country to another (Hurt, 2008). Since in this thesis we'll look at an internationalized company, it felt relevant to look at this model.

## **2.5. The Case Study**

With this overlook on the theoretical background, the following case study, will aim to relate some of these concepts with the reality of Logoplaste. This dissertation aims to explain how a specific firm created and takes advantage of a competitive advantage, with the established background, the investigation of Logoplaste's business model may allow for some interesting conclusions about its relevance and theoretical alignment with the literature.

# 3. Methodology

This dissertation was firstly concerned with the importance of the Logoplaste business model in the success the firm has attained over the years. So the topic of the investigation is related with the analysis of how this business model was created and how it is nowadays a VRIO resource to the company.

Until this day, Logoplaste remains a very closed environment, with their key success factors remaining a “business secret”, the following study will try to focus on two aspects. The value added by the company’s business model, how it was created, and how, it has developed along the years. Secondly, it will focus on proving the business model as a VRIO (Valuable, Rare, Perfectly Inimitable, Organizational) resource for the company.

So, this said, the study will focus on these two main aspects of investigation, and relate them to a broader study of understanding how potential advantage creating capabilities are developed in the company.

The first phase of this study was a very explorative phase, where a number of interviews were conducted with company key personnel. This exploratory phase had the objective of getting to know better the company and its reality, and also to understand where the possible VRIO resources were located and if they would seem likely to create competitive advantage. There was a first round of research, so as to get an idea of the worldwide panorama regarding the rigid plastic packaging industry. Since there is no accurate data, so it was important to find the most data possible and try to triangulate it in order to see what made sense. The websites of Logoplaste's main competitors proved to be an important source to find information on the size and type of competition the Portuguese company is under.

### **3.1. To do a Case Study**

To do a Case Study, is to be able to research and investigate important topics covered by other methods. To do a Case Study, it is like following a method of analysis. Therefore, one must understand that the Case Study method is pertinent when one is addressing either a descriptive question or an explanatory question.

A case study is not very different from other research methods, since all methods require reviewing the literature, defining research questions and analytical strategies (Yin, 2004). So in a way, that is the purpose of this thesis: to do a background check through the most relevant literature available, to relate this with the issue of the investigation; and to try to reach a set of explanatory conclusions. In this particular case, the thesis presented represents an effort to understand the important features of Logoplaste's business model and to relate all the information gathered and compare it with the existing literature, in the sense of trying to understand what are the VRIN resources of the company and how it created a competitive advantage.

### 3.2. Criteria to guarantee the quality of the investigation process

The case study method presents itself with some strengths and some weaknesses, one needs to address. In terms of weaknesses, case studies involve analysis of small data sets, such as one or two companies, that may lead the researcher to gain some insights about trends in relevant industries. In what regards strengths, it is important to say that the case study method involves detailed, holistic investigation and can utilize a range of different measurement techniques (the case study researcher is not limited to any one methodological tool).

Other important attributes for a good case study are related with the need to construct validity, meaning that it is important to select an appropriate measurement tool for the concept being studied. Secondly, it is important to have internal validity, meaning there should be a “triangulation” of the data. This requires some explanation. In order to do a good case study, one must use a different set of research tools to increase validity. That is why there was a set of interviews, to gather data about the company, from archive documents; and to get into direct contact with the company, to understand day-to-day situations. The use of different information, gathered from separate people within the organization will allow for a “triangulation” of the research instruments and techniques, so that it may be possible to provide different views of the company. An important issue, is that this “triangulation” approach, may help to avoid the problem of observer bias.

To help with the triangulation effort, a database has been established. For a better understanding of this data, it is important to say that this organizes the different data sources by their typology, date and description. Further explanation can be seen in the table below:

I	Interview
NA	Newspaper Article
CR	Company Report
OI	Online Information
AD	Archive Documents
PCS	Papers/Case Studies
P	Physical
ER	Email Response
B	Book
X	Info not Available

Furthermore, one should also focus on external validity. This refers to how the data and research apply to other, more general situations. Finally, reliability is also important because it is a way for us to see that it is possible to create a way that others could repeat this study.

### **3.3. Source of Data**

#### **3.3.1. Interviews**

In the process of gathering information a series of interviews were conducted, the first with Mr. Duarte Martins, that enabled a first contact and approach to the company, and being responsible for the connection bridge with the senior manager of the company. This first interview was done in Cascais on the 23/03/2011, with Mr. Duarte Martins, Logoplaste's Group HR Coordinator, that was also responsible for the link between the company and myself. It lasted 45min and was not recorded, yet it was carefully written down as it went by and later transcribed (Attachment 2). There was also a second interview, done with Mr. Hélder Almeida who kindly presented the iLab and provided a guided tour along with very interesting information about that particular part of the company.

#### **3.3.2. Archive Documents**

The archive documents gathered include, among others, company presentations. These elements were a great source of information about the company and its history; they were a great help in order to understand the business and the evolution of the company along the years. Also, they were very useful to add to some

of the information gathered in the interviews and also, to relate both sources of information creating a clearer retrospective of the company's evolution.

### **3.3.3 Direct Contact**

During the time spent gathering data, the company was very open to every question posed. They were very helpful in the search of relevant materials and information used in this thesis. Although they do not have a manufacturing facility in their headquarters in Cascais, they have all centralized information of the company held there, along with offices for the most important people in the company.

Another important aspect about these direct contacts was to have a look at their Research and Development (iLab) facilities, where a group of engineers work hard to come up with new ways of innovating in the rigid plastic packaging business. The company made it possible to see how this group works day-to-day, and how they resolve problems that might occur.

### **3.3.4. Email Interviews**

From the beginning it was made clear to me that despite the company was delighted to be chosen for this thesis, they would try to help in the best way possible, but that there were some agenda limitations. These “email interviews” were addressed to Mr. Ortigão Ramos the company's CFO and Mr. Aurélio Fernandes in the technical department.

### **3.4. Analysis of the Case Study Process**

In this case study, after the interview process and the data gathering process, it was possible to start drawing some conclusions and guiding lines about how this thesis would develop, firstly the main strategic movements were identified, secondly it was possible to highlight the main resources and processes that are able to generate competitive advantage, then I focus on the main study topics of this thesis, to compare with the information gathered and see if the first hypothesis are viable in the light of the interviews and information gathered. The first important phase of the study was to identify Logoplaste's main capacities and how they were created and developed. A second phase consisted of a better analysis of the existing literature and understanding what would be the best framework to analysis the Logoplaste Case study.

## 4. Data Analysis

Analyzing the data gathered in the effort of accomplishing this dissertation it is important to understand the industry where Logoplaste is inserted, and to understand the most important highlights in the company's history. This analysis of the data will continue with a brief description of the reality of Logoplaste in the present day and with a more clear identification of the topic of study. Along with the presentation of the crucial aspect of identifying which is the firm's competitive advantage that will be considered in the matter of this case study.

## 4.1. Industry Level Analysis

When looking at the business of Logoplaste, there might be some discussion concerning which industry they belong to. This happens because Logoplaste is a rigid plastic packaging solution provider, in the words of Mr. Duarte Martins, “*Logoplaste is without a doubt a rigid plastic packaging producer, it is an industrial group that provides the best solutions to our costumers and has the ability to do so with a lot of professionalism and rigor*” (I, P, 2011a). Yet, when questioned about the main competitors of the firm, Logoplaste also assumes that TetraPak is without a doubt an important competitor, despite the fact that they operate in the packaging industry, not in the plastic packaging industry.

For the purpose of this thesis, we will consider Logoplaste to be part of the rigid plastic packaging industry. As an industry, the Rigid Plastic Packaging business generated in the U.S. market \$6.6 billion in 1989 and was expected to grow 3.6 percent a year in constant dollars to \$7.9 billion in 1994. Information about the worldwide industry is hard to attain since there is no worldwide organization to regulate this market.

Logoplaste faces competition at an international level, as in the home market no other company is operating with the same context of innovation and partnership. Portuguese companies with plastic packaging needs, traditionally use their own production facilities, and do not turn to out-sourcing, as there were no available suppliers (Morgado, 2008). “*There are no accurate industry numbers, but I would say that, ALPLA and Tetra Pak are the largest producers and our biggest competitors, since they are huge compared with us, but Logoplaste is the fastest growing and no other competitor is able to grow as we grow*” (I, P, 2011a).

From the interview conducted with Mr. Duarte Martins it became clear that Logoplaste faces competition from international competitors like Nampak, ALPLA,

Amcor and RPC. There is little information on these companies, but some have public data, and we can see some interesting facts about them.

ALPLA was founded in 1955 and currently employs 12.000 collaborators, it operates 134 plants in 37 countries and had a turnover of €2.56billion in 2010. This Austrian-based company produces bottles, preforms, caps and tubes and is a direct competitor of Logoplaste. They have now copied Logoplaste's strategy of "in-house" production and present themselves as a serious competitor to Logoplaste, since they rely on lean and cost effective corporate structures, using standardized technologies and processes.

Amcor is another important competitor and presently has 35.000 co-workers in more than 300 facilities, being present in 43 countries. Amcor is a more diversified company, making packages in paper (for tobacco), in rigid plastic and glass. Amcor generates annual sales of A\$14 billion. This Australian-based company is traded in the Australian Securities Exchange with a present stock price of A\$7.05 per share, and presently has 72.046 shareholders.

RPC is Europe's leading plastic packaging manufacturer, serving a wide range of customers with rigid plastic packaging - from the largest European producers of consumer products, to the smaller national businesses. It holds a particularly strong positions in the beauty and personal care sectors, the vending and drinking cup markets, the margarines and spreads industry, and in multi-layer sheet and packaging for oxygen sensitive and other food products. RPC operates in 11 countries of the European Union and in the USA. RPC is also a publically traded company, in the London Stock Exchange.

Finally, regarding Sidel we can see that this company is a supplier of specialized machinery utilized by Logoplaste and other players in the market. But Sidel is also able to provide its machinery directly to Logoplaste's clients, relieving them from hiring Logoplaste as a package provider (we can see further information about the competitors in attachment 10).

The industry is therefore characterized by high competition between the players involved. The major players in the industry have a large average size,

indicating that there are economies of scale and scope, leading smaller players like Logoplaste to have a very difficult life. This is why the fact that Logoplaste is a successful company is such an interesting case. According to the interview conducted with Mr. Duarte Martins, Logoplaste invests heavily in innovation and in R&D, in order to differentiate itself and in order to make a difference in the market place (I, P, 2011a). This idea is supported by other interviews to people at Logoplaste. For example, Mr. Ortigão Ramos concluded that the main capabilities that made Logoplaste so successful include the focus on operational efficiency, industrial organization, to add value on a continuous way in all the supply chain, building strong and reliable relationship, and at last, making the difference through R&D capabilities and a high service level (I, ER, 2011a).

Yet, different size doesn't mean more financial capacity, since *“apart from the critical mass due to size, operational ratios are quite good vs. our peers; Due to the important double digit growth of the last years, the challenge is to balance a healthy financial position (namely in equity) vs. a leverage position without losing important opportunities to become a truly global player”*, noted company CFO, Mr. Ortigão Ramos (I, ER, 2011).

## **4.2. Firm Description**

Logoplaste is an industrial group, responsible for the manufacturing of rigid plastic packaging. The company is a well-known player in its industry, especially for being the supplier for some of the most reputable companies in the world, in such sectors as food and beverage, personal care, household care and oil and lubricants (I, P, 2011). Mr. Ortigão Ramos, Logoplaste's CFO added that the aim of Logoplaste is to be a service provider, specially, in packaging development, and becoming a truly stakeholder for the most relevant Fast Moving Consumer Goods (FMCG) companies, and when it was tested by international projects with very well known and competitive multinationals that pushed Logoplaste to overcome itself (I, ER, 2011b).

Its present chairman, Mr. Marcel de Botton, founded Logoplaste in 1976. In over 30 years of existence, the firm has grown from a local rigid plastic packaging producer in Portugal to a major worldwide industry player, being the owner of 60 factories, more than 250 machines, with locations in 17 countries: Angola, Austria, Brazil, Canada, Czech Republic, France, Ireland, Italy, Malaysia, Mexico, Netherlands, Portugal, Russia, Spain, Ukraine, United Kingdom and USA (AD, OI, 2011). Logoplaste was initially called Vasotermo. The company was the forerunner of the initial concept, which even today is still the essence of the group's activities, producing packages in a dedicated unit placed next to the client, with a medium and long-term perspective (Morgado, 2008). *“Internationalization was critical! The continuous pressure obliges the company not to accommodate to long-term supply agreements; to be across several geographies allows developing cross-fertilizations”* (I, ER, 2011a).

The commercial proposal presented was original and, after a detailed analysis by Yoplait, proved to be the best alternative to modernize yoghurt packages and to ensure production according to the client's needs. In the first year, Logoplaste started off with two integrated production units, one in Guarda, with Yoplait, and another in Avanca, with Nestlé.

The company is also very well known for having pioneered in-house manufacturing in Europe and beyond with the "hole in the wall" concept, supplying plastic bottles "just-in-time" from factories installed directly on the site of the client (AD, OI, 2011). Within the around 1700 employees Logoplaste has worldwide, there is a sense of “family/team”, Logoplaste, in the words of Mr. Duarte Martins, is a very interesting company to work in: “Since the first day Logoplaste felt like a very dynamic company, and what really became clear is that everybody in the company wears the shirt of the company; there is a good sense of team spirit”(I, P, 2011a).

Logoplaste, is considered a very different firm compared to its competitors in the plastic packaging business, mainly because the company is able to integrate the client's logistic and value chains, based on a process of developing partnerships with its clients (Morgado, 2008). The company doesn't have clients, the company has

partners. Logoplaste operates has a holding, 100% responsible for the plants it owns, but each plant is independent from the other, having its own staff, machinery and quality control. The mother company, Logoplaste Consultores Técnicos S.A. is responsible for the overall quality control, research and development, purchasing of raw materials and machinery. Another characteristic that strongly differentiates Logoplaste is the firm's strong investment in R&D of packaging engineering. And of course, the company's business model is its most well known trademark, the famous "hole in the wall" is probably its most distinctive and most valuable capability (I, P, 2011a).

Along the years, Logoplaste, as said, has created a network of partners rather than clients; most of them are leaders in their market segments. Nestlé and Yoplait stand out, with a relationship established 28 years ago. The management believes that these results are associated with the practice of total integrated service, through its technological center, Logoplaste technology, the independent business unit which specializes in packaging engineering (AD, OI, 2011). The empathy created between Logoplaste and its clients is a crucial aspect of the business model, as it provides the channel of trust on which the mid to long-term relationships with clients are created.

In the end of the seventies, and above all during the eighties, Logoplaste was responsible for setting up several industrial units in Portugal while the company continued to search for new clients. An important step during these years was that Logoplaste continued to heavily diversify its portfolio of products, raw materials, and transformation technologies. Then, in the late eighties, Logoplaste managed about a dozen industrial units in Portugal and achieved a leading position in the national market of plastic packaging for water and liquid yoghurts (Morgado, 2008).

Although it is not a publically traded company, Logoplaste has no difficulty finding financing solutions for all its projects, these situation, as always, some advantages and disadvantages; Logoplaste market capitalization is still low and it's critical to have a better size and footprint (I, ER, 2011).

### 4.3. Creation of the Business Model

As one of the main topics of this study, this chapter requires special clearness in the ideas it tries to illustrate. We can clearly state that the firm's founder Mr. Marcel de Botton was expert in sensing (and shaping) a new opportunity, as Teece said in 2007: *“Once a new opportunity is sensed, it must be addressed through new products, or services”* (Teece, 2007), and this is exactly what happened with the creation of Logoplaste and its particular business model. Mr. Marcel Botton was no doubt ahead of his time, as we fully understood that it would only be possible to achieve success with the constant productivity, efficiency and high innovation capability, making the firm able to give an adequate answer to the needs of its partners/clients (RC, RC, 1998).

Firstly, there is no “pre-business model” firm: the company was born with its present business model, as highlight by Mr. Duarte Martins that noted *“the idea started right from the beginning, and it was established like that exactly to create something that would differentiate Logoplaste from the competition and would allow for an optimization in the production process.”* (I, ER, 2011b).

We can see from information shared by the company that even before it was born, present chairman Mr. Marcel de Botton already had some working experience in plant management and his accumulated experience represents a particular path that influenced the early days of Logoplaste. Since the company was started after the Portuguese revolution of 1974, Mr. Marcel de Botton decided the company should have less than 20 workers, to avoid the need for a “workers commission”. Nowadays Logoplaste remains a small company compared with its competitors, even though this happens for a set of different reasons, it is in the genesis of the firm to be small and specialized. This is where the “hole in the wall” approach was born, as an answer to the necessity of keeping things simple, in order to reduce the needs of labor, to reduce transportation costs and also to increase efficiency (AD, IO, 2011).

Logoplaste was born with its business model, so it is very difficult to make a distinction between firm and business model, since nowadays, Logoplaste is almost

synonymous to “hole in the wall”. Along the years, the firm has been very faithful to its original business model, which has not been put through any major alteration, as defended by Mr. Duarte Martins: *“There were no major developments to the business model itself. Logoplaste has become more flexible along the years, namely when it comes to the duration of the partnerships established with its clients/partners, as well as, the fact that in some special cases we had to drop the “hole in the wall” approach and create an independent plant due to specific conditions (for example, Heinz in the Netherlands and Diageo in the USA). Yet, Logoplaste still prefers its original approach and tries to maintain its methodology, and will continue to do so for a long time to come”* (I, ER, 2011b).

#### **4.4. Development of the Business Model**

Logoplaste’s activity is totally focused on being a global service provider in the matter of rigid plastic packaging, working exclusively in the regime of medium to long term partnerships with its clients (CR, CR, 1998). With this said, it is important to note that there were changes in the business model that are not well documented where they occurred exactly, but along the years and with the growth registered by Logoplaste, some shifts happened in the company. Firstly, the success of Logoplaste was based entirely on the creation of business units within the plants of its clients, reducing transportation costs and enhancing a JIT service valued by Logoplaste’s clients. As time went by, and with the growth registered by the company, there was also an increase in the complexity of every new project, which lead to the need of a more complete approach from Logoplaste. The response to this was the increase in long-term contracts with clients as well as the increasing scale of the company in order to better negotiate with suppliers in order to get price advantages as well as access to trials with new materials not yet introduced in the industry, that means that there is a close relationship between Logoplaste, its clients and its suppliers.

The company continued growing, as it has been for almost twenty years, as said by Mr. Hélder Almeida “*Logoplaste has been growing an average of almost 20% per year*” (I, P, 2011b). To continue sustaining the growth the company had been experiencing, around 8 years ago, Logoplaste created the iLab, which operated as an independent cost structure from Logoplaste.

The creation of the iLab is one of the landmarks of the evolution of the Logoplaste business model, in the words of Mr. Hélder Almeida, “*it was only possible to create the iLab with the help of the important brand that is Logoplaste, that acted like a stamp of quality to the work we develop here*” (I, P, 2011b). With the iLab up and running, Logoplaste was able to generate profit not only from its plants but also through research and development, as the company started to act as something close to a “*packaging consulting*” firm, giving clients advice in the best packaging solutions to their needs without the need of setting a new plant, “*with the iLab some of the projects Logoplaste was involved didn’t lead to a partnership and production of a new product with the client, we sometimes design or upgrade the packages to the liking of the client present how to do it, and then the client produces it in-house or elsewhere*”, as explained by Mr. Hélder Almeida, that added that “*in the last year alone, the iLab was responsible for 50% of Logoplaste’s revenues, we found ourselves doing projects for clients that weren’t even partners of Logoplaste and came to us to find a solution for new packages they couldn’t find elsewhere*” (I, P, 2011b). This gave way to a cluster effect, since suppliers were dependent on the Logoplaste iLab to test new materials with “*real-life*” industrial environments, and Logoplaste benefited by being the first to receive those new materials.

The iLab is composed by a group of 25 people in Portugal, 4 in Brazil and 6 in the United States, and is responsible to delivering every proposal to Logoplaste’s clients. It works closely with the clients in order to understand their needs in new pack and provides them with a set of solutions that the client ultimately is responsible to choose from. The iLab opened up a “*new world*” of opportunities for Logoplaste, and the company was able to tighten its relationships with both clients and suppliers with the creation of the iLab, as Mr. Hélder Almeida said: “*sometimes even to get*

*financing was easier after they visited the iLab, after seeing it, people were always very impressed and took us much more seriously”* (I, P, 2011b). The original “hole in the wall” approach was now complemented by this new R&D structure, considered unique, in the industry. The iLab was responsible for some of the most relevant cuts in the cost structure of Logoplaste, as an example, they developed a way to operate the “*Águas do Luso*” plant, responsible for the bottling of all the Luso water to the market, with only 3 employees. Another important development was the creation of a unique design software to aid designers in the creation of molds, this is a unique software developed by Logoplaste that reduces the time of design from 2 days, to nearly 20 minutes, meaning Logoplaste is able to deliver a project much earlier, than the competitors, to its clients (I, P, 2011b).

So, we can see that in the first years Logoplaste was a success due to the pioneering of the “hole in the wall” approach, as the business grew the creation of contracts with clients and also the development of partnerships with suppliers enhanced a cluster effect that sustained the competitive advantage of the firm. Nowadays, Logoplaste relies on the investment on R&D and particularly on the iLab and its “home-grown” technology to differentiate from competitors. Along the years there has been some modification in the focus of the business model, particularly with the creation of the iLab, but in a general line, the business model still relies on the “hole in the wall” approach, the JIT service and the superior time to market provided by Logoplaste, although Logoplaste has started deviating by creating plants in sites away from the clients, like the example of the Heinz plant in the Netherlands. The company maintains a steady growth along the years, yet in the words of Mr. Hélder Almeida: “*the contract with Heinz marked the difference, costumers and potential costumers started looking at Logoplaste in a whole different way*” (I, P, 2011b), this happens because Logoplaste was recognized for the incredible job done in the re-shaping of the iconic glass ketchup bottle, to a brand new PET bottle (attachment 9).

## 4.5. Firm's Competitive Advantage

We can see, in this dissertation that Logoplaste's main competitive advantage is its business model. This belief is justified by the fact that, in this dissertation, the definition of Barney (1991) is the one being utilized, so the firm has a competitive advantage when it is implementing a value creating strategy that no other current or potential competitors are implementing at the same time, and when these other current or potential competitors are unable to duplicate the benefits of the strategy. With this said, it is clear that Logoplaste has a competitive advantage in the shape of its business model, if it is a sustained competitive advantage requires some further discussion since it is not clear whether or not the competitive advantage is resilient to the possibility of competitive duplication.

Logoplaste business model is based on five steps, or five pillars (as the company describes them). The first important attribute of the business model is the importance of the focus the company puts in their partnership, with the vision of “one plant, one partner” the company is able to leverage on the “hole in the wall” approach (AD, IO, 2011). Secondly, the business model of the company puts great emphasis on service, Logoplaste is a leading innovator in the industry, being able to advice it's partners on the best rigid plastic solutions, the important focus on quality and performance made by the company is highlighted by the fact that Logoplaste invests in having state-of-the-art technology available for its partners/clients (I, P, 2011a). Thirdly, the Logoplaste approach is also characterized by the creation of local multi skilled management teams that are in charge of each individual plants, and allocated to each individual costumer case, with a centralized functional center ready to support the local teams in every step of the way. This feature makes Logoplaste a very fast-responding company to any event that might occur in any of the plants it manages. Fourth, Logoplaste makes a full commitment to install specialized machinery, plant equipment and utilities, leaving the costumer/partner free to focus on its core business. They work like an extension to the partners original business, managing the Logoplaste plants within the client's plants, this approach is also considered critical

by the company since it gives the company some differentiation from other competitors (mainly Sidel and other machinery suppliers, that do not manage the machines they provide) (I, P, 2011). Finally the last pillar of the business model, is the transparent relationship Logoplaste creates with its partners, it has been highlighted in the interview with Mr. Duarte Martins and also referred in the company's publically available information. The company refers to this last pillar of the business model as the "win-win approach" (AD, OI, 2011), and it can clearly be seen as such.

If we look at the approach by Zott and Amit (2008), it becomes clearer how Logoplaste takes advantage of its business model, if we adapt the model to understand the main questions of the paper presented by Zott and Amit (2008) we can highlight the main focus points of the Logoplaste value-adding business model.

	Business Model	Product Market Strategy
Definition of the Business Model	Creating Partnerships with clients “win-win” approach	By creating solid relationships with its clients, Logoplaste creates a different “positioning” for the firm and its products
Main Answers of the Business Model	Logoplaste differentiates itself from large competitors by being able to provide integrated value-adding solutions to its clients, as it fully integrates itself in the value chain of its costumers	Logoplaste achieves a different positioning from both large competitors and “boutique” specialists by being able to create a position of both “consultant” and service provider to its costumers
Analysis of the Business Proposition	The business model of Logoplaste is based on its “hole in the wall” approach and its close relationship with its clients/partners.	By implementing its plants in the plant of the costumers, Logoplaste is able to manage every step of the rigid plastic packaging manufacturing process, being responsible for the purchase of raw materials, installation a sustainability of the machinery and just-in-time production of the required plastic solutions
Highlights of Logoplaste’s Approach	Logoplaste, is considered a very different firm, from the ones operating as its competitors in the plastic packaging business, mainly because the company is able to integrate the client’s logistical and value chains. And mainly by providing solutions for its clients/partners	A client/partner is not just another client or partner, but Logoplaste is very well known for providing critical solutions for its clients by assigning “task forces”, to study and propose the optimal packaging solution to any of the client’s needs.

To support the company's competitive advantage, Logoplaste has a fully compatible financial structure to support its business model in terms on needs of capital expenditures and working capital. As the companies CFO highlighted: *“according to our business plan, we are confident we have the financial structure that can support and comply all the alive supply agreements and the organic growth foreseen Logoplaste turns to a different approach, since each costumer is handled like a project, and there is an industrial project team to handle each client”* (I, ER, 2011).

“In Logoplaste an industrial project consists of a number of ”task forces” to survey, design, procure, install and commission tailor-made production facilities for the manufacture of plastic packaging. In addition to our central HQ team of experts, each region employs dedicated industrial project managers to support local business needs. Our corporate teams also take responsibility for the preparation of business plans, for new business opportunities and investments, which eventually form the commercial proposals presented by our sales teams” (AD, OI, 2011).

#### **4.6. Topic of Study**

The main topic to study is the creation of Logoplate's sustained competitive advantage. In this study we can see that this competitive advantage is heavily based on a set of factors, namely the company's business model, a value adding chain, also the company's leadership and its ability to invest heavily on R&D (2% of turnover) and being able to create a different service/product to its costumers/partners than the other operating companies in the sector. It has been argued, that good business models will certainly help the firm to achieve advantageous cost structures and generate value propositions acceptable to customers. Nowadays in a rapidly changing and complex environment, companies' business models are becoming more and more important and critically inseparable from the product and operational strategies of any organization in determining how it achieves success. A business model is a vital part of the potential success of any company. In this study, the company that was chosen

to be analyzed, Logoplaste, represents maybe one of the most pertinent examples of a good business model, and how a well-designed and well-crafted business model is the most important step, on the route to success, in any company. Good business models, as defended by Teece, will enable innovators to capture a large enough portion of the (social) value generated by innovation to permit the enterprise at least to earn its cost of capital.

It is important, first, to understand some important issues about the concept of Logoplaste's business model. It is also important to say that the competitive advantage is generated by the way how firms can use resources to attain; this intrinsically highlights the relevance of a firm's business model.

Firstly the "hole in the wall" concept is based on a Logoplaste plant (company) being integrated in the customer's building or infrastructure, meaning that Logoplaste relies on the client company's infrastructure and creates its own production facility in the "side of the wall" of the clients plant, so the company is thereby forced to set up operations wherever the client company is located. This has lead Logoplaste to create a number of facilities rather than focusing production in a centralized plant to serve its costumers. Secondly, Logoplaste is responsible for the procurement and purchase of machinery, plant equipment, raw materials and utilities. Leaving the costumer without that responsibility, basically by creating a fully operational facility to serve each individual client. So, basically, Logoplaste is able to be fully integrated in the supply chain process of its costumers, and this is vital for the success of its business model as it enables the delivery of packaging in a just-in-time fashion according to the costumers requirements and needs, so there is great value in the Logoplaste way of doing business, and its business model should be regarded as a key capability (AD, OI, 2011).

By being responsible for the management of the entire packaging production, including employees, again an important feature of the business model, leaving Logoplaste with more responsibilities that it takes away from the client, leaving room for a value adding proposition, that most clients value, and also creates differentiation from competitors such as those competitor that produce rigid plastic packaging

solutions, but also differentiation from competitors as the machinery suppliers that may sell their equipment directly to Logoplaste's clients, but are not able to provide the integrated value proposal that Logoplaste is able to provide, creating and investing for a sustainable medium to long-term partnership (AD, OI, 2011). *“The business model of a firm reflect the managers' ideas of what costumers expect from the firm, and how the firm should organize itself in order to meet those costumer expectations”* (Teece, 2007).

In order to capture value by relying on its business model, Logoplaste differentiates from competitors since its business model enables the company to provide new product innovation design for its clients, as well as a faster time to market, since they provide a just-in-time approach resultant of its “hole in the wall” way of doing business, in which Logoplaste is true expert with years of experience. Continuing with the company's business model, one can argue that it reinforces a long-term view of business collaboration with its clients/partners. As Mr. Ortigão Ramos pointed out: *“Since a long time, we understand that to make the difference is through applied development not only for new products, but for continuous improvement in all the supply chain.”* (I, ER, 2011).

Logoplaste has other important differentiation factors that are less related to its “hole in the wall” approach. The company has very important differential factors, when comparing Logoplaste to its closest competitors we understand these other factors. The first is the reduction of capital expenditures and increase in the return of investment, which the company has been able to achieve through the years and also the shareholder commitment that comes from the fact that Logoplaste is a family business, and unlike its main competitors it is not publically traded, making it a much fast-response company than most of the others in the business. Also, and to react to the credit difficulties in the last years in the Portuguese market, for the last 2 years, all projects were financed by international banks (I, ER, 2011).

From this we can see that the company's business model is a valuable resource, since it allows the company to implement a strategy that has improved the

company's effectiveness and efficiency, this is easily proven by the enormous growth the company has achieved throughout the years it has been operating, registering both national and international growth. Secondly, the Logoplaste has also a rare resource; the competitors in the industry do not possess the same business model, making Logoplaste the only company in the rigid plastic packaging industry to take advantage of this resource, making it also an inimitable resource, since it would probably take enormous efforts for established players industry to try and replicate the “hole in the wall” concept. If all companies in the industry could apply the same business model and exploit it in a similar way, they would create identical strategies to the one pursued by Logoplaste and industry outcomes would be very similar, but as we see in Morgado (2008), there are indicators that clearly show differences in the firm competing in that industry. As we can see in the table below:

Benchmarking (2003)	NAMPAK	ALPLA	AMCOR	RPC	Graham	Logoplaste
Cashflow/Sales	9%	7%	8%	10%	8%	10%
EBITDA/Sales	14%	12%	12%	13%	19%	20%
Liabilities MLP/EBITDA	0.8	NA	1.98	1.88	3.92	3.16
Own Resources/Assets	43%	NA	47%	33%	48%	24%
Liabilities MLP/Assets	18%	NA	26%	29%	25%	44%

source: Morgado, 2008

## 4.7. Main Events of the Firm

Since the company's creation back in 1976 when it started the operations with Yoplait (yogurts) and Nestlé caps, Logoplaste was able to become a large-scale producer. In 1980 the company developed the first large scale PVC operation in mineral water (Luso), but it was not until 1989 that the company made the leap to the first PET operation with Coca-Cola in Portugal. One of the company's landmarks is registered in 1993 when Logoplaste started the first thin wall operation with Unilever for the Portuguese market (AD, OI, 2011). At this point, as noted by Mr. Aurélio Fernandes, Logoplaste was already aiming to be “*Global service provider – R&D*,

*engineering and bottle manufacturer”* (I, ER, 2011).

1992 sees the beginning of the internationalization path of Logoplaste, as it entered the Spanish market. Internationalization was a quite fast process for the company and in the year of 1995 it entered the Brazilian market, followed by the French market in 1997. In the turn of the millennium, Logoplaste continued its foreign expansion, entering the United Kingdom with a complex factory, incorporating injection and blowing of PET preforms which is installed near London, to produce Hand Dish wash Liquid bottles for the whole of Europe. In 2003 the company took another step in its internationalization process by setting up operations in Italy (AD, OI, 2011).

2005 saw the opening of two new factories, and the beginning of operations in Central Europe, namely in Austria and the Czech Republic. In 2006, Logoplaste starts the operations in North America by producing Liquid Yogurt bottles in Canada and edible oil bottles in the USA (AD, OI, 2011).

In more recent years, Logoplaste installed a new plant in the Netherlands for the production of PET containers in 2008, with a contract with Heinz, and as pointed out, it has made a great impact in the image and development of Logoplaste (I, P, 2011b). 2009 was probably the busiest year for Logoplaste in terms of international expansion, as Logoplaste opens new factories in Canada, Ukraine, Mexico and Malaysia producing Dairy, Household & Personal Care packaging (AD, OI, 2011).

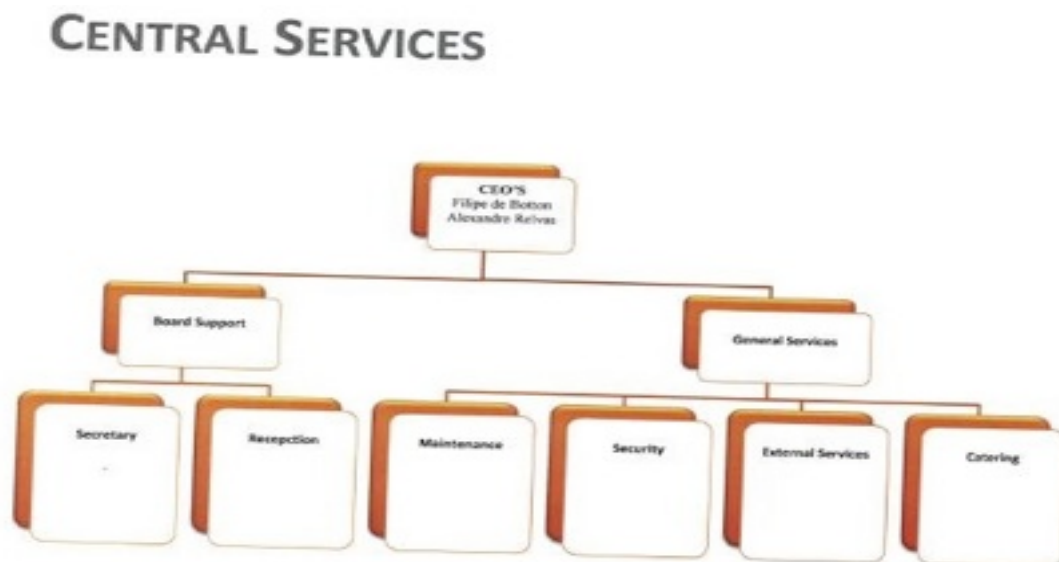
In terms of Logoplaste’s main decisions and events, we can see from the interview conducted with Mr. Duarte Martins that the company is organized by “islands” and every department is independent from the other, and present very closed environments, so everyone is working in their “own thing”. So I would say that between departments, there is not a lot of communication, since every department is very independent from the other. But usually communication between people is very informal, and there are no issues when you really need to go and talk to people in other departments (I, P, 2011). This makes, allied to the view that in the same interview, it was possible to understand that some of the *most important decisions*

*don't come from within the company, since we only enter a market when there is a client that contacts us to go there. But, most of all I would highlight the entering of the US market, and also the entering the Asian market. Most of what the company does is to handle the clients in the best way possible (I, P, 2011).*

Also, along the years, the company has financially developed very well; the growing strategy is being aligned with cash flow generation as well as the capacity to have the confidence of strong and reliable stakeholders (raw material and equipment suppliers, international banks and international companies that wants a player that can follow them for the selected geographies and with proven R&D capabilities) (I, ER, 2011). We can see from the contribution of Mr. Ortigão Ramos that there are some “financial landmarks” as Logoplaste has been able to find new ways to finance the growth, without penalizing the balance sheet; Proving to our banks that they are assessing operational risk, because financial and commercial risk is up to our clients (I, ER, 2011).

## 4.8. Further Explanation of the Business Model

This point of the dissertation, aims to clear some important aspects of the organization of Logoplaste that have not being clearly covered so far. Firstly, Logoplaste manages the plants it owns, but it is a global service provider operator. Every plant owned by Logoplaste is an independent cost center, and every plant is independent from the other and independent from the holding firm, yet some services are centralized in the Headquarters in Cascais, such as the R&D department, HR and purchasing of raw materials and machinery. Each plant has its own name to focus on the independence between plants and each plant has its own staff and quality control. We can further understand this in the picture below that presents a simplified organogram of the company's organization:



Source: Logoplaste Consultores Técnicos, S.A.

Secondly, it is important to clarify that although there is no other player using the Logoplaste business model, ALPLA is known for having introduced “*in-house production*” methodology, by positioning itself in the plants of clients, copying the Logoplaste approach, since ALPLA is a publically traded company, it is possible to

find evidence that it hasn't been as successful as Logoplaste, since it has not copied the complete business model as it doesn't present growth numbers with the expression that Logoplaste has. Finally, a last explanation of the business model is related with the focus Logoplaste puts on people. There is constant motivation of the employees as Logoplaste is known for paying very well as well as providing constant "educational programs" for its employees, along this thesis and with the knowledge gathered in the visits to the company it was possible to see that the focus on employees is a common place in Logoplaste but it is important to notice that Logoplaste has a very important weakness regarding the possibility of having employees leave the firm to join a competitor. Although this situation hasn't occurred until now, there is little control over employees as they are given important responsibility in the management of different plants and are therefore knowledgeable of important organizational detail of the company, there are laws to protect Logoplaste in possible events of corporate espionage, but there is no saving Logoplaste from the "know-how" achieved during their time at Logoplaste its employees can take with them.

# 5. Discussion

At this section of the dissertation, the reader can better understand how the theory presented in the literature review relates to the results showed in the case study.

## 5.1. Firm's Historical Path

Firstly, we can see that a great part of what the company is today is derived from the situation in its early years, dating back to the foundation of the company. The economical and political situation was unstable and the urgency for new, innovative, cost cutting and efficiency driven resolutions were in the top of the

agenda for most of the operating companies in Portugal. Logoplaste was no exception, looking at the work of Barney (1991), the author underlines that if it is possible for a firm to have a unique historical path, it will use its resources in a value-creating strategy that cannot be replicated by competitors, since the historical background of a company is unique. Firms without that particular path through history cannot obtain the resources necessary to implement the strategy. So a part of the company's identity was created very early on, along with its business model.

It has been stated that: *“If a firm obtains valuable and rare resources of its unique path through history, it will be able to exploit those resources in implementing value-creating strategies that cannot be duplicated by other firms. Firms without that particular path through history cannot obtain the resources necessary to implement the strategy”* (Barney, 1991). It is clear that the turbulent times, in which Logoplaste was born, created a unique path that resulted in a vision of being small and reducing costs and optimizing that is still present nowadays. Since the creation of the company, there have been several additions to the business model, as we have seen in the previous chapter, but, according to the interviews conducted and information gathered, people in the company are still “united” as a “team” and some of the founding principals of the company are still present today.

## 5.2. Firm’s Business Model, is it really VRIO?

As we have seen so far, Logoplaste is un-doubtfully a successful company; to its success one cannot disregard the importance of the firm’s business model. We have highlight the main topics of the firm’s business model above, so in conclusion let us look in more detail to what we can get from this case study:

VRIO Framework applied to the Logoplaste Business Model			
	Valuable	Rare	Imperfectly Imitable
Partnership with Clients	✓	✓	✓
“Hole in the Wall” Approach	✓	✓	✓
R&D	✓	✓	✗
Focus on Services	✓	✓	✗
Multi-Skilled Teams	✓	✗	✗
Historical Background	✓	✓	✓
Business Model	✓	✓	✓

As defined, a resource is considered to be valuable when it is able to help the firm to implement strategies that improve its efficiency and effectiveness (Barney, 1991). Along the previous chapter we find evidence to lead us to the conclusion of the value of such resources as the partnerships with clients, the “hole in the wall” approach, R&D, the focus on service, the multi-skilled management teams, along with the historical background. The value of these resources can lead us to understand how they make the company’s business model a valuable resource.

In terms of rareness, by definition, a rare resource is one that is not possessed by a large number of firms. As we have seen, Logoplaste is able to create a cluster effect due to its close partnerships with both clients and suppliers, the “hole in the wall” approach is a “trademark” approach of the company and there is only one company that has attempted to copy it, the success of this copy is still undetermined, so we can assume the “hole in the wall” approach as rare, along with the other

covered resources of the company. By definition, the historical background is always different between two companies, so it is by definition rare, since two or more companies do not share it. The rareness of R&D and the focus on service require some further explanation, since their rareness cannot be explained individually, and it is related with the creation of the iLab. Although every major player has R&D departments, none of them have created an independent facility like the iLab. They rely on R&D departments that are integrating part of the company, and normally they use them with internal R&D purposes only, what is unique to Logoplaste. As we have seen, that the iLab is able to generate revenues by itself, by doing R&D projects directly to the clients, promoting packaging consulting services, this makes the R&D and focus on service approach completely unique of Logoplaste.

Regarding the definition of imperfectly imitable resources, Jay Barney (1991) clearly states that *“Firm resources can be imperfectly imitable for one or a combination of three reasons: the ability of a firm to obtain a resource is dependent upon unique historical conditions, the link between the resources possessed by a firm and a firm’s sustained competitive advantage is causally ambiguous, or the resource generating a firm’s advantage is socially complex”* (Barney, 1991). In the previous chapter we can find evidence that Logoplaste’s business model was firstly based on the trust of clients and the “hole in the wall” approach, making the company a specialist when it comes to this type of approach making the two resources very difficult to imitate, since there is already trust relationships established with clients along with a structure that perfectly fits the “hole in the wall” approach, many of the competitors in the industry have a much large structure that is not suitable to this type of approach and therefore are unable to imitate it. Regarding R&D, the focus on service and the multi-skilled management teams, Logoplaste can be imitated. It would take large investments by any one who is interested in trying, yet, these three resources didn’t depend upon unique historical conditions, nor on socially complexity or causal ambiguity and are easily understandable and copied, the only exception are the *“in-house”* softwares developed by the iLab which are not patented, but were developed with crucial experience by key staff members at Logoplaste.

Finally regarding the last requirement for a firm resource to be a source of competitive advantage, substitutability. Considering the resources analyzed that compose the Logoplaste business model presented above, it is very difficult to substitute any of them. Mainly because, if we look at the definitions presented by Barney (1991), the two forms of substitutability suggest that a firm can seek to copy the competitive advantage of a certain firm by using either “*similar*” resources or very “*different*” resources. The evidence presented in the previous chapter points that for a direct competitor to use similar resources would take a long time to develop and also a great change in their existing structures to accommodate with the Logoplaste business model, on the other hand, a new entrant would find its entrance blocked due to the huge initial investment to copy the present Logoplaste business model. As defended by Barney (1991): “*substitute firm resources need not have exactly the same implications for an organization in order for those resources to be equivalent from the point of view of the strategies that firms can conceive of and implement*” (Barney, 1991), even so this investigation failed to identify any other firm that was able to achieve the success Logoplaste has had in the past years, even though, in previous chapter there is indication of some copy attempts, it is not likely they will succeed due to the “*sustainability*” the Logoplaste competitive advantage generated by its business model.

### **5.3. Additional Considerations**

As referred by Chandler, in 1990, firms are able to capture value from new technology in two possible ways: through the incorporation of technology in their current businesses or through launching new ventures that exploit the technology in new business arenas. Also, according to Michael Porter when a firm is able to generate and sustain profits that exceed the average of the industry in which it competes, the firm is said to have a competitive advantage over its rivals. With the data gathered it could be perceived that Logoplaste may not generate and sustain

higher profit than its competitors due to the size of them, but it no doubt, generates and sustains a larger growth ratio than any other player in the market, thus holding a sustained competitive advantage.

If we look at the vision of Prahalad and Hamel, to whom core competences arise from the integration of multiple technologies and the coordination of diverse production skills, than Logoplaste is no doubt a company where the design and used business model is to be considered a core competence of the firm, since it helps to coordinate all the other, not less important features of the firm, and “bundle” them in a way that the company is able to take an edge over its competitors and better serve its clients.

## 6. Conclusions

The model presented by Barney (1991) is a very important model and is no doubt a very useful tool in order to analyze the competitive advantage of a firm. Also, the Zott and Amit (2008) proved to be very useful in the analysis of this particular resource, the business model, it is not an instrument we frequently see in academic work, but it is shown here that it has significant relevance.

By choosing Logoplaste, and in particular the analysis of its business model, it was possible to achieve several conclusions about the genesis and develop of competitive advantage in firms. Firstly, only now are scholars giving business models the relevance they deserve, the example shown in this dissertation clearly shows that

the right design of a business model, accommodated with the right R&D and financial structure can make a difference in an industry dominated by huge sized competitors and where production differentiation is little since everybody has access to the same type of machinery.

We live in a time where new challenges can come from everywhere, with a solid financial structure and deep commitments with both clients and suppliers, Logoplaste has proven to be a very well prepared firm, with its eyes on the future. From the day it began operating, the company was able to present a value-adding strategy based solely on its business model, since it works with industry standard machinery and materials, the competitiveness of Logoplaste is based on the constant development of its own capabilities and through a clear understanding of the needs of costumers that operate in FMCG markets. As a consequence, Logoplaste needs to act fast, and it is shown here that it did, first by providing JIT service when there was none, and then getting specialized in R&D business that became more and more important in addressing costumers' needs.

Finally, since this is a Master of Science thesis, it has some limitations, the first being time. This thesis project started in February 2011, and it was handed in May 2011, making time a crucial issue, in the effort to study dynamic capabilities and sustained competitive advantage, one should study more than one company, but it was decided to focus only in Logoplaste. Also, there are other important limitations to this dissertation, despite the tremendous effort of Logoplaste to provide the necessary information in time, the limited amount of time was again an issue, along with the fact the Logoplaste is not obliged to share any internal information and chose not to disclose a set of data that would have had enriched the present dissertation.

# 7. Attachments

## 7.1. Attachment 1 - Interview Summary – Dr. Duarte Martins

Miguel V. Pita (MVP): Dr. Duarte Martins, first important thing I would like to know is your position in the company and your educational background.

Dr. Duarte Martins (DM): I am an organizational psychologist and I am presently the Group HR Coordinator, meaning that what my department gives is like a cooperative that provides HR services for the Logoplaste countries that do not have an HR department and also coordinates and manages the HR departments that Logoplaste has established abroad.

MVP: Having come from a background that is not very usual in business, do you have an idea about the different backgrounds there are in the company?

DM: Logoplaste is a very diversified company, of course, in HR we have a psychologist, but in other areas we have a bit of everything, from industrial engineers, mechanical engineers, electrical engineers, managers, financial background people, law background people, there are a lot of different backgrounds.

MVP: How long have you been in the company?

DM: I started out in Logoplaste in January 2008, so I've been here for 3 years.

MVP: What was your first-day impression of the company?

DM: Since the first day Logoplaste felt like a very dynamic company, and what really became clear is that everybody in the company wears the shirt of the company; there is a good sense of team spirit.

MVP: Do you know how many employees the company currently has?

DM: Around 1700.

MVP: And in your department?

DM: 2

MVP: Do you consider your tasks to be independent? Meaning do you have authority to make decisions regarding your tasks?

DM: Well, yes. As I explain my department is very small, it is just a colleague, and I so when it comes to making decisions I usually consult with her before presenting to the board. Meaning if I am working in a proposal I have the authority to do it on my own, then before I presented to the board I ask for her opinion, and then talk to the board for approval. So in many ways I consider my line of work to be independent.

MVP: Do you feel there is a good/healthy environment in the company?

DM: There is a very good environment in the company; I would say a very healthy environment. Yet, Logoplaste has some particularities, for example, I feel there is a lot of "corridor talk", and there are a number of people that are used to gossip, but I feel this is the same in other companies.

MVP: Do you feel there is good communication within the company (between departments)?

DM: Depends, but generally no. The company is very organized by "islands" and every department is independent from the other, and present very closed environments, so everyone is working in their "own thing". So I would say that between departments, there is not a lot of communication, since every department is very independent from the other. But usually communication between people is very informal, and there are no issues when you really need to go and talk to people in other departments.

MVP: How are the main decisions in the company prepared and taken?

DM: Very easily. Depending on the decision you are talking about, for example, if it is a technical decision, the technical department prepares the proposal, and then presents it to the board, after approval by the board it is presented to the International Team.

MVP: In your personal opinion what is the company's "core business"?

DM: Logoplaste is without a doubt a rigid plastic packaging producer, it is an industrial group that provides the best solutions to our costumers and has the ability to do so with a lot of professionalism and rigor.

MVP: What are the main competitors of Logoplaste?

DM: I can highlight some, for example, ALPLA, AMCOOR in the plastic packaging business, and Tetra Pak in the packaging solutions business. Other competition comes from our machinery suppliers like Sidel, that produce and sell the machinery we use, but can go straight to our costumers and sell the machinery for them to build their own plastic packaging production units.

MVP: Where is Logoplaste currently positioned compared to their competitors?

DM: There are no accurate industry numbers, but I would say that, ALPLA and Tetra Pak are the largest producers and our biggest competitors, since they are huge compared with us, but Logoplaste is the fastest growing and no other competitor is able to grow as we do.

MVP: Which do you think were the company's most relevant decisions in the last 5 to 10 years?

DM: Some of the most important decisions don't come from within the company, since we only enter a market when there is a client that contacts us to go there. But, most of all I would highlight the entering of the US market, and also the entering the Asian market. Most of what the company does is to handle the clients in the best way possible.

MVP: For how long has the company had 2 CEO's?

DM: Since 2003

MVP: Do you feel a difference with that? Comparing with another company where you had worked.

DM: No, there is no clear difference, mostly because they have divided responsibilities in a very effective way; I know when I have to talk either to one or another. They make a very good partnership and it has clearly hence the capacities of the company.

MVP: Do you feel it is a factor that could help differentiate the company?

DM: Definitely, having two CEO's has been important, but mainly because they are, who they are. It brings more balance to the company, and in my opinion it also brings more union to Logoplaste. They are two heads thinking as one, creating new lines of alignment for the company.

## 7.2. Attachment 2- Interview Aurélio Fernandes

The following questions are a very important reference in the elaboration of my thesis. This case study thesis is a partial fulfillment of requirements for the degree of MSc in Business Administration, at Universidade Católica Portuguesa, 2011. This thesis has the objective to study Logoplaste in the light of its dynamic capabilities and how they generate sustained competitive advantage over time. The main focus of the study is the importance and relevance of the business model in the success of Logoplaste and also trying to understand the influence of having two CEO's in the company's Board. I would like to thank you, in advanced, for your collaboration with this thesis; your contribution is crucial for the successful elaboration of this work.

Miguel V. Pita

### 1. Personal Information

1. Name: Aurélio Freitas Fernandes
2. Role in the Company: Iberian Technical Director
3. When did you join Logoplaste? 1983
4. Education background and working experience before Logoplaste. Machine Engineering

### 2. Company Background

5. How do you see the company right now? Is Logoplaste still an industrial group, manufacturing rigid plastic packaging, or do you perceive the company to be much more than this?

Global service provider – R&D, engineering and bottle manufacturer

6. Logoplaste is a very successful company, not only in Portugal but also around the World. Certainly it was not like this since day one. When did you feel the company made the “big leap”?

The big leap was in 1992 when the company started the internationalization

7. What were the main capabilities that allowed the company to make this “big leap”? Human resources, know-how and the in-house philosophy

### 3. Company Strategy

8. What is the impact of the company’s strategy in the day-to-day life of the company?

Permanent HR challenge towards new projects and geographies

9. Does the technical department get involved with the equipment suppliers in terms of sharing the responsibility of success or failure?

No. Logoplaste only buys tested and commercial equipments.

10. Does the technical department get involve with equipment suppliers, creating partnerships in order to get better prices, and better technical support?

After a long period working with several suppliers, Logoplaste as preferred OEM’s which lead to some partnership and benefits.

11. Constant innovation and investment in new technologies is a crucial strategy for the company. Do you perceive this to be more important than the company’s “hole in the wall” approach? What is the impact of innovation in Logoplaste’s success?

Logoplaste uses the latest technologies but does not develop machines.

12. Logoplaste is also widely known for its partnerships with leading companies. In your opinion does the company's technical know-how enable the firm to "generate" these partnerships?

Yes.

13. Do you believe that it is critical for the company to have this continuous innovation?

Yes. This factor is the main driver in new projects and at customer approach.

14. What is the role of the technical department in the process of innovation in the company?

Logoplaste as a R&D department, named ILab. The technical department uses this department services in order to promote innovation.

15. Looking at the company's present technical know-how, the company's know-how evolution along the years. Where do you view the company expertise to be in the next ten years? (meaning will the company continue to need a specialized labor in the coming years?).

It will be spread along the different locations where Logoplaste is opening plants.

#### 4. Business Model

16. The widely known "hole in the wall" approach is Logoplaste most recognizable trademark. How did the technical department help develop this key feature of the company's business model.

This was a concept developed by the founder, Mr. Marcel de Botton. The technical department helped the implementation and optimization through the years. Exporting the concept globally.

17. Being located in the plants of its clients is not the only important feature of Logoplaste's business model. Logoplaste invests in machinery, plant

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equipment and utilities, being responsible for purchasing raw materials, basically creating a fully integrated in the supply chain process. Does this extend the need of the company to have more technical personnel in the client's factories?

No. It's done at the Headquarters.

18. To what extent do you feel your competitors are able to catch up with Logoplaste's technical know-how?

Competitors may attempt to copy the concept but is intrinsic to the company DNA.

19. In your opinion is the firm's technical know-how a main differentiation factor for Logoplaste? (meaning is it very different from the competitors know-how?)

It is a differentiation factor.

20. In Logoplaste an industrial project consists of a number of "task forces" to survey, design, procure, install and commission tailor-made production facilities for the manufacture of plastic packaging. In your opinion, what is the role of the technical department in this industrial project?

The technical department survey and manage this tasks until the plant start-up.

#### 5.The CEO issue

21. It is not usual to see a company with two CEO's, why do you think this is?

They are both shareholders.

22. Do you feel that having two CEO's benefits the company? In what way?

They can manage different business areas.

23. Can you highlight an area where the fact of having two CEO's has a bigger impact?

No.

24. Do you think that having two CEO's could potential generate different ways of analyzing the company from the top? (meaning could this lead way for more innovation and new innovative thinking in the company that it would have with just one CEO?)

It gives management two different approaches leading to a common understanding.

#### 6. Final Considerations

25. How do you feel the company has developed along the years?

Global company and more open to new philosophies.

26. Do you feel that there have been evolutions in the Logoplaste business model? (meaning, has the business model been static or has it evolved?)

It is a dynamic business model. New cultures lead to this.

27. To what extent do you feel that having two CEO's contributed to the evolution of the company?

It gave the company a share responsibility as well as moderation.

Thank you for your time

Miguel V. Pita



### **7.3. Attachment 3 - Interview José Ortigão Ramos**

The following questions are a very important reference in the elaboration of my thesis. This case study thesis is a partial fulfillment of requirements for the degree of MSc in Business Administration, at Universidade Católica Portuguesa, 2011. This thesis has the objective to study Logoplaste in the light of its dynamic capabilities and how they generate sustained competitive advantage over time. The main focus of the study is the importance and relevance of the business model in the success of Logoplaste and also trying to understand the influence of having two CEO's in the company's Board. I would like to thank you, in advanced, for your collaboration with this thesis; your contribution is crucial for the successful elaboration of this work.

Miguel V. Pita

#### 1. Personal Information

1. Name: José Ortigão Ramos
2. Role in the Company: CFO
3. When did you join Logoplaste? About 10 years ago.
4. Education background and working experience before Logoplaste: Graduation in business administration and management (UCP), working for several companies, namely, more than 10 years in a FMCG company

## 2. Company Background

5. How do you see the company right now? Is Logoplaste still an industrial group, manufacturing rigid plastic packaging, or do you perceive the company to be much more than this?

JOR: The aim is to be a service provider, specially, in packaging development, becoming a truly stakeholder for the most relevant FMCG companies

6. Logoplaste is a very successful company, not only in Portugal but also around the World. Certainly it was not like this since day one. When did you feel the company made the “big leap”?

JOR: When it was tested by international projects with very well know and competitive multinationals that pushed Logoplaste to overcome itself.

7. What were the main capabilities that allowed the company to make this leap?

JOR: Focus in operational efficiency, industrial organization, to add value on a continuous way in all the supply chain, building strong and reliable relationship, and at last, making the difference through R&D capabilities and a high service level.

8. Today, Logoplaste manages 60 factories, more than 250 machines, with locations in 17 countries. To what extent do you feel that the internationalization process was a key success factor for the company?

JOR: It was critical! The continuous pressure obliges the company not to accommodate to long-term supply agreements; to be across several geographies allows developing cross-fertilizations.

9. Logoplaste’s mission is “To be the natural choice in the supply of rigid plastic

packaging solutions”. Do you feel that this mission has changed overtime, or was it always the feeling of the firm to take this approach to business?

JOR: We think it’s still updated! Our aim is, when an important client thinks in rigid plastic packaging, he, at least, should ask / invite Logoplaste to bid!

10. Since the beginning of the company back in 1976, the company has been able to secure very important deals, like the ones made with Yoplait and Nestlé. In your opinion, which were the company’s main business landmark deals?

JOR: To anticipate customer needs, not accommodating under a protective long-term supply agreement.

### 3. Company’s Financials

11. How is Logoplaste financial power compared to its competitors? (Meaning does Logoplaste have the budget to directly compete with the big players in the industry?).

JOR: Apart the critical mass due to size, operational ratios are quite good vs our peers; Due to the important double digit growth of the last years, the challenge is to balance a healthy financial position (namely in equity) vs a leverage position without losing important opportunities to become a truly global player

12. All of Logoplaste’s main competitors like Amcor, ALPLA and RPC are publically traded companies; does this bring any advantage for them? (Meaning, is there any competitive advantage gained by your competitors for being publically traded?)

JOR: As always, there are advantages and disadvantages; Logoplaste market capitalization is still low and its critical to have a better size and footprint

13. Does Logoplaste have difficulties finding financial resources for its projects and daily activities due to the fact that it is not a publically traded company?

JOR: No; the international financial market is understanding quite well our intangible assets (management skills, quality and nature of our supply agreements, 1<sup>st</sup> tier and leading companies without / limited financial and commercial risk) and our specific and unique business model

14. Does Logoplaste finance itself in Portugal, or does the company turn to foreign investment banks when facing a new project?

JOR: Since last 2 years, all projects were financed by international banks

15. How much of the company's budget is spent in Research & Development? (Knowing the Logoplaste does not disclose this type of information; a reference to a percentage would be enough.)

JOR: ca. 2% of turnover

16. Was Logoplaste always so focused (in terms of financial effort) in Research & Development, or were there different priorities at some point in time?

JOR: Since a long time, we understand that to make the difference is through applied development not only for new products, but for continuous improvement in all the supply chain

#### 4. Business Model and Financial Success

17. In your opinion, as CFO of Logoplaste, to what extent is the Financial

Structure of the firm adequate to its business model? (Meaning, does having the firm's plants in the client's plants require different types of investment and working capital expenditures? And how does Logoplaste adapt to it?)

JOR: according to our business plan, we are confident we have the financial structure that can support and comply all the alive supply agreements and the organic growth foreseen

18. In your opinion, is Logoplaste a financially successful company? Meaning, did the company manage to generate positive revenues (EBITDA, EBIT) in the last 5 to 10 years?

JOR: Yes, of course

19. Do you believe, that Logoplaste's financial structure provides a differentiation factor when comparing Logoplaste to its competitors?

JOR: What makes the difference is not the financial structure, but: I, to be a focused company; ii. Having a industrial and service culture; iii. To be reliable, working for the most demanding FMCG companies, with all proven technologies, remarkable service level and a high track of renewal success of contracts

#### 5.The CEO issue

20. It is not usual to see a company with two CEO's, why do you think this is?

JOR: Different governance; To have a more fast decision process, totally aligned with the strategy

21. Do you feel that having two CEO's benefits the company? In what way?

JOR: It gives a strong commitment to our stakeholders

22. Can you highlight an area where the fact of having two CEO's has a bigger impact?

JOR: To be closer to the business

23. Do you think that having two CEO's could potential generate different ways of analyzing the company from the top? (Meaning could this lead way for more innovation and new innovative thinking in the company that it would have with just one CEO?)

JOR: yes

## 6. Final Considerations

24. How do you feel the company has financially developed along the years?

JOR:Very well; the growing strategy is being aligned with cash flow generation as well as the capacity to have the confidence of strong and reliable stakeholders (raw material and equipment suppliers, international banks and international companies that wants a player than can follow them for the selected geographies and with proven R&D capabilities)

25. Are there any “Financial Landmarks” that Logoplaste has accomplished, you would like to highlight?

JOR:New ways to finance the growth, without penalizing the balance sheet; Proving our banks that they are assessing operational risk, because financial and commercial risk is up to our clients

26. To what extent do you feel that having two CEO's contributed to the evolution

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of the company?

JOR: Decisive; mainly, in the strategy definition, and in the full commitment with the follow up in key decisions, not losing the customers perspective (very close to customer needs)

Thank you for your time

Miguel V. Pita

#### **7.4. Attachment 4 – Second interview with Duarte Martins**

MVP: When did the idea of applying the presente business modelo of the company appeared? (meaning, to build the plants within the plants of the costumers).

Duarte Martins: The idea began with the need to create something new, that would differentiate Logoplaste from its competitors and helped optimize production. You may find further information at:

[http://logoworld.logoplaste.com/show\\_page.php?EDITION=6&PAGE=4](http://logoworld.logoplaste.com/show_page.php?EDITION=6&PAGE=4)

MVP: How did the business model develop along the years, since the beggining of the business model untill the presente day?

Duarte Martins: There were no big development to the business model itself. Logoplaste came to be more flexible in its approach, namely regarding the lenght of the partnerships as well as considering in-house production in some specific cases (Heinz at the Netherlands and Diageo on the USA), due to specific conditions. But Logoplaste still prefers its original business model and we maintain our founding methodology of work and core values.

## 7.5. Attachment 5 - Logoplaste Today

Today, Logoplaste manages successful partnerships with companies like Arla, with which Logoplaste works in the UK in the production of dairy packaging. In France, Logoplaste works with Candia, a well-known brand in that country. Also in the UK, Logoplaste works with GlaxoSmithKline in the production of soft drinks and sports drinks packaging. Logoplaste works with Capsa (Central Leche Asturiana) in Spain in the production of dairy packaging. Also in Spain, Logoplaste works with Coosur, Grupo Acesur in the production of edible oils packaging. Continuing in the Spanish market, Logoplaste works with Lactalis in the production of dairy packaging. Continuing to look at the Spanish market, Logoplaste works with Sunny Delight Beverage Company in Spain in the production of soft drinks packaging (AD; OI; 2011).

Logoplaste works with Sociedade Central de Cervejas e Bebidas, a part of Heineken Group, in Portugal in the production of water packaging, also with Unicer, a part of Carlsberg, in Portugal in the production of water and soft drinks packaging. Logoplaste works with Refrige (Coca-Cola Producer) in Portugal in the production of soft drinks packaging. Also in Portugal, Logoplaste works with Lactogal in the production of dairy and butter packaging. Nowadays Logoplaste still works with Nestlé in Portugal in the production of plastic caps for soluble coffee glass jars (AD; OI; 2011).

Logoplaste works with Cosan in Brazil in the production of motor oils and lubricants packaging. Also in Brazil, Logoplaste works with DPA (Part of Nestlé) in the production of dairy packaging. Continuing in the Brazilian market, Logoplaste works with Hypermarcas in the production of sweeteners packaging, and with Reckitt Benckiser in the production of household care packaging. Logoplaste works with Ipiranga in the production of motor oils and lubricants packaging, also with Logoplaste works with Itambé in the production of dairy packaging (AD; OI; 2011).

Danone is another partner company for Logoplaste, with operations in Portugal, Spain and Brazil. And in the Netherlands, Logoplaste works with Heinz in the production of ketchup and sauces packaging, for Europe (AD; OI; 2011).

Logoplaste works with Johnson & Johnson in Italy in the production of Listerine personal care packaging, for Europe. Also with the Johnson Company, Logoplaste works in the Ukraine in the production of household care packaging. In Austria, Logoplaste works with Molkerei Seifried in the production of dairy packaging. Logoplaste works with Olma in the Czech Republic in the production of dairy packaging (AD; OI; 2011).

In 2009 Logoplaste expanded its activity with Saputo in Canada, in the production of dairy packaging. Procter and Gamble is one of the major partners of Logoplaste, the company works with Procter & Gamble in Malaysia, Spain, USA and the UK in the production of household care packaging, as well as supporting R&D packaging development. Logoplaste works with Sovena in Portugal, Spain and the USA in the production of edible and olive oils packaging (AD; OI; 2011).

## 7.6. Attachment 6 – Online Info on Logoplaste

Logoplaste is an industrial group, manufacturing rigid plastic packaging for some of the most reputable companies in the world, in the food and beverage, personal care, household care and oil and lubricants sectors.

Founded in 1976, for over 30 years, the company has pioneered in-house manufacturing in Europe and beyond with the "hole in the wall" concept, supplying plastic bottles "just-in-time" from factories installed directly on the site of the client.

Today, Logoplaste manages 60 factories, more than 250 machines, with locations in 17 countries: Angola, Austria, Brazil, Canada, Czech Republic, France, Ireland, Italy, Malaysia, Mexico, Netherlands, Portugal, Russia, Spain, Ukraine, United Kingdom and USA. The most up-to-date technologies in injection molding, stretch-blow molding and extrusion molding are used to produce packages across the wide range of market segments.

Aligning its industrial activity and capabilities to the competencies developed in packaging design, and packaging engineering, under the umbrella of Logoplaste Innovation Lab, the Company's goal is to be the natural choice in the supply of rigid plastic packaging solutions.

### Five Pillars of our Business Model

Focus: One plant, one Partner that's "hole in the wall".

Service: Innovation, Quality and Performance through state- of- the- art technology.

Close to the Customer: Local multi skilled management, with Central functional support.

Investment: A full commitment to install specialized machinery, plant equipment and utilities.

Win-Win Approach: Transparent relationships, create career opportunities and allow us to grow together with our Partners.

### Hole in the Wall

The Concept:

1. A Logoplaste company integrated in the customer's building and infrastructure.

2. Logoplaste invests in machinery, plant equipment and utilities.
3. Purchasing of raw materials.
4. Fully integrated in the supply chain process.
5. Delivering packaging just- in- time according to the customer requirement.
6. Management of the entire packaging production, including employees.
7. Investing for a sustainable medium to long-term partnership.

Differentiation factors of Logoplaste:

1. Product innovation and design.
2. Faster time to market.
3. Reduction of capital expenditure and increase in ROI (return on investment).
4. Shareholder commitment that comes with a family founded business.
5. A business model that reinforces a long-term view of business collaboration.
6. A proven expert in “hole in the wall”.

In Logoplaste an industrial project consists of a number of ”task forces” to survey, design, procure, install and commission tailor-made production facilities for the manufacture of plastic packaging.

Our specialist teams consist of; packaging designers and engineers, industrial project managers and industrial engineers, with a capability to work across a diverse range of projects.

In addition to our central HQ team of experts, each region employs dedicated industrial project managers to support local business needs. Our corporate teams also take responsibility for the preparation of business plans, for new business opportunities and investments, which eventually form the commercial proposals presented by our sales teams.

### 7.7. Attachment 7 – Visit to the iLab – Eng. Hélder Almeida

1. MVP: When was the iLab created?

Hélder Almeida (HA): 8 years ago.

2. MVP: The iLab operates like a separated business unit, what does that mean in practice? Are results evaluated separately?

HA: It operates completely apart from Logoplaste, a project comes in and may not follow to “Logoplaste Industrial”. Besides, we have separate cost centers.

3. MVP: Was the iLab created by strategical option or did Logoplaste feel the need to create it?

HA: Strategical option, leveraging from the name of Logoplaste. It was a great help in the further exploration of the company’s resources. It also facilitates the contact with the cliente and allows for a better cost control from central Logoplaste.

4. MVP: How many employees work at the iLab?

HA: 25 in Portugal.  
4 in Brasil.  
6 at the USA.

5. MVP: In average, how long does each project take?

HA: It completely depends on the project.

6. MVP: What is the importance of the iLab to the Logoplaste business model?

HA: Firstly, it does a lot for the corporate image of Logoplaste and it helps us find the financing we need. Secondly, it is very useful in cativating the possible future clients.

7. MVP: Is there any competitor that has copied this “approach”?

HA: No.

8. MVP: Do you consider consulting firms a competitor to Logoplaste?

HA: Yes, despite the fact that there are not many consulting firms doing these kind of services.

9. MVP: Does the company feel that this is a vital part of the business model? Can we say that this is the “core” of the company?

HA: The iLab is, no doubt, a capital gain. Some of the clients that are our partners come to us just because of the iLab.

10. MVP: “*Próximo do cliente: gestão local multidisciplinar, com apoio de funções centrais.*” (information on the site). Is it from the iLab that these multitask teams come?

HA: Teams are composed of :

1 country-manager

1 financial department

All the iLab (depending on availability), since development is a competency on the iLab.

11. MVP: “*A nossa equipa corporativa central é ainda responsável pela preparação de planos de negócio para novas oportunidades de negócio e investimentos, que eventualmente serão transformados em propostas comerciais a ser apresentadas pela nossa força de vendas.*” (information on the site). Is this team part of the iLab, or is the iLab only R&D and the rest of the process is made by the rest of the company?

HA: No, there are specific team by country.

### 7.8. Attachment 8 – Document Data Base

Number	Name	Description	Type	Date	Local de Armazenamento
1	Jornal de Negócios	NA	OI	29/09/2006	Artigos de Jornais
2	Duarte Martins	I	P	17/03/2011	Entrevistas
3	Morgado	PCS	X	2009	Logoplaste CS
4	Economia	NA	OI	15/08/2009	Artigos de Jornais
5	Angola	AD	OI	25/11/2008	Artigos de Jornais
6	Segunda	NA	OI	16/11/2009	Artigos de Jornais
7	Site Logoplaste	AD	OI	21/03/2011	Site da Logoplaste
8	Ortigão Ramos	I	ER	19/04/2011	Entrevistas
9	Aurélio Fernandes	I	ER	26/04/2011	Entrevistas
10	Comunicação Interna	CR	CR	1/10/98	Suporte Fisico
11	RSM	NA	NA	1/1/94	Suporte Fisico
12	Email Duarte	I	ER	26/04/2011	Entrevistas
13	Visita ao iLab	I	P	26/04/2011	Entrevistas

### 7.9. Attachment 9 – Remake of the Heinz Bottle

The iconic glass bottle...

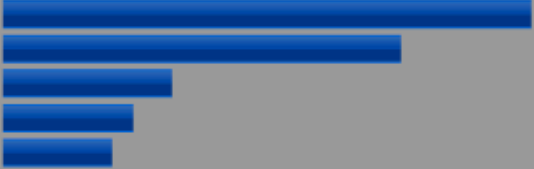


and the brand new plastic bottle...



### 7.10. Attachment 10 – Further Information about Logoplaste’s Competitors

#### ALPLA

<b>Facts</b>	Foundation year:	1955	
	Number of employees:	12,000	
	Production plants:	134 plants in 37 countries	
	Turnover 2010:	EUR 2.56 billion	
<b>Head Office</b>	ALPLA Werke, Alwin Lehner GmbH & Co KG Mockenstraße 34 6971 Hard Austria		
<b>Global Presence</b>	Western Europe:	53 plants	
	Latin America:	40 plants	
	Eastern Europe:	17 plants	
	Asia:	13 plants	
	USA:	11 plants	
<b>Products</b>	bottles, preforms, caps and tubes		

## VISION

### **We create plastic packaging solutions**

to our customers' complete satisfaction.

Our goal is to attain global market and technology leadership.

## STRATEGY

### **We create additional value for our customers**

through long-term partnerships.

We accomplish this by:

- innovative, competitive packaging solutions and state-of-the-art product development processes;
- lean and cost-effective corporate structures, using standardized technologies and processes;
- optimum technology deployment and a strong vertical integration of our technology partners;
- continuous growth with a high share of self-financing;
- flexible supply-chain solutions for optimum customer supply;
- global presence, wherever the customer needs us;
- professional management with regular staff appraisals, emphasizing qualifications and information.

### **In-House Production plants**

With our in-house production plants, we produce bottles directly at our customers' filling lines. More than 60 customers have already opted for in-house production. This enables us to economize greatly on the cost of secondary packaging, deliveries by truck, and fuel, while significantly improving their carbon footprint.

Carbon dioxide emissions can be reduced by cutting down on transport distance or by reducing the frequency of transports as well as by minimizing packaging weight. We prove on a daily basis that cost effectiveness is compatible with environmental responsibility.



## AMCOR

- Amcor is a global leader in responsible global packaging solutions supplying a broad range of plastic (rigid & flexible), fibre, metal and glass packaging products to enhance the products consumers use in everyday life. Amcor also provides packaging related services that help customers succeed through collaboration and innovation driven by art and science.
- \$12.2 billion proforma sales\* (A\$) including Alcan Packaging
- 35,000 employees worldwide
- 72,046 shareholders
- 300+ sites in 43 countries

43 countries 300 with sales of A\$14 billion.

### **Our Businesses**

Amcor Limited's group of companies comprise of six Business Groups. With the acquisition of parts of Alcan Packaging, Amcor now has over 300 sites in 43 countries with sales of A\$14 billion.

Most of these specialise in specific sectors of the packaging market. As one of the world's largest packaging companies, we offer customers the highest standards in innovative packaging solutions, reliable service and partnerships built on excellence.

The main products include PET plastic containers for beverage applications, flexible packaging for the food and healthcare markets, tobacco packaging, corrugated boxes and a North American distribution business.

### **Amcor consists of six operating divisions including:**

Amcor Australasia and Packaging Distribution

Amcor Australasia and Packaging Distribution is a significant and diverse packaging business that includes the fibre, glass and aluminium beverage can businesses in Australia and New Zealand and the distribution and corrugated box manufacturing business in the United States.

Amcor Flexibles Europe & Americas

This Business Group combines the current Amcor Flexibles Food and Flexibles Healthcare businesses with the Alcan Global Pharmaceutical and Food Europe Packaging businesses. The combination of these Flexibles businesses is designed to create an integrated business and to take full advantage of opportunities to deliver outstanding customer solutions to the food, healthcare, home & personal care and industrial markets.

#### Amcor Flexibles Asia Pacific

Amcor Flexibles Asia Pacific produces a range of flexible packaging solutions utilising its broad Asia Pacific footprint. With more than 4,000 people in 20 manufacturing operations in 7 countries, we are the largest Flexible Packaging Manufacturer in the Asia Pacific Region. We also source flexible packaging products manufactured by Amcor's factories in Europe and the Americas. More

#### Amcor Tobacco Packaging

Amcor Tobacco Packaging is a global packaging provider focussed on the tobacco market and speciality packaging. With locations in Europe, the Americas and Asia, Amcor Tobacco Packaging provides a diverse production network, along with innovative product development services and technology.

#### Amcor Rigid Plastics

As the world's largest manufacturer of PET containers, Amcor Rigid Plastics supplies the largest of food and beverage companies. They also count start-ups and those with small volume needs amongst their customers. The addition of the Alcan Packaging Pharma Plastics business to our former PET operations offers the opportunity to accelerate the Business Group strategy of developing growth markets for various types of rigid plastic packaging.

#### AMVIG

With manufacturing plants across Asia, Amcor is a leading supplier of tobacco and flexible packaging in the region. Amcor holds 47.939% of AMVIG, which currently has 19% of the China tobacco packaging market. Although AMVIG is not a wholly owned company of Amcor, there exists significant opportunities for Amcor and AMVIG to mutually benefit from the experience and participation in the global folding cartons for tobacco markets.

#### Other businesses

Other businesses include the Global Glass Tubing business.

## Key Financials

### Year ended 30 June 2010 (All amounts are in Australian dollars)

Business	Sales	PBIT
Flexibles	4,421.8 million	397.1 million
Rigid Plastics	2,577.9 million	212.8 million
Australasia and Packaging Distribution	2,800.2 million	161.2 million
Investments / Other / Intersegment	49.6 million	(11.9) million
<b>TOTAL</b>	<b>9,849.5 million</b>	<b>759.2 million</b>

\* Proforma financial data includes 12 months contribution from the former Alcan Packaging assets. 2010 financial year data includes 5 months contribution from the former Alcan Packaging assets (acquisition became effective on 2nd February 2010).



### About the Sidel Group

With more than 30,000 machines installed in 190 countries, the Sidel Group, headquartered in Switzerland, is one of the world's leaders in beverage packaging solutions: covering water, carbonated soft drinks, milk, sensitive beverages, oils, beer and alcoholic beverages.

Sidel Group has production sites in 13 countries as well as sales and service offices in 30 countries. Around the world, the Group's 4200 employees provide customers with complete bottling solutions, including package design, line engineering, packaging machines and related services.

Innovation and Performance: the sustainable way.

- 990 million euros
- Sales figure on an international market
- 5,151 employees
- Over five continents
- 8 research centers
- Development of packaging technologies
- More than 5,000 complete lines installed
- For glass, plastic bottles and cans
- 20,000 molds produced/year

5,500 bottle plans at 5 production facilities

(Le Havre, France; Atlanta, U.S.; Shanghai, China; Guadalajara, Mexico and Sao Paulo, Brazil)

190 client countries

24 hour service, 7 days a week, close to customers

### **Our Vision**

We commit to being the most innovative, responsive and reliable partner, providing sustainable solutions for the beverage industry.

Sidel is one of the world's leaders in solutions for packaging liquid foods including water, soft drinks, milk, sensitive beverages, edible oil, beer and alcoholic beverages.

### **Turnkey lines**

The Sidel Group designs, manufactures, assembles, supplies and sells complete packaging lines for liquid foods packaged in three main package categories: glass bottles (disposable and returnable), plastic (PET, HDPE and PP) and drink cans.

At Sidel, 5,300 employees supply customers with complete bottling solutions consisting of package design, line engineering, packaging machines and related services. And throughout the life cycle of that line or equipment, Sidel always bears overall investment and operating costs in mind.

### **Focused on innovation**

As a systems supplier, Sidel aims to provide its customers with the solution that offers the best return on investment and the most appropriate response to various expectations of different players in the market including brands, distributors and consumers. The Group mobilizes considerable resources to improve equipment flexibility, maximize efficiency and reduce operating costs.

### **Customers worldwide**

Located in some thirty nations, Sidel works for the biggest names in the international food sector including Coca-Cola, PepsiCo, Danone, Nestlé, Heineken, and more. Its equipment can already be found in 191 countries. Consequently, the Group provides technical assistance 24 hours a day, 7 days a week.

### **Tetra Laval**

Sidel is one of **Tetra Laval's**<sup>1</sup> three industry divisions along with Tetra Pak and DeLaval. Tetra Laval is a private industry group of Swedish origins, now headquartered in Switzerland.



## Plastic Packaging Manufacturers

RPC are Europe's leading plastic packaging manufacturers, serving a wide range of customers with rigid plastic packaging - from the largest European producers of consumer products, to the smaller national businesses. We hold particularly strong positions in the beauty and personal care sectors, the vending and drinking cup markets, the margarine and spreads industry, and in multi-layer sheet and packaging for oxygen sensitive and other food products.

### Principal Activities

RPC is the leading supplier of rigid plastic packaging in Europe, with manufacturing operations in 11 countries of the European Union and in the USA. Our product range spans all forms of rigid packaging in use today, namely injection moulded packs, thermoformed packs, formable sheet, and extrusion blow moulded packs as well as injection-blown and injection-stretch-blown packs. One site: Bramlage Verschlüsse processes natural corks for the Champagne and sparkling wine and spirits industry.

Our plastic manufacturing sites are grouped into clusters. We currently have seven clusters - serving the following markets:

Process	Clusters	Products
■ Blow Moulding	Blow Moulding	Personal care, motor oil, food & drinks, agrichemicals
▲ Injection Moulding	UK Injection Moulding	Paints, DIY products, fresh soups and sauces, vitamins, edible fats, promotional products
▲ Injection Moulding	Bramlage-Wiko	Personal care, pharmaceutical, cosmetics, tablet dispensers & inhaler devices, food, coffee capsules
● Thermoforming	Bebo	Margarine & spreads, fresh / frozen and long shelf life foods, barrier
● Thermoforming	Cobelplast	Phone cards, long shelf-life foods,

form-fill seal lines (sheet products)

- Thermoforming Tedeco-Gizeh Vending & drinking cups, coffee capsules, dairy market, disposable products

### **Strategy**

Our primary objective is to maximise shareholder value and generate attractive long term returns on the capital employed in the business through the manufacture and sale of rigid plastic packaging in Europe.

We focus our efforts on those sections of the industry where we have strong positions: for example, injection moulded personal care packaging, margarine tubs, multi-layer sheet, tubs and bottles for oxygen sensitive foods, single serve coffee systems and containers for surface coatings. In these sectors, we seek to consolidate the industry and to give our customers good service in part by providing innovative high quality packaging.

## 7.11. Attachment 11 – Article Revista Super Market in January 1994

### Actualidade Embalagem

# Uma empresa para cada cliente

Com uma filosofia que os seus responsáveis consideram única no mercado, a Logoplaste produziu cerca de 260 milhões de embalagens alimentares em 1993. A diversificação e a expansão para o exterior constituem agora as novas metas que a empresa se propõe alcançar.

**A**presentando-se desde há duas décadas com um conceito diferente no mercado das embalagens de plástico, a Logoplaste posiciona-se hoje como holding de um grupo de empresas industriais totalmente orientadas para o cliente. Seguindo uma filosofia em que cada cliente é o cliente, aliada a uma enorme flexibilidade de processos de gestão e a um know how altamente especializado, esta empresa tem sabido trilhar o seu caminho em direcção ao sucesso.

Com base nestes princípios, o grupo monta as suas fábricas nas instalações dos futuros utilizadores, aos quais destina a totalidade da produção de cada unidade. Desta forma, a Logoplaste permite que o cliente concentre todas as energias na sua actividade primordial, abstraindo-se dos inconvenientes de uma produção própria mas, oferecendo-lhe todas as vantagens do fabrico in house e just in time.

"Foi Marcel Button quem, no ano de 1975, na sequência dos movimentos sociopolíticos iniciou a criação de unidades exclusivamente viradas para um só cliente. Começou pela Vosotema (produção exclusiva da Yoplait), a que se seguiu a Covermate (da Nestlé) e, a partir de 1980, nasceram mais oito unidades", começa por dizer Francisco Maia Vicente, director-geral da

Logoplaste. Actualmente, o conjunto das empresas integradas na holding produz perto de 260 milhões de embalagens/ano. Saliente-se que desse valor, cerca de um milhão de embalagens são exportadas através da Covermate para a Nestlé francesa. Acresce ainda dizer que para cada garrafa é fornecida (e fabricada) igual quantidade de tampas e cápsulas.

A Fimoplaste foi a última unidade a ser adquirida pelo grupo. O processo de aquisição ficou concluído em Março de 1993 e, daí até Dezembro, aquela unidade atingiu um ritmo produtivo de 45 milhões de embalagens, prevendo Maia Vicente que para o ano de 1994 "podemos chegar aos 85 milhões de embalagens/ano". Na Fimoplaste são produzidas todas as embalagens de margarinas e de óleos alimentares, estando projectada ainda para este ano, a incorporação do fabrico de um copo para gelado e de outro para detergente. Estes quantitativos só são possíveis com investimentos em duas novas máquinas a instalar já no início de 1994.

É claro que a expansão não fica por aqui. Os responsáveis pela holding pretendem continuar a alargar o âmbito da sua actividade numa forma sustentada, não enjairando a procura de empresas fora do ramo alimentar. Sobre este ponto, Maia

Vicente partilha com a administração o rumo da Logoplaste: "O nosso objectivo é, não só manter, como também expandir as nossas actividades dentro do mercado nacional, e aí cimentar a nossa posição. Mas ambicionamos ultrapassar as fronteiras e internacionalizarmos o grupo, o que, creio, poderá acontecer este ano". Na mira dos responsáveis do grupo não está o mercado francês mas sim, por certo, o espanhol.

#### Organização

No que concerne ao índice de crescimento, o director geral do grupo afirma que "até final de 1993, o desenvolvimento efectuou-se de forma positiva e harmoniosa sem esquecer que houve momentos de evolução exponencial. Por força do nosso modo de trabalhar, praticamente em nenhuma das nossas unidades existe produto acabado e o nosso cliente só recebe as que vai aplicar de imediato na sua produção. É a prática do just in time", relembra Maia Vicente.

A concentração de unidades produtivas (todas pertencentes ao sector alimentar) em redor de uma holding tem benefícios, momento no que respeito à aquisição de matérias-primas. Neste ponto este responsável está de acordo quando afirma que "temos de procurar todas as sinergias e uma das vantagens do grupo é ser

## Actualidade Embalagem

ber usá-las. Seria um absurdo da nossa parte fazermos a compra de matérias-primas para cada uma das unidades isoladamente. O grupo possui um serviço centralizado de purchasing e a partir dos planos de produção, desenhamos um plano de compras para todas as unidades, efectuando depois a distribuição de acordo com os consumos previstos por cada uma”.

Entre as matérias primas transformadas contam-se o PVC, o PET, o ABS, o polietileno, o poliestireno e o polipropileno. “É na transformação destes materiais, todas destinadas a embalagens de produtos alimentares que a Logoplaste constrói e reforça a sua missão”, salienta Maia Vicente.

Se no caso de uma empresa isolada, a quantidade de maquinaria essencial para a produção de embalagens pode ser apreciável, facilmente se depreende que ao transportar esta ideia para um conjunto de empresas estamos perante um extenso parque de máquinas que é necessário instalar, operar e manter. Experimentado neste tipo de situações, Maia Vicente explica como funciona: “Em termos de instalação, todas funcionam de forma semelhante, ou seja, o cliente cede as instalações (a imóvel) e a Logoplaste instala a maquinaria e coloca o pessoal, excepção feita à Castelpac e à Fima-plaste. No caso das duas empresas referidas, eram unidades que os clientes estavam a desenvolver e a explorar mas, porque a sua missão não era transformar plásticos, dada a

know how requerido, fomos propostos a sua aquisição, mantendo a Logoplaste, em ambos os casos, a pessoal”. Sobre estas aquisições, este profissional expressa a sua opinião: “Pensa que essas empresas tomaram uma posição correcta; se pertencem ao sector alimentar, a sua função é produzir alimentos. A nossa é saber fazer embalagens, por isso essas unidades foram entregues a quem tem o know how para melhor desempenhar esse trabalho”. As 10

através de um departamento directamente ligado à Logoplaste, que efectua o que se designa por manutenção preventiva. Este conceito envolve a deslocação a cada unidade de um grupo de técnicos que diagnosticam antecipadamente o tipo de intervenção que será necessário efectuar nas máquinas e estabelece, com o director de fábrica, um plano de execução. A outra forma é a designada manutenção de SOS que é efectuada pelas equipas colocadas nas fá-



Embalagens produzidas pelas empresas associadas à Logoplaste

empresas do grupo Logoplaste compreendem um universo de 80 máquinas instaladas e 190 funcionários. Todas as unidades laborem 24 horas por dia e no período de Maio a Setembro, época onde está concentrada 70% da produção, grande parte trabalha 30 dias/mês.

Os períodos de baixa produção são aproveitados para se efectuarem as mais importantes operações de manutenção de máquinas e moldes. A manutenção de todo o parque é assegurada de duas formas:

bricas. “Mas também temos os nossos problemas de organização que nos esforçamos por minimizar. São essencialmente problemas ligados à dispersão geográfica”. É aqui que joga um papel fundamental a equipa dirigida por Francisco Maia Vicente que todas as semanas se desloca para de perto gerir e fazer sentir a todo o pessoal das empresas que afinal estão bem junto do centro de decisão. “Os funcionários são para nós, o ponto chave do êxito do nosso processo. Não os esqueceremos estijam ➤

## Actualidade Embalagem

onde estiverem. Procuramos sempre mantê-las motivados já que é a partir dessa motivação que se cria a disponibilidade para um sistema de evolução continuado. Procedemos a acções sistemáticas de formação em vários domínios, de que são exemplo a comunicação, a manutenção e a qualidade". E por falar em qualidade relembra ainda Maia Vicente, "está em curso neste momento a certificação das empresas do grupo Logoplaste, um trabalho colossal, onde a participação de todos é exigida mas, onde todos saíram beneficiados. Para nós, a centralização do conhecimento é inimiga do desenvolvimento".

### Diferenciação

Em relação às outras empresas do sector, a Logoplaste apresenta uma diferença fundamental: a de ser uma empresa única e exclusivamente virada para o cliente. "Podemos, sem margem para dúvidas, afirmar que somos praticamente os únicos com esta filosofia de trabalho: um cliente, uma fábrica". É lógico que existe um sistema de comunicação cliente/Logoplaste, onde o conteúdo da mensagem é sempre bem interpretado por ambas as partes. Privilegiamos o desenvolvimento desta comunicação que não fica só ao nível do cliente. Existe igual procedimento com os fornecedores quer de matérias primas, quer de equipamentos. Nas reuniões mensais com os clientes, analisamos as vendas, participamos no design e desenvolvimento dos novos produtos. Em suma, existe uma colaboração muito estreita, uma simbiose entre o cliente e a Logoplaste de forma a não sermos duas entidades mas sim, uma só. É isso que nos distingue de todos outros transformadores. Cada unidade é uma unidade à medida de cada cliente", resume Maia Vicente. "É aquilo que se pode chamar de casamento perfeito, se me é permitida a imagem", diz ainda. É a partir da comunicação que se eliminam os problemas.

E os números atestam-no. O

exemplo: em 1992 tivemos duas embalagens recusadas no Covermate. Dias... em oito milhões (!!). Em 1993 não tivemos nenhuma. Pensa que isto é significativo e reflecte duma forma clara e inequívoca a importância que atribuímos à qualidade.

E por tudo isto que este responsável considera a embalagem como o primeiro cartão de visita de um produto, aquilo que leva muitas vezes o consumidor a decidir-se (ou não) pela compra. "Para a Logoplaste é extremamente gratificante saber que o que faz, faz bem. Esse é o primeiro serviço que estamos a prestar ao cliente. É é dentro dessa perspectiva que colocamos o nosso logotipo nas embalagens produzidas. Queremos que a ele esteja associada uma imagem de seriedade, de idoneidade, de confiança e de qualidade. E uma vez que a qualidade de marca está associada à qualidade do produto, é nossa prerrogativa que toda a embalagem por nós fabricada esteja dentro dos especificações exigidas e acordadas com os clientes".

### A embalagem e o ambiente

A questão da poluição ambiental causada pelas embalagens de plástico e a necessidade da sua reciclagem são dois aspectos que assumem de dia para dia importância sempre crescente. Se por um lado são os consumidores a ficarem mais alertados com a degradação do meio onde vivem, por outro, a CE tem apresentado propostas de directivas, sobre as quais ainda não se chegou a um consenso entre todos os parceiros. Um das «pontas quentes» é a recuperação do vasilhame e aí a Distribuição joga um papel funda-

**LOGOPLASTE**  
Consultores Técnicos, S.A.



Unidades fabrica associadas

mental. Para isso, ao nível da Associação Portuguesa de Indústrias de Plásticos (APIP) foi criado o GIR (Grupo Intersectorial de Reciclagem) do qual a Logoplaste é fundador e ao qual «dá» o presidente, Marcel Botton. "De uma forma geral e ao contrário do que se passa em países europeus, os consumidores ainda não estão sensibilizados para o grave problema que estão a causar quando descartam uma embalagem. É neste ponto que a Distribuição tem uma palavra a dizer no sentido de criar sistemas de recuperação do vasilhame, uma vez que a tecnologia actual permite recuperar os plásticos. Obviamente que não se recicla um gamão de cinco litros em PVC para

## Actualidade Embalagem

água noutra para o mesmo fim. Mas é possível recuperar praticamente todo o material no sentido de ser transformado para utilizações diversas.

"Não nos esqueçamos que a poluição causada pelas embalagens plásticas assume já proporções tão elevadas que alguns países comunitários e outros que o pretendem ser (como é o caso da Suíça, Suécia e Áustria), aplicam já «taxas de reciclagem» sobre a quantidade produzida a todas as empresas de embalagem", diz Maia Vicente que, sem deter, afirma: "Qualquer país que se abalance num projecto de reciclagem, está obrigado a grandes investimentos.

Por isso, acredito que essas taxas não são uma condenação dos plásticos, mas sim, uma forma encontrada pelos países para financiar

o desenvolvimento da investigação na reciclagem. Existe já uma directiva que vai obrigar as empresas a incorporar 10% de matéria reciclada nas suas produções. Se atentarmos no decréscimo da embalagem de vidro em relação à de plástico, rapidamente concluímos que as empresas não possuem grandes alternativas em termos de materiais para acondicionar os produtos".

Também aqui e contrariamente à imagem que a opinião pública tem dos plásticos, Maia Vicente acredita que este é um dos materiais menos poluente para o ambiente porque é quase totalmente reciclável.

"O que se adivinha como crucial, é o seguinte: a sensibilização dos consumidores para este ponto fundamental (o da reciclagem). Assim que a população «assimile» este conceito

e começa ela própria a separar os seus detritos, jogando também aqui os autarquias um papel-chave à semelhança do que já fazem em relação ao papel e ao vidro, não tenho dúvidas em pensar que a plástico passará a ser visto não só como a embalagem do Século XX, mas também do Século XXI".

Maia Vicente aponta uma das soluções possíveis: "A sensibilização tem de começar nas escolas, junto das crianças mais jovens.

Se uma criança da tenra idade chegar junto dos pais e fizer sentir-lhes que devem encarar de outra forma a eliminação das embalagens, creio que a mensagem atingirá de forma precisa os seus objectivos. As crianças são presenceras das atitudes dos adultos.

São elas que fazem o futuro" ♦

## A importância da embalagem

Alguns produtos que nos habituamos a ver embalados eram vendidos avulsos (a manteiga, o azeite, a frita de exemplar). "Quantas vezes vimos os nossos avós utilizarem uma folha de couve para levar figos ou uma folha de jornal para embrulhar peixe fresco", diz o director-geral da Logoplaste. Mas, o conceito de embalagem evoluiu. Nos anos 50, com o advento do design industrial - de que o principal mentor foi Raymond Loewy - e a partir do momento em que a oferta começou a ser maior que a procura, as empresas tiveram a percepção de que valia a pena apostar nas embalagens, de modo a tornar mais apelativo o produto. Contudo, os esforços do marketing estavam ainda centrados no produto e nas suas características, menosprezando a embalagem e o marca.

É na década seguinte que a embalagem começa a deter um peso importante sobre o próprio produto. É a embalagem que vende. Tornouse, simultaneamente, o motor da venda do produto e mais um elemento do marketing mix, para além da publicidade e do preço. "Hoje consomem-se sobretudo, imagens, por serem mais facilmente assimiladas do que as sons" e uma vez que as soluções tecnológicas tornaram os processos de escolha mais complexos, caminhamos para situações em que está mais dificultada essa mesma escolha, dada a grande semelhança entre os produtos (e as respectivas embalagens).

Mas, aqui, como em outros campos, os conhecimentos dos consumidores estão a aumentar. "O consumidor compreende melhor o que são os plásticos. Sabe que podem ser reciclados, sabe o que é resistência mecânica, o que é absorção de raios solares e, mais importante, quais são as matérias-primas que conferem esta ou aquela propriedade", elucida a nossa interlocutor. É por isso que ao nível das águas, por exemplo, as empresas do grupo Logoplaste utilizam o PVC bio-orientado que apresenta uma estrutura completamente diferente da de produtos de outros fabricantes. Sempre a qualidade como premissa fundamental.

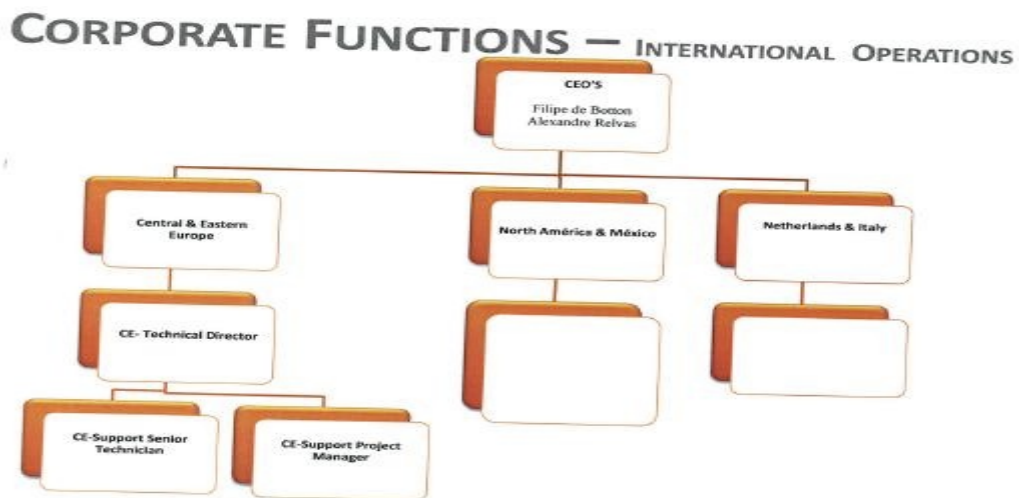
A maior sofisticação dos consumidores coloca a indústria perante novos desafios, levando-a a estar up-to-date em relação às inovações, nomeadamente no que concerne à grande preocupação do nosso tempo: a reciclagem. É por isso que Maia Vicente afirma que "a qualidade, não sendo uma estratégia, é um vector importante ao serviço da empresa. A meu ver, a integração da vertente ambiental, será por certo e no futuro a curto prazo, o maior factor de diferenciação. Quero com isto dizer - sobretudo ao nível da embalagem - que é necessário efectuar uma permanente análise de valor, de modo a diminuir a quantidade de matéria-prima utilizada, recorrer à reciclagem, efectuar poupanças de energia. Porque se pudermos fabricar uma embalagem com 28 gr em vez de 30 gr, por exemplo, estamos a poupar 2 gr que neste momento são lançadas na lixa, que obrigam a consumos energéticos e a um maior dispêndio de custos".

## 7.12 Attachment 12 – Company Organograms

### The Board



### International Corporate Structure



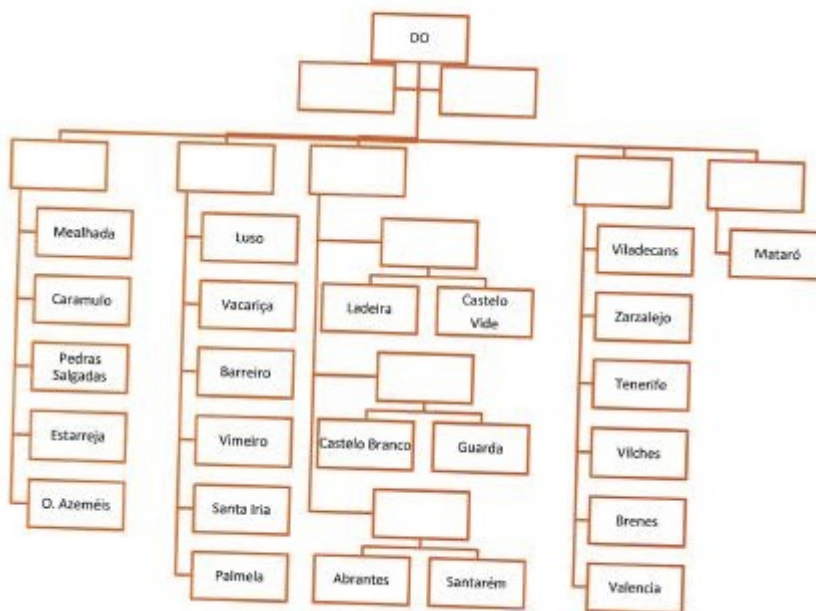
The Corporate Functions Structure

# CORPORATE FUNCTIONS



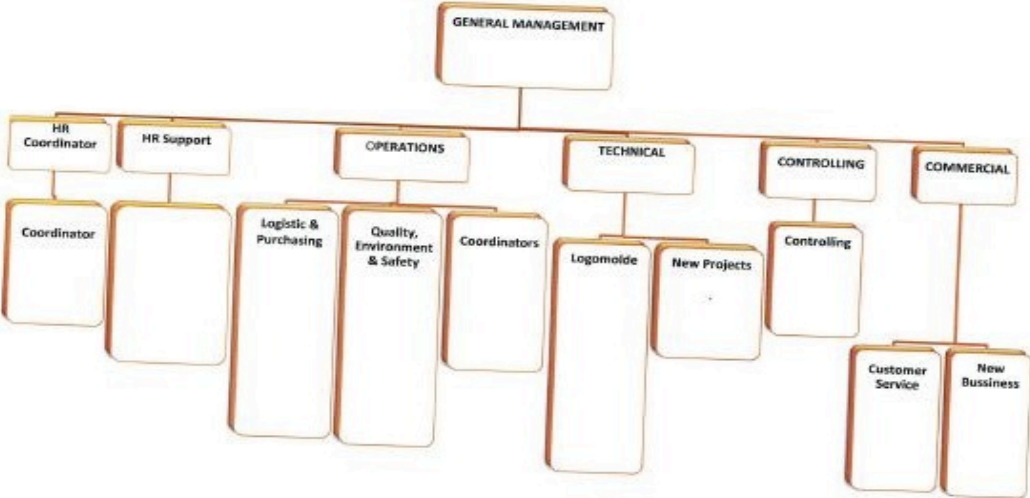
Iberian Operations Structure

# IBERIA OPERATION



Portuguese Operations Structure

# PORTUGAL OPERATION



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