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# ENTREPRENEURSHIP AND INNOVATION: THE CASE OF A POPULAR MEDICAL CLINIC

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#### abstract

Income inequality in the Northeast region, coupled with a growing demand for health services caused by the increase in life expectancy of Brazilians, has been providing business opportunities, in view of SUS's inability to serve all those who need some type of health care. attendance. The popular medical clinic has become a relevant alternative to assist people with difficulties in accessing SUS and who do not have health plans. The objective is to verify how the business developed, as well as the results achieved. It is a qualitative research, using the structured interview with open questions as a data collection technique. The interviewee is the owner of the clinic who answered the questions spontaneously.

Key words: Popular Medical Clinic; Entrepreneurship; Business Opportunity.

## **1. INTRODUCTION**

There are several studies on entrepreneurship in the scientific community, this interest is mainly due to the contribution that new businesses bring to economic development, mainly from the community in which they operate (SCHMIDT; BOHNENBERGER, 2009). Entrepreneurship was born when man used his creativity to improve his relationships with others and with nature (DOLABELA, 2015), and has its roots in economics, sociology and behavioral sciences, being a process that progresses over time through distinct phases, but closely related (BARON; SHANE, 2007). In this sense, there is the entrepreneur as the individual who acts when faced with an opportunity, taking calculated risks, creating products and services that will bring financial benefits, that is, profit (HISRICH; PETERS; SHEPHERD, 2014; DORNELAS, 2018).

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The economic crisis of the last few years has caused a reduction in the financial conditions of the population, causing many people to abandon their health plans. According to Marinho (2017), from 2014 to 2016, there was a decrease of approximately 5% of the beneficiaries of health plans. Many entrepreneurs saw this as a business opportunity, offering medical services at low cost, called "Clinicas Médicas Populares". However, there are few studies that analyze this phenomenon, using the Scielo database, referring to articles published in Brazil and using the terms "popular medical clinics" or "popular clinics", no publications were found, which confirms the gap in this topic.

This study aims to analyze the formation of a popular medical clinic from the perspective of its founder. Which brings us to the following question: how did the process of implantation and operation of a popular medical clinic occur?

To answer the problem, the objective is to interview the entrepreneur who owns the clinic, in order to verify how the business development occurred, as well as the results achieved. The study is justified by the importance of the theme of entrepreneurship in the country's development. For Chaves Júnior, Barbosa and Cavalcanti (2014, p. 231) "the growing interest in entrepreneurship stems from the fact of its proven relationship with economic growth". In addition, there are few works related to the topic "Popular Medical Clinic", in view of the recent business model. Therefore, we hope to contribute to the theme by bringing information about this type of enterprise.

#### 2. ENTREPRENEURSHIP

AccordingShane and Venkataraman (2000), conceptual studies on entrepreneurship have focused on who the entrepreneur is and what he does, disregardingthat entrepreneurship involves the nexus of two phenomena: the presence of lucrative opportunities and the presence of entrepreneurial individuals. In the same sense, for Baron and Shane (2007), entrepreneurship is a process that starts with an innovative idea of a new product or service, but if the idea does not become a business, it is not entrepreneurship, it would just be the use of creativity. In other words, entrepreneurship involves creativity with the profitability of the idealized product or service. For Dolabela (2008), entrepreneurship does not refer only to individuals, but to communities, regions and countries, due to the ability to contribute to economic and social development. It can be defined as the transformation of ideas into opportunities, through the involvement of people and processes (DORNELAS, 2018). It is the action of carrying out the

entrepreneurial mindset, which is the ability to perceive the need for changes and to act even under uncertainty (HISRICH; PETERS; SHEPHERD, 2014).

According Gezer and Cardoso (2015, p. 45), the

Entrepreneurship is also related to the development of economies around the world, and it has been used in some economic theories, while from this phenomenon, innovation, human capital development and, consequently, economic growth have been contacted.

Entrepreneurship is an essential element for economic progress, as it manifests its fundamental importance in different ways: a) identifying, evaluating and exploring business opportunities; b) creating new companies and / or renovating existing ones, making them more dynamic; and c) boosting the economy through innovation, competence, job creation and, in general, improving the well-being of society (CUERVO; RIBEIRO; ROIG, 2007).

For Baggio and Baggio (2015, p. 26), "the entrepreneurship is the awakening of the individual to make full use of his rational and intuitive potential". In this sense the entrepreneurship collaborates for the development of the individual, promoting self-realization, being fundamental for the continuity of companies in the midst of competitions, besides being a solution for the generation of income and jobs, which governments are unable to solve (SANTOS et al, 2016).

According to Cuervo, Ribeiro and Roig (2007) the entrepreneurship is often discussed under the following aspects:

- Entrepreneurial factor a new factor of production that is different from the classic ideas of land, labor and capital, which must be explained via remuneration through income for the entrepreneur.
- Entrepreneurial function refers to the discovery and exploitation of opportunities or the creation of companies;
- Entrepreneurial initiative the ability to innovate to create a new combination. •
- Entrepreneurial behavior covers the concepts of creation, risk-taking, renewal • or innovation within or outside an existing organization
- Entrepreneurial spirit emphasizes exploration, search and innovation, as opposed to exploring business opportunities belonging to managers.

The an entrepreneur is an individual who seeks to start a new enterprise in search of change as an opportunity, accepting risks and the possibility of failure. He uses his creativity to transform the environment in which he is inserted, with new attitudes and purposes and the use of available resources (BAGGIO; BAGGIO, 2015). Entrepreneurs incorporate the culture and habits of their region in the creation of their companies, being influenced by local needs and behaviors (FILLION, 1999). For Dolabela (2015, p. 33), "an entrepreneur is someone who causes changes through innovation, producing positive value for the community".

According to Leite and Oliveira (2007), there is entrepreneurship where business is created due to a lack of alternatives, that is, by necessity, and there is entrepreneurship when a profitable business opportunity is discovered, in this case, by opportunity.

#### **3. ENTREPRENEURIAL OPPORTUNITY**

The entrepreneurial opportunity arises from a satisfactory situation that allows the creation of something that can generate benefits, contributing to the improvement of the individual's situation at a given moment, constituting an expressive variable to explain the creation of new businesses (ASSUNÇÃO; QUEIROZ; COSTA, 2017). These are situations in which new products or services can be introduced and sold at a value greater than their cost (HISRICH; PETERS; SHEPHERD, 2014).

In the same vein, Eckhardt and Shane (2003)define entrepreneurial opportunities as situations in which new goods, services, raw materials, markets and methods of organization can be introduced through the formation of new relations of means, ends or means-ends. Thus, the entrepreneurial activity begins when there is an opportunity that has the capacity to produce profit and that is desirable for the society in which it operates.(BARON; SHANE, 2007). Therefore, the belief that an enterprise enables a valuable opportunity, makes the entrepreneur take risks in this new business (KIRZNER, 2012).

In Figure 1, Baron and Shane (2007), demonstrate the convergence of factors that contribute to an interesting business opportunity. Opportunities occur according to a complex process of changes in knowledge, technology or economic, social and political conditions.

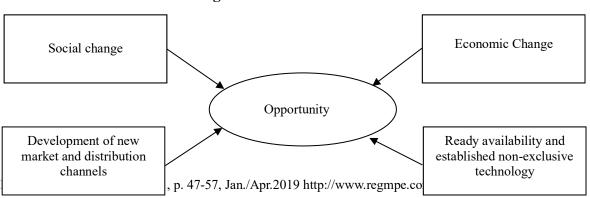


Figure 1 - Confluence of factors

Source: authors, adapted from Baron and Shane (2007).

For Dornelas (2018), any opportunity should be evaluated, at least, in the following aspects:

- a) Which market will you serve?
- b) What financial return will it bring?
- c) What are the competitive advantages?
- d) Which team will turn the opportunity into a business?
- e) What is the entrepreneur's commitment to the business?

These questions serve to identify whether the opportunity offers the minimum conditions for its implementation. In this sense, having a creative idea to create a business is the first step, knowing how to assess whether that idea is viable is an equally fundamental process (LEITE; OLIVEIRA, 2007).

While there may be a business profit opportunity, an individual can make that profit only if he recognizes that the opportunity exists and has value. Two factors contribute to the discovery of the opportunity: the possession of the necessary prior information to identify an opportunity and the cognitive properties necessary to value it. While finding an opportunity is a necessary condition for entrepreneurship, it is not enough. Upon discovering an opportunity, a potential entrepreneur must decide to explore the opportunity. The decision to explore an opportunity involves weighing the value of the opportunity against the costs to generate that value and the costs to generate value in other ways (SHANE; VENKATARAMAN, 2000).

#### **4. POPULAR MEDICAL CLINICS**

According to Vieira (2003, p. 105), "in order to innovate it is necessary to change and to change it is necessary to innovate". Popular clinics have emerged to supply a niche market that faces difficulties in attending the public network, and does not have resources for attending the private network.

The Federal Council of Medicine (2017) defines medical clinics, including popular ones, as "medical companies [...] that carry out medical consultations, exams or medical-surgical procedures of short institutional duration, privately or by private agreements".

The emergence of popular medical clinics is related to the demand for health services not served by the public network, contributing to a repressed demand for this type of care (GODOY, 2019). In addition, health care, as well as the provision of services in the area, is one of the current concerns, mainly due to the aging of the population (HISRICH; PETERS; SHEPHERD, 2014).

The relationship between low investment, high profitability, growing demand and the use of low-cost medical devices allows the expansion of popular medical clinics in the country (GODOY, 2019). In addition, the medical fees charged by the clinic, far from the prices of services, made this type of company known as "popular prices" (GODOY, 2019).

#### **5. METHODOLOGY**

The research is qualitative in its approach, considering that man differs from objects and his study must consider human life as an interactive and interpretive activity. A case study, considering that the interest in research is concentrated in a unique situation(OLIVEIRA, 2008).

As a data collection technique, a structured, open interview was used, which uses a predetermined script, allowing a comparison between responses (COOPER; SCHINDLER, 2016). Being carried out in person with the owner of the establishment, which we will now refer to as "entrepreneur".

The interview took place at the establishment object of the study in the year 2018. Ethical issues were respected, in accordance with resolution 466/12, of the National Health Council, with the delivery and explanation of the Terms of Free Consent - TCL, explaining the research content as well as its objectives, in addition to requesting recordings of applied interviews.

#### 6. DATA ANALYSIS AND DISCUSSION

A business opportunity represents a possibility for the entrepreneur to satisfy a sufficiently large need, which results in sales and profits (HISRICH; PETERS; SHEPHERD, 2014). At the first question of the interview with the entrepreneur, he was asked about the perceived opportunity for the opening of Clínica Popular. For the interviewee,

The need to assist people who do not have health insurance and could not afford to pay for a highvalue medical consultation allowed to design a model that was accessible to everyone and especially classes C, D and E, from then on I was able to develop a project that not only offered an alternative,

but also sought to meet the needs of the most needy population, according to their possibilities, without failing to obtain profits for the development of this enterprise (ENTREPRENEUR).

One of the characteristics of a successful entrepreneur is the creation of value for society,

seeking to improve people's living conditions (DORNELAS, 2018).

In question number two, it was asked about the difficulties faced by the entrepreneur in achieving the new venture, the interviewee replied that:

The way advertising of the enterprise would be carried out, since at the time we were newcomers to the health segment, with this the need to explain a new concept to the market, mainly about quality and costs, how to know the target audience and spread this service in the medical world, a difficult task for that moment, but with great effort and with the right strategies we managed to obtain good results (ENTREPRENEUR).

In the continuation of the interview, in question three, it was asked about the receptivity on the part of society, regarding this business model, the entrepreneur replied that,

In the beginning, the biggest difficulty was spreading the concept and explaining to the public that there was a doctor available at low prices, that they could afford it, and that popular care could also offer quality, it was not just another clinic with cheap services that did not meet their expectations, as the public service (ENTREPRENEUR).

According to Dornelas (2018), the entrepreneur to be successful must, among other characteristics, be determined, dedicated and passionate about what he does, the answer to question three presents these characteristics.

Question number four asked about the viability of the project, considering its characteristics aimed at the less favored classes. For Dornelas (2018, p. 57), "it is important to make a careful analysis of the real possibilities of economic return of the enterprise [...]". The entrepreneur replied that,

The project requires a lot of financial study, since the margins are low and the volume of sales is decisive to guarantee the success of the model. In other words, selling cheap to many people is the business's recipe and exactly using these molds we are managing to extend this enterprise more and more (ENTREPRENEUR).

I participated effectively in the elaboration of the strategic plan to be able to attract the doctors who would provide the services to our customers, the necessary partnerships as suppliers, marketing plan in order to expose the services and conquer our target audience, later I carried out together with all my team budgets and investment evaluation. In other words, the formation of the entire structure of the enterprise, involving all participating agents, initially myself as an entrepreneur, society, employees, suppliers, and customers, who have a main role in the entire project (ENTREPRENEUR).

It was asked about the strategies for winning and retaining new users, considering that it is an enterprise with innovative characteristics. The entrepreneur in response to question five, stated that,

The main strategies used to win and retain any customer have a lot to do with their needs and satisfaction, on the part of the purchased product or service. In view of this, the company has been

concerned in the past during its implementation period, as well as continuing with the constant research as to the quality of its services and the needs of our customers, to meet their expectations, in order to offer benefits such as, quality, accessibility, reliable diagnosis and charming service, where in our research they were pointed out as their main interests (ENTREPRENEURSHIP) ).

The entrepreneur has the characteristic of articulating resources and organizing people's work (DOLABELA, 2015). In this sense, question six was asked about the acceptability and convincing of health professionals to work in this model of popular clinic care. The entrepreneur replied that,

Strategies were used as persuasion in order to present a safe project that offered quality in the services provided, a social project that today is something important for many professional classes and especially for the medical class, since this is committed to the dedication to health and the lives of their patients and the volume of patients, so that they could obtain a financial return (ENTREPRENEUR).

Regarding question seven, it was asked how much to satisfy the needs of users who used

the services of the medical clinic, the entrepreneur alluded that,

Not only do I believe, as according to our research carried out after the calls through our marketing sector, we have positive and quite satisfactory results in terms of meeting your needs, and as to how all this happens, I can say that after the implementation of a project from Popular Clinics that seek excellence, they now have access to a quality health system, with an affordable cost differential (ENTREPRENEUR).

Finally, in question eight, he was asked about his opinion regarding the dissemination of popular clinics, in which he replied:

I believe that it presents important positivity and acceptance, since the growth of this model is continuous and fast, showing that the population has approved this business model, considering that the enterprise gathers advantages, benefits, and trust, through the quality of its services and affordable costs, in addition to witnessing the development of the project through the considerable growth in the number of popular clinics in the city (ENTREPRENEUR).

For Santos et al (2016, p. 66), "it is the entrepreneurial spirit that motivates people to open their own business and do new things. The entrepreneurial spirit is one of the essential factors to increase the country's wealth and improve the living conditions of its citizens.

## 7. FINAL CONSIDERATIONS

The health care segment has undergone numerous changes in recent years. New regulations made health plans more expensive and public management did not offer major advances or improvements to the single health system. With this, a new product called popular assistance emerged, where it came to offer immediate services at lower costs, conquering a needy part of society and expanding in the market as a new alternative in the search for health.

This work aimed to answer the question of the research of how the process of implanting and operating a popular medical clinic took place. It was found, mainly, that:

a) The implementation started from an idea that aims to occupy a market opportunity.

- b) It carried out strategic planning, including the participation of interested people.
- c) Prepared studies of the economic viability assessment of the enterprise.
- d) Monitored the business through an internal satisfaction survey.

The question of the work was answered and as a suggestion for new research we can indicate: a survey on the satisfaction of users of popular clinics; and, the perception of healthcare employees about the model implemented.

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