

Editorial

Dear Readers,

I am proud to introduce the first edition of Brazilian Administration Review in its seventh year.

Throughout 2009 we achieved some very important results, especially the incorporation of the BAR into the Scielo collection. Perhaps as a result of this, the number of articles submitted to our journal increased significantly, and not only in terms of numbers but also in terms of quality and degree of internationalization. We are working to maintain this momentum and broaden the geographical scope of our readers and see a more widespread citation of our articles.

This first article of this edition is a text by Richard Saito and Alexandre Di Miceli da Silveira entitled **The Relevance of Tag along Rights and Identity of Controlling Shareholders for the Price Spreads between Dual-Class Shares: the Brazilian Case**. Richard and Alexandre analyze the determinants of the differential pricing of equity classes in Brazil from 1995 to 2006, focusing on two corporate governance aspects: i) the granting of tag along rights, a mandatory bid rule that extends to minority shareholders the right to sell their shares in case of a control transfer; and ii) the identity of the controlling shareholders, with an emphasis on family control. Overall, their “results indicate that regulations regarding shareholders’ rights and the identity of controlling shareholders are the two relevant corporate governance variables for DCP level in environments characterized by concentrated ownership structures”.

This is followed by an article entitled **Make or Buy in a Mature Industry? Models of Client-supplier Relationships under TCT and RBV Perspectives** by Manuel Portugal Ferreira and Fernando A. Ribeiro Serra presenting the transaction cost theory and the resource-based view to discuss three propositions on client-supplier relationships modelling in mature industries through the case study of three Portuguese packaging firms. “The client-supplier models adopted by these firms are based on efficient, stable and trustworthy relationships that permit them to focus on their core competences and reduce transaction costs. The superior performance of firms requires a proper alignment of hierarchical and relational governance, taking the dimensions of their transactions into consideration”.

Next comes Valter Afonso Vieira’s paper named **Antecedents and Consequences of Market Orientation: a Brazilian Meta-Analysis and an International Mega-Analysis**. Valter argues that “the growing number of academic studies on market orientation and the mixed findings they have reported complicate the efforts among managers and academics to identify the real antecedents and outcomes of this construct”. Through meta-analysis, aggregating a large sample, this paper suggests that the relationship between market orientation and business performance is positive and strong.

The fourth paper in this edition is entitled **The Role of Experiential Knowledge and Subsequent Investment Decisions on the Profitability of Japanese Companies in Brazil**. In this work, Mário Henrique Ogasavara examines how firms’ experiential knowledge and the decision to invest sequentially in the host country are associated with the performance of their overseas subsidiaries. He shows that experiential knowledge is positively associated with subsidiary profitability and comments that the benefit of learning from international markets suggests that operating in countries with a similar culture transforms their experience into a competitive advantage.

The next paper is named **The Influence of Coordination Mechanisms on New Product Development in MNC Subsidiaries**. Its author, Dirk Michael Boehe, investigates the relationship between MNC’s coordination mechanisms and subsidiary new product development [NPD] activities, focusing on two coordination mechanisms, internal markets and global decision-making autonomy, and argues that both mechanisms are likely to increase a subsidiary’s exposure to market forces.

Finally, T. Diana L. van Aduard de Macedo-Soares and Adriana Maria Gutierrez Schubsy present their **Contribution of Expatriates in the Management of Subsidiaries to the Corporate Governance of**

International Firms: the Case of Vale. Diana and Adriana present the results of a study of a leading Brazilian international firm that investigated this question from a network perspective, “with a view to narrowing this gap”. Their results suggest that expatriates can contribute to the success of corporate governance, especially through informal elements related to social mechanisms of governance.

Have a nice year and good reading!

Rogério H. Quintella
Chief Editor