

**THE BOUNDEDNESS OF INNOVATION CAPABILITIES AND THE NEED OF  
COMPLEMENTARITY FOR AGRIBUSINESS FIRMS**

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#### **Introdução**

This paper proposes a theoretical approach, the micro-dynamics of complementarity, as a way to overcome the bounded innovation capabilities of agribusiness firms. Innovation in the agribusiness sector has been passed through a paradigm shift with a focus on the value chain and on the relationships between firms, such as commercialization and cooperation. The inherent features of agribusiness value chains induce different forms of innovation that require distinct approaches, as the innovation capabilities one, helping on the understanding of the possible innovation behaviors firms can pursue.

#### **Problema de Pesquisa e Objetivo**

Despite the importance of innovation in agribusiness, few studies have paid attention to innovation capabilities in agribusiness firms (e.g., Oliveira et al., 2019). Furthermore, agribusiness firms may have bounded innovation capabilities, which reduces their innovative potential. As much as innovation capabilities are relevant for this sector, how agribusiness firms can overcome their bounded innovation capabilities is an unanswered gap. This theoretical essay discusses how commercialization and cooperation relations can complement the bounded innovation capabilities of agribusiness firms.

#### **Fundamentação Teórica**

In this essay, a brief discussion about agribusiness firms and value chains is developed, moving on to the deepening of innovation capabilities: development, operations, management, and transaction (Reichert et al., 2016; Zawislak et al., 2012), and then to complementarity and its forms. These themes help to support the theoretical proposal that is the core of this paper.

#### **Discussão**

A framework was developed to represent the proposed theoretical approach, micro-dynamics of complementarity. As agribusiness value chains are composed of three linkages: inputs-farming, farming-processing, and processing-commercialization, a set of theoretical propositions demonstrate how commercialization and cooperation between agribusiness firms in these linkages can allow complementarity for bounded innovation capabilities.

#### **Conclusão**

This essay demonstrates how commercialization relationships can complement the two bounded capabilities in a firm's business driver: management and transaction; and how cooperative relationships can complement the two bounded capabilities in a firm's technology driver: development and operations. From a set of theoretical propositions, a framework for complementarity is developed, demonstrating the innovation behaviors that shape the proposed theoretical approach and can be pursued by agribusiness firms.

#### **Referências Bibliográficas**

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