Evolution of Competitive Advantage through Strategic Logics

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Abstract. The process to choose strategic decisions depends on the environment uncertainty and internal factors. The balance between approaches to the strategic process varies from an outside-in (position logic, or opportunity logic) or an inside-out view (leverage logic) that has underlying different duration conceptions of competitive advantage. Changes at environment factors through dynamism or complexity generate different environment types, and these facts require different strategic logics according to Bingham and Eisenhardt model. This exploratory study is an insight through literature-based investigation and tries to explain, when the organization faces stable and moderate environments, the competitive advantage could be sustainable (SCA), and when the environment conditions turn to turbulent, the competitive advantage becomes temporary (TCA). These different environment typologies faced by companies have different consequences over competitive advantage. These circumstances may request distinct management systems and have a distinct impact over their long-term results.

Keywords: strategic logics, competitive advantage, positioning, leverage, opportunity

Introduction

Strategic processes require choices between different approaches. The work of Bingham and Eisenhardt (2011) described how the competitive environment should influence the choice of different strategic logics. These logics are conditioned by the type of environment faced throughout the life of each organization. Although there are several types of environments the work of Bingham and Eisenhardt (2011) establishes three types – stable, moderate, and turbulent. It is based on this environmental classification that the strategic logics were defined. Thus, the positioning logic approach will be adequate for stable environments, while for moderate environments the logic of leverage must be followed, and for turbulent environments it would be the logic of opportunity. In each of these processes, competitive advantage has different theoretical supports (Porter, 1996; Siggelkow, 2002; Wernelfeldt, 1984; Barney, 1991; Peteraf, 1993; McGrath, 2013) and distinct durability. Given these circumstances, the competitive advantage may be sustainable or temporary. These possibilities have a decisive effect on the performance of organizations in the short and long term. Recognition of these differences is determined by environmental uncertainty, and seems to require different management systems, like information systems, leadership styles, organizational structures, innovation processes and cultures.

Literature Review

Strategic Logics

The strategic logics represent different conception models of the strategic process. These processes can start from an external perspective (outside-in), in this case attributing a critical importance to external factors, or the process should start with the analysis of internal resources and capabilities (inside-out). Depending on these choices, the strategic logic can be one of positioning, leverage, or opportunity (Bingham & Eisenhardt, 2008; Bingham et al., 2011).

These choices may be associated with environmental variability and complexity, as proposed by Bingham and Eisenhardt (2008) in their work and this and has an underlying conviction that competitive advantage could be sustainable or transient.

Position Logic

The positioning logic adopts a deterministic view of the environment, based on the principles of industrial organization economics (IO). Its foundations are based on the pioneering works of Mason (1939) and Bain (1956), which were consolidated with new contributions made by Caves (1980) and Porter (1980) in the following decades. This approach is based on structure and market relationships (Barney, 1986).

IO economics considers the sector/industry as the basic unit of analysis (Porter, 1991) where it is assumed that "industries compete for resources, and successful competition increases the attractiveness of that industry, increasing its profit, thus explaining why some industries perform better than others, and because industry linkage influences sustainable competitive advantage (SCA)" (Monroe, 2006, p. 15). The assumptions of OI include rational behavior, the homogeneity of supply/demand, and market equilibrium. According to Vasconcelos and Cyrino (2000), "neoclassical economic theory is based on assumptions of balance, certainty and perfect rationality that result in a type of static analysis of the decision-making process, focusing on the maximization of the objective function (utility) at a specific time, a given technological processes and the price of factors and products" (p. 22).

In the components of the SCP paradigm (structure-conduct-performance), the industry structure corresponds to the characteristics of the market conditions that encompasses factors such as, industry concentration, industry growth, product differentiation and entry barriers; conduct corresponds to the strategies adopted by companies, such as pricing policies, advertising intensity, or amount of investment; while performance is translated by the return obtained (Scherer & Ross, 1990).

The SCP approach, according to Barney (1986) considers that environments are static and repetitive, knowledge is perfect and rational, "as the unit of analysis is the industry, SCP concentrates on the collective properties of firms not the unique characteristics of individual firms" (Monroe, 2006, p. 16). Organizations within the industry are uniquely different because of their size, economies of scale and product differentiation. The SCP assumes that "resources are homogeneous and are not sources of SCA because high resource mobility restricts the development of long-term resource heterogeneity so firm behavior is determined by external situations" (Monroe, 2006, p. 16). The profits generated result from the optimization of production factors, and the market works as a mechanism to equalize the differences in profitability between the various economic agents (Porter, 1981; Vasconcelos & Cyrino, 2000). Companies seek to achieve profit maximization through a sustainable competitive advantage (SCA). As structure determines conduct, and this determines performance, conduct reflects a consequence of industry structure. The SCP paradigm is thus based on the correlation between structure and performance (McGahan & Porter, 1997; Tsoukas & Knudsen, 2002). The variations are determined by the effect of the structure of the industry (Porter, 1980), and by the effect of the positioning of the organizations relative to their competitors (Hamel & Prahalad, 1990). To this approach the purpose of strategy, is the creation of temporary monopolies, reducing competition and increasing profits (Monroe, 2006). Entry barriers and market share are instruments used for this purpose (Conner, 1991; Wiggins & Ruefli, 2002).

The three main contributions of the strategy from SCP paradigm are, the reduced influence of the strategy on the SCA, the need to obtain adjustment to the competitive environment and the competitive positioning. The first observation is the reduced influence of the strategy on the SCA, which considered that it is the structure of the industry that determines performance (Spanos et al., 2004). The second reason is the need to obtain adjustment (fit) to

the competitive environment, selecting the most appropriate options to the structural characteristics of the sector (Porter, 1996, 2008). The last contribution is the competitive positioning through which it protects and maintains the SCA (Porter, 1980, 1996; Magretta, 2012).

In this logic, the strategy is prescriptive, because is the structure of the industry that determines the choice of strategies. In this way, managers of organizations in each industry make similar choices. The duplication of choices by the players leads to a gradual convergence of performance over time (Vasconcelos & Cyrino, 2000). In the same way, perfect markets are uninteresting, as only the imbalance allows the creation of an advantage, through the exploitation of the imperfections of the industry structure, making difficult and preventing the perfect balance (Monroe, 2006). Strategy development should lead to entering attractive industries and leaving less attractive ones. According to Scarbrough (1998) strategy it is seen as an allocation of resources between products and market opportunities and is only acceptable for organizations that operate in certain and stable environments.

When industries are stable, a positioning logic implies selecting a valuable and unoccupied position in the sector/industry, and subsequently creating the defenses to maintain it (Bingham & Eisenhardt, 2008; Bingham et al., 2011). Porter's (1980, 2008) five forces model was the tool to build competitive advantage around an attractive market. Stability in the sector makes it possible to maintain a long-term competitive advantage, supported by repeated investments that guarantee and reinforce the position.

The guarantee of competitive advantage in this strategic archetype depends, in the first place, on choosing a valuable position that is not occupied; secondly, choosing a set of resources that support a pattern of activities that make it possible to defend the position (Porter, 1996; Siggelkow, 2002; Magretta, 2012). It is this position that will guarantee superior results, through higher prices or lower costs (Magretta, 2012). A strategy based on positioning to be successful "is not just having a valuable strategic position, but also linking resources to defend successfully against challengers" (…) "when the resources are tightly linked, they are hard to copy. Interdependent resources create complexity, and so copying and time-consuming" (Bingham et al., 2011, p. 74). Even if competitors identify the resources, it can be difficult to adjust them together - right sequence - this is because, "there are often many resources with unexpected combinatorial effects" (Bingham et al., 2011, p. 74).

Positions need to be maintained, through regenerating resources, and strengthening connections. Otherwise, competitive advantage may disappear in the face of change. In stable sectors, when market changes occur, managers are forced to reconfigure the activity system in search of a new strategic position (Porter, 1996; Rivkin, 2000; Siggelkow, 2002). This takes time and can be difficult - dismantling synergies - leading to performance breaks, until a new activity system is rebuilt. In this type of logic, the advantage is defended through "tightly linking resources together in mutually reinforcing configurations termed activity systems" (Bingham & Eisenhardt, 2008, p. 246).

One of the main criticisms of this orientation results from the observation that most environments are not in a state of equilibrium, which limits the application of this model (D'Aveni & Gurther, 1994). On the other hand, the principle of perfect knowledge means that innovation is unnecessary. Another prediction made by the SCP is based on the principle that demand in the industry is influenced through the economic equilibrium, based on the idea that what happened in the past will be repeated in the future, and entry barriers only work as a support for SCA, if organizations are heterogeneous (Monroe, 2006).

The positioning logic (outside-in view) is thus based on the principles of industrial economics, according to which the structure of the industry/sector determines strategic choices and, results. The basic unit is the industry, and organizations are considered open systems where equilibrium and linearity prevail. When environments are stable, strategy has a limited

role, namely the choice of a position within the sector, and subsequently configuration of its activity system. These activities must consist of strong and complex relationships with each other, to guarantee a SCA. The sustainability of the competitive advantage is possible and desirable, being achievable through an adequate adjustment (fit) of the chosen activities.

Leverage Logic

Penrose (1959) considered that companies represent sets of resources, and that their growth was due to the accumulated development of capabilities and knowledge. According to Monroe (2006), it is these internal attributes that justify superior performances, "the endogenous perspective seeks to explain performance heterogeneity displayed by firm evidence both within and across industries" (p. 26).

For Barney (1986) the economic principles underlying the resource theory (RT) are based on the work of Chamberlin (1933), which focuses "on unique assets and capabilities of individual firms, and then traces the impact of these idiosyncratic organizational traits on the strategies firms pursue and returns to those strategies" (p. 793). This new approach, as opposed to IO, considers organizations as being constituted by a set of tangible resources (Wernerfeldt, 1984; Grant, 1991) – physical, financial – but also intangible (hall, 1992) or invisible (Itami & Roehl, 1987), which also received later contributions, with the concept of dynamic capabilities and competences (Hamel & Prahalad, 1990; Nelson, 1991; Teece, 1997). Resources replace the classic factors of production (Penrose, 1959). Compared to the SCP paradigm, resource theory (RT) is a growth theory, in contrast to an equilibrium theory proposed by industrial organization economics. SCA is based on ownership, use and exploitation of resources that are valuable, rare, and difficult to imitate (Conner, 1991; Mahoney, 2001). Mahoney (2001) considers that within RT we can find different approaches, from "resource-based view" (RBV) (Barney, 1991; Wernerfeldt, 1984), the theory based on competences (Eisenhardt & Martin, 2000; Hamel & Prahalad, 1990), the "first move advantage" approach (Lieberman & Montgomery, 1988) and knowledge-based theory (Grant, 1996; Makadok, 1998; Nonaka, 1991, 1994; Spender, 1989).

The two RT axioms are based on heterogeneously distribution of resources between companies and their imperfect mobility, which gives them a lasting character. The company thus represents a set of heterogeneous resources (capital, fixed assets, capabilities, knowledge, relationships, reputation) that can be leveraged to other markets or industries (Hamel & Prahalad, 1994; Venkatraman & Subramanian, 2002), which can lead to different performances (Barney, 1986). It is this heterogeneity that needs to be preserved, as it guarantees superior performance. The economic logic of Chamberlin (1933) suggests that organizations should choose strategies that best exploit these unique and individual resources. The "resources are converted into to final products or services by using a wide range of other firms' assets and bonding mechanisms such as technology, management information systems, incentive systems" (Amit & Shoemaker, 1993, p. 35).

Although it is understood that resources and capabilities are the drivers of performance (Peteraf, 1993; Hamel & Prahalad, 1990; Wernerfeldt, 1984) not all these assets are equally important. Thus, obtaining superior performance (Conner, 1991) depends on the simultaneous interaction of three factors: the company's own asset base, competitors' asset base and the restrictions resulting from the company (Dal-Soto & Santos, 2004).

The capabilities are, company faculties useful to develop its own resources, through an adequate combination of its organizational processes (Bingham & Eisenhardt, 2008). Skills, unlike other assets, correspond to collective tacit knowledge. These increase over time, because of continuous learning and a systematic accumulation of knowledge (Nelson & Winter, 1982; Nonaka, 1994). In TR, the role of the environment is relativized. Vasconcelos and Cyrino (2000) quoting Barney (1986) state that "exceptional income cannot be realized from the

analysis of external opportunities, as the information and analysis of these opportunities are accessible to all competitors. On the other hand, information about the firm's resources remains its exclusive property, protected by isolation mechanisms. In this way, it is the asymmetry of information regarding the potential of resources and specific competences of the firm, which should guide the strategy, as it is the only possible source of competitive advantage" (p. 29). Compared to the SCP paradigm, which sees competition as an effort to balance in a static environment, TR looks at competition as a struggle for continuity. In contrast to the SCP paradigm, in TR, the SCA results from the translated company's conduct, in acquisition decisions, development, and deployment of resources, replacing the influence of industry structure.

In moderately dynamic environments, resource leverage strategies are those that allow them to maintain their competitive positions and use their most valuable strategic resources in their industry or in new markets, "since change is incremental and predictable, it makes sense for managers to coevolve their strategically important resources with the industry" (Bingham et al., 2011, p. 74). This is how, the concentration on the acquisition or development of valuable resources, rare and difficult to imitate, are the guarantee of superior performances. While in the previous logic, the interconnection between resources was tight, here it became moderate. This choice requires a reassessment or reconfiguration of resources particularly in new markets. Depending on changes in the environment, the updating of resources can occur through acquisition, sharing or "in-house" development (Bingham et al., 2011).

Strategy, in this logic, occupies a central position, due to the role it plays in the choice of resources, and in the mechanisms for their protection. RT intends to prove that it is the heterogeneity of resources that confers a SCA, in substitution, of an adequate positioning. It also considers that the market and the industry changes by the decisions of managers (Hamel & Prahalad, 1994). Strategy becomes a more dynamic phenomenon, as barriers to imitation can be overcome through innovation or continuous improvement (Monroe, 2006). The possibility for the organization to create and develop resources also confers a competitive dynamism, requiring that the strategy be a creative process (Hamel & Prahalad, 1994), adaptive (Beinhocker, 1999) and dynamic (Monroe, 2006). Economies of scale are less important, with flexibility and innovation assuming a prominent role. Competitive dynamics are no longer static.

Thus, the competitive advantage can be attributed to the ownership of a valuable resource that allows the company to perform tasks in a better way, or at a lower cost than competitors. In this way, according to RT, the superior performance of a company is justified by the fact that it has a set of competitively distinct resources. Wernerfeldt (1984) understands that a resource can be a strong point of the company, which enables it to implement strategies that improve efficiency and effectiveness. For a resource to acquire the status of strategic it must have, according to Barney (1991), four characteristics: to be valuable – when the resource is a source of competitive advantage, or allows exploiting opportunities or neutralizing threats; being rare – represents the scarcity of the resource and the difficulty in obtaining it by rivals; to be inimitable - the difficulty of being copied, i.e. having no temporary value, and being irreplaceable. The tests proposed by Barney (1991) to validate and guarantee the soundness of the resources are the following (Collis & Montgomery, 2008): the aforementioned inimitability; durability – most resources have a limited life (generating temporary profits), hence the more durable the resource is, the more valuable it is; its appropriability – who collects the value generated by the resource, because the owner does not always get the return of the resource; its substitutability – if a resource can be substituted for another, it will be less valuable; and competitive superiority – the resources that enable a distinctive competition, make the resource(s) more relevant and important (Grant, 1996). The strategy must therefore be based on resources that overcome the five tests (Collis & Montgomery, 2008).

To work around or make copying difficult, a resource must have at least one of the following characteristics: physical uniqueness – unique amount of the resource (Barney & Wright 1997); path dependency – resources are unique and rare because along their path they generate unique particularities (Barney, 1991); causal ambiguity – translates into the characteristics resulting from a combination of them over time, which means that a single resource does not have value, but the combination of several (Reed & Defillipi, 1990; Teece, 1988); economic deterrence – occurs when a rival makes a relatively high investment that cannot be replicated by the competitor due to limited market potential (Dierickx & Cool, 1989; Dal-Soto & Santos, 2004). Management knowledge and decision-making processes are also barriers to imitation (Adner & Helfat, 2003). As management capacity is relevant, this allows us to conclude that companies with better teams present better results (Harrison, 2003; Spanos et al., 2004). The development and creation of resources, proposed by these teams, represent the way in which organizations adapt to circumstances, and to new environmental perceptions (Schumpeter 1934). As defended by Oliver (2000) "what defines equilibrium is always changing because firms are continually reinvesting novel ways to escape it" (p. 292). It is these factors that prevent the imitation of resources, and that help to explain the performance differences in RT (Vasconcelos & Cyrino, 2000).

The leverage logic (inside-out view) is based on the economic ideas of Chamberlin (1933) and Penrose (1959) that favor the importance of resources, capabilities, and internal knowledge of each organization. The basic unit of analysis becomes the company. The heterogeneous distribution of resources, and their imperfect mobility, are the factors that allow organizations to achieve superior performance. The competitive environment is moderately dynamic, and strategy plays a leading role, as it must seek to choose and exploit rare, valuable, and inimitable resources, applying them to products in its sector, or in other markets, thus guaranteeing superior performances. The competitive advantage to be sustainable (SCA) requires the protection of resources through mechanisms that make it difficult to copy, imitate, and replace. Sustainability requires a moderate interconnection between resources that need to be reconfigured according to changes in the environment.

Opportunity Logic

The change from the mechanistic paradigm to a systemic one during the 20th century led to a change of perspective in organizations (Gavetti & Rivkin, 2007; Burgelman & Grove, 2007; Volberda & Lewin, 2003). We moved from a cartesian model, where the whole could be seen through its parts, to a systemic model, where the parts can only be understood within a context (Freitas, 2005). Organizations just can be understood and studied as complex systems.

The strategic logic based on opportunities is associated with the economic principles of the Austrian school (Schumpeter, 1934; Jacobson, 1992; Levinthal, 1992; Kirzner, 1997). The contribution of this school focuses not on the structure of the sector, but on the processes of change and innovation (Vasconcelos & Cyrino, 2000). The abandonment of the market concept, where the equilibrium achieved by the price mechanism is substituted by a place, where profit is achieved through "interactive discovery that mobilizes divergent information and dispersed knowledge" (Vasconcelos & Cyrino, 2000, p. 30). The promoters of these developments are entrepreneurs, who originate continuous successions of innovations (Kirzner, 1985) and hence new economic arrangements, which generate new imbalances in the markets. This spiral of innovations causes a state of permanent disequilibrium. The resulting profits are the result of combinations of production factors and new opportunities. The entrepreneurial rents generated translate temporary monopolies, resulting from creative destruction processes (Schumpeter, 1934).

For Dias et al. (2008) quoting Barney (1986), the Schumpeterian approach "considers aspects related to competitive uncertainty, serving as a reference for research that proposes to

understand the reactions of organizations in the face of market configurations, which will require the development of new capabilities, establishing the technological and marketing standards of competition, which resources and capabilities are strategic for the success of companies and which do not have significant weight for organizational results" (p. 88). Still according to the author, "delayed reactions, as well as mistaken anticipations, can undermine the competitive capacity of companies, in addition to creating a scenario that is difficult to reverse." The generation of wealth according to Schumpeter (1934) takes place through creative destruction, based on radical ruptures, which give rise to new markets. These processes are usually disorderly, and companies have no way of dealing with them. The rules of the game change and transform the context. For Hill and Deeds (1996) the current competitive structure is not limited by the sectors structure, therefore, it is not the determinant of the profitability levels. According to Vasconcelos and Cyrino (2000) "it is the competitive dynamics and the discovery of innovations that influence the economic performance levels of firms. (…) the structure of the industry must be seen as the endogenous result of differences in the performance of firms in the overtime, rather than being considered a determining factor in the performance of the latter" (p. 32).

In organizational theory, this approach understands organizations as complex systems. These systems can be divided into two categories. A first group that integrates complex non-adaptive systems that have aperiodic, non-linear, and unstable behaviors (Freitas, 2005). Chaos theory seeks, in another way, to help understand how organizations coexist with turbulent environments. Chaos in the truest sense is an irregular pattern of behavior, generated by well-defined rules of non-linear feedback commonly found in nature, and in human society (Carlomagno & Bruhn, 2005). Carlomagno and Bruhn (2005) quoting Tenenbaum (1998) describe chaos as an unpredictable, complex but tidy disorder, in which patterns of behavior develop irregularly but in similar ways (Parker & Stacey, 1995; Burgelman & Grove, 2007). The chaos approach looks at organizations as extraordinarily complex systems, where the best way to achieve control is by balancing on the edge of chaos, where neither too many restrictions nor total disorder is desirable (Eisenhardt & Brown, 1998). This analysis thus seeks to define rules for how the organization can adjust to the unstable environment by establishing new reference structures for strategic management. A second group deals with complex adaptive systems (CAS), composed of agents that interact, learn, and modify their behavior (Freitas, 2005). Complexity theory deals with these systems (Lewis, 1994). The main feature of complexity theory is the explanation for the behavior of the CAS that change and respond to environmental stimuli. Some characteristics of the CAS are renewal/self-organization (Parker & Stacey, 1995); spontaneous organization, emergence, entropy (Prigogine, 1996), adaptation, learning (Glaicer, 2002) and evolution (Prigogine & Stengers, 1991).

Traditional approaches to strategy agree with concentration of effort and a sense of direction. Their explanatory economic base has a rationalist orientation, and they do not explain or contemplate the technological discontinuities that affect the sectors (Beinhocker, 1997; McGrath, 2013). The character of unpredictability is absent. Unpredictability is one of the current matrices, making markets comparable to galaxies, ecosystems, or human brains (Carlomagno & Bruhn, 2003). The SAC have certain characteristics, such as, they are open and dynamic systems; they live in interaction; they appear emergence and self-organization; it has a punctuated balance, moments of tranquility are followed by periods of turbulence and instability (Beinhocker, 1997). The explanation for the survival of companies being small, results from the strategy being design for stable periods, hence the options lost relevance, when discontinuous and volatile periods happen (McGrath, 2012).

Competitiveness is ensured through successive value propositions, with less durability, and greater value generation (Beinhocker, 2006). The strategic process is like the species survival process. Like these, strategies now also need to be dynamic. It is only possible to

guarantee this development if experiments are executed, and what Beinhocker (1999b) calls parallelism. Not everyone in the organization should follow the same path. Some are explorers, who spot new advantages at the best of opportunities. Instead of seeking a position, the concept of "patching" represents the need for new readjustments due to new opportunities. Here it is impossible to predict events. Opportunities arise outside the original alignment (Beinhocker, 1999b). The theme of opportunities is, however, central to the theme of entrepreneurial orientation (EO) (Johansen, 2011), and Short et al. (2010) translates it when he argues that "an opportunity is a possible target for firm activities that is revealed through analysis or action over time to be potentially profitable" (p. 55). The opportunity concept can also be viewed into two dimensions (Short et al., 2010) - the opportunity as discovery (discovered), or predisposition to recognize alerts, while, it can be considered as the consequence of promoted actions (created) of perceived opportunities (Johansen, 2011). This double dimension of opportunities can be analyzed in terms of discovery and creation.

The discovery represents a cognitive process, such as thinking, learning or analysis (Johansen, 2011). This dimension has been defined as the ability of management to understand and apprehend knowledge about an uncertain, but preferably lucrative, fact (Ocasio, 1997; Bouquet et al., 2009). The ability to pay attention to critical elements in the environment where opportunities are concentrated (Day & Schoemaker, 2006), - such as consumer behavior - but where we can also find constraints like, competitor movements (Johansen, 2011; Bouquet et al., 2009), or the experience of managers. The notion of absorptive capacity concentrates both cognitive aspects, whether individual or organizational, as proposed by Cohen and Levinthal (1990). The organizational cognitive strand represents the organization's ability to transfer knowledge from the environment to the organization, to processing it and transforming it into new knowledge (Cohen & Levinthal, 1990). The idea of discovery also appears associated with two concepts, temporal attention, revealing the ability to anticipate events that did not occur, and spatial attention, which represent an emphasis on events outside the company (Yadav et al., 2007).

Johansen (2011) considers that the opportunity creation "is defined as a shared principles of action interaction and interpretation deployed in pursuit of opportunity in consideration of a condition of uncertainty" (p. 16). Thus, this dimension is associated with the configuration of organizational resources, and their alignment with the shared vision, as well as with organizational routines and the limited rationality of managers (March & Simon, 1958). For Hannan and Freeman (1977), the logic of opportunity in its creation dimension, represents the complacency of the organization to balance the process of variation and ecological selection. These exploratory variations increase the organization's willingness to accept risks in environments of uncertainty (Bingham & Eisenhardt, 2009). According to Daft and Weick (1984) the dimension of creation can be understood as a function of the managers actions to order the environment through the combination of resources that allow the organization to be agile and flexible in the responses to its perceptions.

This strategic logic requires that there be continuous observation of changes in markets. These markets with high turbulence and high speed are defined by abundant flows of opportunities, ambiguous, fleeting and of indefinite duration (Davis et al., 2008). As advocated by Bingham et al. (2011) "industry structure is characteristically shifting as competitive come and go, customers modify their preferences and business models are in flux" (p. 76). The concept of industry structure is, in these circumstances, ambiguous towards the constant changes in competitors and customer preferences. Changes in these markets are non-linear and unpredictable (Santos & Eisenhardt, 2005). It is advisable that the greater the complexity, the fewer the number of rules, and the need for their continual redefinition, or even elimination, may be even greater. Attractive opportunities represent all those that can generate superior income and results. This approach results from the "firm's ability to capture attractive, fleeting

market opportunities for creating revenue and profits sooner, faster and more effectively than competitors" (Eisenhardt & Martin, 2000, p. 249).

In this sequence, the logic of opportunity considers that the strategy consists of selecting one or several organizational processes, which allow placing the company in an abundant flow of attractive opportunities, which present a high potential to generate superior results (Davis, et al., 2008). For Bingham and Eisenhardt (2008), quoting Roberts and Eisenhardt (2003) consider that "the opportunity logic argues that competitive advantage and superior performance stem from entrepreneurial action" (p. 249). These semi-structured processes facilitate the capture of spontaneous opportunities (Brown & Eisenhardt, 1997). They are composed by few rules, which guide the process of capturing opportunities (Bingham, et al., 2007). Thus, "the simple rules provide behavioral short cuts that reduce the complexity and capturing opportunities and improve the speed of decision making" (Bingham & Eisenhardt, 2008, p. 250). Organizational processes are semi-structured, since, unlike complicated organizational routines, they are simple processes that spontaneously and improvised make it possible to take advantage of unexpected opportunities (Brown & Eisenhardt, 1997). These processes must present intermediate characteristics between absolute structure, which would make them inflexible, or the total absence of structure, which would make them unadaptable to emerging opportunities (Brown & Eisenhardt, 1998). These intermediate structures are based on experimentation, improvisation, and "learning by doing" (Eisenhardt & Tabrizi, 1995).

The links between these processes are poorly articulated, contrary to the strong interconnection required in the activity system (Porter, 1996; Bingham & Eisenhardt, 2008). Again, these processes are guided by simple rules and allow decision makers to orient themselves in contexts where they have little information. As Bingham and Eisenhardt (2008) refer "they help executives to effectively and quickly capture fleeting opportunities via applying a few rules of thumb while improvising the rest of their actions" (p. 250). These simple rules serve as guiding themes, reducing the complexity in capturing opportunities, allowing those responsible to quickly adjust and improvisations in real time (Miner, et al., 2001). For Miner et al., (2001) simple rules represent themes around which one can improvise and take measures in real time. Over time, managers must remain alert to changes in the market, maintaining an optimal number of rules depending on the predictability of the markets (Eisenhardt & Sull, 2002). Thus, redefining rules, adding new ones, or eliminating some of them (Bingham & Eisenhardt, 2008), depending on the flow of opportunities.

Copying this strategic logic is difficult due to its simplicity, because of emerging behaviors being unpredictable and complicated. On the other hand, "opportunity is unique, its capture involves real-time learning that is not necessarily used or useful for subsequent opportunities" (Bingham & Eisenhardt, 2008, p. 251). The succession of opportunities and their disappearance do not allow those responsible to predict the duration of the competitive advantage. The result is a succession of transitory advantages (Makadoke, 1998; McGrath, 2012). These require an appropriate structure (edge of chaos), and a non-hesitant stance.

Competitive advantage is ensured in this context through simplicity and timing. The strategy based on the use of few critical processes and simple rules is difficult to imitate, because the emergent behavior is unpredictable and complex. The moment (timing) represents an advantage, since even when competitors identify an opportunity, the fact of arriving first (early move) provides gains not obtained by the laggards (Eisenhardt & Martin, 2000). Competitive advantage in these contexts has a different duration and dimension (Eisenhardt & Martin, 2000), given that "opportunities may unexpectedly emerge and then disappear, making it impossible for managers to predict how long their competitive advantage may last and how large it will be (Bingham & Eisenhardt, 2008, p. 251). Beinhocker (1999) suggests that considering the organizations integrated in CAS, where the level of environmental uncertainty is high, the strategies need to obtain normal results in varied contexts. As the author mentions,

superior performance does not last, on average, more than five years. It is not credible that there is a durable competitive advantage but a considerable number, whose duration is shorter, and its value is higher (McGrath, 2012).

Discussion and Conclusions

According to different strategic logics, competitive advantage has different theoretical support and distinct duration depending on conditions of the competitive environment.

The positioning logic (outside-in view) is thus based on the principles of industrial economics, according to which the structure of the industry/sector determines strategic choices and, hence, results. The basic unit is the industry, and organizations are seen as open systems where equilibrium and linearity prevail. The environments are stable, with strategy having a limited role, namely the choice of a position within the sector, and subsequently the configuration of its activity system. These activities must consist of strong and complex relationships with each other, to guarantee a SCA. The sustainability of the competitive advantage is possible and desirable, being achievable through an adequate adjustment (fit) of the chosen activities.

The leverage logic (inside-out view) is based on the economic ideas of Chamberlin (1933) and Penrose (1959) that emphasize the importance of resources, capabilities, and internal knowledge of each organization. The basic unit of analysis is the company. The heterogeneous distribution of resources, and their imperfect mobility, are the factors that allow organizations to achieve superior performance. The competitive environment is moderately dynamic, and strategy plays a vital role, as it must seek to choose and exploit rare, valuable, and inimitable resources, applying them to products in its sector, or in other markets, thus guaranteeing superior performances. The competitive advantage to be sustainable requires the protection of resources through mechanisms that make it difficult to copy, imitate, and replace. Sustainability requires a moderate interconnection between resources that need to be reconfigured according to changes in the environment.

The opportunity logic is based on the economic principles of the Austrian School, where the processes of change and innovation are the drivers of temporary monopolies. Organizations are interpreted as CAS, where non-linearity and instability find support in chaos and complexity theories. The environment is recognized as a flow of opportunities, where the capacities of discovery and creation are the most adequate, to dominate dynamic environments and of high uncertainty. The strategy consists of using a set of simple rules, which allow placing the organization in a flow of emerging and spontaneous opportunities. Competitive advantage is transitory and is based on processes that are weakly interconnected. Simplicity, real-time improvisation, and "timing" are the ingredients of temporary advantages.

The evolution of competitive advantage presents different approaches to the format in which organizations face the way to compete. In the conventional model, the industry, through the choice of a differentiated positioning, or through resources with specific characteristics, are the critical elements in stable or moderate environments. It is these decisions regarding positioning and resources, which must link and aligned people, assets, and systems, guarantee sustainability of results (SCA). For unstable environments, the concept of industry is no longer sufficient and "new level of analysis that reflects the connection between market segment, offer, and geographic location at a granular level is needed" (McGrath, 2013, p. 9). The presumption of stability, linearity and equilibrium becomes something abnormal. Appears the concept of arena in detriment of industry, translating a new idea of capturing the largest possible territory. At the same time, in the face of environmental unpredictability, it is important to build a portfolio of opportunities accessed through creation or discovery. Managing these waves of temporary opportunities requires experimentation, trial-error testing, thinking about the next innovation and continuous reconfiguration. This instantaneity requires

different skills from those responsible throughout these waves of opportunities whose temporality is unknown (TCA).

Bingham and Eisenhardt (2008, 2011) left us with some questions that we can raise for future research. The associations between competitive advantage and performance (Powell, 2001) will only be a necessary but not sufficient condition; should competitive advantage be analyzing an antecedent of value creation (Porter, 1985; Brandenburger & Stuart, 1996; Peteraf & Barney, 2003; Ghemawat & Rivkin, 2006; Priem, 2007). On the other hand, could different environmental typologies require new strategic logic formats. It will also be convenient to investigate in the future whether the alignment between each strategic logic, to obtain a sustainable or transitory competitive advantage, requires differentiated management systems (Reeves et al., 2015; Lafley & Martin, 2013) and this led to differentiated performances in different dimensions of effectiveness, operationally and financially; and, in the new competitive landscape how production and consumption ecosystems shape new capabilities that create value (Subramaniam, 2022).

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