Gestão & Regionalidade

Item Type:
Original Article

Received: 12/12/2024
Accepted: 26/08/2025

Breaking with tradition: a new business model in the brazilian wine sector

Rompendo com o tradicional: um novo modelo de negócios no setor vitivinícola do Rio Grande do Sul

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Abstract
The study investigates the innovation and creativity of Garbo winery, a venture in Southern Brazil notable for its "gypsy" production model and its break with family traditions. Qualitative research was employed in this single case study together with data triangulation using document analysis, field observation, and semi-structured interviews. Results show that by adopting a non-conventional business model, Garbo was able to overcome initial financial barriers and structural limitations. Its innovative approach is reflected in experimentation with new wine blends, different production processes, and the offer of experiences such as personalized wine tastings. To achieve these things, the founder´s creativity of was converted into organizational creativity, and every step involved their technical knowledge of enology. Also, the winery uses a coworking space for production, which is uncommon in the wine sector. These strategies, combined with an innovative brand positioning, enabled Garbo to penetrate a traditional market and cultivate an audience interested in unique experiences. This study contributes to the understanding of how personal creativity is converted into organizational innovation and it regards new business models in traditional sectors.

Keywords: innovation; creativity; viticulture; winemaking, knowledge.

Resumo
O estudo investiga o processo de inovação e criatividade na vinícola Garbo, um empreendimento do Rio Grande do Sul que se diferencia pelo modelo de produção "cigana" e pela ruptura com tradições familiares. A pesquisa qualitativa utilizou estudo de caso único, triangulação de dados (análise documental, observação de campo e entrevistas semiestruturadas). Os resultados mostram que a Garbo, ao adotar um modelo de negócios não convencional, conseguiu superar barreiras financeiras iniciais e limitações estruturais. Sua abordagem inovadora se reflete na experimentação com novos cortes de uvas, processos produtivos diferenciados e experiências enoturísticas, como degustações personalizadas. A criatividade individual dos fundadores foi convertida em criatividade organizacional, sustentada pelo conhecimento técnico em enologia. Além disso, a vinícola utiliza um *coworking* para a produção, um modelo pouco usual no setor vitivinícola. Essa estratégia, aliada a um posicionamento de marca inovador, permitiu à Garbo penetrar em um mercado tradicional e atrair um público interessado em experiências diferenciadas. O estudo contribui com o entendimento da conversão da criatividade em inovação organizacional e propõe reflexões sobre novos modelos de negócios em setores tradicionais.
Palavras-chave: inovação; criatividade; viticultura; conhecimento.

Citation: Treis, M. C., Cerva, B. C., & Ferreira, L. E. (2026). Breaking with tradition: a new business model in the brazilian wine sector. Gestão & Regionalidade, v. 42, e20269884. https://doi.org/10.13037/gr.vol42.e20269884

1 Introduction

Viticulture is the economic and social activity of grape and wine production. It is well-establish in several regions of Brazil, and there is a commercially significant concentration in the Gaúcha Mountains known in Brazil as the Serra Gaúcha. The process itself begins in the fields with vine seedlings planted by wine producers, or viticulturists. Producers maintain supply chains that directly contribute to every step in the process from grape cultivation to the sale of bottled wine to the end consumer. Today this may include, after some cultural adaptation, the wine tourism business.

The wine sector in the southernmost Brazilian state of state of Rio Grande do Sul has grown significantly to become one of the main drivers of the Serra Gaúcha economy. Competitiveness in this sector demands strategies that seek excellence and, with these, the establishment of broad objectives, careful planning, and it requires a long-term outlook. The Serra Gaúcha includes more than 550 wineries according to wine-locals.com. Ideal Consulting (2023) noted that the global sector grew 6% in the first four months of 2022 driven mainly by Brazilian wines. However, it did slow in 2023.

This regional sector is predominantly family-owned, with defined lines of succession, traditions, and notable changes only at certain points in its history. However, as with wineries everywhere, some ruptures are caused by organizations that, through experience, research, and a desire to position themselves differently, seek to innovate (Fortes & Teixeira, 2022).

Innovation is essential for successful organizations in a competitive environment. Therefore, in the search to maintain market relevance, new products and services are continuously introduced that surpass the status quo (Ziviani & Simões, 2022; França, Martins & Moreira, 2024). Knowledge management plays a crucial role in modern organizations by leveraging the collective knowledge of individuals as well as groups. This management is essential not only for knowledge retention but also as a strategic business tool. As an expression of knowledge, innovation takes shape by promoting structural and organizational changes (Ziviani & Simoes, 2022).

Because innovation plays a fundamental role in maintaining competitiveness, managing the innovation process in a structured manner within a company is essential. Innovation and knowledge are fundamental resources that enable organizations to adapt to dynamic and complex environments (Santos et al., 2019).

Sanmartin (2012) states that creativity and innovation play fundamental roles in companies. Although creativity has always been a part of humanity, the author notes that companies have only recently begun to recognize its value. It must be said that seeking and developing solutions to problems has also been a constant throughout history. Today we have methodologies to facilitate and help structure this essential activity in an organized manner. Creative entrepreneurship is largely based on art, uniqueness, and originality, and creativity itself has become a crucial driver of business success and innovation (Gao et al., 2021). To understand the process of converting an entrepreneur's individual creativity into organizational creativity, it is essential to define an organization´s attributes and integrate them with the entrepreneur’s profile. Transforming an entrepreneur's personal creativity into an organizational capacity is strongly associated with the entrepreneur’s behavior (Gao et al., 2021). Looking at how creativity can be transferred between an individual and an organization from the perspective of an entrepreneur or founder is uncommon as these actors are usually focused on establishing their companies. For this reason, theories regarding organizations and enterprises in their formative stages still require further investigation (Gao et al., 2021).

The founders of Garbo winery were chosen as the subjects of the present study. This winery was founded by three friends who wanted to operate as winemakers in a new way by making creative choices with grapes, wine, and wine tourism. Research quickly led to the question: How Garbo winery use creativity to launch an innovative business model offering a variety of products and services?

This winery was selected because it presents a non-traditional model in a traditionally structured sector. Instead of the traditional family model or cooperative succession model, a "Gypsy" production model is used which is uncommon in this industry. What is more, the winery has overcome significant barriers to entry by using technical and scientific knowledge and, despite the initial lack of structure and capital, has shown that innovation is possible even with structural and resource limitations. The final important factor was the owners' willingness to discuss their business and provide additional information whenever necessary.

To answer the question, how did Garbo winery use creativity to launch an innovative business model offering a variety of products and services, this study sought to: (1) understand how the founders' creativity was converted to organizational creativity; (2) identify innovations in production, products, and services; and (3) identify how technical knowledge, practices, and creativity are implemented Garbo's innovations.

A qualitative investigation was carried out on this case study and triangulation was used for rigor, employing: (1) document analysis; (2) field observation; and (3) interviews with the founders. The interviews were semi-structured to facilitate necessary interventions and gain insight into the winery's formative and creative processes. Data verification was conducted through content analysis.

2. Innovation and Creativity

From an evolutionary perspective, Nelson and Winter (1982) note that innovation is intrinsically linked to a high degree of uncertainty and results in a continuous state of market imbalance. Such dynamism generates supernormal profits for innovators and poses challenges to less pioneering companies which must either adopt innovative practices or risk being left behind. Innovation also creates barriers to entry for new competitors and drives the emergence of new products which directly impacts an industry's organization and internal relations. The authors argue that organizational transformations should be understood as consequences of technological development and not as autonomous factors of economic progress.

For the authors, technological advancement is an endogenous process resulting from the resolution of everyday problems and is inserted into the competitive dynamics of the market. Strategic and operational routines therefore play a central role in shaping firm´s competitive strategies which directly impact their success. This study departs from the traditional concept of market equilibrium and embraces the notion of trajectory and limited or procedural rationality where innovation does not occur in a linear manner and instead acts as a cumulative and adaptive process.

By combining the perspectives of evolutionary and institutional innovation, Ramella (2020) find that innovation involves a temporal relationship between a previous state and a state modified by this new element. Here the processual and relational character of innovation can be perceived to encompass a series of interconnected activities that involve various social actors and to result in something new when compared to previous iterations. It is a complex activity encompassing several interconnected phenomena, but it does not necessarily follow a linear path with a stable flow or direction. It relates to a specific period and context and therefore it can only be understood in contrast to a previous state (Ramella, 2020).

Innovation always introduces something new, which change is more comprehensive and does not always involve novelty. Inventing means designing a new product or process, while innovating means implementing that new idea for the first time. Innovation is not necessarily positive, unlike the notion of progress, and the introduction of a novelty does not always result in success. An innovation may fail or prove detrimental to the innovator or the community involved (Ramella, 2020).

Without creativity, the transformative potential of innovation is limited. It is worth noting that creativity not only drives innovation but also contributes to the adaptation and evolution of organizations in dynamic scenarios. In the field of Administration, research on creativity has accelerated over the last two decades.

Creative thinking has played a pivotal role in the development of civilizations, science, and technology. Imagination, one of its pillars, is the driving force that has allowed both the transformation of the environment and also personal reinvention. As long as humanity continues to reflect on itself and seek new possibilities, evolution in this vital human dimension will persist. One aspect of this creative evolution focuses on efficiency in daily practice, which is only reasonable since the capacity for creative problem solving is often applied to real-world circumstances such as health, housing, or any number of contexts. Predebon (2005, p. 45) defines creativity as, "the ability to reason constructively, thinking about the new/relevant," which is markedly connected with innovation. Makel and Plucker (2010) add that creativity is a fundamental element in the production of social value and can result from the combination of individual skills, mental processes, and organizational context. Creativity can also be regarded as the ability to generate something new and valuable, or to find better solutions to old problems, which are fundamental needs and intrinsic to our human nature's fulfillment. Prado (1987) argues that we all possess this transcendental capacity for change, progress, and personal self-realization.

Entrepreneurs' individual creativity serves as the basis for innovative products and services, and it springs from their ability to generate original ideas. Gao et al. (2021) find that organizational creativity, in turn, emerges from the interaction between individuals and the environment in which they are inserted. They demonstrate that organizational creativity has a relationship with and impact on the creativity of entrepreneurs.

Woodman, Sawyer, and Griffin (1993) define organizational creativity as, "the creation of a new product, service, idea, procedure, or process by individuals working together in a complex social system." This creativity stems from the interaction between individual, group, and organizational characteristics. Individual characteristics encompass cognitive abilities, personality, intrinsic motivation, and knowledge. Group characteristics include norms, cohesion, size, diversity, roles, tasks, and problem-solving approaches. Organizational characteristics encompass culture, resources, rewards, strategy, structure, and technology. The interaction of these characteristics creates what is called a "creative situation" which constitutes the sum of the social and environmental influences that impact creative behavior. This behavior is influenced by interactions between the person and the situation, as well as past and current events, forming what is known as a multilevel interactionist model. This model describes organizational creativity as a complex combination of individual, group, and business creativity.

3. Knowledge Generation and Management in Innovation

As noted by Gao et al. (2021), to understand the conversion of individual creativity into an organizational competitive differential, a company's attributes must be analyzed to determine how they connect with entrepreneurs' characteristics, and how organizational creativity connects with innovation and knowledge. It is worth noting here the wisdom behind creating organizational knowledge as described by Nonaka (1994). The author proposes that organizational knowledge emerges from the interaction between tacit and explicit knowledge. This occurs in four modes of knowledge conversion: socialization, combination, internalization, and externalization. In addition, Cook and Brown (1999) suggest that the interaction between knowledge and knowing is essential for generating new forms of knowledge. Orlikowski (2002) adds to this by suggesting that organizational knowledge is constituted and continuously renewed in practice.

Nonaka's (1994) theory of organizational knowledge creation posits that organizational knowledge emerges from a continuous dialogue between tacit knowledge (difficult to formalize, closely linked to actions and involvement) and explicit knowledge (codified and transmissible in formal language). Nonaka describes four modes of knowledge conversion: socialization (interaction through observation or imitation), combination (the fusion of explicit knowledge through meetings and conversations), internalization (the transformation of explicit knowledge into tacit knowledge), and externalization (the transformation of tacit knowledge into explicit knowledge). This cyclical and upward process, from the individual to the organizational level, fosters the continuous creation of knowledge.

Complementing this theory, Cook and Brown (1999) integrate views of knowledge and practice by suggesting that organizational knowledge is a result of their interaction. Knowing is the practical and relational use of knowledge in the physical and social environment which can generate new forms of knowledge. Orlikowski (2002) expands on this by suggesting that organizational knowledge is constituted in practice and is continuously renewing itself.

We find the practice of innovation to be essential to the survival and growth of organizations as they seek to implement new ideas and adapt to constant change. For this reason, organizations are often dedicated to the study and practice of creativity and innovation, and these terms are deeply interconnected (Fetrati, Hansen & Akhavan, 2022). Organizational creativity has a positive impact on organizational performance, and it contributes to achieving results and improving on them. Creativity facilitates the generation of new ideas and their application in innovative activities, and these serve to optimize organizational performance (Ferreira et al., 2020; Rumanti et al., 2023)

The intersection between creativity, knowledge, and organizational practice reveals the importance of innovation for the survival and growth of organizations (Nonaka & Takeuchi, 1995; Fortes & Teixeira, 2022). Fetrati, Hansen, and Akhavan (2022) note that organizational creativity has a positive impact on business performance as it optimizes results and facilitates the generation of innovative ideas. Silva and Paz (2023) discuss creativity as a manageable phenomenon in organizations and demonstrate its direct relationship with innovation and competitive advantage. They argue that, in the context of the economy, creativity has long been considered vital for the innovation and development of organizations and territories. Creativity can also be found in several phases of innovation wherever it is needed to generate ideas.

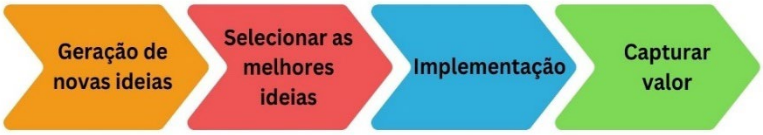
4. Innovation and Business Model Management

The theory of innovation from Tidd, Bessant, and Pavitt (2008) generates new ideas for companies. They argue that understanding innovation as a process reveals how it can be managed in terms of inputs, outputs, activities, sub-processes, means of control, objectives, parameters, and resources. Managing innovation involves conceiving, improving, recognizing, and understanding effective routines for generating innovations as well as facilitating their emergence within an organization.

Innovation should not be viewed solely as a series of experiments or novelties but rather as the consistent integration of new ideas that effectively create value and enhance a company's competitive market position. In other words, innovation management involves renewing processes, introducing technologies and tools, and also transforming organizational culture to cultivate a mindset focused on continuous innovation rather than innovation as an isolated process (Tidd et al., 2008; França, Martins & Moreira, 2024).

The procedural nature of innovation allows for the mapping of the relationships between activities and functions (Nagano et al., 2014; Tidd et al., 2005, 2008). For a company to effectively manage the innovation process, favorable conditions must be created that constitute the basis for its proper functioning (Tidd et al., 2005). Tidd, Bessant, and Pavitt (2008) argue that there is a convergence around a basic structure of innovation and that an appropriate balance between simplification and representation must be struck.

Figure 1 - Innovation Management Process



Generation of new ideas / Selection of best ideas / Implementation / Value Capture
Source: Prepared by the authors based on Tidd and Bessant (2015).

Tidd and Bessant's (2015) innovation management model is used to guide organizations in developing and implementing innovations. A structured and continuous process is proposed that consists of four main steps. Each step helps an organization identify, develop, and implement innovations systematically and strategically. The steps are: Search, in which an organization identifies opportunities for innovation; Selection, where it evaluates and decides which ideas or opportunities will be prioritized and receive resources; Implementation, where it develops and tests the selected innovation; and lastly, Value Capture, where an organization evaluates the success of the implemented innovation and identifies the financial or strategic returns it has obtained.

In the literature, innovation is viewed as the lifeblood of corporate growth as it enables companies to outperform their competition by enhancing products, services, or processes with growth, leadership, social value, and wealth. There is a growing demand from companies and administrators for the implementation of innovation management. The goals are to generate a sustainable competitive advantage and foster a connection with consumers through a value co-creation model (Santos et al., 2019).

In the field of innovation, the concept of product has been understood as a set of tangible and intangible attributes that meet the needs and desires of a consumer market (Bamossy &

Semenik, 1995). Conceptualized by Robert (1995), the development of a new product as a form of innovation can open up new opportunities for a company. In general, the product innovation process can be divided into four distinct stages. The first is the Search, in which innovative companies look for ideas in chosen areas. In the second stage, companies Evaluate the potential of possible opportunities. The third stage is Development in which the critical factors that will determine the success or failure of each opportunity are anticipated. Finally, the fourth step is Execution, when a strategic plan is enacted to promote the success of the new product. It is worth noting that a superior and differentiated product is the primary driver of success and profitability, with success rates reported to be three to five times higher than for reactive, undifferentiated, and technically driven products that lack benefits for customers. Successful products outperform their competitors in meeting the needs of users. Alternatively, the inability to adopt a strong market orientation in product innovation, the lack of willingness to conduct the necessary market assessments, and the failure to build a voice for the customer while also omitting the customer from product development can result in a disastrous market performance. A strong market orientation must be incorporated into each step of the product innovation process to achieve success (Veryzer, 1998).

The business model of innovative companies must be able to explain how a company creates, delivers, and captures value. An effective business model goes beyond product innovation and demands a differentiated design that addresses customer needs and technological trajectories. Achieving this delivers a competitive advantage that is difficult to emulate. In light of these realities, business model innovation represents an underutilized tool for driving the accelerated growth of a company's core business and meeting the needs of today's customers (Keiningham et al., 2019).

Business models have gained prominence in the last decade, and especially so alongside the growth of the Internet which has redefined how companies deliver value and generate financial returns. The internet offers a new distribution channel that also raises challenges such as piracy, as has happened in the music industry, that complicate value capture. Pioneers often have no choice but to make unfounded assumptions about what customers want, what they will pay, and the cost structures associated with various forms of organization (Teece, 2010).

A good business model should produce compelling value propositions for customers, maintain an advantageous cost and risk structure, and allow for significant value capture. Although business models lack formal theoretical grounding in economics or organizational studies, they play a crucial role in business practice by helping companies to address problems that traditional economic theories do not adequately address. Developing a successful business model does not guarantee a competitive advantage, often due to the ease of imitation. Therefore, to ensure a sustainable competitive advantage, an enterprise must couple strategic analysis with the development of a business model (Teece, 2010; Grzybovski, Mozzato & Farias, 2024).

A business model is not simply the means by which a company creates and captures value for the customer. Using one requires vigilance as it must be adapted and strengthened over time while the competitive environment evolves. The competitive environment requires a significant organizational effort in managing innovative models. It is therefore not surprising that a good deal of research relates Business Model Innovation (BMI) to the processes of organizational change (Faria et al., 2021).

Innovative business models can reduce costs or increase value for the consumer by providing an opportunity to generate higher returns, at least until they are copied by competitors. Implementing an effective business model can be hampered by systems, processes, and assets that are difficult to adapt and manage. Opacity, on the other hand, can serve to protect an innovative model from being copied too quickly. New business models may require vertical integration or other strategies to capture value effectively. Admittedly, disappointing results often arise along the journey as a new business model is being implemented, but success rates improve if the model's architects learn quickly and adapt in ways that can turn a satisfactory profit (Teece, 2010).

Given the business model, it is opportune to clearly define the value proposition for the customer and how the company captures a significant part of this value. Technological innovation, by itself, does not guarantee success. Therefore, it is crucial to figure out how to deliver value to the customer and capture value during this process, in addition to involving a combination of art and science, as entrepreneurs and managers must deeply understand the needs of users, as well as observe the multiple alternatives, analyze the value chain thoroughly, and adjust quickly to changes (Teece, 2010).

5 Research Methodology

The present study is qualitative and descriptive, and it presents a unique case study in an interpretive manner which allows space for reflection and interpretation. The field research employed three primary strategies: non-participant observation, document analysis, and interviews.

The field research was participatory, although it had a non-participant aspect where the researchers performed the necessary integration. This function was performed at a remove with the researchers taking on the role of attentive spectator. Observation took place through three field visits. The main observation instruments were a field diary, a wine tasting experience, and observing the winery's operation, in addition to media documentation conducted with photos and social network platforms.

The semi-structured interviews were conducted online at various times following the visits to the winery. The subject was not informed about the visits. Four semi-structured interview scripts were used to examine the perspectives of two of the founding partners. Interviews lasted one hour on average and were conducted between April and August, 2024. The number of individuals interviewed was not based on statistical sampling. Questions in the interview scripts were derived from observations made during field research as well as from the literature.

Context analysis was conducted on the data to account for both its theoretical aspect and for the researcher's intentions. The social nature of content analysis objectively reveals inference in a text (Bauer & Gaskell, 2002). We sought to explore and interpret the interviews` underlying meanings, and particularly focused on the categories that emerged from the literature and the field research. This allowed for interpretations to evolve in response to the complexity of the findings. In an interpretive study, the research process must remain flexible and sensitive to participants' perspectives, and also attentive to the unique context in which the research is conducted. Openness to the views of the actors involved and sensitivity to the research environment are fundamental to obtaining results that truly reflect the social constructions under analysis (Saccol, 2009).

6. The case of Garbo winery

Garbo winery began in 2020, but its story began years earlier when Andrei, Guilherme, and Jonathan met at IFRS, a federal polytechnic institute in the city of Bento Gonçalves. Here they trained in winemaking and received their Bachelor of Science degrees in Oenology.

Throughout their studies they worked in the winemaking sector in the surrounding Serra Gaúcha region. Although none of their families had wineries to pass on to the young men, they were all accustomed to producing grapes. Their conversations around wine continued and, in 2015, they began producing wine as a hobby and also experimenting with various techniques and creative ideas.

The case of Garbo winery demonstrates that innovation goes beyond the development of new products. This company was able to combine technical expertise and market experience, while it also tested and implemented new ideas that added significant value within its niche. Garbo shows that in traditional markets, it is possible to make a name for oneself with technical and creative product knowledge which also resonates deeply with its business model.

6.1 Business Model and Creativity

In 2015, wine production at Garbo began without a pre-established plan and instead embraced an emerging approach to business development. Initially, there wasn´t any intention of starting a company, and the three friends only met out of the love for winemaking. Their efforts matured without any pre-existing structure or milestones.

As a business model for wineries, Garbo presents two unique aspects: it did not begin as a business, and it was not rooted in traditional ideas. Historically, wineries were developed by landowning families that, at some point, decide to produce and sell wines under their own label rather than sell their grapes to another winery. However, Garbo started without property or grapes, with very little capital, and mostly with a few creative ideas.

One of the three young men was working at a traditional winery where he suggested creating a new blend. The idea was not well received, so the he decided to test it himself with the help of his two friends from school. The resulting blend of Merlot and Sauvignon Blanc was bottled and eventually became the winery's best-known wine: Inquieto. Without intending to, their course followed the process outlined by Tidd and Bessant (2015) in which new ideas are generated, selected, and implemented.

After focusing on the initial market of their friends and family, the trio realized a broader niche market existed that they could explore. They did not considered this a strategic advantage at the time. The friends had simply joined their technical and practical knowledge in exploring various blends to test and improve on. In 2020 Garbo became a company, and only then did they recognize the need for structuring a business plan.

One interviewee noted that wineries, in general, are deeply connected to tradition and their industry is often protected by it. This also makes them slower to change. As the three friends started with a counter-cultural mode of operation, they immediately gained notoriety for their unique approach. The humble beginning and gradual evolution of the company's structure, which maintains its original creativity and flexibility, demonstrates a capacity for adaptation and a willingness to explore new ideas that are all essential characteristics for innovation.

Centering on the product rather than replicating the structure of a conventional winery became the core of Garbo's business model. It delivers a defined value proposition to customers seeking something unique. In contrast, most wineries developed from a traditional family operation never considered a customer-centered business model and instead focus on preserving a historical image.

When Garbo opened its wine production to the public, it moved to include a model of wine tourism which grew to account for 50% of sales. With this, the enterprise demonstrated the company's ability to identify and explore market niches. It began offering exclusive tasting experiences that attracted an audience interested in new trends. Also, a gelato tasting component was added thanks to customer participation. This last element reflects the co-creation process as it is outlined in the literature.

The interviewee also noted two main barriers to launching the business: the lack of initial capital and, due to the unique business model, a great deal of uncertainty. They feared that the business would lack the credibility of a traditional winery and with this the ability to exert control from grape production through to wine production. At times, it appeared to them that their business model was incomplete and infeasible. However, it also came to appear that most customers had no trouble with it.

The founders made clear that it is possible to invest in wine production in unconventional ways, and without the need for a vineyard or a physical structure initially. Garbo went on to differentiate itself through innovation and creativity both in the production and also in the presentation of its wines. Their main challenge was capital, and they lacked any significant initial capitalization as this requires tightly regulated financial management. This caused them insecurity from the outset as she public and potential commercial partners were not accustomed to their proposed model. What they did can be related to the startup model, which is a new way of viewing a business and its potential. The startup model aligns with more contemporary practices of innovation and entrepreneurship and is able to convert knowledge and practice into organizational creativity that permeates the resulting processes and products.

In some ways, Garbo is quite traditional. Disagreement exists regarding management and how the culture of creativity permeates everything from service to sales. Interviewees indicated that some traditional management practices persist in various practices and financial arrangements. While they began by negotiating with partners focusing on production and distribution, today 50% of their sales are generated through wine tourism and unique tasting experiences. For example, it is the only winery that offers a wine pairing with gelato. Garbo recognizes that people often simply desire a common wine tasting, but also that some are particularly attracted to the unique experiences they offer. For this reason, they offer a broad range of experiences that allow different types of consumers to get to know their wines. The wine tasting was originally suggested by visitors from South Africa who saw first-hand that Garbo offered an innovative product and experience.

Garbo has truly differentiated itself from the traditional model of a family-owned winery that dominates the market. By combining their personal resources, and by improvising and experimenting with small quantities, their unique entrepreneurial approach became based in creativity and flexibility. The simple origin and gradual evolution of the company's structure demonstrates a capacity for adaptation and a willingness to explore new ideas, which is essential for innovation. According to Gao et al. (2021), creativity has become a crucial driver of business success and innovation.

6.2 Production, processes and innovation

According to the interviewees, wine production has always been based on a well-established technical premise. Today all wine undergoes temperature-controlled fermentation using selected yeasts and the latest production technology available. In product development, the technical process is the first point that must be considered. This is followed by the concept, including the name and product presentation, as was revealed in field research.

Garbo's presents a unique concept in the elaboration of their products and services, however, it should be noted that this is not simple due to offering unique products. Their approach was carefully thought out in every detail and was firmly based in the technical aspects of their industry. By using their acquired knowledge, the founders implemented specific changes and new perspectives to their way of production and explored new ideas. In interviews they pointed out that their wines are matured in unique barrels, and that the distinctiveness of this process is noticeable in the final product. They sought to produce wines that were original and creative, yet technically well-made and distinguished for their quality.

The interviewees noted the scientific bases of oenology which effected choices in barrels, yeasts, and fermentation processes, among others. Innovation in this field does mean inventing an entirely unique and unprecedented wine, but it instead employs a basis of consolidated knowledge, requires learning from experienced professionals, and seeks references in existing work while introducing new approaches. There is no single roadmap for product generation. When an idea arises, it is recorded, studied for feasibility, and analyzed to determine how it can be implemented. The process is extremely dynamic, with new approaches emerging all the time. Rarely are the same practices repeated from one year to the next. Even when a product line or form of presentation is maintained, the elaboration process itself is constantly evolving. With each batch or vintage, something new is incorporated. Moreover, the annual changes in harvest conditions add to this dynamism and demand different solutions each time. This prevents winemakers from maintaining the exact same paradigm and thus reveals a continuous need for adaptation and innovation.

Clearly, Garbo is constantly searching for new winemaking approaches, for an element in the product that is creative, yet remains grounded in established methods. Their wine labels communicate this vitality with non-traditional names and designs that make their products stand out.

Business and production are still carried out in spaces rented from two other wineries. This uncommon arrangement can be described as a winemaker’s coworking space. More than just the necessary physical location, it serves as a community of entrepreneurs, Garbo and others, working in parallel on their own ventures. It is a new organizational form and an innovative business model that offers unique possibilities with its concentration of entrepreneurs exchanging information, and sharing knowledge as well as the experience (Howell, 2022). A managing winemaker is on hand to assist in production, mediate exchanges, and to consult with. Each winemaker working there has their own methodology and needs. Production control is conducted as-needed and occurs in an exterior space.

The winemakers from the two wineries running this space operate on a basis of trust and are also friends of the resident winemakers. They assure complete autonomy over decisions regarding preparation, protocols, and the direct relationships resident winemakers have with grape producers as well as follow-up. However, the actual winemaking process is conducted by professionals employed the wineries together with chemical and laboratory analysis. Garbo monitors and coordinates every step in the process.

Through non-traditional practices and innovation Garbo converts its founder´s creativity into organizational creativity. The practical and technical knowledge of its founders, gained in the field as well as in academia, enables experimentation with new techniques and products. This technical foundation sustains Garbo´s products and processes as it confronts the demand for adaptation in the marketplace.

One of the founders mentioned in an interview that, due to adherence to customs, when they suggested creating a unique product withing a traditional winery it was not met with acceptance. This same product was developed by Garbo's and went on to become a key seller for them as it found an audience that seeks innovation rather than the traditional. Its unconventional product names and unique label designs stand out in the marketplace but also meet with resistance from more conservative customers and those who prefer familiarity even when trying new wines. According to Ziviani & Simões (2022), innovation is crucial to the success of organizations in a competitive environment, and the continuous introduction of new products and services that surpass existing ones is essential to maintain market relevance.

One possible drawback of this coworking arrangement Garbo relies on is that part of the production process may be compromised when it is carried out by employees of a host winery. At these points in the process, Garbo can only monitor and coordinate. This model is also used by some craft breweries, and it is hoped that such risks are offset by benefits like reduced capital investment, low maintenance, and low personnel costs. This allows small producers to focus their resources on purchasing stainless steel barrels and tanks which are essential for their innovative practices. This also enables them to form networks and exchange knowledge with local professionals.

7 Final Considerations

The study reveals how the founders' initial focus on technical experimentation with innovative blends gradually evolved into a creative organizational culture. Garbo incorporated an unconventional business model by adopting a "gypsy" production process and broke completely with traditional family viticulture. The winery innovated by creating differentiated wines with unconventional blends, and also unique wine tourism experiences such as tastings paired with gelato. With backgrounds in oenology, the founders leveraged their expertise to overcome structural and financial challenges while ensuring a consistent standard of quality. Garbo Winery was able to convert the founders' creativity into an innovative business model through experimentation, technical expertise, production flexibility, and a differentiated approach in the market, and thereby overcame traditional barriers in the wine sector.

Garbo sought to break away from the constraints of a sector marked by tradition, family heritage, and upfront investments focused on cultivation and in-house production. Creativity and technical capacity are Garbo's core strengths, and it has demonstrated that knowledge drives innovation, even in traditionally conservative sectors. It is worth noting that this suggests there are always opportunities and new market niches to explore. Their combination of creativity, innovation, and collaboration not only defines the essence of Garbo but also underscores its adaptability and resilience in a competitive market. Through strategic partnerships and a customer-centric approach, Garbo continues to expand its horizons, offering products and experiences that defy convention and redefine what is possible in the world of wines and sparkling wines.

Ultimately, this case contributes to understanding the process by which an entrepreneur's individual creativity can be transformed into organizational creativity, particularly in the context of innovation in business models and products and despite acting in a more traditional sector. This study is intended to contribute to finding creativity and technical knowledge to be a foundation for generating innovations and for breaking with established traditions. With this, we hope to broaden the current debate on the use of creative business models in traditional and low-tech sectors.

The main limitation of this article was the lack of comparison with other new wineries emerging in Serra Gaúcha. One study suggests that a significant number of new wineries now opt for non-traditional business models. A comparison between procedural and incremental innovators would be of value in this field as it could identify successful cases and how they gain competitive advantage.

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