

6-13-2015

ADAPTABILITY IN NEW VENTURES – DYNAMIC CAPABILITIES AND PERFORMANCE IN DIFFERENT STAGES OF ENTREPRENEURIAL VENTURES (SUMMARY)

Tim Hecking

RWTH Aachen University, Germany, hecking@time.rwth-aachen.de

Recommended Citation

Hecking, Tim (2015) "ADAPTABILITY IN NEW VENTURES – DYNAMIC CAPABILITIES AND PERFORMANCE IN DIFFERENT STAGES OF ENTREPRENEURIAL VENTURES (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 35 : Iss. 9 , Article 10.

Available at: <http://digitalknowledge.babson.edu/fer/vol35/iss9/10>

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.

~ SUMMARY ~

ADAPTABILITY IN NEW VENTURES – DYNAMIC CAPABILITIES AND PERFORMANCE IN DIFFERENT STAGES OF ENTREPRENEURIAL VENTURES

Tim Hecking, RWTH Aachen University, Germany

Principal Topics

It was shown that firms with pronounced dynamic capabilities (DCs) are intensely entrepreneurial and more effective in configuring and reconfiguring their portfolio of entrepreneurial competences in dynamic environments. DCs also play an important role in the evolution of young ventures, although it is recognized that their characteristics differ from DCs in established firms (Sapienza et. al 2006). As empirical studies on dynamic capabilities in new ventures and their development in later firm stages are rare (Autio, Georg & Alexy 2011; Zahra et al., 2013), we investigate the question: Which types of dynamic capabilities are employed in young successful entrepreneurial firms and how are these dynamic capabilities employed in established successful firms?

Methods

In this explorative study we employed an online survey that was sent to the founders/managing CEOs of over 3,000 small and medium enterprises in Germany. The key construct for dynamic capabilities was based on the conceptualization of Daneels (2008) and then adapted to entrepreneurial firms with input from current entrepreneurship literature (e.g., Sarasvathy, 2001; Gruber, 2004; Autio, 2011) as well as from interviews with expert entrepreneurs and research experts. We controlled for firm size, age and industry.

Results and Implications

We found, that the investigated DCs in start-ups form 5 groups. These can be describe as “Challenge existing business assumptions”, “Optimize internal processes and organization”, “Develop new opportunities”, “Improve interaction with regulatory bodies and competition” and “Improve customer interaction and service”. For these groups a clear difference for companies with high vs. low firm performance existed. In companies with high performance all but the second groups of DCs were more developed. “Challenge”- and “Improve customer interaction”-DCs were more pronounced the later the phase the firm was in and “Improve regulatory/competition interaction”-DCs showed a u-shaped relationship with stronger DCs in very early and late firm phases. Finally, in companies with low firm performance “Develop opportunities”-DCs were less and “Improve customer interaction”-DCs were only slightly more pronounced the later the phase the firm was in. Besides extending theories on the development of DCs in new ventures, we help practitioners by giving account on successful combinations of DCs for different firm phases.

CONTACT: Tim Hecking; hecking@time.rwth-aachen.de; (T): +49 1753184253; Innovation and Entrepreneurship Group, RWTH Aachen University, Kackertstraße 7, 52072 Aachen, Germany.