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INTERACTIVE PAPER SESSION

START-UP CONDITIONS AND DEVELOPMENT PATHS OF NEW TECHNOLOGY-BASED FIRMS

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Principal Topic

This work studies the emergence of new ventures. It describes how the pre-start-up history of the founders impacts the team configuration at start-up and how subsequently the start-up configuration impacts the development of NTBFs. By focusing on the venture team’s competence as the linking element between pre-start-up and post start-up developments we are able to show that prior experience of the founders shapes the competence level of the founding team at start-up. In consequence the founding team’s competence impacts the main product development task that the team pursues and venture growth.

Method

We test our hypotheses with a sample of 176 team founded new technology based firms. This data is analyzed using the Partial Least Squares (PLS) approach.

Results and Implications

Our research shows that the number of team members with practical and academic backgrounds in a functional field, increases a teams perceived competence. This finding indicates support for the human capital assumption about the additive effect of individual competencies at the team level. Studying the effects of the start-up configuration on post-start-up development, our findings highlight the importance of financial management competence of the venture team to increase new venture growth directly. Surprisingly, technology management competence and marketing management competence do not impact growth directly. Analyzing indirect relationship we find that technology management competence increases the technology task complexity which, however, does not impact growth significantly. Marketing management competence does not impact the degree of innovativeness of the product in the market. The impact of the degree of innovativeness of the product in the market on new venture growth is also non-significant.

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