START-UP ACTIVITIES AND NEW VENTURE FORMATION AMONG U.S. NASCENT ENTREPRENEURS (SUMMARY)

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Principal Topic

The factors that impact the successful establishment of a new firm are widely deemed important, yet poorly understood. Specifically, among nascent entrepreneurs, there is considerable evidence that it is what founders actually “do” that is most influential in affecting outcome status during the emergence period (Aldrich, 1999; Katz & Gartner, 1988, Shane & Delmar, 2002, Reynolds, 2007; Reynolds & Curtin, 2008). In an effort to further extend these findings we are conducting an empirical study, which will explore if differences exist among the various forms of start-up teams (sole proprietor, spouse team, family team, or non-family team), venture type (innovator versus reproducer firm) (Aldrich & Ruef, 2006) and the degree and class of which start-up activities are engaged in by nascent entrepreneurs, along with their respective impact on outcome status. This assessment will explore three questions-- Are there differences in the degree and classes of start-up activities engaged in by type of venture (innovator vs. reproducer) and/or start-up team structure? How does time from conception (first initial start-up action) influence the degree of engagement and class of engagement by venture type and start-up team structure? And subsequently, how does this impact the ventures likelihood of survival?

Method

The sample for this analysis is from the Panel Study of Entrepreneurial Dynamics II (PSEDII), a detailed longitudinal survey with information on a cohort 1,214 individuals that were identified while they were in the process of starting new business. Data is analyzed applying a mix of descriptive and multivariate statistical techniques.

Results and Implications

This research finds that both type of start-up venture and team structure are factors that influence the degree and class of start-up activities engaged in. Moreover, the data also provides evidence that differences do exist in the survival functions of nascent start-ups by team structure. In sum, this assessment will make an important contribution to the field of entrepreneurship by more toughly investigating how team structure and venture type influence engagement levels among classes of start-up activities, and in turn inform nascent entrepreneurs on how to successfully navigate the emergence process.

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