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## STAYING ON THE PATH TO LAUNCH: FACTORS THAT ENCOURAGE VENTURE ADVOCATE BEHAVIORS (SUMMARY)

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## SUMMARY

### STAYING ON THE PATH TO LAUNCH: FACTORS THAT ENCOURAGE VENTURE ADVOCATE BEHAVIORS

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#### Principal Topic

Would-be founders struggle with scarce resources and a lack of legitimacy. Entrepreneurs rarely have the time, human capital, physical, financial capital and strategic resources required to turn ideas into commercialized products by developing and launching an emerging enterprise. Why, when and how entrepreneurs overcome these barriers to successfully exploit opportunities are some of the central questions in entrepreneurship research (Acs & Audretsch, 2003). The focus of this paper is on the “how” question - specifically how founders obtain assistance from the local venture community in the developmental stages of “emerging” enterprises.

We label the assistance that these venture community members provide “Venture Advocate Behaviors” (VABs). We define VABs as voluntary behaviors members of the venture community engage in to help a founder in the emergent or early stages of his/her venture. Like Organizational Citizenship Behaviors in the corporate context (Organ, 1988), VABs lubricate the wheels of the venture community and are essential for its healthy functioning.

#### Method

Our general research question is: *What factors are related to willingness to engage in VABs?* Our sample includes three years of venture presentations (founder “pitches”) at two entrepreneurial organizations. In each year and organization, we formed a research panel of members of the venture community. These members evaluated between 1 and 15 venture presentations over time. After evaluating the venture’s characteristics, presentation quality and passion, and the venture’s likelihood of success, panel members assessed their willingness to help the founder move his or her venture forward—i.e. engage in VABs for that specific emerging enterprise.

#### Results and Implications

First, we find that there are two categories of VABs – direct VABs (e.g. working for or investing in) and indirect VABs (e.g. advising, talking about and networking). Further, as expectancy theory would suggest, more tangible venture characteristics such as the venture’s product/market potential and the quality of its presentation are positively related to direct VABs. Moreover, the advocate’s assessment of the venture’s likelihood of success partially mediates the relationship between venture characteristics and direct VABs. Other less concrete venture characteristics like the quality of the top management team and ability to defend its market position as well as presentation passion are positively related to indirect VABs.

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