

6-10-2006

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Recommended Citation

Walter, Achim; Riesenhuber, Felix; and Auer, Michael (2006) "PRIOR KNOWLEDGE, INNOVATION CHAMPIONING AND THE PERFORMANCE OF UNIVERSITY SPIN-OFFS (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 26: Iss. 9, Article 10.

Available at: <http://digitalknowledge.babson.edu/fer/vol26/iss9/10>

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SUMMARY

PRIOR KNOWLEDGE, INNOVATION CHAMPIONING AND THE PERFORMANCE OF UNIVERSITY SPIN-OFFS

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Principal Topic

Two distinct argumentations exist in entrepreneurship research. The Kirznerian perspective holds prior knowledge of the entrepreneur responsible for opportunity discovery and exploitation, whereas the Schumpeterian perspective argues that it is the entrepreneur's will and action that drive the process. To test the two perspectives, the study controls for endowments with technology at founding and examines the relative impact of prior knowledge and innovation championing of academic entrepreneurs on the performance of university spin-offs.

Method

Academic entrepreneurs were surveyed on their industry experience prior to founding and their behaviour. Technology transfer experts that were involved in the founding process were surveyed on the spin-off's core technology. Information on total sales was provided by the spin-off's accounting offices. 73 data sets were usable for the study. We used multivariate regression analysis and confirmatory factor analysis to test our hypothesis.

Results and Implications

Our analysis reveals no impact of just prior knowledge or just innovation championing on university spin-off performance when the endowments with technology were controlled. A significant interaction of prior knowledge and innovation championing was found. In addition, the core technology (control) explained a high proportion of the performance variance of spin-offs.

These results imply that neither the pure behavioral (the creation approach) nor the pure informational (the discovery approach) perspective on entrepreneurship suffice to explain performance of academic spin-offs. Rather, innovation championing and prior knowledge seem to complement each other in the process of discovery and exploitation of opportunities inherent in the spin-off's core technology.

The strong impact of the core technology on spin-off performance supports the notion that much of the entrepreneurial process depends on factors beyond the control of individual entrepreneurs. This emphasizes the importance to control for opportunities when examining the effect of characteristics entrepreneurs on entrepreneurial outcomes.

In addition, the study contributes to the discussion on the connection of entrepreneurship and resource based theory as it perceives the core technology as growth potential in terms of undiscovered or unexploited commercial opportunities on the one side and entrepreneurial action as the necessary ingredient that brings about the conversion of that potential into a reality on the other.

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