HOLDING HANDS OR MOVING TOGETHER? COMPLEMENTARITY OF VENTURE ROUTINES AND INVENTOR INVOLVEMENT IN UNIVERSITY SPINOFF SUCCESS (INTERACTIVE PAPER)

Jari Konttinen  
*VTT Technical Research Centre of Finland, jari.konttinen@vtt.fi*

Robert P. Van der Have  
*VTT Technical Research Centre of Finland*

Pankaj C. Patel  
*Ball State University*

**Recommended Citation**  
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss4/14

This Interactive Paper 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 administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
INTERACTIVE PAPER

HOLDING HANDS OR MOVING TOGETHER? COMPLEMENTARITY OF VENTURE ROUTINES AND INVENTOR INVOLVEMENT IN UNIVERSITY SPINOFF SUCCESS

Jari Konttinen, VTT Technical Research Centre of Finland
Robert P. Van der Have, VTT Technical Research Centre of Finland and Aalto University, Finland
Pankaj C. Patel, Ball State University, USA

Principal Topic

University spinoffs face the difficult challenge of converting complex knowledge of embryonic technology developed in basic sciences to a viable product. Greater inventor involvement could help facilitate the transformation of basic technologies into products, and hence lead to better venture performance. However, very scant systematic evidence exists for the premise that inventor-involvement indeed enhances university spin-off growth performance and increases survival rates. The only related study, to our knowledge, has focused on the commercialization of inventions from a single university (MIT) (Agrawal, 2006).

In the face of market- and stakeholder pressures, spin-offs often need to adapt their development strategy, which requires broader access to inventor-knowledge. Firms that do not offer any products with the latest technology risk having an obsolete set of offerings and ultimately wane. We therefore hypothesize that the inventors’ involvement ensures access to tacit knowledge that is available for near-future development of the technology towards market needs, and allows the spin-off firm to grow faster. In addition, we hypothesize that inventor-involvement may not only add to the efficiency of the adapting organization, but also have legitimizing effects that help the venture overcome its liability of newness, thus improving its survival chances.

Method

We analyze a unique survey of 82 university spinoffs in Finland, followed over six years, and assess their performance from the Finnish Business Register. Through piecewise Weibull regression over 5904 monthly observations, we test if ventures with inventor involvement are likely to survive longer. Additionally, using right censored tobit panel data approaches we test venture growth over six years.

Results and Implications

It is known that entrepreneurs well-suited for exploiting knowledge from universities as large firms may be not be as interested in high-risk high knowledge conversion. Yet, no research to our knowledge has tested the relationship between inventor involvement, and the growth and survival of academic spin-offs. Our results support our hypotheses that inventor engagement facilitates growth and enhances changes of surviving. This implies that policy makers could help enhance performance of university research transfer to commercializable products.

CONTACT: Jari Konttinen; jari.konttinen@vtt.fi; (T): +358 20 722 4271; (F): +358 20 722 7604; Tekniikantie 2, Espoo, P.O. Box 1000, 02044 VTT, Finland.