6-12-2010

STANFORD UNIVERSITY AND HIGH-TECH ENTREPRENEURSHIP: AN EMPIRICAL STUDY (SUMMARY)

Hervé Lebret
Ecole Polytechnique Fédérale de Lausanne, herve.lebret@epfl.ch

Recommended Citation
Lebret, Hervé (2010) "STANFORD UNIVERSITY AND HIGH-TECH ENTREPRENEURSHIP: AN EMPIRICAL STUDY (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 30: Iss. 5, Article 10.
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss5/10

This Summary 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.
SUMMARY

STANFORD UNIVERSITY AND HIGH-TECH ENTREPRENEURSHIP: AN EMPIRICAL STUDY

Hervé Lebret, Ecole Polytechnique Fédérale de Lausanne, Switzerland

Principal Topic

Academic entrepreneurship has recently attracted much attention. This paper studies three different groups of start-ups linked to Stanford University. The first one is the group of start-ups which obtained a license from the Office of Technology Licensing (OTL) of Stanford University (called the “spin-offs”). The second one is based on a study commissioned by OTL in 1991. The third group known as “Wellspring of Innovation” is a list of companies founded by Stanford Alumni. This makes a total of more than 2’700 start-ups.

Method

We have empirically built consistent data over the three groups: the fields of activities, the resources provided by venture capital and other investors, the year of foundation, the year of a liquidity event if any (Initial Public Offering - IPO, Trade Sale – M&A or Cessation of Activity). The value creation is also studied in three ways: the sales, the employment and the value creation (market capitalization when the company is public or the value of the M&A if the company was acquired). The time span between activity at Stanford and creation of the start-up, and between creation and liquidity of the start-up has been studied. The last features are linked to the founders: are these serial entrepreneurs and do start-ups count multiple Stanford entrepreneurs? The specific features of professors are also considered.

Results and Implications

The article show interesting results that could be used as benchmarks when dealing with other academic spin-offs. The level of venture capital is extremely high as well as the value creation. The life expectancy of these companies (i.e. from foundation to a liquidity event) is about 5 to 7 years. Whereas spin-offs are founded on average two years after activities at Stanford, other start-ups show an average of 8 to 10 years. With the exception of MIT which has been much studied, we think this data should open new paths of research to better understand the dynamics of high-tech start-ups.

CONTACT: Hervé Lebret; herv.lebret@epfl.ch; (T): +41 21 693 7054; (F) : +41 21 693 14 89 ; EPFL, 1015, Lausanne, Switzerland.