PARALLEL-PATH BUSINESS MODELS AND THE TECHNOLOGY TRANSFER CAPABILITY OF ACADEMIC SPIN-OFF VENTURES (SUMMARY)

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Summary

Parallel-Path Business Models and the Technology Transfer Capability of Academic Spin-off Ventures

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Principal Topic

Research-based spin-offs (RBSOs) are new ventures based on technology generated by public research institutions. The literature on academic entrepreneurship has devoted growing attention to the heterogeneity of RBSOs and their business models (Mustar, et al., 2006). Prior research on this topic has pursued a typology approach where RBSOs can only follow one business model at the same time. In this paper we challenge this assumption. Based on evolutionary theory one may expect that a venture experiment with new business models (variation), discharge unproductive ones (selection), and keep efficient models (retention). Nelson (1961) has dubbed the idea that a firm can pursue a several business models for the parallel-path approach. In order to examine the performance implication of parallel-path business models within the RBSO context, the following research question was asked: Does the technology transfer capability of RBSOs, as reflected in their innovativeness, depends on the type of business model and the number of business models they pursue?

Method

A questionnaire was sent to the CEO of all RBSOs in Norway established between 2002 and 2007. 84 firms responded. Response rate was 61%. Regression analysis was used to examine the relationship between the innovativeness of RBSOs and their business models. As the dependent variable we used a construct that highlight that a key function of innovation is to challenge existing technology and push the technological frontier forward (Fang, 2008). Survey items measuring different business models was included in the questionnaire based upon the RBSO literature (Druilhe & Garnsey, 2004; Stankiewicz, 1994). Other controls were also added.

Results and Implications

The analysis indicates that RBSOs that pursue several business models at the same time are significantly more innovative. The business models “development of technology for sale or licensing” and “development and sale of software” were in addition associated with a superior innovativeness when compared to the other business models that we examined. Thus, existing typologies of RBSOs may be based on the erroneous assumption that firms only follow one business model at a time, when they in effect follow several models simultaneously.

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