INDUSTRY KNOWLEDGE AND NEW VENTURE SURVIVAL (SUMMARY)

Shaker Zahra  
*University of Minnesota, USA, zahra004@umn.edu*

Giuseppe Criaco  
*Jönköping International Business School, Sweden*

Lucia Naldi  
*Jönköping International Business School, Sweden*

Bárbara Larrañeta  
*Pablo de Olavide University, Spain*

---

**Recommended Citation**

Zahra, Shaker; Criaco, Giuseppe; Naldi, Lucia; and Larrañeta, Bárbara (2014) "INDUSTRY KNOWLEDGE AND NEW VENTURE SURVIVAL (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 34 : Iss. 14 , Article 14.  
Available at: https://digitalknowledge.babson.edu/fer/vol34/iss14/14

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 editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
Principles Topic

Industries are important arenas where new ventures (NVs) compete, aiming to survive. Evidence suggests that the external environment, and especially the industry in which a venture competes, may contain important sources of knowledge and technologies that enable and constrain ventures to keep abreast of new technological developments and changes in their customers' needs and demands. We propose that an industry's knowledge endowments influence the survival of NVs. To explore the effect of industry knowledge on firm survival, we draw on the knowledge-based view, KBV. We focus on only a particular strand of knowledge—technological knowledge—and define it as scientific knowledge applied to useful purposes (Berchicci, 2012; Huber, 2012; Siegel & Renko, 2012).

Method

We test our hypotheses using unique cohorts of NVs funded in Sweden during the period 2003-2006 in medium-high and high technology industries with a window of observation between 2003 and 2010. Industry knowledge dimensions are based on patent data gathered from the European Patent Office. We also control for other firm and industry level factors that have proven to affect survival; i.e. industry concentration, profitability, firm level aspects.

Results and Implications

This study identifies an intriguing pattern in knowledge-related determinants of NV survival. Though most recent studies have taken an inside-out perspective and focused on the survival and growth implications of the knowledge base internal to the firm, especially the knowledge and experience of the entrepreneur(s), we find that the industry knowledge is an important aspect to consider, underscoring how some dimensions of the industry knowledge may impact new ventures' survival. The study examines the subtle but crucial importance of the industry on NV survival, an effect that materializes through the knowledge---the material from which innovation is made. As such, the results add to the KBV by showing the effect of industry knowledge on new ventures’ survival.

CONTACT: Shaker Zahra; zahra004@umn.edu; (T): +1 612/626-6623; Strategic Management and Organization Department, Carlson School of Management, University of Minnesota, 321 19th Ave. S., Minneapolis, MN 55455 U.S.A.