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DO TEAMS REALLY MATTER? THE DIRECT AND INDIRECT EFFECTS OF TEAM COMPOSITION ON FINANCING, NETWORK, AND PERFORMANCE OF UNIVERSITY SPIN-OFFS (SUMMARY)

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≈ SUMMARY ≈

**DO TEAMS REALLY MATTER? THE DIRECT AND INDIRECT
EFFECTS OF TEAM COMPOSITION ON FINANCING, NETWORK,
AND PERFORMANCE OF UNIVERSITY SPIN-OFFS**

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Principal Topic

Selecting the right team may be a first and easy way to affect firm performance for university spin-offs. On the one hand we suppose that team composition namely team homo- or heterogeneity in particular is a critical success factor for new ventures. On the other hand, we expect that success factors besides team composition are important as well, or, to be more precised more important. To shed light on these parallel effects, we emphasize this empirical study and try to determine if team composition has significant relevance in the entrepreneurial process and a deep impact on new venture success. We think that attributions of direct effects of team formation on firm performance often owe to study design and data composition. In other words, prior research disregards moderating effects between the team as success factor and other success factors. Rather, new venture success is influenced more by other success factors that are to a large extend a function of team homo- or heterogeneity.

Method

We use survey data from a sample of 131 Swiss and German spin-offs in the life science industry and choose structural equation modeling (SEM) to build a model that link the variables team composition, network, finance, and firm performance. We employ the firm's network and financial resources as mediator variables.

Results and Implications

The data shows that team composition is overestimated in literature findings. Furthermore, we identify that the firm's network acts like a mediator for the effect of team composition on financing possibilities, and the finance variable represents a mediator for the effect of the firm's network on firm performance. No evidence can be found for direct effects by the firm's network and team composition on firm performance. While there is no direct effect of team composition on firm performance, team composition is not unimportant. A heterogeneous team composition leads to a better network-building, which in turn drives access to the financial resources that are positive related to firm performance. All the same, these results show that the success factor founding team must be revised, or at least seen in a different light, where team heterogeneity and homogeneity are concerned. For university spin-offs, it seems to be less important.

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