Frontiers of Entrepreneurship Research

Volume 36 | Issue 13
CHAPTER XIII. CORPORATE ENTREPRENEURSHIP

Article 5

6-11-2016

A TRICKY BALANCING ACT: THE ISSUE OF GOAL ALIGNMENT IN CORPORATE ACCELERATORS (SUMMARY)

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SUMMARY

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Principal Topic

As large firms increase their efforts to pursue open innovation, Corporate Accelerators Programs (CAPs) are emerging as a new form of collaboration with entrepreneurial ventures. Despite their exponential growth in the entrepreneurial ecosystem (Cohen & Hochberg, 2014), few academic studies exist. Our research intends to contribute to literature by increasing our understanding of CAPs and how the diverse goals of the corporate sponsor, the accelerator management and the participating ventures are aligned. Drawing from agency theory (Arthurs & Busenitz, 2003; Jensen & Meckling, 1976; Sapienza & Gupta, 1994), we examine the mechanisms used for this purpose. Goal misalignment has been pointed out as a recurrent difficulty in establishing fruitful collaborations between large firms and new ventures (Katila, Rosenberger, & Eisenhardt, 2008; Weiblen & Chesbrough, 2015). We consider CAPs a particularly interesting context, as equity stakes held in the startups are much lower compared to VC investments, where agency issues have been extensively studied.

Method

We employ a multiple case study approach (Eisenhardt, 1989), focusing on two CAPs sponsored by multinational corporations: one where the CAP makes direct investments in the startups in exchange for a small equity stake, and one where no equity is retained. For each case, we gather data from three stakeholders: the corporate sponsor, the accelerator' staff and the startups participating in the program. Our analysis combines primary data from semi-structured interviews with publicly available material and non-participant observation at events (Yin, 2009). The data were transcribed, coded and interpreted independently by two researchers.

Results and Implications

Our initial findings bring transparence to two architypes in terms of goals and purpose. The **complement seeker accelerator**, strives to identify partners that potentially enhance or complement the parent corporation' offering to its clients, while the **campaigner accelerator**'s primary objective is to extend the use of the corporation products and services in the startup audience. In terms of alignment mechanisms, first evidence points to a tricky balancing act for the accelerator's management to reconcile the interests of the corporate sponsor with those of the startups. Despite an intensive due diligence through the selection process and frequent interactions among stakeholders to reduce information asymmetries, goal misalignment still arises.

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