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WHICH FACTORS LEAD TO THE CREATION OF HIGH-GROWTH ACADEMIC SPIN-OFFS? AN EMPIRICAL INVESTIGATION OF THE UK (SUMMARY)

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≈ SUMMARY ≈

WHICH FACTORS LEAD TO THE CREATION OF HIGH-GROWTH ACADEMIC SPIN-OFFS? AN EMPIRICAL INVESTIGATION OF THE UK

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Principal Topic

Academic spin-offs (ASO) are firms created to exploit the results of research conducted in academia. They are considered important for economic growth. Policies focused on the creation of ASOs, often resulting in companies with below-average size and slow growth. There is a lack of systematic analysis of the factors contributing to the creation and growth of high performing ASO. We aim to filling this gap.

Theoretically the paper combines the Institutional Logics Framework (Thornton & Ocasio 1999, 2008) from Institutional Theory with the Resource Based View (Connor, 1991). We contend that Universities willing to create academic spinoffs face conflicting institutional logics: Open science for University and market based for the ASOs. We claim that solving this conflict is beneficial for firm performance.

Method

The empirical analysis exploits an original dataset created gathering information from a range of data sources: FAME BvD for Balance Sheet information; CompanyHouse for firms registry records and board composition; Zephyr BvD for Venture Capital operations; OECD Regpat for firms patenting information; Higher Education Business Community Interaction Survey for university third mission information; HEIDI for university staff and research quality. Retaining information from spin-offs for 3 years since foundation, we exploit a longitudinal dataset with information for 664 spinoffs and 71 universities for the period 2004-2011. We adopt a multilevel modelling strategy to account for (i) the extent to which growth depends on firm and university level factors; (ii) intercepts (university-level averages) and slopes (growth determinants) that vary by university; (iii) variation of spinoff growth by university.

Results and Implications

The paper contributes to uncover the conditions that favour (or hamper) the management of fast- growing ASO, as well as to shed new light on the characteristics that influence their growth. Results show that resolving conflicts of institutional logics through collaboration is key to the creation of high-growing spin-offs. Organisational strategies are relevant: university top-down approaches to ASO creation is not a winning strategy. Conversely the presence of incentive mechanisms, high amount of contract research and the transfer to the ASO of scientific entrepreneurs are related to high-growing ASOs.

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