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NETWORK ACTORS AND THE SUCCESS OF RESEARCH-BASED FIRMS – IMPRINTS OF ACADEMIC, EXTERNAL AND STUDENT ENTREPRENEURS (SUMMARY)

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≈ SUMMARY ≈

**NETWORK ACTORS AND THE SUCCESS OF
RESEARCH-BASED FIRMS – IMPRINTS OF ACADEMIC,
EXTERNAL AND STUDENT ENTREPRENEURS**

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Principal Topic

The entrepreneur's social network imprints specific behavioral characteristics during firm formation, which can influence the development and performance of the firm, well-beyond its birth. While previous findings indicate that different network actors offer different types of resources during firm formation, we know little about the imprints of the different types of entrepreneurs' (academic, external, student) social networks on firm performance.

The context of research-based firms spun out of universities is especially relevant to investigate in terms of networking. For example, research is scant on non-academic founders such as external ('surrogate') entrepreneurs, who have direct ties to both business and technology networks. Whereas academic contacts are important in research and opportunity recognition, non-academic ties may be more useful for creating a firm, involving a committed manager, and gaining market credibility.

Methods

This paper investigates the role of network actors, the different types of entrepreneurs bring in to the new firm, on the firm's market success. We examine whether certain types of entrepreneurs are 'tied to' certain types of networks, and how these networks influence the firm's market performance in the long run. We aim to enrich the one-sided view of the academic entrepreneur and nuance the debate on the role of networks in firm success.

Results and Implications

To test our hypotheses we rely on both cross-sectional and panel data on Norwegian USOs, gained from surveys, business plans, and financial statements (n=85). We use linear panel regressions to test the effect of the various combinations of entrepreneurs and networks on firm growth. According to our findings, to develop and gain legitimacy on the market spin-offs typically rely on contributions received from the academic community, the board of directors, and the technology transfer office (TTO), while they obtain little support from venture capital companies. However, it is not the academic sector or venture capital firms that facilitate their development, but networking with market actors, i.e. industry partners and customers. While strong ties with the TTO negatively affect sales revenues, student entrepreneurs appear to be able to capitalize on the support received from the academic community and the TTO. The paper provides implications for researchers and policy makers.

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