THE IMPACT OF BUSINESS ANGELS ON INVESTEES COMPANIES: A KNOWLEDGE PERSPECTIVE (SUMMARY)

Amparo San José  
IESE Business School, Asanjo@iese.edu

Juan Roure  
IESE Business School

Juan Luis Segurado  
IESE Business School

Rudy Aernoudt  
Department of Economy, Science and Innovation, Belgium

Recommended Citation
San José, Amparo; Roure, Juan; Segurado, Juan Luis; and Aernoudt, Rudy (2007) "THE IMPACT OF BUSINESS ANGELS ON INVESTEES COMPANIES: A KNOWLEDGE PERSPECTIVE (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 27: Iss. 2, Article 6.  
Available at: http://digitalknowledge.babson.edu/fer/vol27/iss2/6

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 administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
SUMMARY

THE IMPACT OF BUSINESS ANGELS ON INVESTEES COMPANIES: A KNOWLEDGE PERSPECTIVE

Amparo San José, IESE Business School, Spain
Juan Roure, IESE Business School, Spain
Juan Luis Segurado, IESE Business School, Spain
Rudy Aernoudt, Department of Economy, Science and Innovation, Belgium

Principal Topic

From the knowledge perspective a firm can be understood as a social community specializing in the speed and efficiency in the creation and transfer of knowledge (Kogut and Zander 1995). One way to expand the knowledge base of a firm is to attract it from external sources such as venture capital investors (Bygrave and Timmons 1992, Hellmann and Puri 2000, Lerner 1994 and Gompers 1995, Baker and Gompers, 2001). Business angels are considered an alternative/complementary source of venture capital, and are also tagged as “smart capital” and because their, often, direct and intense involvement in the venture they are a non-negligible source of “acquired” knowledge. Nevertheless, the fact that business angels are a source of knowledge does not mean that it is transferred to the end-user: the entrepreneur/s or manager/s. For this, an effective knowledge transfer has to take place. We pose the following questions: 1) What type of knowledge is transferred from the angel to the entrepreneur? 2) Is the transfer of knowledge between the angel and the entrepreneur easier when they have a common knowledge basis? 3) Does an informal relationship between the entrepreneur and the angel facilitate the transfer of knowledge?

Method

To explore the elements present in the knowledge transfer between entrepreneur and their angel investors we have used a sample of 35 companies and 68 investors participating in the Belgian “Business Angel +” programme for the past four years. In this paper we develop a set of 43 knowledge items with varying degrees of tacitness.

Results and Implications

Our results show different types of investors regarding knowledge transferred to the company. Experience of the investor (stocks of knowledge and investment experience) plays an important role on the type of knowledge transferred; in this sense, lesser experience investors tend to make more instrumental contributions to the venture. We find mix evidence on the role played by informality of relationship on knowledge transferred. From the perspective of the entrepreneur the results of the paper will facilitate a revision of expectations regarding the non-financial contribution of their investors.

CONTACT: Amparo San José; Asanjose@iese.edu; (T): +34 93 253 4200; IESE Business School, Avenida Pearson 21, 08034 Barcelona.