ECONOMIC OUTCOMES OF FOUNDING-TEAM HUMAN CAPITAL AND INNOVATION STRATEGY IN NASCENT TECHNOLOGICAL VENTURES (SUMMARY)

Qian Ye  
*University of Louisville, USA, qian.ye@louisville.edu*

Melissa Baucus  
*University of Louisville, USA*

David A. Dubofsky  
*University of Louisville, USA*

Recommended Citation

Ye, Qian; Baucus, Melissa; and Dubofsky, David A. (2009) "ECONOMIC OUTCOMES OF FOUNDING-TEAM HUMAN CAPITAL AND INNOVATION STRATEGY IN NASCENT TECHNOLOGICAL VENTURES (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 29: Iss. 11, Article 7.  
Available at: [http://digitalknowledge.babson.edu/fer/vol29/iss11/7](http://digitalknowledge.babson.edu/fer/vol29/iss11/7)
SUMMARY

ECONOMIC OUTCOMES OF FOUNDING-TEAM HUMAN CAPITAL AND INNOVATION STRATEGY IN NASCENT TECHNOLOGICAL VENTURES

Qian Ye, University of Louisville, USA
Melissa Baucus, University of Louisville, USA
David A. Dubofsky, University of Louisville, USA

Principal Topic

We assess how nascent venture team (NVT) human capital and the selection of an innovation strategy affect nascent technology-based venture performance.

Method

We analyzed 1368 technology-based nascent ventures from the Kauffman Firm Survey (KFS), conducted by the Ewing Marion Kauffman Foundation over the period 2005-2007. This sample of firms included 421 nascent new venture teams (NNVT) consisting of two or more members. NVTs consist of owner-operators who help run the business and provide regular assistance or advice with day-to-day operations of the business. The performance measure consists of the nascent venture’s total revenue in its third year of existence. Independent variables include technology innovation strategy and human capital of the nascent new venture team.

Results and Implications

Preliminary results suggest that aspects of the nascent new venture team relate to new venture performance. Prior research indicates that innovation can provide a competitive advantage to a firm (Maidique & Patch, 1982) so we extend this work by examining the effect of an innovation strategy in nascent new ventures. Our initial results suggest that NNVT human capital also matters for new venture performance. An innovation strategy may be costly and difficult to promote in nascent ventures but and nascent ventures may have difficulty attracting new venture team members with high levels of human capital but these appear to matter for the nascent venture’s subsequent economic performance.

CONTACT: Qian Ye; qian.ye@louisville.edu; (T): 502-852-4874; Fax: 502-852-4799; University of Louisville, Louisville, Kentucky 40292.