OPPORTUNITY DEVELOPMENT AND HIGHTECH VENTURE OUTCOMES (INTERACTIVE PAPER)

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INTERACTIVE PAPER

OPPORTUNITY DEVELOPMENT AND HIGH-TECH VENTURE OUTCOMES

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Principal Topic

There is an increasing interest in the notion that opportunities do not jump out in final form but emerge through insights and developed through learning. Some ideas are abandoned while others are shaped and progressed into ventures that perform better than others in terms of financial and innovative performance—and the focus of this study. Previous studies of learning in entrepreneurship have tended to focus on learning styles as opposed to the domain of new knowledge acquired within the opportunity development process thus representing a gap in the literature. We respond to this gap and explore differences in ‘what’ was learned as individuals develop opportunities and launch their venture. We shed light on the aspects of prior knowledge and learning that impact outcomes of product innovativeness and sales in the high-tech context.

Method

Founders of young technology-based ventures were chosen because of the knowledge intensive context and to minimize retrospective recall issues. In total, 16 incubators participated and afforded meetings with venture founders. Surveys were completed during these meetings and our sample includes 166 founders of high-tech ventures. To operationalize prior knowledge of demand and technology two measures were developed. Each scale concerned prior knowledge at initial opportunity identification. To operationalize learning about demand and technology two additional measures were developed. Each scale concerned the knowledge acquired from initial opportunity identification to launching the business. Results indicate that both the prior knowledge and learning scales are valid and reliable.

Results and Implications

Our analyses suggest that individual prior knowledge and learning are both useful to explaining high-tech venture outcomes. We distinguish between prior knowledge and learning and find that the duality may be vital to outcomes of sales and innovativeness. Theories of opportunity development emphasize how learning enables the refinement of prior knowledge as individuals develop ventures and thus the moderation effects of learning among similar prior knowledge and outcomes is explored. Results suggest a counterintuitive relationship as when a person has high prior knowledge of technology the relationship among product innovativeness is strengthened by ‘low levels’ of technology learning in opportunity development. Findings also suggest a moderation effect of demand learning among prior demand knowledge and venture sales.

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