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FACULTY FOUNDERS AND THE MULTI- GENERATIONAL UNIVERSITY SPINOFF (SUMMARY)

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≈ SUMMARY ≈

FACULTY FOUNDERS AND THE MULTI-GENERATIONAL UNIVERSITY SPINOFF

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Principal Topic

Increasingly, universities are seen as a catalyst for economic development within a region (Lockett & Wright, 2005; Rothaermel et al., 2007). One key mechanism through which they fulfill this role is through the generation of spin-offs (Nicolaou & Birley, 2003; Pirnay et al., 2003). Recently, scholars have begun to direct attention towards understanding the implications of varying spinoff types on organizational outcomes (Åstebro et al., 2012; Wennberg et al., 2011). In this study, we adopt the perspective that spin-offs face critical junctures in the accumulation of resources and capabilities (Vohora et al., 2004) but that the fungibility of those resources may be constrained by the particular makeup of the founding team. Thus, we examine the impact of the presence of a faculty founder on the *type* of subsequent spinoff that is generated by the focal firm.

Methods

We test our hypotheses using a sample of 115 spin-offs from a large Midwestern university. Of these spinoffs, 25 had a faculty CEO, 22 had a student CEO, and 15 had an academic staff CEO (the remainder had non-university affiliated personnel as the CEO). These spin-offs subsequently generated an additional 55 spin-offs, consisting of 8 tech-only spinoffs, 13 person-only spinoffs and 34 person/tech spinoffs. Data for this study consists of archival data as well as primary data gathered through an online survey.

Implications

In order to gain a more complete understanding of the overall ecosystem in which university spin-offs occur, it is important to account for both underlying heterogeneity in the “first generation” spin-offs as well as the impact such heterogeneity has on later “progeny” firms. Ours is an early investigation of spin-off linkages over multiple generations of firms. Our theory also introduces a new perspective on the creation and appropriation of public versus private knowledge. While previous research suggests that academic founders are motivated to generate public knowledge, our theory suggests that these same founders also have propensities to keep their knowledge private and this propensity has meaningful implications for the economic development of a region.

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