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ENTREPRENEURIAL EXIT – IT’S TIME TO MEASURE SUCCESS (SUMMARY)

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≈ SUMMARY ≈

ENTREPRENEURIAL EXIT – IT'S TIME TO MEASURE SUCCESS

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Principal Topic

Entrepreneurial exit has been acknowledged as a critical component of the entrepreneurial process (DeTienne, 2010; Wennberg & DeTienne, 2014). At the heart of recent research lies the basic belief that exit is a multidimensional phenomenon that can be perceived as a positive as well as a negative outcome by the individual entrepreneur. Theoretical reasoning suggests that not only the financial outcome plays a role in entrepreneurs' perceptions of exit (DeTienne, 2010). Scholars rather suggest that exiting entrepreneurs also aim at other dimensions of success, such as reputational gains, employee retention, or continued pursuance of the firm's strategic mission (Graebner & Eisenhardt, 2004; Dalziel, 2008; Graebner et al., 2010). Building on the findings outlined above, we develop a scale to measure *Entrepreneurial Exit Success (EES)*. The development of this scale is important as it enables researchers to distinguish between successful and unsuccessful exits—furthermore, forming the basis for research on determinants for *EES*.

Method

This study employs a multi-method approach, consisting of a thorough scale development process building on semi-structured interviews and an online survey sent out to entrepreneurs in German-speaking Europe who have already completed an exit process. Emphasis has been placed on obtaining a balanced sample across industries and exit routes. Our scale development process follows DeVellis (2003) encompassing an extensive qualitative analysis and two quantitative analyses. Until now, the qualitative part (including a comprehensive literature review, 23 interviews with experienced entrepreneurs and discussions with scale development experts) is completed. A quantitative analysis has been conducted with completion of full data collection still underway.

Results and Implications

In the qualitative analysis, we found strong convergence of success dimensions among the interviewed entrepreneurs. In line with these findings, the quantitative analysis applying maximum likelihood factor analysis yielded four significant factors. As such, *EES* is represented by the dimensions personal financial benefits, personal reputation, employee benefits, and firm mission persistence. These dimensions complement each other and represent the entrepreneur's perception of the exit process outcome. At the current state of analysis we offer strong evidence for a multi-faceted approach to *EES*.

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