

Success and Failure of Innovative Company Start-ups: Developmental Pathways of Entrepreneurs

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ABSTRACT

The research project focuses on innovative company start-ups as an important vehicle for commercialising new technological knowledge. The main research question we attempt to answer refers to the conditions and determinants for success and failure of newly founded companies. Overall, we want to distinguish individual characteristics of company founders, such as motivation, risk attitude, skills etc. as well as technological and economic determinants, such as technological opportunities, resource availability, competitive situation, etc. Consequently we pursue an interdisciplinary approach involving psychology and economics.

More specifically, the research project will consider:

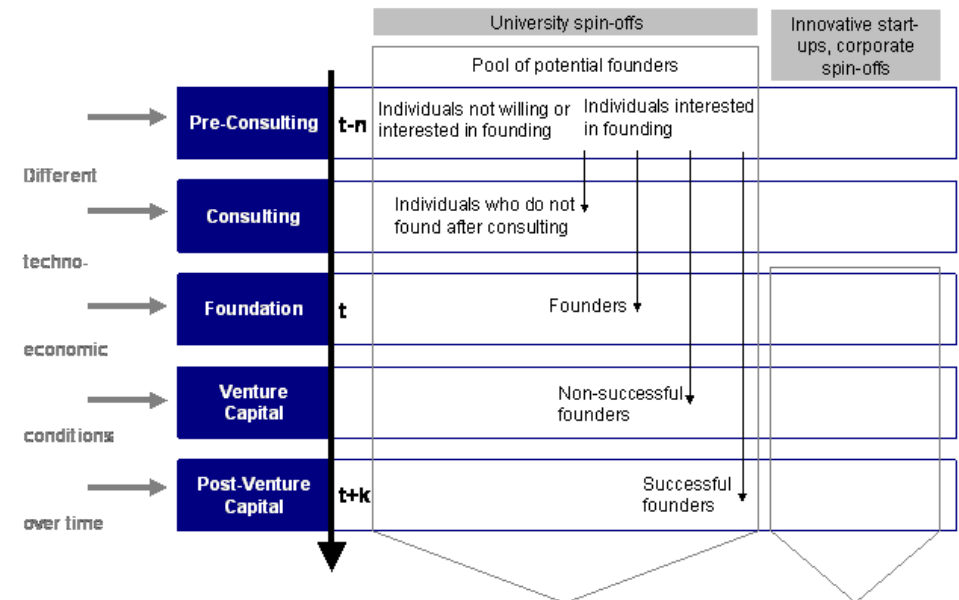
(1) Entrepreneurial Development: Research indicates that entrepreneurial success is associated with specific developmental pathways and traits, such as early entrepreneurial competence and interests, parenting style and personality. The purpose of this project is to shed light on the psychological development of new company founders.

(2) Explicit focus on failure: About 50% of newly founded businesses fail; thus, this research project is not only interested in factors and determinants for economic success but also those for failure.

(3) Focus on university spin-offs: Company start-ups arising out of universities and public research institutes provide immediate transfer of knowledge and technologies from research into industry. Therefore, they are particularly valued as a means to stimulate economic and technical development of a country. In this project our special interest is to analyze the determinants for success and failure of university spin-offs and compare them to innovative start-ups without connection to universities or public research institutes.

METHOD

A representative sample of successful/unsuccessful innovative entrepreneurs (company start-up in 1990-2006 in Thuringia) and potential founders located at the universities of Thuringia will be interviewed via questionnaire in a cross-sectional design. The questionnaire will be based on both economic items and psychological items. Furthermore, the life history calendar, an instrument for valid retrospective data collection, will be applied.



AIMS OF THE STUDY

- to determine developmental pathways and types of entrepreneurs related to entrepreneurial success and failure
- to combine economic and psychological data and gain new insights into their interaction
- to enrich the multidisciplinary research findings in entrepreneurship and to come forward with proposals concerning further research needs

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