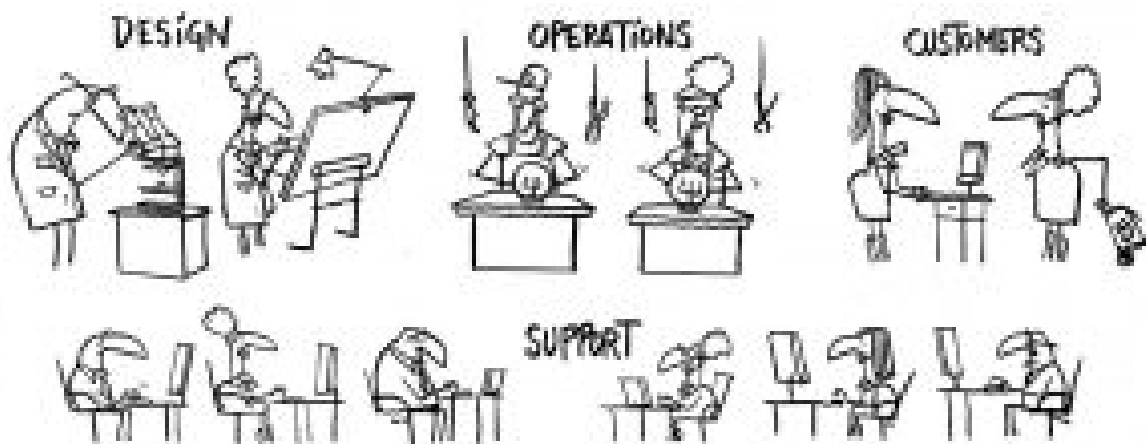


By Benoît Gailly, 17 January 2018

Mobilizing the right resources: Who and how much?



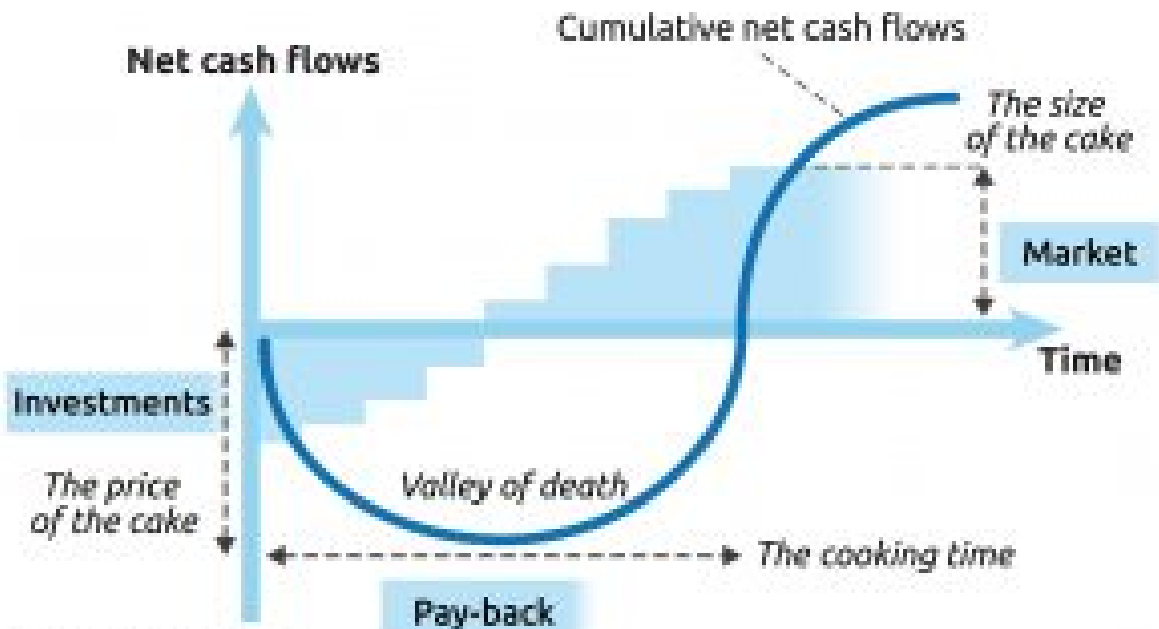
Probably the most important but least understood aspect of a successful innovative business model is the identification and mobilization of the required **entrepreneurial talent and expertise**. Too often firms decide first to launch a project and then try to staff and link it with whoever is available, that is in many cases not the right people or partners.

Focus	Start-up	Corporate venture
Strategy Legitimacy	Board of Directors	Steering Committee
Operations Performance	Management Staff	Dedicated team
Specialized skills	Subcontractors Partners	Shared staff Partners

Innovation team

© Prof. Reinhold Bohn, www.ipdigit.eu/Management

The hidden secret behind the failures of many innovative ventures is not bad technologies but bad **governance**, with the wrong people taking the wrong decisions or failing to take any decisions at all.



© Prof. Reinhold Bohn, www.ipdigit.eu/Management

The easiest way to waste an innovation opportunity is to underestimate the **financial resources** required over time to support the launch and growth of a sustainable business model. Great innovations are never overnight successes.

Bibliography

Entrepreneurial talent and expertise: Who does what?

- (Book) Berlin, L. (2017). [*Troublemakers: Silicon Valley's Coming of Age*](#). Simon and Schuster.
- (Book) Ensley, M. D. (2014). [*Entrepreneurial Teams as Determinants of New Venture Performance*](#). Routledge.
- (Book) [*Steve Jobs*](#) by Walter Isaacson
- (Video) [How Google builds the perfect team](#)
- (Article) Allee, V. (2000). Reconfiguring the value network. *Journal of Business Strategy*, 21(4), 36-39.
- (Article) Baron, J. N., Burton, M. D., & Hannan, M. T. (1996). The road taken: Origins and evolution of employment systems in emerging companies. *Industrial and Corporate Change*, 5(2), 239-275.
- (Article) Baum, J. A., Calabrese, T., & Silverman, B. S. (2000). Don't go it alone: Alliance network composition and startups' performance in Canadian biotechnology. *Strategic Management Journal*, 267-294.
- (Article) Becker, Gary S. "Human capital revisited." In *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education* (3rd Edition). The University of Chicago Press, 1994. 15-28.
- (Article) Clarysse, B., & Moray, N. (2004). A process study of entrepreneurial team formation: the case of a research-based spin-off. *Journal of Business Venturing*, 19(1), 55-79.
- (Article) Crook, T. R., Todd, S. Y., Combs, J. G., Woehr, D. J., & Ketchen Jr, D. J. (2011). Does human capital matter? A meta-analysis of the relationship between human capital and firm performance. *Journal of Applied Psychology*, 96(3), 443.
- (Article) Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301-331.
- (Article) De Bettignies, J. E., & Chemla, G. (2008). Corporate venturing, allocation of talent, and competition for star managers. *Management Science*, 54(3), 505-521.
- (Article) Eesley, C. E., Hsu, D. H., & Roberts, E. B. (2014). The contingent effects of top management teams on venture performance: Aligning founding team composition with innovation strategy and commercialization environment. *Strategic Management Journal*, 35(12), 1798-1817.
- (Article) Eikebrokk, T. R., & Olsen, D. H. (2007). An empirical investigation of competency factors affecting e-business success in European SMEs. *Information & Management*, 44(4), 364-383.
- (Article) Ensley, M. D., Pearson, A. W., & Amason, A. C. (2002). Understanding the dynamics of new venture top management teams: cohesion, conflict, and new venture performance. *Journal of Business Venturing*, 17(4), 365-386.
- (Article) Ensley, M. D., & Hmieleski, K. M. (2005). A comparative study of new venture top management team composition, dynamics and performance between university-based and independent start-ups. *Research Policy*, 34(7), 1091-1105.
- (Article) Ernst, H., & Vitt, J. (2000). The influence of corporate acquisitions on the behaviour of key inventors. *R&D Management*, 30(2), 105-120.

- (Article) Franke, N., Gruber, M., Harhoff, D., & Henkel, J. (2008). Venture Capitalists' Evaluations of Start-Up Teams: Trade-Offs, Knock-Out Criteria, and the Impact of VC Experience. *Entrepreneurship Theory and Practice*, 32(3), 459-483.
- (Article) Gemünden, H. G., Salomo, S., & Hölzle, K. (2007). Role models for radical innovations in times of open innovation. *Creativity and Innovation Management*, 16(4), 408-421.
- (Article) Herron, L., & Robinson Jr, R. B. (1993). A structural model of the effects of entrepreneurial characteristics on venture performance. *Journal of Business Venturing*, 8(3), 281-294.
- (Article) Higgins, M. J., Stephan, P. E., & Thursby, J. G. (2011). Conveying quality and value in emerging industries: Star scientists and the role of signals in biotechnology. *Research Policy*, 40(4), 605-617.
- (Article) Hoecht, A., & Trott, P. (2006). Innovation risks of strategic outsourcing. *Technovation*, 26(5-6), 672-681.
- (Article) Hoenig, D., & Henkel, J. (2015). Quality signals? The role of patents, alliances, and team experience in venture capital financing. *Research Policy*, 44(5), 1049-1064.
- (Article) Ko, E. & McKelvie, A. (2018). Signaling for more money: The roles of founders' human capital and investor prominence in resource acquisition across different stages of firm development. *Journal of Business Venturing*, 33(4), 438-454.
- (Article) Lechler, T. (2001). Social interaction: A determinant of entrepreneurial team venture success. *Small Business Economics*, 16(4), 263-278.
- (Article) Mitteness, C. R., Baucus, M. S., & Sudek, R. (2012). Horse vs. jockey? How stage of funding process and industry experience affect the evaluations of angel investors. *Venture Capital*, 14(4), 241-267.
- (Article) Mosey, S., & Wright, M. (2007). From human capital to social capital: A longitudinal study of technology-based academic entrepreneurs. *Entrepreneurship Theory and Practice*, 31(6), 909-935.
- (Article) Nuscheler, D., Engelen, A., & Zahra, S. A. (2019). The role of top management teams in transforming technology-based new ventures' product introductions into growth. *Journal of Business Venturing*, 34(1), 122-140
- (Article) Partanen, J., Chetty, S. K., & Rajala, A. (2014). Innovation types and network relationships. *Entrepreneurship Theory and Practice*, 38(5), 1027-1055.
- (Article) Shane, S., & Stuart, T. (2002). Organizational endowments and the performance of university start-ups. *Management Science*, 48(1), 154-170.
- (Article) Shrader, R., & Siegel, D. S. (2007). Assessing the Relationship between Human Capital and Firm Performance: Evidence from Technology-Based New Ventures. *Entrepreneurship Theory and Practice*, 31(6), 893-908.
- (Article) Vismara, S. (2016). Equity retention and social network theory in equity crowdfunding. *Small Business Economics*, 46(4), 579-590.

Governance: Who decides what?

- (Book) Charan, R., Barton, D., & Carey, D. (2018). [*Talent Wins: The New Playbook for Putting People First*](#). Harvard Business Press.
- (Book) Finkelstein, S. (2004). [*Why smart executives fail: And what you can learn from their mistakes*](#). Penguin.

- (Book) Govindarajan, V., & Trimble, C. (2010). [*The other side of innovation: Solving the execution challenge*](#). Harvard Business Press.
- (Book) Kuratko et al. (2011) [*Corporate Innovation and Entrepreneurship*](#), South-Western Cengage Learning
- (Video) [*Holacracy: A Radical New Approach to Management*](#), by Brian Robertson, TEDxGrandRapids
- (Article) Anderson, S.W., & Dekker, H.C. (2005). Management control for market transactions: The relation between transaction characteristics, incomplete contract design, and subsequent performance. *Management Science*, 51(12), 1734-1752.
- (Article) Ardichvili, A., Harmon, B., Cardozo, R. N., Reynolds, P. D., & Williams, M. L. (1998). The new venture growth: Functional differentiation and the need for human resource development interventions. *Human Resource Development Quarterly*, 9(1), 55-70.
- (Article) Arzubiaga, U., Kotlar, J. De Massis, A., Maseda, A. & Iturralde, T. (2018)). Entrepreneurial orientation and innovation in family SMEs: Unveiling the (actual) impact of the Board of Directors, *Journal of Business Venturing*, 33(4), 455-469
- (Article) Baron, J. N., Hannan, M. T., & Burton, M. D. (1999). Building the iron cage: Determinants of managerial intensity in the early years of organizations. *American Sociological Review*, 527-547.
- (Article) Cardon, M. S., & Stevens, C. E. (2004). Managing human resources in small organizations: What do we know?. *Human Resource Management Review*, 14(3), 295-323.
- (Article) Colombo, M. G., Croce, A., & Murtinu, S. (2014). Ownership structure, horizontal agency costs and the performance of high-tech entrepreneurial firms. *Small Business Economics*, 42(2), 265-282.
- (Article) Daily, C. M., & Dalton, D. R. (1992). The relationship between governance structure and corporate performance in entrepreneurial firms. *Journal of Business Venturing*, 7(5), 375-386.
- (Article) Daily, C. M., Dalton, D. R., & Cannella Jr, A. A. (2003). Corporate governance: Decades of dialogue and data. *Academy of Management Review*, 28(3), 371-382.
- (Article) Forbes, Daniel P., and Frances J. Milliken. "Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups." *Academy of Management Review* 24.3 (1999): 489-505
- (Article) Fried, V. H., Bruton, G. D., & Hisrich, R. D. (1998). Strategy and the board of directors in venture capital-backed firms. *Journal of Business Venturing*, 13(6), 493-503.
- (Article) Garg, S., & Furr, N. (2017). Venture Boards: Past Insights and Future Directions. *Strategic Entrepreneurship Journal*. 11, 326-343.
- (Article) Gulati, R., Puranam, P., & Tushman, M. (2012). Meta-organization design: Rethinking design in interorganizational and community contexts. *Strategic Management Journal*, 33(6), 571-586.
- (Article) Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28(3), 383-396.
- (Article) Hotho, S., & Champion, K. (2011). Small businesses in the new creative industries: innovation as a people management challenge. *Management Decision*, 49(1), 29-54.
- (Article) Kor, Y. Y., & Mesko, A. (2013). Dynamic managerial capabilities: Configuration and orchestration of top executives' capabilities and the firm's dominant logic. *Strategic Management Journal*, 34(2), 233-244.

- (Article) Kor, Y. Y., & Misangyi, V. F. (2008). Outside directors' industry-specific experience and firms' liability of newness. *Strategic Management Journal*, 29(12), 1345-1355.
- (Article) McDonald, M. L., Khanna, P., & Westphal, J. D. (2008). Getting them to think outside the circle: Corporate governance, CEOs' external advice networks, and firm performance. *Academy of Management Journal*, 51(3), 453-475.
- (Article) Miles, Morgan P., and Jeffrey G. Covin. "Exploring the practice of corporate venturing: Some common forms and their organizational implications." *Entrepreneurship: Theory and Practice* 26.3 (2002): 21-41.
- (Article) Nieto, M. J., Santamaria, L., & Fernandez, Z. (2015). Understanding the innovation behavior of family firms. *Journal of Small Business Management*, 53(2), 382-399.
- (Article) Patel, P. C., & Cardon, M. S. (2010). Adopting HRM practices and their effectiveness in small firms facing product-market competition. *Human Resource Management*, 49(2), 265-290.
- (Article) Patzelt, H., Zu Knyphausen-Aufseß, D., & Nikol, P. (2008). Top management teams, business models, and performance of biotechnology ventures: An upper echelon perspective. *British Journal of Management*, 19(3), 205-221.
- (Article) Phene, A., & Tallman, S. (2012). Complexity, context and governance in biotechnology alliances. *Journal of International Business Studies*, 43(1), 61-83.
- (Article) Quinn, R. E., & Cameron, K. (1983). Organizational life cycles and shifting criteria of effectiveness: Some preliminary evidence. *Management Science*, 29(1), 33-51.
- (Article) Sanders, W. M., & Boivie, S. (2004). Sorting things out: Valuation of new firms in uncertain markets. *Strategic Management Journal*, 25(2), 167-186.
- (Article) Sine, W.D., Mitsuhashi, H., & Kirsch, D.A. (2006). Revisiting Burns and Stalker: Formal structure and new venture performance in emerging economic sectors. *Academy of Management Journal*, 49(1), 121-132.
- (Article) Wasserman, N. (2017). The throne vs. the kingdom: Founder control and value creation in startups. *Strategic Management Journal*, 38(2), 255-277.

How much? Financial resources

- (Book) Andrew, James P., Harold L. Sirkin, and John Butman. [Payback: reaping the rewards of innovation](#). Harvard Business Press, 2007.
- (Book) Damodaran, A. (2009). [The dark side of valuation: valuing young, distressed, and complex businesses](#). Ft Press.
- (Video) [Introduction to Valuation Aswath Damodaran](#)
- (Article) Heirman, Ans, and Bart Clarysse. "How and why do research-based start-ups differ at founding? A resource-based configurational perspective." *The Journal of Technology Transfer* 29.3 (2004): 247-268.
- (Article) Zott, C., & Amit, R. (2007). Business model design and the performance of entrepreneurial firms. *Organization Science*, 18(2), 181-199.