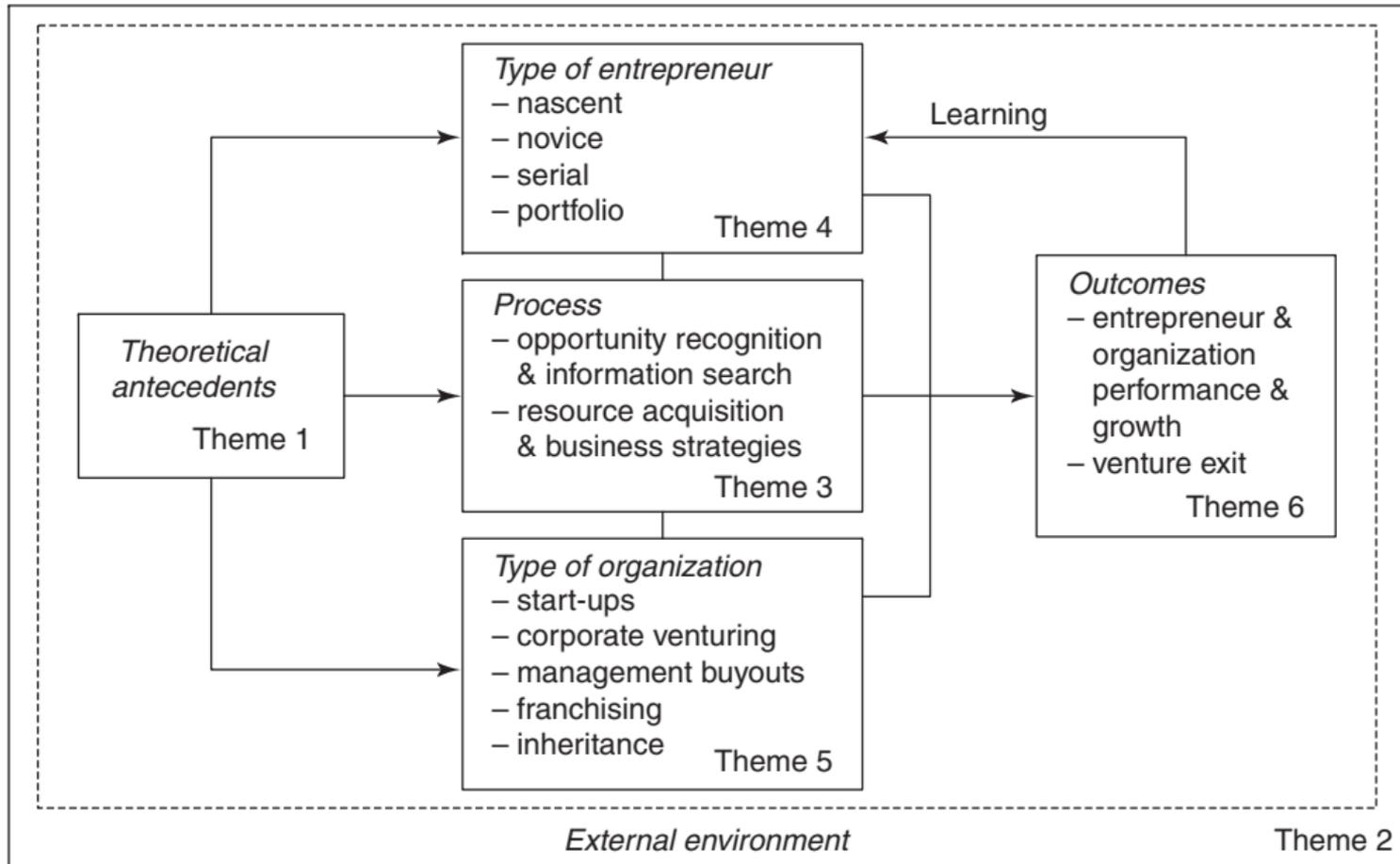


Table 1. Summary of approaches for describing the entrepreneur as an individual

| Entrepreneurial model | Central focus or purpose | Assumption | Skills and behaviour | Situation |
|--------------------------------------|---|---|---|---------------------------|
| Great person school | Born with intuitive ability | 'Inborn' intuition makes the entrepreneur different | Intuition, vigour, energy, persistence, and self-esteem | Start-up |
| Psychological characteristics school | Unique values, attitudes, and needs that drive them | Values shape behaviour to satisfy needs | Personal values, risk taking; need for achievement, etc. | Start-up |
| Classical school | Focus on innovation | Process of doing rather than owning | Innovation, creativity, and discovery | Start-up and early growth |
| Management school | Organizers that own, manage, and assume risk | Can develop and train | Production planning, people organizing, capitalization, and budgeting | Early growth and maturity |
| Leadership school | Leaders that adapt their style to the needs of people | Cannot accomplish a goal on their own | Motivating, directing and leading | Early growth and maturity |
| Intrapreneurship school | Entrepreneurial skills used in complex organizations | Adaptation and organization building | Alertness to opportunities and maximizing decisions | Maturity and change |

Source: Adapted from Cunningham and Lischeron (1991: 47)



1. Themes explored in entrepreneurship studies

Table 2. Entrepreneurial firms: positive economic and non-economic contributions and barriers to enterprise

| Positive contributions | Barriers |
|---|--|
| <i>Economic</i> | <i>Macro-economic</i> |
| Economic development | Taxation, interest and exchange rates public spending, inflation policy, and regulatory framework |
| Reduce unemployment and poverty | |
| Job generation when large firms are downsizing | |
| Wealth creation and taxes to support government policies | |
| 'Seed' firms grow into large 'oak' firms | <i>Cultural barriers and narrow education base</i> |
| Competition, innovation, productivity, and supply-chain benefits | |
| Internationalization and balance of payments benefit | |
| Provision of essential services to enhance quality of life | <i>Advantages of large firms</i> |
| Harmonious working environment | |
| Seedbed nurturing future entrepreneurs | <i>Attitudinal barriers</i> |
| Protect and promote local communities and their development Clusters of knowledge and technology-based firms create spillover, multiplier, job, wealth, and competitiveness benefits | Reluctant to pursue a career in enterprise, and to focus upon firm growth and use external finance and expertise |
| Votes for policymakers supporting enterprise | |
| <i>Non-economic</i> | <i>Resource barriers</i> |
| Reduce social and regional inequality | Information, finance, premises, skilled labour, machinery, equipment, etc. |
| Promote diversity and encourage under-represented groups such as women to become entrepreneurs | |

Promote choice, self-help, and personal empowerment

Operational barriers

Imagination, creativity, innovation, and use of appropriate management and production systems

Strategic barriers

Inability to introduce appropriate differentiation

Government failure

Government supports wrong firms and entrepreneurs that do not require help

Table 3. Types of government support for new firm formation and development

- *Macro policies*
 - Interest rates
 - Taxation
 - Public spending
 - Inflation
 - *Deregulation and simplification*
 - Cutting red tape
 - Legislative exemptions
 - Legal form
 - *Sectoral and problem-specific policies*
 - High-tech firms
 - Rural enterprises
 - Community enterprises/social enterprises
 - Cooperatives
 - Ethnic business
 - *Financial assistance*
 - Business Expansion Scheme/Enterprise Investment Scheme
 - Loan Guarantee Scheme
 - Enterprise Allowance Scheme/Business Start-up Scheme
 - Grants
 - *Indirect assistance*
 - Information and advice
 - Business growth training/other formal training
 - Accelerator programmes
 - Consultancy initiative
 - *Relationships*
 - Small firm division in the enterprise department
 - Lobbyist/policy formulation
-

Table 4. Opportunity discovery versus opportunity creation

| | Discovery theory | Creation theory |
|-----------------------------------|---|--|
| Nature of opportunities | Opportunities exist independently of the entrepreneur (exogenous; objective) | Opportunities do not exist independently of the entrepreneur (endogenous; socially constructed) |
| Nature of entrepreneur | Differs in some important ways from non-entrepreneurs, ex ante | May or may not differ from non-entrepreneurs ex ante; differences may emerge ex post dependent |
| Nature of decision-making context | Risky (can collect information to estimate probability of outcomes) | Uncertain (cannot collect information to estimate probability of outcomes) |
| Typical questions | Are entrepreneurs that form and exploit opportunities really different from individuals who do not? How do entrepreneurs estimate the riskiness of their decisions? | How does action by entrepreneurs create opportunities? Are there differences between entrepreneurs who form and exploit opportunities and those that do not cause or effect entrepreneurial action? How can entrepreneurs use incremental, iterative, and inductive processes to make decisions? |

Table 5. Causation and effectuation views on the source of opportunity

| The difference between | The market | The logic | The process |
|--|--|---|--|
| Causation (search and select) | A conscious intent to capture a new, underserved, or latent market. Visionary individuals searching for and exploiting market opportunities. | Person has a finite set of possibilities that can be considered. Does not say how much search is conducted, only that it leads to a given set of possibilities. | Because the goal is predetermined at the start of the venture, it is a static process that does not evolve over the course of the venture. Surprises are seen as bad. |
| Effectuation (creation and transformation) | Transformation leads to the creation of a new market need that may not be intentional or even the result of foresight or imagination of possible new markets. Possibly, one way to fulfil a person's motivations and/or an unanticipated consequence of people doing things that are possible and worth doing. | Begins with very local possibilities but does not select them. Action to transform possibilities into opportunities. | Dynamic and interactive process. Actions and interactions with committed stakeholders who self-select into the entrepreneurial process that leads to transformations, which may lead to new markets. Surprises are good. |

Table 6. Links between effectuation process steps and bricolage actions

Effectuation

Bricolage

Means-driven transformation:
what am I? what do I know?
and whom do I know?

What do I have (i.e. resources
in hand relating to physical
resources, labour, skills, etc.)?

What can I do?/affordable loss

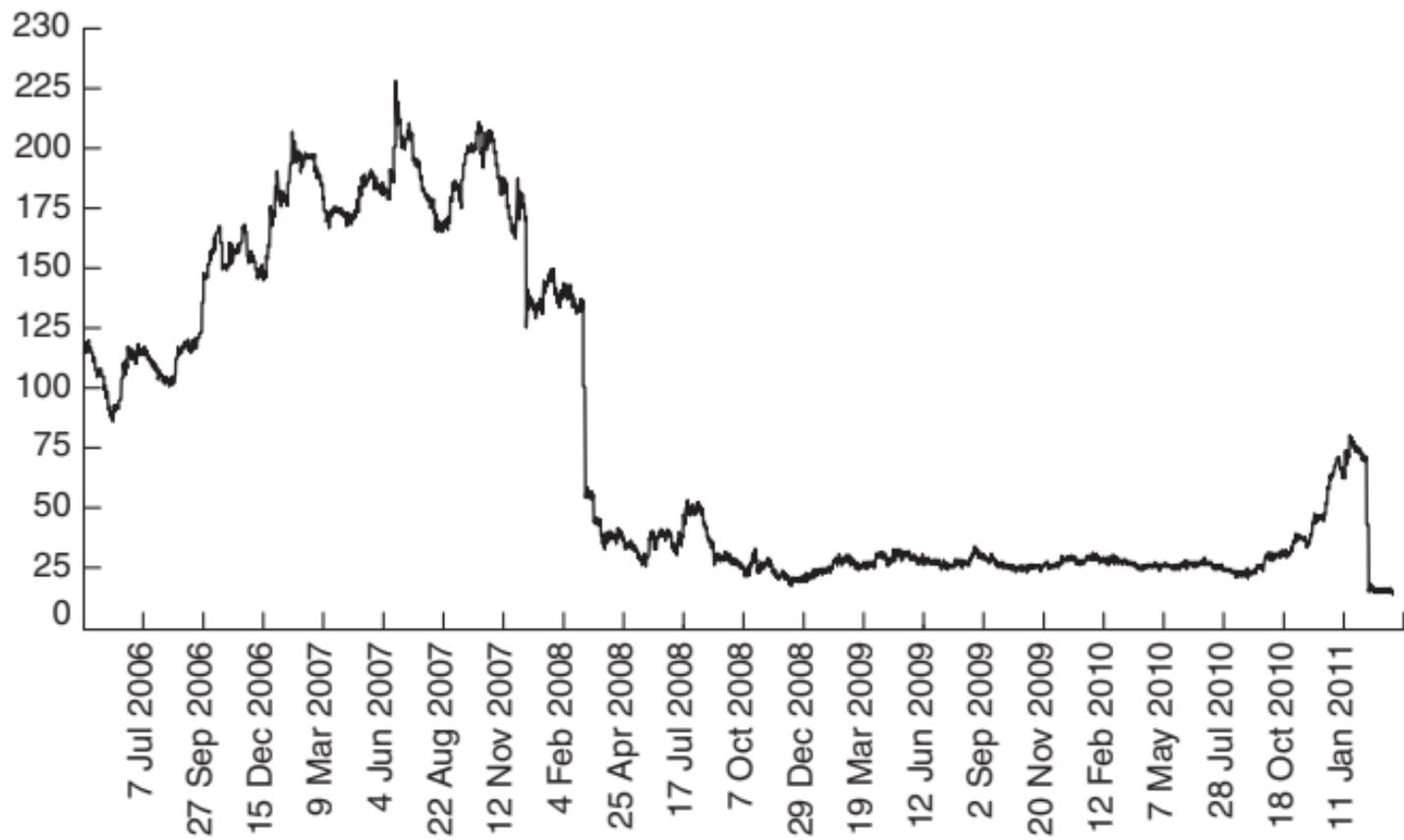
Making do/refusal to be
constrained by limitations/
creating combinations of
resources for new purposes,
and collecting together 'bits
and pieces'

Interaction with stakeholders

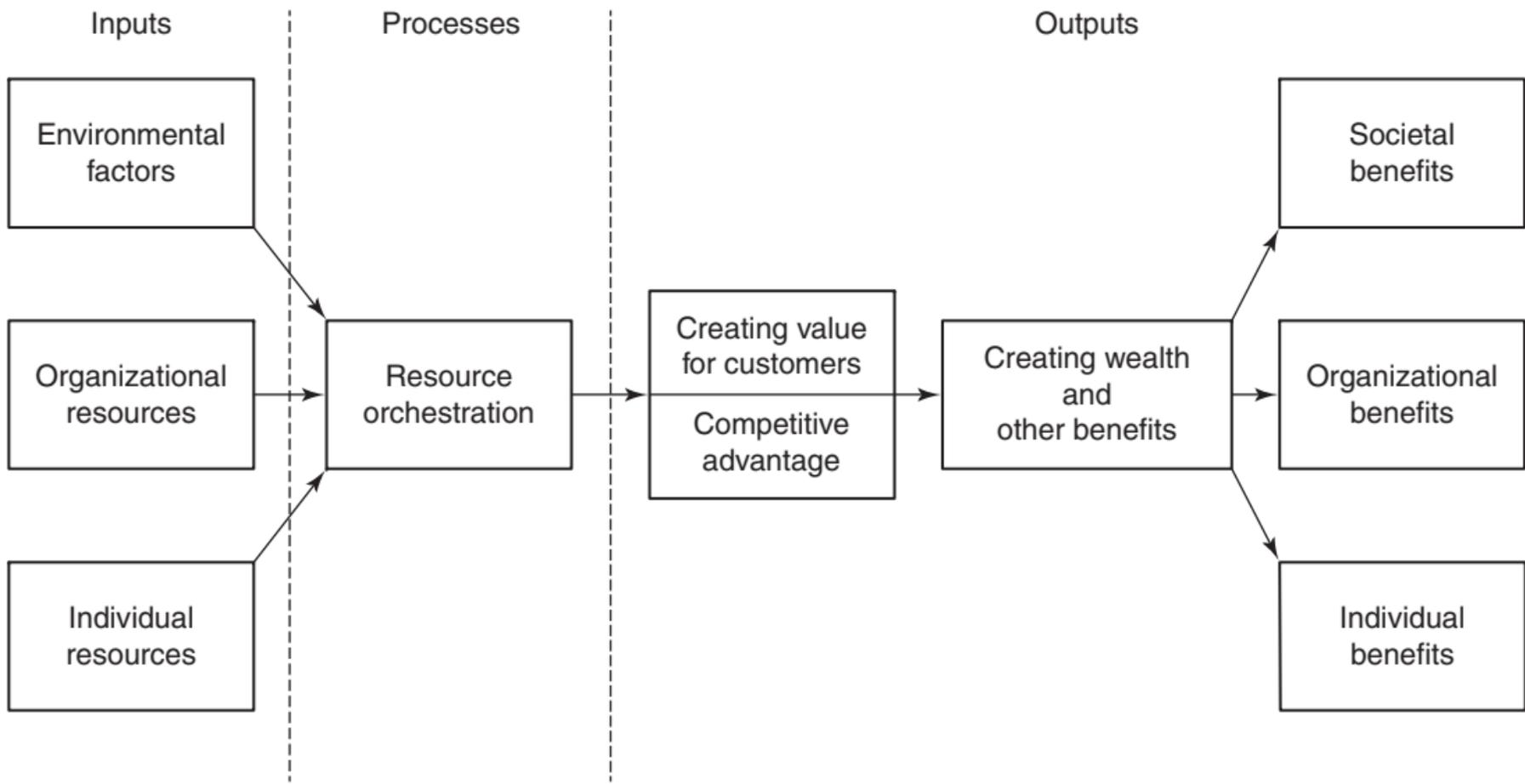
Interaction with customers
(i.e. making and becoming
friends with customers) and
representatives in the
institutional environment

Leveraging contingency: new
goals and new means

Improvisation/refusal to be
constrained by limitations



2. Renovo share price



3. Input-process-output model of strategic entrepreneurship

Firm breadth
(strategy)

Firm depth
(organizational
levels)

Life-cycle
stages of the
firm

Resource selection,
structuring

Technological
resources

Human capital
resources

Financial
resources

Network
resources

Configuration, bundling,
leverage

Opportunity refinement
competency

Leveraging
competency

Championing
competency

Networking
competency

4. Resource orchestration

Table 7. Elements of a business plan

| Section | Key features |
|------------------------------------|---|
| Executive summary | Short summary of the purpose of the plan and key aspects of the plan, including the funding sought to achieve them (i.e. milestones) |
| The business | Brief business history, progress, and organization that are relevant to future development |
| Management and employees | Details of the management team's past experience and future role; gaps in management that need to be filled; employee numbers and skills mix |
| Products/Services | Description of products or services; distinctive competence of products/services in the market; state of technology involved; range of products/services (current and future) |
| The market and competition | Size and expected market growth; domestic and international mix; market segments; current and expected customers |
| Marketing | Current and expected approaches to marketing and pricing |
| Operations and production strategy | Existing production facilities and future developments; suppliers |
| Investment proposal | Amount of funding sought; expected ownership stakes, valuations, and returns; timing and nature of realization of future gains for investors |

| | |
|-----------------------|---|
| Financial information | Up to three years' historical financial information and up to three years' detailed financial projections, including cash-flow statements; banking arrangements; state of order book; sensitivity analyses and assumptions underlying them; nature of financial control systems |
| Risks and milestones | Main areas of risk and milestones and how they will be addressed |
| Appendices | Details of management curricula vitae, patents, etc. as appropriate |

Table 8. Views on new small business development and the individual

| | Personality ‘born’ view | Social development ‘made’ view |
|---|--|---|
| Formation of basic motivation | Assumed to be inborn and determined relatively early in life | Assumed to be the result of a wide range of influences through life (including class, family, education, career) |
| Influences during adult life on desire to become an entrepreneur | Desire comes from within; is a response to personality | Is the result of interaction with others |
| Acquisition of new business ideas | Explained by chance, fortune, and fate as well as the given personality traits | Explained as an ongoing process with a degree of pattern and predictability according to both the knowledge of the individual and the range of social situations the person finds themselves in |
| Explanation of the business entry decision | Seen as an individual and personal event: the new entrepreneur is ‘born, not made’, with an almost subconscious search for the ‘right’ opportunity | Can be explained in terms of group interaction and pattern of life |
| Associated interventionist philosophy by government | Because entrepreneurship involves ‘natural selection’, then external intervention seen as essentially marginal; activity is therefore best directed toward removing assumed environmental obstacles such as taxation | Belief that social intervention can activate the individual and environment to desired ends |

Table 9. Influences on the development of entrepreneurial ideas and ambitions at different stages of life

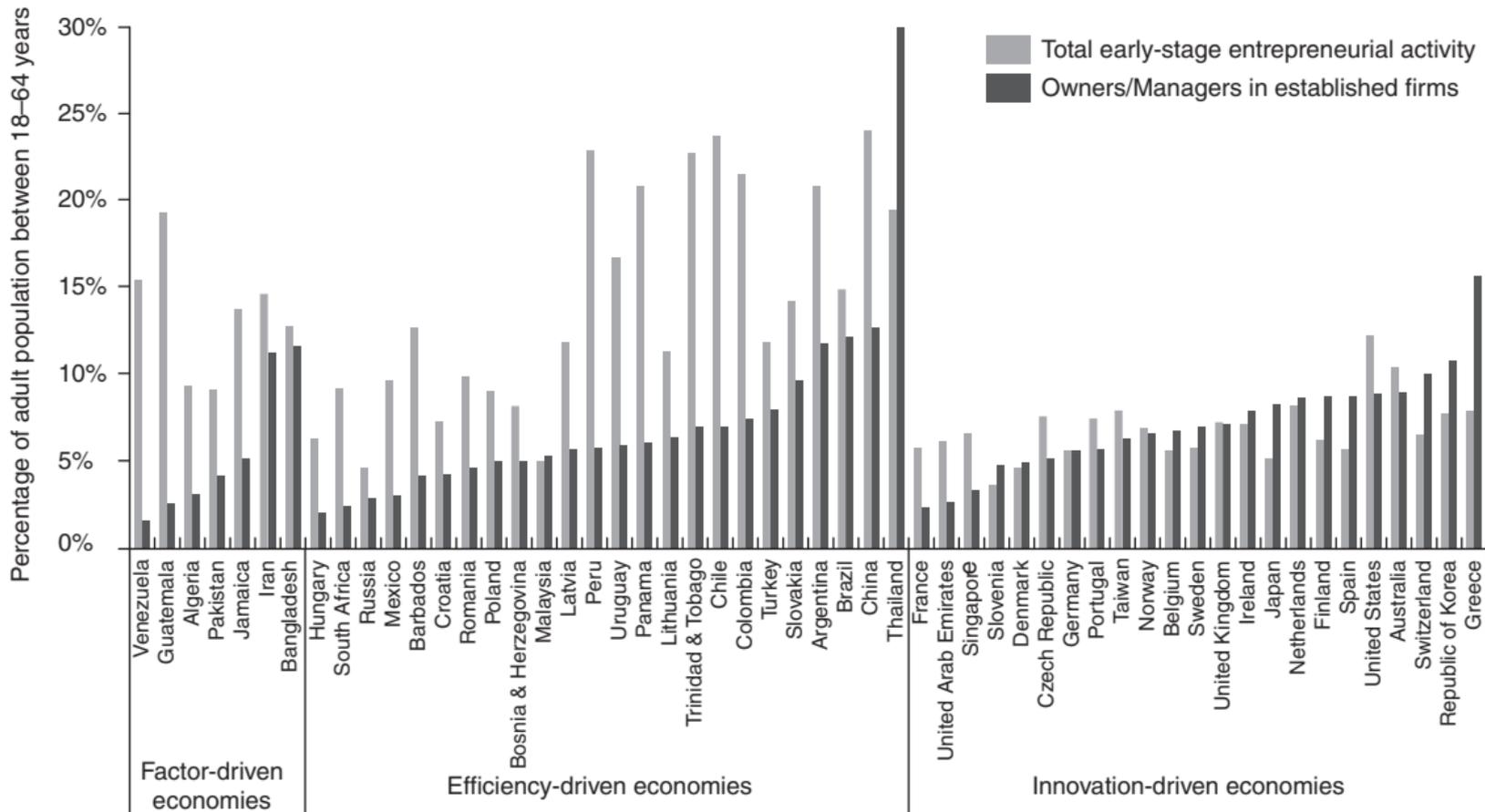
| Childhood | Adolescence | Early adulthood | Middle adulthood | Late adulthood |
|--|--|--------------------------------------|--|---|
| Parental and wider family class and class mobility | Parental and wider family influence on vocational preference | Choice of further education/training | Occupational and class mobility | Class attained and income/wealth achieved |
| Parental and wider family work situation | Choices of vocational education available | Own class ranking | Nature of work | Family situation |
| Parental and wider family educational choice | Education as provider of values and goals | Friendship and community attachment | Own family and friendship | Communal attachments |
| Parental and wider family values and life goals | Friendship and community attachments | Residual family influence | Working relationships | Extra work opportunities |
| | | Possible own family | Reward systems and job satisfaction | Job satisfaction |
| | | Nature of work | Interactions with environment socially and at work | Pensions and early retirement facilities |
| | | | Business training and development | |

Table 10. Regional variations in new firm formation rates across seven European Community countries

| Entrepreneurial process | All economic sectors | Manufacturing only |
|-------------------------------------|-----------------------------|---------------------------|
| Demand growth | Positive (6) ¹ | Positive (6) |
| Urbanization/Agglomeration | Positive (6) | Positive (5) |
| Unemployment | Positive (4) | Mixed (5) |
| Personal, household wealth | Positive (3) | None (4) |
| Small firms/Specialization | Positive (6) | Positive (7) |
| Political ethos | Positive (2) | Positive (2) |
| Government spending/Policies | None (4) | Positive (1) |
| <i>Predictive success</i> | | |
| (Average–median–explained variance) | | |
| Births/10,000 people | 78% | 60% |
| Births/100 firms | 65% | 32% |

Note: ¹ Indicates the number of countries where one or more indicators of the process could be included

Source: Reynolds et al. (1994: 451)



5. Overall entrepreneurship rates between countries 2011

Table 11. Smith's profiles of craftsman and opportunist entrepreneurs

Craftsman

- Narrow education
- Blue-collar background
- Successful worker
- Identifies with a task rather than with management
- Paternalistic
- Utilizes personal relationship in marketing
- Finance from savings and family only
- Rigid strategies followed

Opportunist

- Broader education
 - Middle class
 - Variety of work experience
 - Identifies with management
 - Delegates more
 - Market orientated
 - Many sources of finance
 - Diverse and innovative competitive strategies
-

Table 12. Categorization of habitual entrepreneurship

| Nature of entrepreneurship | | Serial entrepreneurs | Portfolio entrepreneurs |
|---|--|---|--|
| Involving <i>new</i> business(es) | De novo business | Serial founders (1) | Portfolio founders (6) |
| | Spin-off (including corporate & university spin-offs) | Serial spin-out entrepreneurs (2) | Portfolio spin-out entrepreneurs (7) |
| Involving <i>existing</i> business(es) | Purchase (including buyouts/ buy-ins) | Serial acquirers (e.g. secondary MBOs/MBIs) (3) | Portfolio acquirers (e.g. leveraged build-ups) (8) |
| | Corporate entrepreneurship | Serial corporate entrepreneurs (4) | Portfolio corporate entrepreneurs (9) |
| Involving no new legal entity | Self-employment | Serial self-employed (5) | Portfolio self-employed (10) |

Source: Adapted from Ucbasaran et al. (2008: 111)

Table 13. Main hurdles reported at work by women

| Requisite skills | Sector of activity | Motivation | Management styles | Strategies | Business unit |
|------------------------------------|---|---|--|---|--|
| Limited business skills | Women's choice of smaller, traditional businesses in retail, service, and caring | Different socialization experiences: home and children are the first priority | Relational strategy when working with clients, partners | Limited strategies developed to access resources | Fewer resources at start-up |
| Limited managerial experience | Women's avoidance of high-tech, manufacturing or non-traditional and too innovative sectors | To cope with the work-family conflict by working independently | Focus on development of teams, employees, empowering, perseverance | Limited strategic and tactical decisions | Focusing on industry-specific experience |
| Limited entrepreneurial experience | Choice of educational professional tracks that are less rewarding in the labour market | Turning a hobby into a business | Feminine management style, i.e. informally structured | Development of strategies emphasizing product quality; neglecting strategies addressing cost efficiency | Smaller businesses relative to men's |

Limited
employment of
negotiation skills

Just to make a
living; I do not
necessarily have to
be profitable

More work from
home, thus less
exposure of the
business's
products or
services

Limited
employment
of financial-
management skills

Discrimination—
lenders
discriminate
against women;
prefer to lend to
established firms,
which are usually
male dominated

Table 14. Micro and macro perspectives and female entrepreneurship

| Micro perspective | Macro perspective |
|---------------------------------------|--|
| <i>Entrepreneur</i> | <i>Context</i> |
| Personal attributes | Women's role in society |
| Entrepreneurial characteristics | Inhibiting factors |
| Motivations | Social networks and social capital |
| Identity and behaviour | |
| Prior experience in the labour market | <i>International setting</i> |
| Female-related hurdles and barriers | Perception of female entrepreneurship |
| Networking | Cultural effect on women's employment Necessity-driven vs opportunity-driven environments |
| <i>Business unit</i> | |
| Choice of industry | <i>Public policy issues</i> |
| Initial capital resources | Rules, norms, and regulations for female participation in the labour market |
| Funding strategies | |
| Investment process | Regulations for mothers; ethnic women entrepreneurs; single mothers, etc. Lobby for women entrepreneurs |

Source: Kariv (2013: 46)

Table 15. Personality trait dimensions in entrepreneurship studies

| Personality dimension | Description |
|------------------------------|--|
| Risk-taking propensity | An individual's willingness to pursue decisions or courses of action involving uncertainty regarding success or failure outcomes |
| Need for achievement | An individual's desire for significant accomplishment, mastering of skills, control, or high standards, and several actions, such as intense, prolonged, and repeated efforts to accomplish something difficult, to work with singleness of purpose towards a high and distant goal, and to have the determination to win |
| Tolerance of ambiguity | An individual who can deal with ambiguity and uncertainty. People high on tolerance of ambiguity perceive ambiguity of information and behaviour in a neutral and open way, and find complex situations desirable and challenging |
| Locus of control | Individuals with high internal locus of control believe that they can control events that affect them, that the achievement of a goal is dependent on their own behaviour or individual characteristics, and that an individual's ability, hard work, determination, and planning can enable them to control their own destiny |
| Conscientiousness | An individual's level of achievement, work motivation, organization and planning, self-control and acceptance of traditional norms, and virtue and responsibility towards others |
| Openness to experience | An individual who is intellectually curious, imaginative, and creative; someone who seeks out new ideas and alternative values and aesthetic standards |

| | |
|---------------------|--|
| Emotional stability | Individuals who are emotionally stable are described as calm, stable, even-tempered, and are described as hardy, optimistic, and steady in the face of social pressure, stress, and uncertainty. People low on emotional stability (also referred to as high neuroticism) feel vulnerable to psychological stress and experience a range of negative emotions including anxiety and worry, depression, and low self-esteem |
| Extraversion | People high on extraversion are gregarious, outgoing, warm, and friendly; they are energetic, active, assertive, and dominant in social situations; they experience more positive emotions and are optimistic; and they seek excitement and stimulation |
| Agreeableness | An individual's attitude toward other people. People high on agreeableness are trusting, altruistic, cooperative, and modest, and show sympathy and concern for the needs of others and tend to defer to others in the face of conflict. People low on agreeableness are manipulative, self-centred, suspicious, and ruthless |

Table 16. Cognitive heuristics and biases in entrepreneurship

| Cognitive dimension | Description |
|----------------------------|---|
| Representativeness | Individual's willingness to generalize from few observations |
| Overconfidence | Individual is overly optimistic in their initial assessment of a situation (i.e. an unwarranted belief in an individual's abilities to bring about a particular outcome), but are slow to incorporate new information |
| Over-optimism | An individual's tendency to report that they are less likely than others to experience negative events, and are more likely than others to experience positive events |
| Availability | Individual is guided by readily available information |
| Illusion of control | Individual overemphasizes the extent to which their skill can improve performance in situations where chance plays a large role |
| Anchoring and adjustment | Individual uses a rule of thumb whereby existing information is accepted as a reference point, but it can then be adjusted to take into account various other factors |
| Conformation bias | Individual's tendency to notice any information that conforms with their views |
| Planning fallacy | Individual's tendency to underestimate the amount of work and time needed to complete a project |
| Escalation of commitment | Individual's tendency to stick with decisions that yield negative results even when the negative results continue to mount |
| Intrinsic motivation | Individual's interest and enjoyment rather than a focus on external reward |

(continued)

Table 16. Continued

| Cognitive dimension | Description |
|----------------------------|--|
| Perceived self-efficacy | Individual's beliefs about their own capabilities to achieve a goal |
| Success syndrome | A post-success disorder caused by the burdens of having made it |
| Blind spots | Individual's tendency to see themselves as less biased than other people |
| Hubris | An individual has lost contact with reality and overestimates their competence or capabilities |
| Denial | An individual faced with a fact that is too uncomfortable to accept rejects the fact and believes it is not true despite overwhelming evidence |
| Law of small numbers | Drawing general conclusions from a small number of possibly unrepresentative observations |

Table 17. Advantages and disadvantages of family firms**Advantages****Disadvantages****Private family-owned firms**

- *Goals*
 - independent family firm survival
 - transfer firm to next generation of family
 - long-term investments
 - *Ownership*
 - maximize family income
 - provide jobs for family members
 - *Management*
 - family knowledge and employ family
 - family ties; stability, loyalty, and trust
 - *Strategy*
 - product quality
 - quality service for customer loyalty
 - use formalized management systems
- *Goals*
 - relationship based and not solely a performance system
 - protect family agendas over business agendas
 - maintain/enhance lifestyle of family owners
 - *Ownership*
 - less emphasis on immediate profitability
 - reluctance to sell equity to outsiders
 - aversion to debt can constrain growth
 - *Management*
 - kinship rather than ability shapes managerial positions
 - reluctant to use expertise of outsiders
 - management introverted, inflexible, and dated
 - *Strategy*
 - repeat established strategies that worked well in the past
 - prefer not to focus on creativity and innovation
 - reluctance to discover new opportunities

Private and public family-controlled businesses

- Long-term orientation
 - Greater independence of action
 - less (or no) pressure from stock market
 - less (or no) takeover risk
 - Family culture as a source of pride
 - stability
- Less access to capital markets may curtail growth
 - Confusing organization
 - messy structure
 - no clear division of tasks
 - Nepotism
 - tolerance of inept family members as managers

- strong identification/commitment/motivation
- continuity in leadership
- Greater resilience in hard times
 - willing to plough back profits
- Less bureaucratic and impersonal
 - greater flexibility
 - quicker decision-making
- Financial benefits
 - possibility of great success
- Knowing the business
 - early training for family members
- inequitable reward system
- greater difficulties in attracting professional management
- Spoiled kid syndrome
- Internecine strife
 - family disputes overflow into the business
- Paternalistic/autocratic rule
 - resistance to change
 - secrecy
 - attraction of dependent personalities
- Financial strain
 - family members milking the business
 - disequilibrium between contribution and compensation
- Succession dramas

Source: Adapted from Kets de Vries (1993: 61), Westhead (1997), Westhead and Cowling (1997), and Westhead et al. (1997)

Table 18. Barriers to succession planning in family firms

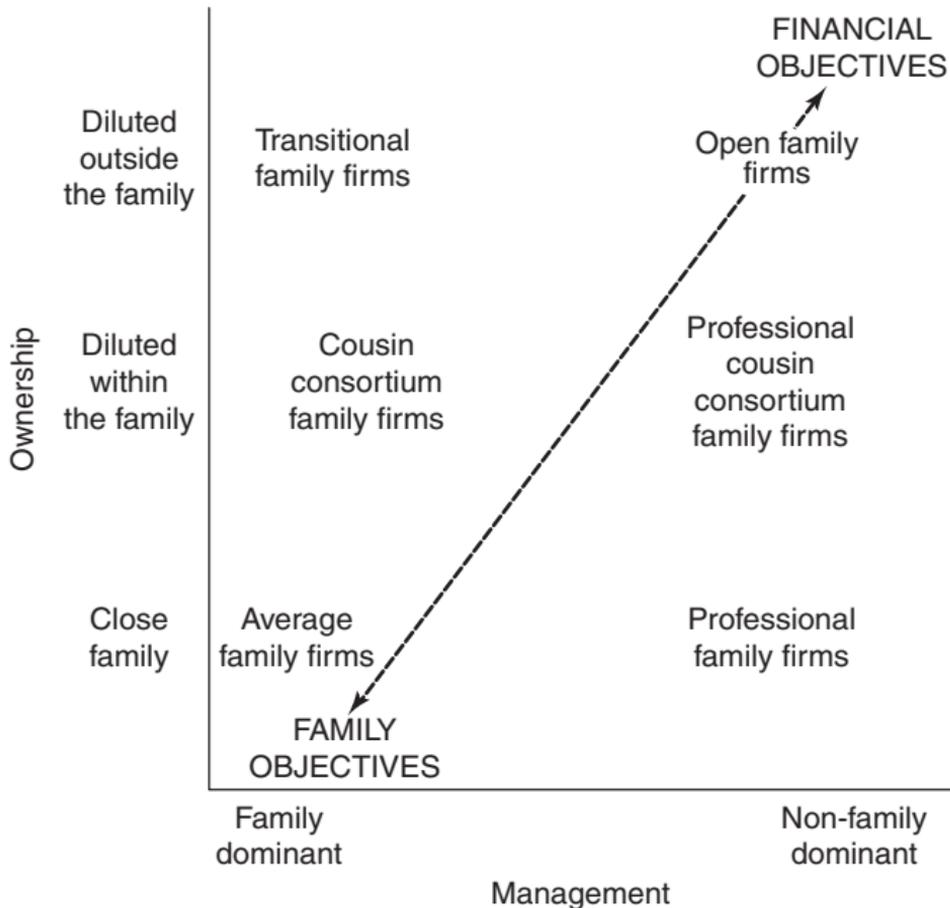
Founder/owner

- Death anxiety
 - Company as symbol
 - Loss of identity
 - Concern about legacy
 - Dilemma of choice
 - Fiction of equality
 - Generational envy
 - Loss of power
-

Family

- Death as taboo
 - Discussion is a hostile act
 - Fear of loss/abandonment
 - Fear of sibling rivalry
 - Change of spouse's position
-

Source: Adapted from Kets de Vries (1993: 68)



6. Conceptualized types of family firm

Table 19. Corporate entrepreneurship terminology

| Terms | Unique criteria |
|---|---|
| <i>Corporate entrepreneurship</i> | Organizational creation, renewal, or innovation + instigated by an existing organizational entity |
| <i>Strategic renewal/strategic entrepreneurship</i> | Organizational renewal involving major strategic and/or structural changes + instigated by an existing organizational entity + resides within existing organizational domain |
| <i>Corporate venturing</i> | Organizational creation + instigated by an existing organizational entity + treated as a new business |
| <i>External corporate venturing</i> | Organizational creation + instigated by an existing organizational entity + treated as new businesses + resides outside existing organizational domain |
| <i>Internal corporate venturing</i> | Organizational creation + instigated by an existing organizational entity + treated as new business + resides within existing organizational domain |
| <i>Dimensions of internal corporate venturing</i> | <ol style="list-style-type: none">1. Structural autonomy2. Relatedness to existing business(es)3. Extent of innovation4. Nature of sponsorship |

Table 20. Corporate entrepreneurship (CE) attributes

| Form of CE | Focus of CE | Typical basis for competitive advantage | Typical frequency of form of CE* | Magnitude of entrepreneurship negative impact if entrepreneurial act is unsuccessful |
|-----------------------------|--|--|---|---|
| Sustained regeneration | New products or new markets | Differentiation | High frequency | Low |
| Organizational rejuvenation | The organization | Cost leadership | Moderate frequency | Low to moderate |
| Strategic renewal | Business strategy | Varies with specific form manifestation | Less frequent | Moderate to high |
| Domain redefinition | Creation and exploitation of product market arenas | Quick response | Infrequent | Varies with specific form of manifestation and contextual consideration |

Notes: * CE actions include the following for: Sustained regeneration: a new product introduction or the entrance of a new to the firm but existing market; Organizational rejuvenation: a major, internally focused innovation aimed at improving firm functioning or strategy implementation; Strategic renewal: the pursuit of a new strategic direction; Domain redefinition: the creation and exploitation of a new, previously unoccupied product market arena

Source: Covin and Miles (1999: 57)

Table 21. Typology of buyouts

| | | Individual mindset | |
|---|--|---|--|
| | | Managerial mindset | Entrepreneurial mindset |
| | | <u>Quadrant 1: Efficiency buyout</u> | <u>Quadrant 4: Buyout failure</u> |
| - Pre-buyout context and decision mindset | | Agency problems; low risk. Decisions based primarily on systematic data and financial criteria | Mismatch of mindset, incentives, and governance |
| | | Post buyout: high leverage and financial control | Post buyout: high leverage and financial control |
| | | <u>Quadrant 2: Revitalization buyout</u> | <u>Quadrant 3: Entrepreneurial buyout</u> |
| - Pre-buyout context and decision mindset | | Bureaucratic procedures stifle innovation and investment needed to be competitive; moderate risk. Decisions to renew competitive capabilities via innovations are based on their already proven success among key competitors | Bureaucratic procedures stifle radical innovations associated with uncertainty and limited information; or technology-based businesses headed in the wrong direction; high risk. Heuristic-based logic can lead to strategic innovations and efficient decision-making |
| | | Post buyout: flexible leverage and financial monitoring by private equity firms | Post buyout: flexible leverage; financial monitoring and technical skills of private equity firms |

Source: Adapted from Wright et al. (2000)

Table 22. Types of academic spin-off firm

| | | <i>Venture capital -backed type</i> | <i>Prospector type</i> | <i>Lifestyle type</i> |
|---------------------------------|---|---|--|---|
| Institutional link | <i>Formal involvement</i> | Equity relation based upon a complex IP system | Equity relations based upon one patent or none | Licence, contract, informal relations |
| | <i>Prestige of research group</i> | Worldwide recognition in a broad domain | Worldwide recognition in a focused subdomain or local recognition | Various |
| Business model | <i>Investor vs market acceptance</i> | Investor acceptance | Both Investor and market acceptance | Market acceptance |
| | <i>Mode of value capturing</i> | Clear IP-maximizing strategy or value chain acquisition Strategy to prepare trade sale/IPO | Optimize time to break even and future trade sale value, no clear exit yet | Optimize profit |
| Technology resources | <i>Degree of innovativeness</i> | Disruptive technology or market | New product based upon non-disruptive technology | New product/service addresses clear unmet market need |
| | <i>Stage of product/service development</i> | Early, sometimes not even defined | Early (alpha) prototype | Almost market-ready product/service |
| | <i>Broadness of the technology concept</i> | Can be broad | Narrow | Not relevant |

(continued)

Table 22. Continued

| | | <i>Venture capital -backed type</i> | <i>Prospector type</i> | <i>Lifestyle type</i> |
|----------------------------|--------------------------------|---|--|--|
| Financial resources | <i>VC involvement</i> | Able to attract €1–5 million in the first 18 months after founding | Lower amount of business angels, baby venture capital, or public fund kind of investment | Usually no external equity, some business angel involvement possible |
| | <i>Financing mix</i> | High amount of external equity, some debt financing, intensive use of subsidies | Mix of external capital, soft loans, and subsidies | Internal funding, debt, and some soft loans |
| Human resources | <i>Balanced team</i> | Surrogate entrepreneur or hired guns | Technical scientists act as entrepreneurs | Technical scientists |
| | <i>Sectoral experience</i> | Management experience, research excellence | Few with experience | Considerable sector experience |
| Social resources | <i>Partnership at start-up</i> | Formal partnerships with stakeholders (venture capital, technology providers) | None | Formal availability of lead user |

Source: Wright et al. (2007)