

IV WORKSHOP DE LA SECCIÓN DE FUNCIÓN EMPRESARIAL Y CREACIÓN DE EMPRESAS - ACEDE

VENTURE CAPITAL FOR UNIVERSITY SPIN-OUTS COMPANIES IN THE CONTEXT OF UNIVERSITY-BASED ENTREPRENEURIAL ECOSYSTEMS: AN INTERNATIONAL COMPARISON

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Título: VENTURE CAPITAL FOR UNIVERSITY SPIN-OUTS COMPANIES IN THE CONTEXT OF UNIVERSITY-BASED ENTREPRENEURIAL ECOSYSTEMS: AN INTERNATIONAL COMPARISON

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Objetivo y justificación: The objectives are, firstly, to identify the role of the university-focused intermediaries, specifically University-focused Venture Capital Firms (UVCs), in order to explain how they interact at the early stage of University Spin-out Companies (USOs) creation, particularly regarding knowledge sharing. Secondly, to analyse whether they change their position once the USO is developed, in the context of the dynamics of a university-based entrepreneurial ecosystem.

Metodología: The idea of the entrepreneurial ecosystem has generated increasing interest in recent years. Through studying the concept two major streams of research have been identified as being relevant in the entrepreneurial context: business or innovation ecosystems and knowledge or regional ecosystems. The literature shows that the process of how knowledge ecosystems actually change is not well-understood. This is in spite of the fact that policymakers have taken initiatives to stimulate both the creation and the dynamics of knowledge ecosystems. It is here that the role of universities are often perceived to be critical by policymakers. However, the role of universities, as anchor tenants, in the dynamics of this ecosystem and the connectivity between the participants as USOs change to be full commercial companies have not been specifically studied under the ecosystems lens. Consequently, more research is recommended in this area, in particular, about the emergence of university-focussed venture teams, which we have termed UVCs, created to invest in new business emerging from universities, being located close to universities is essential to obtain funds and advise.

A mixed-method approach was used to consider two university-based entrepreneurial ecosystems, Andalusia in Spain and England in the UK. The findings from a qualitative analysis of 70 in-depth interviews with entrepreneurs in USOs and relevant intermediaries (48 in Andalusia, and 22 in England) and quantitative social network analysis were then compared internationally to achieve a better understanding of the complex processes involved.

Resultados provisionales y principal aportación del trabajo: The findings highlight that knowledge sharing and the role and position of particular participants, such as UTTOs or UVCs, in the two regional innovation ecosystems occur in different ways. This study contributes to the entrepreneurship literature theoretically on three levels: i) knowledge sharing in the dynamics of the university-based entrepreneurial ecosystems, ii) processes at early stage of USOs creation, and iii) role and position of UVCs. Firstly, regarding knowledge sharing, both countries confirm the importance and benefits of the commercialization of research results through the creation of USOs, thus facilitating knowledge sharing in the ecosystem. This study confirms the role of entrepreneurial universities as 'engines of innovation'. Secondly, regarding processes at early stage of USOs creation, universities act as facilitators who provide a supportive ecosystem in which the university community can start and develop entrepreneurial initiatives. Regarding the

context, the entrepreneurial universities were studied in two knowledge ecosystems and differences in the nature and the role of their intermediaries were found. It was found that the way of enhancing the entrepreneurial university in the Spanish case is through public intermediaries, while in the English case they were private. The role of financial intermediaries, specifically UVCs, was found to be particularly relevant. In the English case, they showed a central role in developing entrepreneurial opportunities. This role was not evident in Andalusia where a public venture capital institution and a private one were identified. Concerning the USOs, the factors affecting USOs formation include the specific characteristics of the universities, the characteristics of the local economic and social environment and the resources and capabilities of UTTOs. Furthermore, several barriers to create USOs were mentioned, including difficulty to access finance, bureaucratic barriers at the level of administration and public institutions' lack of knowledge of this activity, being the most relevant, to get finance. Thirdly, regarding the role and position of UVCs, the importance of 'surrogate entrepreneurs' was confirmed. This is not only for management knowledge but also for facilitating access to finance. In the English case, once the UVC identify the entrepreneurial opportunity they joined the research team, to help commercialize it. These UVCs advised from the inside, joining the management board to invest in this opportunity. In direct contrast, in the Spanish case, there was a public UVC that worked advising companies that are already operating or are going to be created, helping them in the management of the contractual process.

Keywords: university spin-outs companies; university-based entrepreneurial ecosystems; venture capital.