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SUMMARY

EXPERTS RELY LESS ON PLANNING THAN NOVICES: EVIDENCE FOR EFFECTUATION FROM NASCENT TECHNOLOGY COMMERCIALIZERS

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Principal Topic

While some researchers find that business planning can improve the growth and survival of new ventures (Gruber, 2007), others find that successful entrepreneurs improvise and *effectuate* rather than plan (Dew, Read, Sarasvathy, & Wiltbank, 2009). Recent research suggests that these findings are not in conflict, rather, business planning is simply less important for more experienced entrepreneurs (Dencker, Gruber, & Shah, 2009). Extending research on entrepreneurial intentions (Krueger, Reilly, & Carsrud, 2000), we investigate if this applies to earlier-stage entrepreneurial situations and, in particular, nascent-stage technology commercialization intentions of scientists.

Method

We hypothesize that increasing experience in technology commercialization decreases the role business planning ability plays in commercialization intentions. We test this for five modes of commercialization: collaborative commercial R&D, commercial contract research and scientific consulting, application for intellectual property rights, licensing or sale of intellectual property rights, and commercial start-up or spin-off. Our sample is a population of 70 scientists who are in the nascent stages of commercializing their research. Following Krueger et al. (2000), respondents reported their prior experience and future intentions for the five modes. We measured business planning self-efficacy with McGee, Peterson, Mueller, and Sequeira's (2009) entrepreneurial self-efficacy planning subscale. We further controlled for the attractiveness of each mode, proactive and opportunity-seeking behavior (Crant, 1996), and for two alternate types of nascent stage entrepreneurial self-efficacy: McGee et al.'s searching and marshaling subscales. As hypothesized, we find a significant negative moderating effect of prior experience on the relationship between business planning self-efficacy and commercialization intentions for all five modes.

Results and Implications

Our data on nascent technology commercializers support prior findings that more expert entrepreneurs rely less on business planning skills than novice entrepreneurs in making decisions. For researchers, our findings confirm that the role of business planning is contingent on an individual's prior experience. For educators, our results confirm that training novices in business planning skills can be helpful in increasing their likelihood to engage in both entrepreneurial and commercialization behaviors (Honig, 2004; Thursby, Fuller, & Thursby, 2009).

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