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## NEW VENTURE CO-CREATION: A STUDY OF EARLY STAKEHOLDERS AND THEIR INFLUENCE

*Raja Singaram, Nikos, University of Twente, the Netherlands*  
*Paul Bijleveld, Saxion University of Applied Science, the Netherlands*

### Principal Topic

New ventures are born out of the labors of multiple actors (Gartner, Shaver, Gatewood, Katz, 1994). Venture co-creation is initiated by the selection of relevant stakeholders. Once 'in', these stakeholders exert considerable influence on the resources and offerings of the venture (Dew et al., 2005, Sarasvathy, 2008). A comprehensive process perspective that captures introduction of early stakeholders to one another leading to selection and commitment has been lacking so far. Present study addresses this gap by mapping the process of selection of a particular stakeholder into a new venture. It reports results from the first part of a longitudinal empirical study to build theory on new venture co-creation. Observable effects early stakeholders have upon the resources assembled coupled with their influence on product or service offering of the business is documented. Thus the specific research questions were:

RQ#1: How does each stakeholder get selected in a new venture?

RQ#2: How does each stakeholder influence:

- a) the resources available for the new venture and
- b) shape the product or service offering over time?

### Method

We adopt a multiple case study methodology (Eisenhardt, 1989) using six start-up companies from the Clean Technology industry that have agreed to participate in the study. This particular industry was chosen for its emerging nature, heightened entrepreneurial activity and opportunities for the involvement of multiple stakeholders from the start. Semi-structured interviews were conducted with multiple stakeholders such as founder-CEO, founding team, launching customers, strategic partners, research institutes. Contribution of each early stakeholder to the development of the venture is noted.

### Results and Implications

We can distinguish at least three modes of selection of early stakeholders namely self-selection, explicit recruiting by the entrepreneur and contracts mediated via a third party. The impact of stakeholders was distributed in terms of strength and importance. We also observe that stakeholder roles go through a series of changes as the new venture metamorphoses to the next level. Insights drawn from longitudinal micro-perspective of network formation and development informs practicing entrepreneurs on forging fruitful network relationships especially during the crucial formative years.

**CONTACT:** Raja Singaram; i.singaram@utwente.nl; (T): +31-061-204-5058; (F) +31-053-489-2159; Address: Postbus 217, 7500 AE, Enschede, the Netherlands.