

Joint Business and Management/SPRU Seminar series

Date: Wednesday 12 June

Speaker: Monica Masucci

Title: Uncovering the determinants of initiative survival in corporate venture units: a multistage selection perspective

Abstract: Internal corporate ventures are a critical wellspring of growth and diversification options for established companies. Commonly characterized as variety-enhancing experiments involving a higher risk of failure than mainstream activities, these entrepreneurial initiatives continuously compete for resource allocation. Eventually, only a limited number of them manage to survive the internal selection environment. Despite the centrality of selection issues to internal venturing programs' outcomes, knowledge about selection drivers and dynamics is still limited. The nature of the selection process itself is ambiguous. By integrating traditional behavioural, resource-based and cognitive arguments with the real options reasoning, this study aims at providing a more fine-grained understanding of the process through which initiatives evolve in the corporate context and of their key survival drivers. Through a longitudinal investigation of the review and development process of 1,527 early-stage initiatives supported by the internal corporate venture unit of a leading energy company between 1996 and 2009, it examines how determinants of initiative survival vary according to their stage of development. Its findings extend prior conceptualizations of the venture selection decision-making process, suggesting the adoption of a multistage perspective.