

Summary

The Development of High-Technology Firms: An Entrepreneurship in Networks Approach

Paul Kirwan, Nikos, University of Twente

Principal Topic

From social network theory, the entrepreneurial process involves accumulating scarce resources, building reputation, finding partners and attracting clients, knowledge, suppliers, etc. from the environment (Autio, Yli-Renko & Salonen, 1997; Brush, Greene & Hart, 2001; O'Farrell & Hitchens, 1998; Birley & Cromie, 1988). This practice among start-up firms has been widely reported and evidenced in entrepreneurship literature. The value of networks as an integral part of entrepreneurial success is widely acknowledged; however, there is considerable confusion and disagreement as to the role particular network characteristics play in the performance of emerging firms (Johannisson, 2000; Rowley et al., 2000) and especially as to what network characteristics are most advantageous in a firm's early stages (Hite and Hesterly, 2001). The aim of this paper is to examine to what extent the characteristics of structural and relational patterns of networks explain differences in performance?

Methodology/Key Propositions

We collected data from some 45 high technology ventures operating in Microsystems and nano-technology industries to examine our research question. This data was collected through face-to-face interviews with founding entrepreneurs of the firms and was conducted in the micro/nano cluster centered around Albuquerque, New Mexico.

Results and Implications

This research contributes theoretically to work in the areas of entrepreneurship in networks, early stage development of high tech firms and the role of networks in the development of new ventures. It offers a longitudinal perspective on the network development of high technology ventures and thus contributes to a more comprehensive understanding of this process. From a practical perspective the outcomes of this research will be beneficial to organizations providing support to emerging firms in high technology industries.

Contact: Paul Kirwan; p.m.kirwan@utwente.nl; (T): +3153 4894711; (F): +3153 4892159; University of Twente/ Nikos, Capitool 15, PO Box 217, 7500 AE Enschede, The Netherlands.