BABSON COLLEGE ENTREPRENEURSHIP RESEARCH CONFERENCE

GUIDELINES FOR ABSTRACT SUBMISSIONS

ABSTRACT SUBMISSION INFORMATION

- Abstracts are limited to 900 words and do not include references, tables, and the like in the abstract. If you cut and paste from a Word document your formatting will be removed.
- Abstracts should clearly explain the Principal Topic, Method and Results used to collect and analyze the data.
- No abstract can have more than five (5) authors.
- Up to two (2) abstract submissions are allowed per author. If your name appears on more than two (2) accepted abstracts, we will ask you to withdraw from the additional abstracts.
- A double-blind review process is used. The author(s) name and information should NOT appear anywhere in the abstract.
- Empirical papers are considered.

SUBMISSION SUGGESTIONS

- The importance of the topic for entrepreneurship research and practice is explicit. These abstracts open up new research frontiers or offer new insights or perspectives that enrich discussion and discourse. Abstracts should address important, timely, and relevant topics.
- Abstracts should clearly explain the methods used to collect and analyze the data. Sources of data must be clearly stated. It is also useful to state the current stage of data collection and when you expect to complete the data collection and analysis.
- If you are submitting an abstract on a continuing stream of research that you have presented at a previous conference, please explain what is new about the project in the abstract that you are submitting for the current conference. Once you have presented a paper at a BCERC on a particular data set, it is less likely that the reviewers will accept another abstract on that same data if it is only a minor refinement of previous work (e.g., a more elaborate statistical analysis).
- The reviewers will consider the potential for completion of the work described in the abstract.
- Reviewers assume that authors of accepted abstracts entered with good faith and expect that the analysis proposed will be competently completed in time for the conference.

ABSTRACT EXAMPLE

[Example abstract below is for your reference. It is from a prior years submission entitled: Does Entrepreneurial Experience Really Matter in Venture Capitalists' Screening Decisions? Preferences and Similarity-attraction in the VC-lead Entrepreneur Dyad.]

Principal Topic

The purpose of the paper is to make a contribution in the literature on the influence of venture capitalists' (VCs) cognitive biases when making investment decisions. Specifically, we examine how similarity between the VC and lead entrepreneur might bias the decision to invest. Extending the work by Franke et al. (2006), we explore if VCs favor entrepreneurs who share personal characteristics such as academic background, education level, previous experience in same industry, geographical origin, previous founder experience (successes and failures) and past

success in raising seed-funding. Previous studies (Franke et al., 2006; Franke et al., 2008; Murnieks et al., 2011; Collewaert and Manigart, 2016) explore the impact of the VCs' characteristics on the assessment process, showing that the VCs' previous work, entrepreneurial experience and education background influence their industry choice and involvement in value-added post-investment activities. More precisely, the VC's personal background has been found to influence their assessment at the screening stage biased in part by the personal characteristics they share with the team. While the similarity bias in the VCs' investment decision has been tested on academic background and type of firm work experience (Franke et al., 2006), attributes related to experiential learning and personal characteristics haven't been explored. Our study analyzes the impact of unexplored dimensions that are choice-based and stable as recommended by Franke and his colleagues, focusing on experiential learning. Our main hypothesis is that VCs who have previous entrepreneurial experience will more favorably evaluate ventures when they share key experiences, such as entrepreneurial failures, with the entrepreneur than VCs who don't have such shared experiences. In particular, we examine three potential areas of similarity. The VC has previous entrepreneurial operating experience or not, VC has previous failure as an entrepreneur or not and the VC has previous experience as an entrepreneur who raised money or not. We know that years of experience as a VC and VC's values and ethnicity act as a moderator on their evaluation of the team (Franke et al.,2008; Matusik et al., 2008), but we do not know how the entrepreneurial experience of the VC impacts his evaluation or how this experience moderates the evaluation when it is shared with the entrepreneur. Nevertheless, there are hints that similarity in the failure experience may play a role in light of a recent research investigating how VCs vet past failures when they assess a deal (Zunino et al., 2017) and there are recommendations to investigate deeper the influence of the similarity bias in the investor-entrepreneur dyad on the investment decision (Drover et al.,2017). We expect some of the shared experiences to create a similarity bias that differs from the one evidenced with the team as a whole given that VCs pay much more attention to the lead entrepreneur when making their investment decision (Chan & Park, 2015). The Murnieks et al., (2011) experiment finds that when the VC and the entrepreneur share the same decision-making process, whether effectual or causal, the VC's assessment of the venture is more favorable. An abundant stream of research has emerged to examine the investor-entrepreneur relationship (Drover et al.,2017)

Methods

To test our assertions empirically, we ran a conjoint experiment to capture the VC's decision process. To date, we have run the experiment on 26 VCs in France so far and are in the process of running it with more VCs in the United States. Each respondent is asked to grade 34 new ventures' profiles described in terms of eleven characteristics, 9 related to the CEO's human capital and 2 to third-party certifications of the venture. We applied an experimental variation of the 11 characteristics (IVs) and analyzed the results with HLM. By decomposing the 884 screening decisions, we can examine the main effects of the 11 characteristics on the VCs' screening decisions and see if the VC is biased by entrepreneurial experience characteristics (founding, failure, seed-funding) on which they are similar to the entrepreneur. We are now analyzing the results and have completed a preliminary study on the VCs preferences on the entrepreneur's attributes.

Results

For all the respondents, we find that seven entrepreneur characteristics are significantly preferred at the screening evaluation: age, previous professional experience (years), startup founding experience (successes and failures), field of education, geographical origin and seed-funding source , whereas employee experience in a startup, level of education and industry experience yield no statistically significant results. Regarding the VC with entrepreneurial experience, our results showed that VCs who have already raised seed-funding have a significant preference for the CEOs who have never failed and raised seed-funding from relatives but a significant disfavor of the CEOs with an Engineering/IT academic background. We expect to complete the similarity analysis by November and then to collect more screening decisions from American VCs by December so we can draw a comparison between French and American VCs. Our early findings demonstrate that when a VC shares an entrepreneurial experience in terms of founding, failure and seed-funding with the CEO, he evaluates the venture in a more favorable or more adverse direction. We hope to advance research on VC decision-making and bring new knowledge on the impact of the entrepreneurial experience of the VC on the investment decision.