



*Workshop*

# Economics of Entrepreneurship and Innovation

June 2<sup>nd</sup> and June 3<sup>rd</sup>, 2015

*Trier, Germany*

## Keynotes

*Massimo G. Colombo*, Politecnico di Milano

*Douglas Cumming*, York University

*Jay R. Ritter*, University of Florida

*Silvio Vismara*, University of Bergamo

## Organized by

*Jörn Block and Christian Fisch*

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## Overview: Workshop Program

### Monday, June 1<sup>st</sup>

18.00 Welcome reception, Bitburger Wirtshaus (Kornmarkt 1-3, 54290 Trier; not included in conference fee) (also see map at the end of this document; there will be someone guiding participants from the "Hotel Park Plaza" to this location at 17.50)

### Tuesday, June 2<sup>nd</sup>

08.30 Plenary Session: Opening Session and Keynote Speech (Jay R. Ritter)  
09.15 *Coffee Break*  
09.45 Parallel Session 1  
11.15 *Short Coffee Break*  
11.30 Parallel Session 2  
13.00 *Lunch Break*  
14.00 Plenary Session: Keynote Speech (Douglas Cumming) and SBE Special Issue  
14.45 *Short Coffee Break*  
15.00 Parallel Session 3  
16.30 *Coffee Break*  
17.00 Parallel Session 4  
18.15 *Guided City Tour (optional, starts at the reception of the conference venue)*  
19.30 *Dinner (takes place at the conference venue)*

### Wednesday, June 3<sup>rd</sup>

08.30 Parallel Session 5  
10.00 *Coffee Break*  
10.30 Parallel Session 6  
12.00 *Lunch Break*  
13.00 Parallel Session 7  
14.30 *Farewell Drinks*

### Presentation Guidelines

A computer and projector will be available in each conference room. Please bring a USB stick and upload your presentation (in PowerPoint or PDF) before the session starts.

Each paper has a 22 minute time slot, which includes 12 minutes for the presentation and 10 minutes for questions and answers from the audience.

### Conference Venue

*Park Plaza Trier*

Nikolaus-Koch-Platz 1  
54290 Trier, Germany

Phone: +49 (0) 651 9993-0  
E-Mail: [info@parkplaza-trier.de](mailto:info@parkplaza-trier.de)  
(see map at the end of this document)

### Location: Trier

*Trier* is Germany's oldest city with more than 2000 years of history. Trier, originally "*Augusta Treverorum*", was founded by the Romans under Emperor Augustus in 17 BC near the tribal sanctuary of the Celtic Treveri.

Popular sites include the Porta Nigra, the Imperial Baths, the Amphitheater, the Barbara Baths, and the recently excavated Forum Baths.

Tuesday, June 2<sup>nd</sup>

Conference Room 1

Conference Room 2

08.30 – 09.15: Plenary Session

**Opening Session**

Jörn Block, Trier University

**Keynote Speech: "Growth capital-backed IPOs"**

Jay R. Ritter, University of Florida

09.15 – 09.45: Coffee Break

09.45 – 11.15: Parallel Session 1

**Session 1a: Crowdfunding I**

Chair: Silvio Vismara

L. HORNUF, A. Schwienbacher  
Funding dynamics in crowdfunding.S. VISMARA  
Information cascades among investors in equity crowdfunding.M. BÄRTHHEL, L. Hornuf  
Relevant disclosures and information presentation on crowdfunding platforms.L. HORNUF, A. Schwienbacher  
Should securities regulation promote crowdfunding?**Session 1b: Patents**

Chair: Dirk Czarnitzki

D. CZARNITZKI, T. Doherr, K. Hussinger, P. Schliessler, A. Toole  
The influence of patent rights on university technology transfer and faculty entrepreneurship.J. Hlávka, M. Prilop, L. Tonisson, L. MAICHER  
Framework to measure the performance of IP services providers.A. ZABY, G. de Rassenfosse  
A dynamic bottleneck model of patent congestion.R. Fudickar, H. HOTTENROTT, C. Lawson  
Public and private sector consulting and academic research performance.

11.15 – 11.30: Short Coffee Break

11.30 – 13.00: Parallel Session 2

**Session 2a: Crowdfunding II**

Chair: Christina Günther

H. Habermann, K. VON MANGOLDT  
Qualitative signals for crowdfunding success: An exploratory study from Germany.C. GÜNTHER, S. Johan, D. Schweizer  
Is the crowd sensitive to distance? Differences in investment decisions of retail and institutional investors.M. SCHMITT  
Does geographic proximity matter in crowdfunding?G. Giudici, M. Guerini, C. ROSSI LAMASTRA  
Why crowdfunding projects can succeed: The role of proponents' individual and territorial social capital.**Session 2b: Innovation I**

Chair: Petra Moog

A. EGBETOKUN, O. Oluwatope, D. Adeyeye, M. Sanni  
The role of industry and economic context in open innovation: Evidence from Nigeria.M. Stuetzer, M. OBSCHONKA, D. B. Audretsch, et al.  
Industry structure, entrepreneurship, and culture: An instrumental variable analysis using historical coal mining in Great Britain.C. Soost, P. MOOG  
Does team diversity really matter? The interaction of team diversity, access to financial resources, network, and performance of university spin-offs.M. JENNEJOHN  
The private order of innovation in networks.

13.00 – 14.00: Lunch Break

Tuesday, June 2<sup>nd</sup>

Conference Room 1

Conference Room 2

**14.00 – 14.45: Plenary Session****Keynote Speech: "New trends in entrepreneurial finance"***Douglas Cumming, York University***Introduction to the Small Business Economics Special Issue***Massimo G. Colombo, Politecnico di Milano and Silvio Vismara, University of Bergamo**14.45 – 15.00: Short Coffee Break***15.00 – 16.30: Parallel Session 3****Session 3a: Debt I***Chair: Tom Vanacker*

H. Hottenrott, E. LINS, E. Lutz  
The effect of subsidies on new ventures' access to bank loans.

M. HESSE, E. Lutz  
The Effect of patents on capital costs in venture lending contracts.

G. ANDRIEU, R. Stagliano, P. van der Zwan  
Unused debt capacity: International evidence.

T. VANACKER, M. Deloof  
The financial and real effects of credit availability for startup firms.

**Session 3b: Innovation II***Chair: Kathrin Hussinger*

J. R. Ritter, A. SIGNORI, S. Vismara  
Getting big fast: IPOs and M&As of young innovative companies.

C. FISCH, J. Block, P. Sandner  
The effect of M&As on innovation performance: Evidence from China.

D. Czarnitzki, J. M. Dick, K. HUSSINGER  
Innovativeness and corporate governance of new ventures.

M. PELLENS, A. Della Malva  
Back to basics: Heterogeneity in scientific disclosure and firm value in the semiconductor industry.

*16.30 – 17.00: Coffee Break***17.00 – 18.00 Parallel Session 4****Session 4a: Debt II***Chair: Rezaul Kabir*

J. HANSENS, M. Deloof, T. Vanacker  
The evolution of debt policies: New evidence from business startups.

A. QUAS  
Certification of public-sector lending of high-growth and high-technology SMEs towards banks.

X. Huang, R. KABIR, S. Zubair  
The impact of financing on the investments of SMEs during the recent financial crisis.

**Session 4b: Startups***Chair: Sandra Gottschalk*

B. Müller, F. J. Greene, S. GOTTSCHALK  
Are habitual entrepreneurs more likely to be successful? Evidence from German startup panel data.

C. v. BUSTAMANTE  
Transaction, firm and institutional effects on strategic choices: Accelerated startups' outsourcing decisions.

U. Cantner, N. Dew, M. GOETHNER, S. Wilfling  
Entrepreneur characteristics as determinants of the founding decisions of start-ups.

*Optional: 18.15 – 19.15: Guided City Tour (starts at the reception of the conference venue)***From 19.30: Dinner**

The dinner takes place at the conference venue (Park Plaza Hotel).

Wednesday, June 3<sup>rd</sup>

Conference Room 1	Conference Room 2
<b>08.30 – 10.00: Parallel Session 5</b>	
<b>Session 5a: Debt III</b> <i>Chair: Mark Mietzner</i>	<b>Session 5b: Family Firms and HR</b> <i>Chair: Marc Deloof</i>
T. STANDAERT, S. Manigart An in-depth analysis of a government fund-of-fund programme: Effect on portfolio companies.	M. D. AMORE Peer effects in family firm governance.
M. MIETZNER, J. Proelss, D. Schweizer (Dis)advantages of Investing in German Mini-Bonds.	A. KONNON, A. Kritikos Personality traits, subjective learning, and entrepreneurial decision making.
K. MULIER The real effects of credit constraints: Evidence from discouraged borrowers in the euro area.	F. BERNHARD The effects of moral emotions on the innovativeness of organizational and societal members.
A. Lardon, M. DELOOF, A. Jorissen Outside CEOs, board control and the financing policy of small privately held family firms.	J. Block, F. Lasch, F. Robert, R. Thurik, G. XI Human capital and success in entrepreneurship: new venture start versus business takeover.

10.00 – 10.30: Coffee Break

<b>10.30 – 12.00: Parallel Session 6</b>	
<b>Session 6a: Private Equity I</b> <i>Chair: Axel Buchner</i>	<b>Session 6a: Determinants of Entrepreneurship I</b> <i>Chair: Nigar Hashimzade</i>
A. BUCHNER The alpha and beta of private equity investments.	K. Muehlfeld, N. GEENEN, D. Urbig, A. van Witelooostuijn, V. Gargalianou Do they really just wanna play?! Biobehavioral drivers of entrepreneurial intent.
A. Croce, F. TENCA, E. Ughetto A look at how business angels work: Decision criteria in investment evaluation.	N.S. Gazanchyan, N. HASHIMZADE, A. Rodionova, N. Vershinina Gender, access to finance, occupational choice, and business performance.
R. P. RIBAS Liquidity constraints, informal financing, and entrepreneurship.	C. RIETVELD, P. Böckerman, J. Viinikainen, A. Bryson, O. Raitakarie, J. Pehkonen Biomarkers and entrepreneurship: The role of creatine.
A. M. OLA Investment opportunity recognition by business angels: A cognitive approach.	M. WYRWICH Entrepreneurial role models, fear of failure, and institutional approval of entrepreneurship: A tale of two regions.

12.00 – 13.00: Lunch Break

**Wednesday, June 3<sup>rd</sup>**

Conference Room 1	Conference Room 2
<b>13.00 – 14.30: Parallel Session 7</b>	
<b>Session 7a: Private Equity II</b> <i>Chair: Florian Täube</i>	<b>Session 7b: Det. of Entrepreneurship II</b> <i>Chair: Peter van der Zwan</i>
F. Schock, J. Mutl, F. TÄUBE Interdependencies between technology and capacity investments in the solar technology sector.	T. Kollmann, C. STÖCKMANN, J. Kensbock Fear kills more dreams than failure ever will — Consequences of obstacles and dispositional fear of failure for nascent entrepreneurial activity.
A. BUCHNER, A. Mohamed, A. Schwienbacher Does risk explain persistence in private equity performance?	P. VAN DER ZWAN, N. de Vries Growth expectations and types of entrepreneurs.
M. GEJADZE, P. Giot, A. Schwienbacher Private equity fundraising and firm specialization.	A. WERNER Firm size, leadership position, and entrepreneurial intentions of employees.
C. Bock, S. Jarchow-Pongratz, M. HUBER Growth of VC-backed research-based spin-offs: A selection or treatment effect?	M. GOETHNER, M. Wyrwich Higher education institutions and the emergence of entrepreneurial ideas across regions.

*14.30: Farewell Drinks (Coffee)*

## CALL FOR PAPERS: Special Issue of Small Business Economics

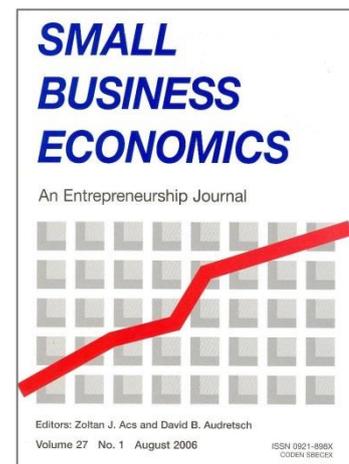
### New trends in entrepreneurial finance

Joern H. Block, University of Trier, Germany (block@uni-trier.de)

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### Overview

Young innovative firms play a key role in modern knowledge-based economies because they are an important source of new jobs, radical innovations, and productivity growth, as well as a disciplining device for the behavior of established firms. Unfortunately, these firms often suffer from financing constraints, which limit their growth and threaten their survival. As a consequence, a wide literature has addressed the theme of financial constraints for young innovative firms. Lack of internal cash flows and collateral, as well as asymmetric information and agency problems are the main reasons for the difficulties in raising external funding (Carpenter and Petersen, 2002).

Venture capital (VC) and business angel (BA) financing has traditionally been advocated as a source of financing for young innovative firms that find it difficult to access capital markets. VC and BA financing represents more than a financial source for these firms because it provides them with many value added services, such as monitoring, advice and reputation (Alexy et al., 2012; Engel and Stiebale, 2014; Hsu, 2004). Prior research has examined the impact of VC financing on firm's growth, confirming a positive effect on employment, sales, innovation, and productivity (Achleitner, in press; Bertoni et al., 2013; Croce et al., 2012; Kortum and Lerner, 2000).

However, the private VC and BA market is not able to entirely solve the equity gap that young innovative firms face. In response, many governments have set up programs that seek to foster VC financing, through the establishment of Governmental Venture Capital (GVC) funds (Cumming and Johan, 2013; Lerner, 2002). Besides addressing the financial gap problem, GVC funds can also pursue investments that will ultimately yield social payoffs and positive externalities to society as a whole (Cumming et al., in press). The drawback of these instruments, however, is that they may crowd out rather than stimulate private investments (Khanna and Sandler, 2000). The rationale and the appropriateness of these programs have led to a controversial academic debate.

Policy makers address the financing gap for young innovative firms in several ways. A recent legislative initiative in the United States, Jumpstart Our Business Startups (JOBS) Act in 2012, was passed to stimulate economic growth by improving access to the public capital markets. Among others (with the CROWDFUND Act), the JOBS Act defines the framework for crowdfunding in the US. Crowdfunding is concerned with raising funds (and advice) from a large pool of backers (crowd) collected online by means of a web platform. Crowdfunding has started making its way into entrepreneurial finance. Reward-based crowdfunding allows proponents of innovative projects to raise money from a crowd of backers in return for delivering a product or service. Equity crowdfunding allows crowd-investors to invest in young innovative firms. This means that

crowdfunding platforms will need to cope with collective-action problems, since crowd-investors have neither the ability nor the incentive, due to small investment sizes, to devote substantial resources to due diligence. The crowdfunding phenomenon is now spreading across the world, but academic research in this area, although rapidly growing, is still in its infancy (Agrawal et al., 2013; Belleflamme et al., in press; Mollick, 2014; Colombo et al., in press). Several research questions remain unaddressed, for example: What is the scope of crowdfunding activity and which are the different business models? Who is using such instruments and who is investing in it? Which types of regulatory framework are more conducive to success? What kind of ecosystem is required in order to make crowdfunding flourish? What kinds of investments are most effective? What is the impact of crowdfunding on innovation, entrepreneurship, and employment? What exit possibilities exist for crowdfunding investors?

In addition to crowdfunding, a whole set of innovative financial instruments have recently emerged in order to support the creation and growth of science and technology based start-ups, such as start-up accelerators, proof-of-concept centers, university-based seed funds, and IP-backed financial instruments (Gulbranson and Audretsch, 2008). In many cases, these instruments were created with the support of public authorities in order to address the so-called funding gap, a lack of private funding sources to support the transition of early stage university technology from the lab to the market. Although the diffusion of such types of gap funding schemes has increased in the United States and in Europe over the last decade, we still do not have a comprehensive empirical assessment of the nature and output of such programs, as well as policy evaluation exercises adopting rigorous empirical methods.

### **Research topics**

The special issue intends to increase our understanding of recent trends in entrepreneurial finance, including different forms of crowdfunding (i.e., equity-based, donation-based, reward-based, peer-to-peer lending) and other financial instruments in support of science and technology-based start-ups (e.g., start-up accelerators, proof-of-concept centers, IP-backed financial instruments). These new trends in entrepreneurial finance emerged largely because of the difficulties faced by entrepreneurs and early-stage new ventures in raising funds, especially in the wake of the 2008 financial crisis (Block and Sandner, 2009). In less than a decade, they have spread across developed and emerging countries, helping many innovative businesses in raising capital. In addition to that, governments around the world are increasingly considering them as an important mechanism to address relevant socioeconomic challenges. Despite this rapid growth, however, the scientific literature on most of the recent trends in entrepreneurial finance is still in its infancy; hence, there is ample room for further inquiring.

In particular, we aim at collecting both empirical and theoretical contributions that, building on the available evidence on the complex relationship between financial markets and young innovative firms, provide robust analyses and new insights. Papers that embrace different approaches or levels of analysis and adopt an international perspective are especially welcomed. Papers could focus on (but are not limited to) the following topics:

- Innovative policies supporting the financing of young innovative firms
- Government Venture Capital: experiences and impact
- Financial markets regulation and the provision of finance for young innovative firms
- The decision between raising private vs. public equity for young innovative firms
- Crowdfunding as a source of financing for innovation: opportunities and challenges
- Crowdfunding vs. business angel and venture capital financing: complements or substitutes?
- Exit strategies for investors in young innovative firms (e.g., IPOs, M&As, trade sales)
- Microfinance and its contribution to entrepreneurship and innovation

- The role of later stage private equity funds in the entrepreneurial ecosystem
- Mini-bonds and their contribution to innovation finance
- Recent trends in business angel financing (e.g., superangels, angel lists).
- Start-up accelerators: business models and critical success factors
- Finance and technology transfer: IPR-based financing, proof of concept funds, university-managed funds, and the financing of academic start-ups

### **Key dates**

The deadline for submission of papers to the special issue is June 30, 2015. The publication of the special issue is expected by 2017.

To aid in the development of papers, the editorial team will be available at the “Economics of Entrepreneurship and Innovation Workshop” organized at the University of Trier (for further information see [www.entrepreneurship2015.uni-trier.de](http://www.entrepreneurship2015.uni-trier.de)). The workshop will take place June 2<sup>nd</sup> and June 3<sup>rd</sup>, 2015. Acceptance for the workshop does not guarantee acceptance for the special issue.

### **Paper submission procedure**

Submissions to the special issue should be sent electronically to Joern Block ([block@uni-trier.de](mailto:block@uni-trier.de)) or Silvio Vismara ([silvio.vismara@unibg.it](mailto:silvio.vismara@unibg.it)) before June 30, 2015. All submissions will be subject to the standard review process followed by *Small Business Economics: An Entrepreneurship Journal*. All manuscripts must be original, unpublished works that are not concurrently under review for publication elsewhere. All submissions should conform to the SBEJ manuscript submission guidelines available at

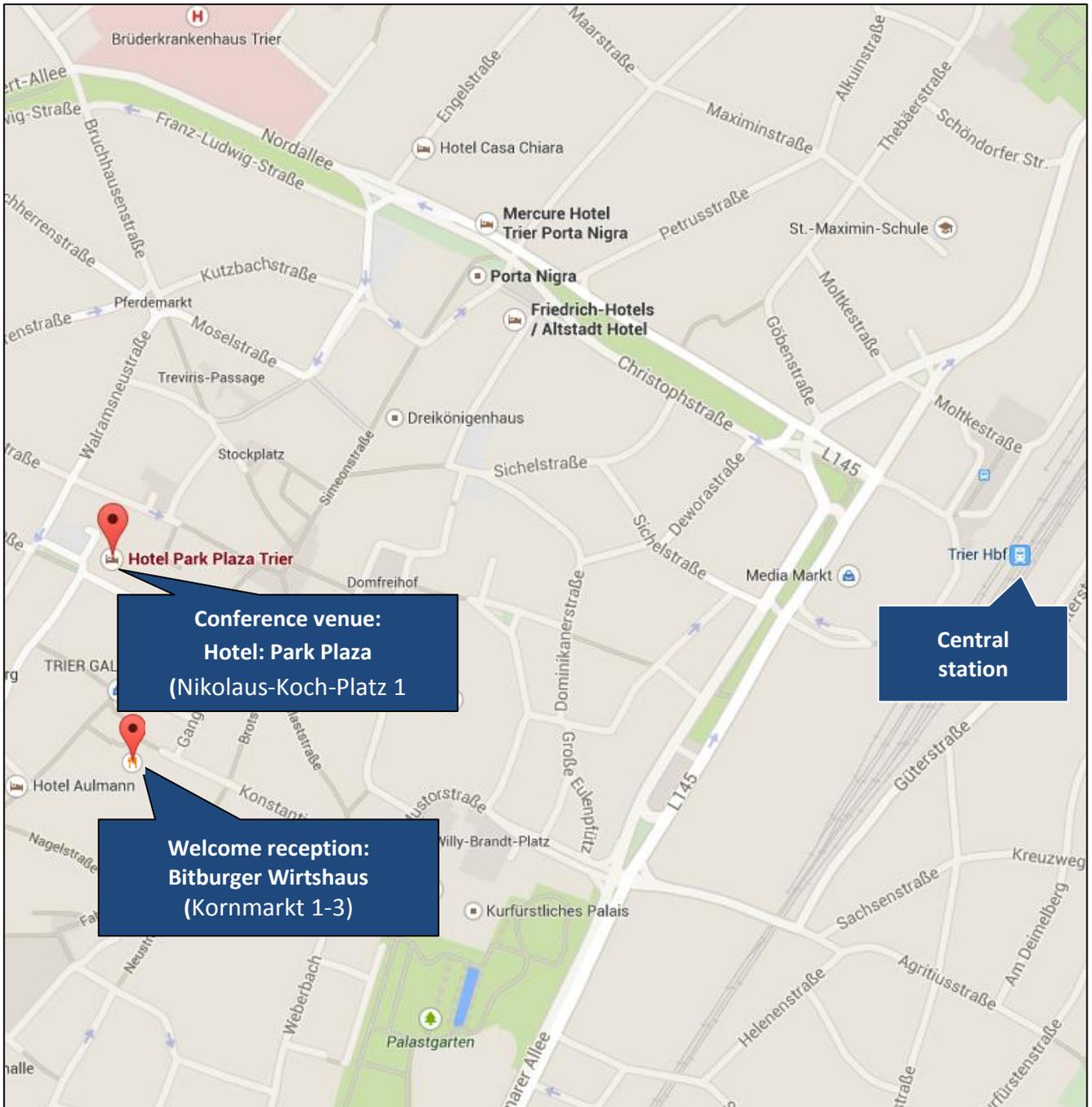
<http://www.springer.com/business+%26+management/business+for+professionals/journal/11187>.

## Participants

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Zaby, Alexandra	University of Tuebingen, DE

## Workshop Locations (Trier)



**The Hotel Park Plaza is very accessible and located in the city center.**

- *By car:* There are multiple car parks close by. For example, the Park Plaza Carrée (→ details) is situated directly beneath the hotel.
- *By train/bus:* The hotel can easily be reached by bus (city bus, line 3, stop "Nikolaus-Koch-Platz") and is within walking distance of the central train station (approx. 15 minutes).
- *By plane:*
  - The Luxembourg Airport is located about 30 km from Trier.
  - The Airport Frankfurt Hahn (Ryanair) is located about 70 km from Trier. From there, you can easily reach Trier by a shuttle bus.