

MANAGING TANGIBLE RESOURCES OVER TIME IN ENTREPRENEURIAL FIRMS

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- Resources which a firm acquires and controls are its primary source of value creation and competitive advantage (Barney 1991).
- **Time-to-Market** is critical source of competitive advantage in new ventures.
- Brush et al. (2001) suggest that an understanding of resource management in new ventures should include an understanding *“not only estimates of types of resources needed, but also of quantity, quality, **timing**, and sequence of delivery”*.
- Resources may not be universally beneficial across all processes (Priem & Butler, 2001; Sirmon, Hitt, & Ireland, 2007; Luthans & Stewart, 1977).

MANAGING TANGIBLE RESOURCES OVER TIME IN ENTREPRENEURIAL FIRMS

- Explore the role of Resource Management in start-up ventures.
- Understand the link between Resource Acquisition Timing and Time to Venture Milestone Achievement in start-up ventures.
- Explore how heterogeneous properties of tangible resources differentially impact Time to Venture Milestone Achievement.
- Move from a strategic view of RBV to a more tactical view in new ventures.

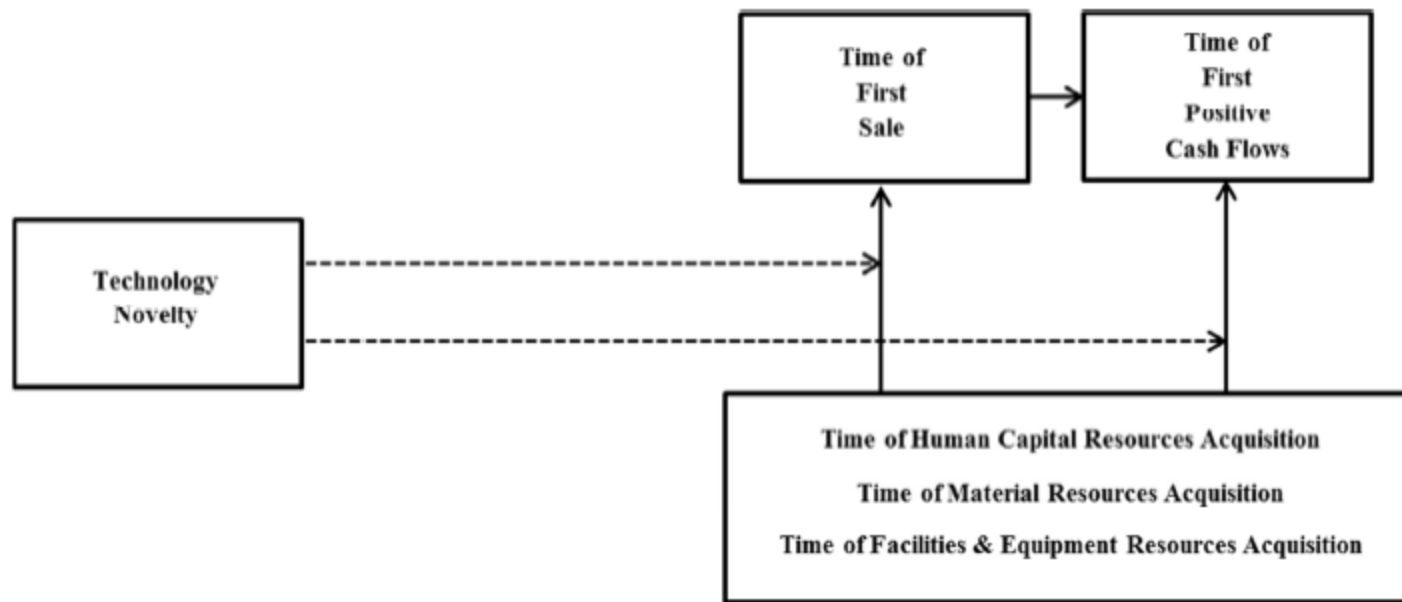
MANAGING NEW VENTURE RESOURCE ACQUISITION TIMING

- **R1: How does timing of venture resource acquisition affect time to venture milestone achievement?**
 - Time to Acquisition of **Human Capital** Resources
 - Time to Acquisition of **Material** Resources
 - Time to Acquisition of **Facilities & Equipment** Resource
- **R2: How is the relationship between timing of venture resource acquisition and time to venture milestone achievement contingent on **TECHNOLOGY NOVELTY** and **VENTURE LIFECYCLE PHASE**?**
 - **STARTUP:** Time to First Sale
 - **SCALEUP:** Time to Positive Cash Flows

Bailey, J., & Tatikonda, M. V. (2018)

Accelerating Venture Milestone Achievement: Examining the Impact of Resource Acquisition Timing
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IMPACT OF RESOURCE ACQUISITION TIMING ON: (I) TIME TO FIRST SALE (II) TIME TO POSITIVE CASHFLOWS

PHASE IN VENTURE LIFECYCLE	VENTURE OBJECTIVE	GOAL OF RESOURCE ACQUISITION TIMING
START-UP	SHORTEN TIME TO FIRST SALE	MINIMIZE RESOURCE AVAILABILITY DELAYS
SCALE-UP	SHORTEN TIME TO POSITIVE CASH FLOWS	MINIMIZE RESOURCE-DRIVEN CASH OUTFLOWS MAXIMIZE RESOURCE-DRIVEN CASH INFLOWS

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STARTUP PHASE

MINIMIZING TIME TO FIRST SALE

MINIMIZE RESOURCE AVAILABILITY DELAYS

- Under Low Novelty Select Resource Acquisition Timing which Minimizes RESOURCE ACCUMULATION LAGS (LOW NOVELTY)
- Under High Novelty Select Resource Acquisition Timing which Maximize RESOURCE RESPONSIVENESS (HIGH NOVELTY)

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SCALE UP PHASE

MINIMIZING TIME TO POSITIVE CASH FLOWS

MINIMIZE RESOURCE-DRIVEN CASH OUTFLOWS
MAXIMIZE RESOURCE-DRIVEN CASH INFLOWS

- Under Low Novelty Select Resource Acquisition Timing which Maximizes RETURNS TO SCALE (LOW NOVELTY)
- Under High Novelty Select Resource Acquisition Timing which Maximizes RESOURCE FLEXIBILITY (HIGH NOVELTY)

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IMPACT OF RESOURCE ACQUISITION TIMING CONTINGENT ON LIFECYCLE STAGE AND TECHNOLOGY NOVELTY

	TIME TO FIRST SALE		TIME TO POSITIVE CASH FLOWS	
	Main Effect	Interaction with Novelty	Main Effect	Interaction with Novelty
TIME TO HUMAN CAPITAL RESOURCES ACQUISITION	+	-	+	-
TIME TO MATERIAL RESOURCES ACQUISITION	+	-	-	+
TIME TO PLANT AND EQUIPMENT RESOURCES ACQUISITION	-	+	+	-

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IMPACT OF RESOURCE ACQUISITION TIMING CONTINGENT ON LIFECYCLE STAGE AND TECHNOLOGY NOVELTY

RESOURCE	SHORTER TIME TO FIRST SALE	SHORTER TIME TO POSITIVE CASH FLOWS
	LOW TECHNOLOGICAL NOVELTY	
Facilities/Equipment	Later	Earlier
Materials	Earlier	Later
Employees	Earlier	Earlier
	HIGH TECHNOLOGICAL NOVELTY	
Facilities/Equipment	Earlier	Later
Materials	Later	Earlier
Employees	Later	Later

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- Venture performance is enhanced when there is an appropriate fit between the resource configuration of a firm with the context or situation in which the firm exists
- Different types of Tangible Resources have Heterogeneous Properties (Material Resources, Human Capital Resources, Plant/Equipment Resources)
- Heterogeneity of Tangible Resources lead to differential effects on Venture Milestone Achievement
- Resource Acquisition Timing Decisions can results in Performance Tradeoffs between Achieving Milestones in different Phases of the Venture Lifecycle
- Impact of Resource Acquisition Timing is Moderated by Degree of Novelty
- Provides Empirical Validation on benefits of 'Lean Startup' – Earlier Acquisition of Inventory/Materials Resources leads to Earlier Time to First Sale during the Startup Phase under High Novelty