UNIVERSITY OF MINNESOTA
CARLSON SCHOOL OF MANAGEMENT
DEPARTMENT OF STRATEGIC MANAGEMENT AND ORGANIZATION

Professor Thomas Hellman
Academic Coordinator
NBER Entrepreneurship Research Boot Camp 2012
University of British Columbia
Sauder School of Business
2053 Main Hall, Vancouver, BC
Canada V6T 1Z2

Application to the NBER Entrepreneurship Research Boot Camp

Dear Professor Hellman,

I am pleased to submit my application for the NBER Entrepreneurship Research Boot Camp. I look forward to the opportunity of learning from outstanding professors and meeting other young scholars.

My research interest focuses on the entrepreneurial team assembly mechanisms and the impact of this process on entrepreneurial innovativeness. As a strategic entrepreneurship scholar with training in economic and econometrics, I believe that I will bring a unique perspective to the NBER ERBC discussions.

Following this letter, I have attached my Curriculum Vitae with a list of all completed PhD courses. I have also enclosed a two-page essay explaining my current and future research as well as the benefits the Boot Camp would provide me. Professor Myles Shaver has already sent a letter of recommendation in support of my application.

I appreciate your time and consideration for my application.

Best Regards,

Florence Honoré

Doctoral Candidate
Strategic Management and Organization
Carlson School of Management
University of Minnesota
321 19th Avenue South
Minneapolis, MN
612.625.6723
612.626.1316 (fax)

UNIVERSITY OF MINNESOTA

Carlson School of Management ***Department of Strategic Management and Organization*** *Room 3-365*
321-19th Avenue South
Minneapolis, MN 55455

J. Myles Shaver
Professor of Strategic Management and Organization
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612-625-1824
Fax: 612-626-1316

March 28, 2012

Dear Madam or Sir:

I am writing to recommend Florence Honore for the NBER Entrepreneurship Research Boot Camp.

Florence is currently in the third year of our PhD program and is among the best PhD students we have had since I have been at Minnesota – and I would favorably compare her to my best PhD students at NYU. Moreover, Florence is also part of the first several cohorts of students that I consider the best trained PhD students that we have had coming out of Minnesota (I make the claim in terms of his course work preparation). Up until I became PhD coordinator 7 years ago, our students were not systematically getting enough exposure to research methods and social science discipline course work outside of our department to my liking. You will see that Florence has completed a sequence in Micro economics from the Economics department. Moreover, given the interests of our Economics and Applied Economics departments, she has taken the econometrics sequence in Applied Economies. Coming from a management department, I think she is well prepared for the bootcamp. Moreover, I think with her background the material from the bootcamp has the potential to have a large impact on her scholarship.

I had a previous student attend the bootcamp in 2010. He still speaks very highly of the experience. Mazhar and Florence share similar preparation for the bootcamp. I would rate Florence's scholarly potential ahead of Mazhar's.

With respect to her work, Florence's dissertation will explore issues of talent matching, team development and disruptive innovation. She is at the stage in her work where her ideas are formed – in general – but are being refined. In addition, she has access to Census data through Special Sworn Status and plans to use this in her dissertation efforts.

Thank you for your consideration of Florence. I believe she is at exactly the stage where she would benefit greatly from the workshop. She will be an engaged participant and contribute to the group.

Sincerely,

J. Myles Shaver
Professor of Strategic Management and Organization
Pond Family Chair in the Teaching and Advancement of Free Enterprise Principles

Florence Honoré

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Education

University of Minnesota, Carlson School of Management,
Ph.D. in Strategic Management and Organization
Degree expected in 2014

Université Libre de Bruxelles, Solvay Brussels School of Economics and Management
M.S. Business Engineering, *major in finance, magna cum laude (each year)* 2008

- Exchange Program in Canada, University of Lethbridge

Université Libre de Bruxelles, Solvay Brussels School of Economics and Management
B.A. Business Engineering, *cum laude each year* 2006

Working Papers

Honoré, F., Munari F. and van Pottelsberghe B. 2011. 'Corporate Governance Practices and Companies' R&D Orientation: Evidence from European Countries' (1st round of review at Research Policy)

Gambardella, A., Ganco, M. and Honoré, F. 2012. 'Knowledge Creation and Appropriation within Incumbent Firms and Employee Entrepreneurship'

Honoré, F. and Gambardella, A. 2012. 'Basic or Applied? The Role of Research Characteristics in the Pairing of Inventors and Firms'

Conference Presentations

Academy of Management Aug 2011 – Divisional Roundtable: 'Corporate Governance Practices and Companies' R&D orientation: Evidence from European Countries' with Munari F. and van Pottelsberghe B.

GLEN Conference May 2011: 'Value Appropriation Within Incumbent Firms and Employee Entrepreneurship' with Ganco M. and Gambardella A.

Research Experience

Research Assistant at the University of Minnesota

- Dr. Martin Ganco (2010 to present): Mobility vs. entrepreneurship for employee inventors. *I conducted the econometric analysis and started writing the empirical section*
- Dr. Daniel Forbes(2009-10): Industry emergence, biological findings in entrepreneurship & technology transfer from universities to firms. *I reviewed the literature and discussed new directions for the projects.*

Research Assistant at the Université Libre de Bruxelles
- Dr. Carine Peeters (2007): Offshoring survey of Belgian companies in collaboration with Duke Univeristy (Ciber). *I selected the firm sample and conducted the statistical analysis.*

Teaching Experience

Instructor at the University of Minnesota Spring 2012: Fundamentals of Management (undergraduate level).

Teaching Assistant at the University of Minnesota
- Dr. Richard Wang (2011 to present): Introduction to Entrepreneurship. *I grade papers and contribute to the course website*
- Dr. Svjetlana Mazdar (2010-11): MBA International Strategy and Organization
- Dr. Mary Zellmer-Bruhn and colleagues (2009-11): Contemporary Management

Teaching Assistant at the Université Libre de Bruxelles:
- Dr. Bruno van Pottlesberghe (Spring 2009): Introduction à la gestion et aux organisations

Professional Experience

Consultant at Technology Transfer of Office of the Université Libre de Bruxelles (April 2009-July2009)

Intern and Financial Analyst at Deminor International in Brussels (Summer 2008 and January-March 2009)

Intern at Solvay Specialties Compounding in Oudenaarde (August-September 2007)

Academic Affiliations and Activities

- Academy of Management: BPS and ENT Divisions

- Reviewer Academy of Management 2011 & 2012
- Reviewer MARS conference Carlson School of Management (May 11)
- Participant at Smith Entrepreneurship Doctoral Consortium and Conference (Apr 11)
- Discussant Alumni Conference Carlson School of Management (Oct 10)

Honors and Awards

Belgian American Educational Foundation fellowship 2009-2010
Dean's list of honors University of Lethbridge Fall 2006

Service

- Member of the Bologna Advisory Group for the Graduate School of the Univerisity of Minnesota (from 2010)
- Representative at the Council of Graduate Students for the Carlson School of Management (from 2009)
- Representative at the Libre Examen Cercle ('Free Thinker Union') for the Solvay Brussels School of Economics and Management 2007-2008

References

Myles Shaver
Pond Family Chair in the Teaching and Advancement of Free Enterprise Principles
Strategic Management/Organization, Carlson
University of Minnesota at Minneapolis-St Paul
(612) 625 1824; mshaver@umn.edu

Harry Sapienza
Curtis L. Carlson Chair in Entrepreneurial Studies
Strategic Management/Organization, Carlson
University of Minnesota at Minneapolis-St Paul
(612) 625 2442; sapienza@umn.edu

Martin Ganco
Assistant Professor
Strategic Management/Organization, Carlson
University of Minnesota at Minneapolis-St Paul
(612) 624 6872; mganco@umn.edu

List of Completed PhD Courses

Method and Statistics Classes (Total - 18 credits)

- Econometric Analysis I (4 credits Doctoral Seminar, Dept. of Applied Economics)
- Econometric Analysis II (4 credits Doctoral Seminar, Dept. of Applied Economics)
- Health Services Research Methods (3 credits Doctoral Seminar, Division of Health Services Research and Policy)
- Theory Building and Research Method (4 credits, Strategic Management and Organization department)
- Social and Economic Data: Census Bureau Data (3 credits, Cornell University)

Economics Seminars (Total - 8 credits)

- Microeconomics Analysis - I (2 credits doctoral seminar, Dept. of Economics)
- Microeconomics Analysis - II (2 credits doctoral seminar, Dept. of Economics)
- Microeconomics Analysis - III (2 credits doctoral seminar, Dept. of Economics)
- Microeconomics Analysis - IV (2 credits doctoral seminar, Dept. of Economics)

Departmental Seminars (Total - 18 credits)

- Strategy Process (4 credits doctoral seminar)
- Strategy Content (4 credits doctoral seminar)
- Organizational Theory (4 credits doctoral seminar)
- Entrepreneurship (2 credits doctoral seminar)
- Inter-Organizational Relations (4 credits doctoral seminar, Dept. of Marketing)

***Research Statement**: Assortative Matching in Startup Teams*

My research focuses on understanding of the entrepreneurial team assembly mechanisms including the impact of this process on entrepreneurial innovativeness (Schumpeter, 1934; Christensen, 1997). My objective is to examine how founders and team members select each other and how the combination of their knowledge leads to innovative products and services. My work has multiple implications. From the perspective of entrepreneurs, estimating the effect of various components of knowledge may improve their ability to assemble more innovative start-up teams avoiding the costly trial-and-error search process. Theoretically, this research stream will enrich the analysis of micro foundations of entrepreneurship and more particularly, the literature on entrepreneurial team formation and innovative performance.

Existing work has shown that, over time, innovative activities are more likely to be conducted in teams (Wuchty, Jones and Uzzi, 2007). However, we know relatively little about how teams are formed and how team members complement each other. Two effects need to be disentangled here: the characteristics of the team members that enable search and matching, and the characteristics that enable efficient collaboration leading to innovation. For instance, high quality founders might help create innovations not because of their innovative quality but because of their quality at choosing team members. To do so, I plan to use a matching model coupled to a structural model of the outcome (Sørensen, 2007; Fox, 2009; Mortensen *et al.*, 2011). The matching model sorts the founders and potential founding team members by solving an optimization problem in which the value of the pair they form is maximized over all possible pairs. Then, the outcome model estimates the influence of the characteristics of the team members on the outcome variable after controlling for the sorting.

I theorize that three main factors are at play in this context: experience, scientific knowledge and technological knowledge. First, the experience across firms and industries of the founder may be a crucial factor that helps her identify talented team members whereas these team members will also use their prior experience to identify innovative opportunities. Second, I expect a complementary effect between the founder's knowledge and the collaborators' knowledge (i.e. scientific and technological knowledge). Founders may look for collaborators who add value and make the innovation more likely. As for the future team members, they take significant risks by joining a new venture but they may be compensated by learning cutting-edge knowledge from the founders and other team members. Scientific knowledge should also contribute to the innovative performance by broadening the understanding of the problem scope and anticipating the effects of knowledge re-combination (Fleming and Sorenson, 2004). I expect that effect of prior work experience – which has been emphasized in prior work (Agarwal et al., 2004; Klepper and Thompson, 2010) – has been over-estimated. It may play a more important role in the matching process than in the subsequent innovative performance. Focusing on the assortative matching methodology will allow me to disentangle the role of experience on the team assembly from its effect on the subsequent performance.

To perform the study, I will use the Longitudinal Employer-Household Dynamics (LEHD) from the US Census Bureau while focusing on high-tech industries. The non-public version of the LEHD data may be used to track all of the moves within the US workforce. The data also provides information (e.g. education, date of birth) about the

individuals drawn or imputed from other Census Bureau surveys and social security information. I already hold the Special Sworn Status as a member of a larger project team led by Professors Agarwal, Campbell, Franco and Ganco. The project is in the final stages of the approval process by the U.S. Census Bureau. Furthermore, I plan to connect the data to patent data through the Business Registry Bridge and the Standard Statistical Establishment List.

The assortative matching process would not be complete without considering the monetary aspect of it. In the future, I plan to study the reaction of incumbent firms in the industry and the implication on monetary incentives and bargaining power of employees. I will develop this research stream by building on Prof. Haltiwanger and colleagues' work; we know that star employees are highly remunerated in innovative industries. I am interested in gaining better understanding of the incentives of the team members. Why do they join and what their bargaining power vis-à-vis the founder is? Successful team members expect earning high rewards whereas within the context of new ventures they still might struggle financially. Furthermore, the bargaining might be influenced by how the incumbent firms react to the potential poaching of talent. My future research questions are therefore:

- What kind of talents are the incumbents seeking?
- How does their hiring strategy affect the workforce of the new ventures and the bargaining power of their employees?

How the Boot Camp will help

Attending the Boot Camp will give me the opportunity to meet outstanding scholars whose work is foundational in entrepreneurship as well as in my research program. The Boot Camp will also provide me with an opportunity to meet outstanding young scholars who have overlapping interests and help me to build the important research network. I am confident, that the overall experience will lead me to deeper insights on new venture creation, which in turn will help me to refine my arguments and, subsequently, result in a great dissertation. I hope to give back to the group by sharing my ideas on how assortative matching may add value in our understanding of entrepreneurial teams.

References (not exhaustive)

Agarwal, R., Echambadi, R., Franco, A.M., Sarkar, M.B. 2004. Knowledge transfer through inheritance: spin-out generation, growth, and survival. Academy of Management Journal 47(4): 501-522.

Andersson, F., Freedman, M., Haltiwanger, J. C., Lane, J., & Shaw, K. L. 2006. Reaching for the Stars: Who Pays for Talent in Innovative Industries?.

Christensen, C. M. 1997. The innovator's dilemma: When new technologies cause great firms to fail Harvard Business Press.

Fleming, L., & Sorenson, O. 2004. Science as a map in technological search. Strategic Management Journal, 25(8-9): 909-928.

Fox, J. T. 2008. Estimating matching games with transfers. NBER Working Paper No. 14382.

Klepper, S., & Thompson, P. 2010. Disagreements and Intra-Industry Spinoffs. International Journal of Industrial Organization. 28(5):526-538

Mortensen, D. T., Pissarides, C. A., Tatsiramos, K., & Zimmermann, K. F. 2011. Job matching, wage dispersion, and unemploymentOxford University Press, USA.

Schumpeter, J. 1934. The theory of economic growth. Havard Business Press

Sørensen, M. 2007. How smart is smart money? A Two-Sided matching model of venture capital. The Journal of Finance, 62(6): 2725-2762.

Wuchty, S., Jones, B. F., & Uzzi, B. 2007. The increasing dominance of teams in production of knowledge. Science, 316(5827): 1036-1039.