

The University of Pennsylvania  
The Wharton School  
Management Department

## PhD Seminar on Entrepreneurship MGMT 937 - Fall 2009

Tuesday 9:00 AM – 12:00 Noon  
SH-DH the Bowman Room

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### Course Overview and Design

The seminar seeks to expose students to theoretical and empirical perspectives on entrepreneurship research. We will focus on the main questions that define the field and attempt to critically examine how, using a range of methodologies, researchers have approached these questions. As we review the literature, we will seek to identify promising research areas, which may be of interest to you in the context of your dissertation research. In addition to addressing the content of the received literature, we will examine the process of crafting research papers and getting them published in top tier journals. Towards that end we will characterize the key elements of high impact papers and review the development process of such studies.

Students are expected to come fully prepared to discuss and critique the readings that are assigned to each class meeting (see details below). Each student will serve as the discussion leader for one or more of the class sessions. Discussion leaders are expected to critically review several articles, identify new insights in the research that is being reviewed and evaluate its contribution to the literature, position the articles within the literature on the subject matter, raise discussion questions, and act as the discussion moderator for the class session. Each discussion leader is asked to prepare a one or two page summary of the assigned papers which includes a statement of the main research question(s), the methodology, data set if any, summary of findings, a commentary with your thoughts on the reading, and proposed discussion questions. Prior to each class, the discussion leader will meet the instructor to help plan the class meeting. Towards the end of each class, meeting each student will be asked to articulate a research question that emerged from the session and describe the research design used to investigate the issue.

### Requirements and Evaluation

One reaction paper is due by **October 27, 2009**. It will evaluate a paper of your choice, selected from the reading list or another paper that is of interest to you and has been vetted by the Instructor. Your course grade will be determined as follows:

Your participation in class discussions	33%
Your effectiveness as a discussion leader	33%
Your reaction paper	34%

Update: August 27, 2009

**The Course at a Glance**

<b>Session Number</b>	<b>Date</b>	<b>Topic / Faculty</b>
1	Tuesday, September 15, 2009	<i>Overview &amp; Classics</i>
2	Tuesday, September 22 2009	<i>Sources of Entrepreneurship &amp; Why Become An Entrepreneur</i>
3	Tuesday, September 29, 2009	<i>Firm Formation and Design</i>
4	Tuesday, October 6, 2009	<i>Entrepreneurship and Firm Dynamics</i>
5	Tuesday, October 13, 2009	Entrepreneurial Wealth and Knowledge Creation
6	Tuesday, October 20, 2009	<i>Franchising &amp; Corporate Entrepreneurship</i>
7	Tuesday October 27, 2009	<i>Entrepreneurial Finance</i>

## Detailed Course Outline

**Notes:** Each week I will point you to the specific papers on which our discussion will center in the following class meeting. I will work with the discussion leader throughout the week to prepare the class.

*Minor changes to the reading list can be anticipated throughout the term.*

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### I. Session 1: Tuesday, September 15, 2009

#### A. Overview and Classics

##### 1. Readings

- a. Amit, R., Glosten, L. & Muller, E. 1993. Challenges to theory development in entrepreneurship research. *Journal of Management Studies*, 30(5): 815-834.
- b. Casson, M. 1982. *The Entrepreneur*: 23-38, 364-383. Totowa, NJ: Barnes and Noble Books.
- c. Kirzner, I.M. 1997. Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature*, 35: 60-85.
- d. Knight, F. 1921. *Risk uncertainty and profits*: Part II, Chapter 9. Boston: Houghton Mifflin.
- e. Schumpeter, J. 1966. *Capitalism, Socialism and Democracy*: Chapters VI – VIII. New York: Harper and Brothers.
- f. Schumpeter, J. 1947. The Creative Response in Economic History. *Journal of Economic Volume*, 7(2): 149-159
- g. Shane, S. & Venkataraman, S. 2000. The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1): 217-226.

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### II. Session 2: Tuesday, September 22, 2009

#### A. The Sources of Entrepreneurship

##### 1. Readings

- a. Anton, J. & Yao, D. 1995. Start-up, spin-offs and internal projects. *Journal of Law, Economics and Organization*, 11: 362-378.
- b. Bhide, A. 2000. *The Origin and Evolution of New Business*: Chapters 1 and 2. New York: Oxford University Press.
- c. Drucker, P. 1985. *Innovation and Entrepreneurship*: 30-38. New York: Harper and Row.
- d. Gompers, P., Lerner, J., & Scharfstein, D. 2005. Entrepreneurial spawning: Public corporation and the genesis of new ventures. *Journal of Finance*, LX(2): 577- 614.
- e. Kirzner, I. 1997. Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature*, 35: 60-85.
- f. Schumpeter, J. 1934. *The Theory of Economic Development*: 65-74, 128-156. Oxford: Oxford University Press.

## B. Why Become an Entrepreneur

### 1. Readings

- a. Amit, R., Muller, E. & Cockburn, I. 1995. Opportunity costs and entrepreneurial activity. *Journal of Business Venturing*, 10(2): 95-106.
- b. Amit, R., MacCrimmon, K.R., Zietsma, C. & Oesch, J. 2001. Does money matter: Wealth attainment as the motive for initiating growth oriented technology ventures. *Journal of Business Venturing*, 16(2): 119-143.
- c. Evans, D. & Leighton, L. 1989. Some empirical aspects of entrepreneurship. *American Economic Review*, 79: 519-535.
- d. Gromb, D. & Scharfstein, D. 2003. Entrepreneurship in equilibrium. *Working Paper No. 9001, National Bureau of Economic Research*.
- e. Khilstrom, R. & Laffont, J. 1979. A general equilibrium entrepreneurial theory of firm formation based on risk aversion. *Journal of Political Economy*, 87(4): 719-748.

## III. Session 3: Tuesday, September 29, 2009

### A. Firm Formation and Design

#### A. Firm Formation

- a. Aldrich, H. & Fiol, M. 1994. Fools rush in? The institutional context of industry creation. *Academy of Management Review*, 19(4): 645-670.
- b. Aldrich, H. & Ruef, M. 2006. *Organizations Evolving*: 61-91. London: Sage.
- c. Ruef, M., Aldrich, H., & Carter, N. 2003. The structure of founding teams: Homophily, strong ties and isolation among US entrepreneurs. *American Sociological Review*, 68(2): 195-222.
- d. Zucker, L.G., Darby, M. R. & Brewer, M. B. 1998. Intellectual human capital and the birth of U.S. biotechnology enterprises. *American Economic Review*, 88(1): 290-306.
- e. Delmar, F. & Shane, S. 2003. Does business planning facilitate the development of new ventures? *Strategic Management Journal*, 24: 1165-1185.
- f. Sarasvathy, S. 2001. Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2): 243-263.
- g. Beckman, C. 2006. The influence of founding team company affiliations on firm behavior. *Academy of Management Journal*, 49(4): 741-758.
- h. Beckman, C., & Burton D. 2008. Founding the Future: Path Dependence in the Evolution of Top Management Teams from Founding to IPO. *Organization Science*, 19(1): 3-24.

#### B. Firm Design

- i. Amit R. & Zott, C. 2001. Value creation in e-business. *Strategic Management Journal*, 22: 493-520.

- j. Zott, C. & Amit, R. 2007. Business model design and the performance of entrepreneurial firms. **Organization Science**, 18(2): 181-199.
- k. Zott, C. & Amit, R. 2008. The fit between product market strategy and business model: implications for firm performance. **Strategic Management Journal**, 29(1): 1-26.
- l. Zott, C & Amit R. 2009. Designing your future business model: An activity system perspective. Forthcoming, **Long Range Planning**.
- m. Zott, C & Amit R. 2009. The Business Model as the Engine of Network-based Strategies. In P. Kleindorfer and Y. Wind (Eds.) **The Network Challenge: Strategy, Profit, and Risk in an Interlinked World**. Philadelphia: Wharton School Publishing.
- n. Siggelkow N. 2002. Evolution Towards Fit. **Administrative Science Quarterly**, 47: 125-159.
- o. Siggelkow N. 2002. Misperceiving Interactions among Complements and Substitutes: Organizational Consequences. **Management Science**, 48: 900-916.
- p. Siggelkow N., 2007. Persuasion with Case Studies. **Academy of Management Journal**, 50: 20-24.

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#### IV. Session 4: Tuesday, October 6, 2009

##### A. Entrepreneurship and Firm Dynamics

###### 1. Readings

- a. Aldrich, H. 1990. Using an ecological perspective to study organizational founding rates. **Entrepreneurship Theory and Practice**, 14(3): 7-24.
- b. Baumol, W. 1990. Entrepreneurship: Productive, unproductive, and destructive. **Journal of Political Economy**, 98(5): 893-921.
- c. Brander, J., Hendricks, K., Amit, R. & Whistler, D. 1998. The Engine of Growth Hypothesis: On the relationship between firm size and employment growth. **Working paper, The University of British Columbia**.
- d. Caves, R. 1998. Industrial organization and new findings on the turnover and mobility of firms. **Journal of Economic Literature**, 36: 1947-1982.
- e. Dunne, T., Roberts, M.J., & Samuelson, L. 1988. Patterns of firm exit and the entry in US manufacturing industries. **Rand Journal of Economics**, 19: 495-515.
- f. Jovanovic, B. 1982. Selection and the evolution of industry. **Econometrica**, 50: 649-670.

## V. Session 5: Tuesday, October 13, 2009

### A. Entrepreneurial Wealth and Knowledge Creation

#### 1. Readings

- a. MacMillan, I.C. 2005. Societal Wealth Creation via Experimental Entrepreneurial Philanthropy. **Working Paper, SERC 2005.**
- b. MacMillan, I.C. 2004. Crossing Epistemological Boundaries: Managerial and Entrepreneurial Approaches to Knowledge Management (with Boisot, Max). **Long Range Planning**, 37(6):505-524.
- c. Ihrig, M., zu Knyphausen-Aufseß, D. (Forthcoming). Discovering international imitative entrepreneurship: towards a new model of international opportunity recognition and realization. **Zeitschrift für Betriebswirtschaft.**
- d. Boisot, M., MacMillan, I & Han, K.S. 2007. Property rights and information flows: A simulation approach. **Journal of Evolutionary Economics**, 17(1):63-93.
- e. Canals, A., Boisot, M., MacMillan, I. 2008. The spatial dimension of knowledge flows: A simulation approach. **Cambridge Journal of Regions, Economy and Society**, 1(2):175-204.
- f. Ihrig, M., Abrahams, A. 2007. Breaking new ground in simulating knowledge management processes: SimlSpace2. **Proceedings 21st European Conference on Modelling and Simulation**, Ivan Zelinka, Zuzana Oplatková, Alessandra Orsoni (Eds.), Prague.
- g. Boisot, M. 1998. **Knowledge Assets: Securing Competitive Advantage in the Information Economy**: Chapter 10. New York: Oxford University Press, USA.
- h. MacMillan, I.C. & Gunther McGrath, R. 2000. Assessing technology projects using real options reasoning. **Research –Technology Management**, 43(4): 35-49.
- i. Kimbrough, S. O., MacMillan, I.C. and Ranieri, J. 2007. United States Patent 20080021892 USPTO 2007.

#### Optional reading

- j. MacMillan, I.C. & Low, M.B. 1988. Entrepreneurship: Past research and future challenges. **Journal of Management**, 14(2): 139-161.
- k. MacMillan, I.C. & van Putten, A.B., McGrath, R.G. and Thompson J.T. 2006. Using Real Options Reasoning for highly uncertain technology investments. **Research and Technology Management**, January-February: 29-32.
- l. MacMillan, I.C. & McGrath, R.G. 2005. MarketBusting: Strategies for Exceptional Business Growth. **Harvard Business Review**, March: 80-92.
- m. MacMillan, I.C. & van Putten, A.B. 2004. Making Real Options Really Work. **Harvard Business Review**, December: 134-141.
- n. MacMillan, I.C. & McGrath, R.G. 2004. Nine Integrated Roles of Technology Development Managers. **Research - Technology Management**, May-June, 47(3): 6-26.

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- o. MacMillan, I.C. & McGrath, R.G. 2002. Crafting R&D Portfolios that Work. **Research - Technology Management**, 45(5): 48-59.
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**VI. Session 6:                    Tuesday, October 20, 2009**

**A. Franchising**

- a. Blair, R. & Lafontaine, F. 2005. **The Economics of Franchising**: Chapters 1-3. Cambridge: Cambridge University Press.
- b. Gompers, P.A. 2001. A Note on Franchising. **HBS Note 9-297-108**.
- c. Lafontaine, F. 1992. Agency theory and franchising: Some empirical results. **Rand Journal of Economics**, 23: 263-83.
- d. Lafontaine, F. 1993. Contractual arrangements as signaling devices: Evidence from franchising. **Journal of Law, Economics, and Organizations**, 9: 256-89.

**B. Corporate Ventures**

1. Reading

- a. Dushnitsky, G. & Lenox, M. 2005. When do firms undertake R&D by investing in new ventures? **Strategic Management Journal**, 26: 947 – 965.
  - b. Dushnitsky, G. & Shaver, J.M. 2008. Limitations to Inter-Organizational Knowledge Acquisition: The Paradox of Corporate Venture Capital. **Working paper** (Abbreviated version appeared in 2004 AoM Proceedings).
  - c. Dushnitsky, G. & Lenox, M. 2005. When do incumbents learn from entrepreneurial ventures? Corporate venture capital and investing firm innovation rates. **Research Policy**, 34: 615 -639.
  - d. Dushnitsky, G. & Shapira, Z. 2008. Innovation Incentives Meet Organizational Reality: Comparing Investment Practices by Corporate and Independent Venture Capitalists. **Working paper** (Abbreviated version appeared in 2008 AoM Proceedings).
  - e. Dushnitsky, G. & Lenox, M. 2006. When does corporate venture capital investment create firm value? **Journal of Business Venturing**, 21(6): 753-772.
  - f. Dushnitsky, G. 2006. Corporate Venture Capital: Past evidence and future directions. In Casson, Yeung, Basu and Wadeson (eds.), **Oxford Handbook of Entrepreneurship**. New York: Oxford University Press, USA.
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**VII. Session 7:                    Tuesday , October 27, 2009****A. Entrepreneurial Finance**

## 1. Reading

- a. Amit, R., Brander, J. & Antweiler, W. 2002. Venture capital syndication: Improved venture selection versus the value added hypothesis. ***Journal of Economics and Management Strategy***, 11(3): 423-452.
  - b. Amit, R., Brander, J. & Zott, C. 1997. Rethinking venture capital financing. ***Canadian Investment Review***, X(3): 19-22.
  - c. Amit, R., Brander, J. & Zott, C. 1998. Why do venture capital firms exist? Theory and Canadian evidence. ***Journal of Business Venturing***, 13(6): 441-466.
  - d. Amit, R., Glosten, L., & Muller, E. 1990. Does venture capital foster the most promising entrepreneurial firms? ***California Management Review***, 32(3): 102-111.
  - e. Amit, R., Glosten, L., & Muller, E. 1990. Entrepreneurial ability, venture investments, and risk sharing. ***Management Science***, 36(10): 1232-1245.
  - f. Gompers, P. 1995. Optimal investment, monitoring, and the staging of venture capital. ***Journal of Finance***, 50: 1461-1490.
  - g. Gompers, P., Kovner, A., Lerner, J., and Scharfstein D., 2005 Venture capital investment cycles: The impact of public markets. **NBER working paper # 11385**.
  - h. Kaplan, S. & Stromberg, P. 2000. Financial contracting theory meets the real world. An empirical analysis of venture capital contracts. ***Review of Economic Studies***, 70: 281-315.
  - i. Kaplan, S. & Schoar, A , 2004. Private equity performance: returns, persistence and capital flows. Working Paper. Forthcoming, ***Journal of Finance***.
  - j. Lerner, J., Schoar, A., and Wong W., 2004 Smart Institutions, Foolish Choices? The limited Partner Performance puzzle. ***Working paper, The Sloan School MIT***.
  - k. Silveira, R., Amit, R., 2006. Capital Flows and the Venture Financing Cycle. ***Working paper, The Wharton School***.
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