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An International Journal of Entrepreneurial Finance

Volume 7, 2005 - Issue 2

2,216 89

Views CrossRef citations to date Altmetric

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Original Articles

The Role of Angels in Technology SMEs: A Link to Venture Capital

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Pages 107-129 | Received 01 Jan 2004, Accepted 01 Oct 2004, Published online: 23 Feb 2007

 Cite this article  <https://doi.org/10.1080/1369106042000316341>

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Keywords:

angel-founder relationships

The authors acknowledge the support of the Social Sciences and Humanities Research Council of Canada for this research. They are indebted to Sarah Cooper, Richard Harrison, Colin Mason and Roland Thomas for helpful suggestions. The authors are also thankful for comments received from participants in the 2002 Babson-Kaufman Entrepreneurship Research Conference (Boulder, CO) and to three anonymous reviewers for this journal. Any errors and omissions that remain are among the contributions of the authors.

Notes



It is not clear that Farrell was comparing 'apples with apples' in that the firms that had received angel financing may have been, in the first place, better quality investments. In addition, Farrell did not control for sectoral or other potential determinants of success. Third, the time frame over which Farrell conducted her work was too short to provide definitive data even if she had controlled for other factors.

This database was developed in co-operation with the Ottawa Centre for Research and Innovation, and represents a comprehensive listing of businesses in the region's high-tech sector businesses in the Ottawa region.

The sampling frame provided not only contact data, but also rudimentary quantitative information on company size (number of local employees, total number of employees internationally) and on ISO certification. To assess the potential impact of non-response bias, this information was used in a logistic regression analysis to assess the degree (if any) of systematic differences between respondents and non-respondents. None of the independent variables were significant indicating that respondents and non-respondents did not systematically differ on these dimensions. The Cox and Snell R^2 was 0.003 and the Nagelkerke R^2 was 0.004.

There is some debate in the literature concerning the relationship between networking and success in entrepreneurial firms. The majority of the literature argues that weak tie networking is fundamental to success in entrepreneurial endeavors (Chell and Baines, [2000](#); Fr

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experiment. Its goal is to expand and generalize theories and explanations and not simply to enumerate frequencies (a confirmatory approach or statistical generalization). The parallel is that of multiple experiments and involves a ‘replication logic’ where there is a ‘literal replication’ among similar CEOs and a ‘theoretical replication’ among different groups of CEOs with differences being interpreted in light of an existing or ‘working’ theory (Yin, [1994](#)).

Fenn et al. ([1998](#), p. 3) report that ‘more than one-half of the sample (of high-tech firms in the United States that had gone public) received financing from angels’.

Related Research Data

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Segmenting the informal venture capital market: Economic, hedonistic, and altruistic investors

Source: Journal of Business Research

Private investors' investment criteria: Insights from qualitative data

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The Use of Verbal Protocols in Determining Venture Capitalists' Decision Processes

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Venture capitalists' decision criteria in new venture evaluation

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