



Venture Capital >

An International Journal of Entrepreneurial Finance

Volume 10, 2008 - [Issue 1](#)


2,080 73

Views CrossRef citations to date Altmetric

6

Original Article

# Venture capitalists' non-financial value-added: an evaluation of the evidence and implications for research

David Large  & Steven Muegge

Pages 21-53 | Accepted 22 May 2007, Published online: 07 Dec 2007

 Cite this article  <https://doi.org/10.1080/13691060701605488>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

## We Care About Your Privacy

We and our 899 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. [Here](#)

We and our partners process data to provide:

 I Accept

Reject All

Show Purpose

success and a provisional eight-category typology of value-adding inputs that accommodates the findings in the literature. Two categories of the typology (legitimation and outreach) have an external orientation and six categories (recruiting, mandating, strategizing, mentoring, consulting and operating) have an internal orientation. The empirical evidence to date suggests that operating, outreach, consulting, mentoring and recruiting may be the most influential categories, but the evidence is far from definitive. We argue that future studies should examine ‘VC exit success’ as a high-impact dependent variable, and place greater emphasis on the measurement of directly observable events for both value-adding inputs and value-added outcomes.

Keywords:

- venture capital
- non-financial value-added
- NFVA
- non-financial contributions
- new venture success
- VC exit success

## Acknowledgements

The authors would like to thank the following individuals for their comments and suggestions: Dr Judith M. ... Dr Colin ... for providing ...

No ...

1. This ... growth Asset ... website, ... investment ... ng.asp?id=130, accessed July 2000).

2. Some research suggests that the strength and even the direction of the relationship between inputs and outcomes may depend on the stage of venture life cycle (Gomez-Mejia et al., [1990](#); Flynn and Forman, [2001](#)), the level of VC involvement (MacMillan et al., [1989](#); Ehrlich et al., [1994](#)), and the fit between the approach of the VC and the strengths and expectations of the management team (Perry, [1988](#); Sweeting and Wong, [1997](#)). We argue that research on moderating factors is a promising and potentially high impact area of inquiry. At present however, there are little empirical data available. Thus, moderating factors, though important, are largely absent from this survey.

3. Preliminary results of the stage one literature review are surveyed in Muegge et al. ([2005](#)). The methods and results of that Working Paper were enfolded into this study, with the following changes. Step 3 (keyword search) was expanded to include additional keywords. Step 5 (manual scan of abstracts from selected journals and proceedings) was extended from an end-date of December 2004 to an end-date of December 2005. The scope of Muegge et al. ([2005](#)) was broader, and its analysis was largely qualitative. The present study focuses exclusively on VC NFVA; its scope is both narrower and deeper, and its methods are largely quantitative.

4. The seven journals are as follows: American Economic Review, Academy of Management Executive, California Management Review, Entrepreneurship Theory and Practice, Irish Marketing Review, Journal of Developmental Entrepreneurship and Journal of High Technology Management.

5. We do not include studies that are not value-added outcome studies.

6. For the purpose of this study, we follow the definitions of VCs (1989) and are grouped into two categories: VCs and VCs.

7. The relationship between VCs and Sapienza is a topic of research.

8. Ehrlich et al. (1994) study the typology within its



Related Research Data

## “HOT ISSUE” MARKETS

Source: The Journal of Finance

Entrepreneurial perspectives on informal venture capital

Source: Venture Capital

The Origin and Evolution of New Businesses

Source: Unknown Repository

Criteria used by venture capitalists to evaluate new venture proposals

Source: Journal of Business Venturing

The Ongoing Process of Building a Theory of Disruption

Source: Journal of Product Innovation Management

Let’s Move Salad Bars to Schools: A Public-Private Partnership To Increase Student Fruit and Vegetable Consumption

Source: Childhood Obesity

RETROSPECTIVE REPORTS IN ORGANIZATIONAL RESEARCH: A REEXAMINATION OF RECENT EVIDENCE.

Source: Academy of Management Journal

A Synthesis of Six Exploratory, European Case Studies of Successfully Exited, Venture Capital-Financed, New Technology-Based Firms

Source: Entrepreneurship Theory and Practice

Validation of a novel iPhone application for evaluating near functional visual acuity

Source

The s

Source

Influe

Source

IPO P

Source

The e

Source

C

Source

Proce

Source

When

Source

The c

Source



The Capital Connection: How Relationships Between Founders and Venture Capitalists Affect Innovation in New Ventures

Source: Academy of Management Perspectives

Corporate Venture Capital: Who adds value?

Source: Unknown Repository

Anomaly-Seeking Research: Thirty Years of Development in Resource Allocation Theory

Source: Unknown Repository

The venture capitalist and the board of directors in SMEs: Roles and processes

Source: Venture Capital

The Syndication of Venture Capital Investments

Source: Financial Management

Venture Capitalist Certification of IPOs

Source: Venture Capital

The Venture Capitalist: A Relationship Investor

Source: California Management Review

Venture Capital's Role in Innovation: Issues, Research and Stakeholder Interests

Source: Unknown Repository

Venture Capital and Private Equity: A Review and Synthesis

Source: Journal of Business Finance & Accounting

The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies

Source: Industrial and Corporate Change

Venture

Source

UK Ve

Proce

Source

Strate

influe

Source

R

Ac

Source

A Mo

Source

Desig

Source

Corpo

Know

Source: Unknown Repository



Beyond Survival: Achieving New Venture Growth by Building Legitimacy

Source: Academy of Management Review

Editorial. Venture Capital: Rationale, aims and scope

Source: Venture Capital

Editorial - An overview of informal venture capital research

Source: Venture Capital

Venture capital market complementarities: The links between business angels and venture capital funds in the United Kingdom

Source: Venture Capital

A Psychometric Assessment of Measures of Scripts in Consumer Memory

Source: Journal of Consumer Research

VENTURE CAPITALIST RELATIONSHIPS IN THE DEAL STRUCTURING AND POST-INVESTMENT STAGES OF NEW FIRM CREATION

Source: Journal of Management Studies

Autobiographical Memory and the Validity of Retrospective Reports

Source: Southern Economic Journal

Venture Capitalist Certification in Initial Public Offerings

Source: Unknown Repository

Effects of relational capital and commitment on venture capitalists' perception of portfolio company performance

Source: Journal of Business Venturing

The Roles of Venture Capitalists in New Ventures: What Determines Their Importance?

Source

The F

Source

Buildi

Source

Myth

from

Source

A

RE

Source

Orga

Source

A UK

Inves

Source

Ventu

Source: Journal of Business Venturing



After the cash arrives: A comparative study of venture capital and private investor involvement in entrepreneurial firms

Source: Journal of Business Venturing

The “Living Dead” Phenomenon in Venture Capital Investments

Source: Unknown Repository

Human Resources in Initial Public Offering Firms: Do Venture Capitalists Make a Difference?

Source: Entrepreneurship Theory and Practice

The Interaction between Product Market and Financing Strategy: The Role of Venture Capital

Source: Review of Financial Studies

What do venture capitalists do?

Source: Journal of Business Venturing

The "Hot Issue" Market of 1980

Source: The Journal of Business

Venture Capitalists' Involvement in their Investments: Extent and Performance

Source: Unknown Repository

Venture Capital and the Professionalization of Start-up Firms: Empirical Evidence

Source: SSRN Electronic Journal

Reconsidering the venture capitalists' “value added” proposition: An interorganizational learning perspective

Source: Journal of Business Venturing

Linkin



Related



Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up



Copyright

Accessib

Registered  
5 Howick Pl

or & Francis Group  
orma business

