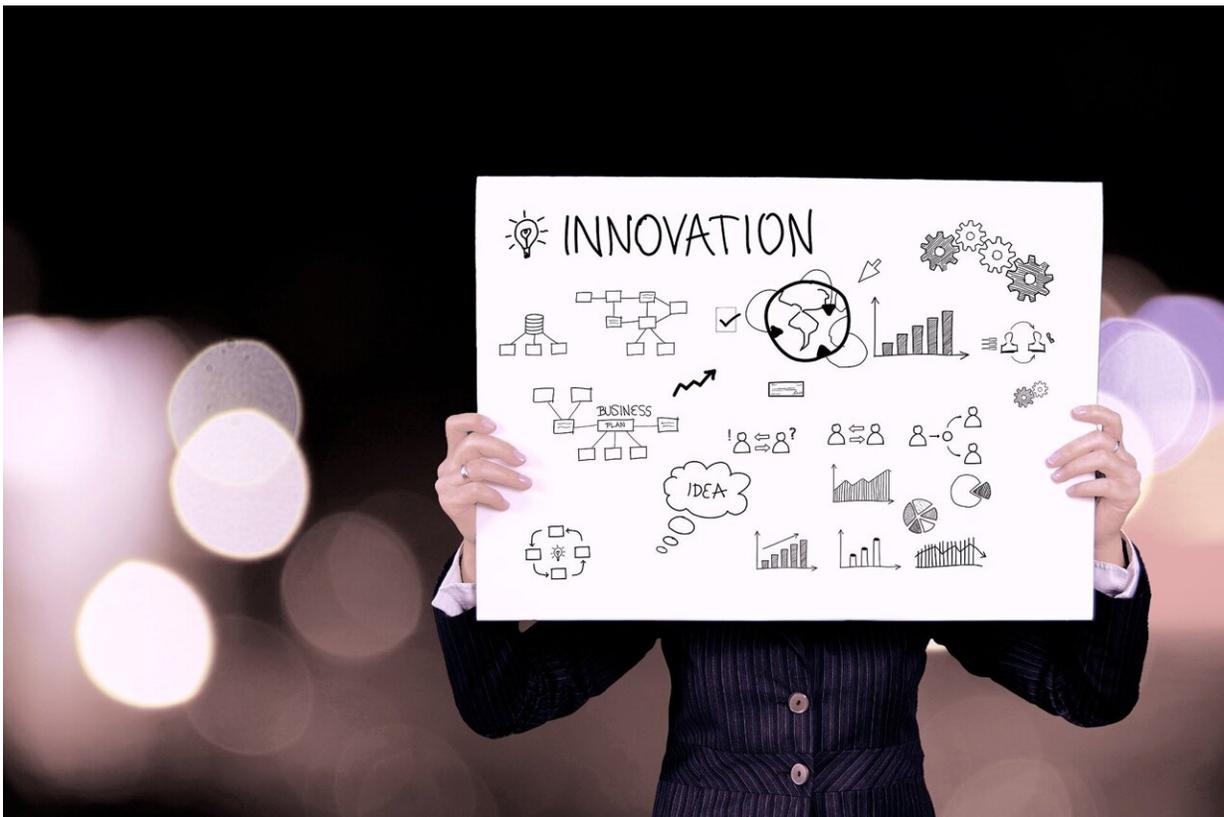


New study explores how venture team membership dynamics impact innovation

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New research published in the *Strategic Entrepreneurship Journal* shows that modifying the composition of a new venture's team significantly affects the venture's ability to be innovative, which is key to allowing

new organizations to establish a market presence and compete against established firms.

The study shows that the very act of membership change appears to increase the likelihood of innovation, even after accounting for the types of experience gained and lost in such transitions. Moreover, while the findings suggest that the departure of an experienced founding team member can be detrimental, the potential creative recombination that comes with turnover has a net positive effect.

"When these episodes take place, it can inspire the venture to make new connections between information they already have and the current situation the firm finds itself in," says co-author Brian C. Fox of Bentley University. "That seems to lead to increased innovative outcomes—and that finding was very robust."

The research team—which also included Zeki Simsek of Clemson University and Ciaran Heavey of University College Dublin—was interested in studying the idea of imprinting in new ventures, a concept that considers the lasting effects of circumstances surrounding a venture's early years on the development trajectory of a company.

Specifically, the researchers wondered whether those members involved at the time of the venture's founding, who serve as sources of inspiration, ideas, and resources, will have a lasting influence on the firm's ability to be innovative for many years to come—even after they leave.

The team studied 440 new ventures over eight years, tracking the team members' comings and goings. The researchers found that if the company stays static, it is able to leverage experienced founding members' insights. Should those individuals leave, there is an unexpected side benefit to that loss: The venture can capitalize on team processes that are concomitant with this membership fluidity to stimulate creativity

and spur innovation.

It's an opportunity to have what the researchers call reflective [episodes](#), a period during which companies can carefully consider what competencies it already has within the team and how they can be gainfully put into conversation with one another.

The paper outlines three ways that new ventures undergoing member change (which includes gains, losses, and turnover within the founding team) can boost innovation. First, they can add new team members who have relevant experiences. Second, they can take advantage of the opportunity to pause and reflect on team processes when membership changes happen to get the maximum benefit. Last, the authors suggest trying to mitigate the disruptive effects of change: The more a company can use its best practices to smooth transitions, the more likely it can benefit from the changes.

Although teams often change substantially as the [venture](#) evolves, companies don't have to wait for turnover to occur before they reap the benefits of a reflective episode.

"You don't necessarily have to go through a traumatic experience where you're losing half your team or gaining two more people to do that," Fox says. "You might be able to do gain these benefits on a smaller scale by having retreats or perhaps getting rotations where you're shuffling the composition of the team to get that fresh perspective."

More information: Brian C. Fox et al, Venture team membership dynamics and new venture innovation, *Strategic Entrepreneurship Journal* (2023). [DOI: 10.1002/sej.1473](https://doi.org/10.1002/sej.1473)

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