The Art of Designing a New Technology Venture

Aim
Every company, successful or not, starts with one bright idea in an entrepreneurial mind. Through actions of the entrepreneur – let’s call these actions design – this initial idea transforms into a firm that did not exist before. Because the Delft University of Technology wants to improve its support to technology-based entrepreneurs, the aim of this Master thesis is to create a better understanding of how entrepreneurs design a new technology venture through answering the following main research question:

How does the design of a new technology venture evolve until the firm reaches maturity?

Approach
An empirical approach was chosen that aims to develop a tentative theory about the new venture creation process of technology-based entrepreneurs based on experiences in the field: the grounded theory method. This approach consists of three stages: scanning, specification and integration. Based on empirical data from founders of incubator-based technology start-ups a theoretical framework is developed that gives a grounded explanation to the proposed research question.

Findings
It is concluded that the new technology venture creation process can be described as the survival of the fitting: to ensure the new venture’s survival, a well-fitting business model needs to be designed through the co-evolution of problem (the market needs) and solution (the value proposition and required competencies). Iterations through the new venture creation stages result in a fitting problem-solution pair, and a product which can be launched onto the market. During this new venture creation process the nature of the process changes. Where the exploration and realisation stages are focused on designing a good problem-solution fit through co-evolution of the problem and solution, the exploitation stage is aimed at maintaining and optimising this fit through rational problem solving.

As the new venture design problem is a wicked problem, which can be tackled in various ways, the model presented on this poster does not prescribe a specific route through the design stages: it is up to the artistry of the individual entrepreneur to find a satisfactory solution to the new venture design problem.