



UNIVERSITY
OF ALBERTA

CPA Speaker Series- Business Analytics

**Moren Levesque,
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Friday, September 27, 2024

10:00 AM - 11:30 AM

Location: BUS 4-06

**Venture creation efficiency: Innovativeness,
speed-to-breakeven, and revenue tradeoffs**

ABSTRACT

We develop a formal model to theorize on the nature of the tradeoffs between innovativeness, speed-to-breakeven, and revenue levels during the early phase of a business venture's creation process. We explore the character of these tradeoffs empirically on a unique sample of 329 ICT ventures using a multi-input, multi-output stochastic frontier model. We identify a strong tradeoff between speed-to-breakeven and innovativeness, but a weaker one between speed-to-breakeven and revenue levels, achieved at the time of breakeven. Our results suggest that the availability of proprietary resources can overcome bottlenecks in the innovation process, and we propose a line of research to explain the (large) unexplained variation in venture creation efficiency across new ventures.