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Can We Improve the Rate of Entrepreneurial Success? Introducing the "TEAM" Framework

Ahmed H. Tolba
Associate Professor & Chair
Department of Management, School of Business
The American University in Cairo

ABSTRACT

Business ventures have experienced environments pertaining to rapid morphological changes that have led to the adoption of entrepreneurial teams as opposed to singular individuals. With such a high potential for failure, startups must revert into the foundation of their organization to ensure success and longevity through the formation of an entrepreneurial team. The formation of the entrepreneurial team leads itself to debate due to its diverse linkage with surrounding contexts and the endless combinations of team characteristics. This paper will start by exploring surrounding contexts that affect the performance of entrepreneurship, providing a landscape to the approach of "individual versus team entrepreneur". The study will shift into venture capitalists and their startup selection criteria lending way to the assumption that entrepreneurial teams are more likely to receive investor funding due to possible parallels in expertise and personalities between the team and the venture capitalist. Afterwards, previous literature will be explored on the components of the entrepreneurial team, creating a structure for the ideal way of composing a team based on the heterogeneous skills and homogenous personalities. The John Holland (IESC Theory) and the Theory of Predicted Behavior will provide evidence towards the efficiency and applicability of the TEAM framework, establishing that a structure including 4 main individual types is required for synergy within a new venture; The Entrepreneur, The Manager, The Technical Expert, and the Assisting Functions. By implementing the TEAM framework, startup success rates can increase and provide substantial benefits for both the entrepreneur and the fund investor.

Keywords: Entrepreneurship, Entrepreneurial Team, Venture Capitalists' Needs, Entrepreneurs' Personality Traits

INTRODUCTION

Over the past few decades, the entrepreneurial ecosystem has morphed alongside technological advancements, that of which have led entrepreneurs to take charge and initiate the establishment of startups (Schjoedt and Kraus, 2009). However, research suggests that 11 out of 12 startups (92%) fail, with 20% of them experiencing their downfall within the first year of operations (U.S. Bureau of Labor Statistics, 2019). While there are various causations to this high failure rate, one of the most crucial aspects is the capabilities of the startup and the ability to maintain synergy across operations. It takes a unique personality, one that is truly entrepreneurial in mindset and methodology, to avoid experiencing common pitfalls of failing startups. Entrepreneurs that create such startups are individuals with unique characteristics,

those of which manifest opportunities and create organizations that will fuel creative destruction and create organizations that solve problems (Kuckertz et al., 2017). Research exploring these characteristics is plentiful, dictating that these individuals pertain to high standards for accomplishment and the ability to take risks and perform challenging tasks; all in the name of pursuing innovation and establishing strategic goals. However, such studies rarely correlate the entrepreneurial traits with the startup's success, and whether the number of such personalities impact the pursuit and triumph. On the other hand, entrepreneurial teams can be identified to consist of individuals who participate in the early development of a new venture (Kuckertz et al., 2017). To an extent, these individuals must have a parallel vision and thirst of challenge as the entrepreneurial characteristics, ensuring that all parties hope to achieve the same end goal of organizational success (Schjoedt & Kraus, 2009).

The Emergence of Team Entrepreneurship

Firms established by one entrepreneur rarely amount to the massive scale of success in comparison to those with a foundational entrepreneurial team, and similarly, ventures with more than four individuals at its creation coincide with failures more often than success (Eggers, 2000). This is due to the inability of one sole individual to manage, arrange, and pertain to the technical knowledge required to get a venture out of the ideation phase and into its implementation. The optimal number of entrepreneurs in a team is two to three, a middle ground that avoids miscommunications and coordination issues that arise with increased number of entrepreneurs (Kuckertz et al., 2017). This philosophy has been evolving since the 1990's with a clearer emphasis on team entrepreneurship (Gimmon, 2008). Researching further into the importance of an entrepreneurial team, multiple sources have proved a positive outcome of team start-ups rather than a sole start-up in terms of success rates (Gimmon, 2008, Schjoedt and Kraus, 2009a; 2009b; Tihul et al. 2009; Leary and DeVaugn, 2009). One aspect of this positive outcome can be attributed to the way in which entrepreneurial teams are more effective in responding to complexity and changes in the environment, which results in teams having the capacity to better overcome challenges and manage crises. Moreover, studies have revealed that there is a direct positive correlation between firm formation, growth and performance (Schenkel and Garrison, 2009), which leads us to evaluate the variables affecting team composition.

Characteristics of a Successful Venture

Literature on entrepreneurial team formation focused on the different characteristics that are needed to build a successful venture (Pillis and Reardon, 2007, Leary and DeVaugn, 2009). With the proof of team-related success, investors have set their own criteria for financing start-ups (Franke et al., 2006; Ben-Hafaiedh-Dridi, 2010). These criteria are crucial for investors as it dictates the appropriate quantity of resources, such as time and money, to be invested into the startup and its respective team members (Knockaert et al. 2011). According to Conney (2005), the entrepreneurship establishment should pass by 3 levels: a. The Idea, b. The Team, and C. The Implementation of the idea. Hence, the selection of the team is considered the "Entry Behavior'' for formulating any venture capitalist; thus, it can directly affect the business achievements (Autio et al. 2014). Throughout the venture creation process, the existence of a new product or service innovation is not sufficient to hold together an imbalanced team; new ventures often resort to quitting their startup in the early stages of introduction due to team mismatches and inefficiencies (Schjoedt, 2009). Previous studies have uncovered some of the inefficiencies within entrepreneurial team creations such as improper leadership and

ineffective communication methods, however, there are limited studies that delve deeper into the team's structure and its impact on the outcome of the entrepreneurial team. The results of this research offer a framework to budding entrepreneurial teams in ensuring synergy and efficiency within their new venture, and can increasingly be implemented to allow entrepreneurial teams to secure improved funding opportunities through satisfying investors.

Venture Capitalists' Perspective

Evaluating the importance of team formation can be analyzed from the perspective of an investor. Entrepreneurial ventures should take the investors' criteria into consideration as they are the main providers of financial backing, strategic guidance, and valuable input that an entrepreneur would not be able to facilitate solely on their own (Jain, 2001). Furthermore, the investors' approval and acceptance of a venture should be based on meticulous analyses, since they act as significant predictors of a venture's performance (Jain, 2001). Studies show and prove that there is a direct link between a venture capitalist's criteria of selection and the long-term success of new firms (Franke et al., 2006). This is due to the nature of venture capitalist's daily work, which involves earning money by investing in new successful ventures, hence providing them with experience that gives them a good eye for spotting opportunities that pertain to successes in the long run.

OBJECTIVE OF THE STUDY

This study aims to offer a framework that helps both new entrepreneurs and venture capitalists in optimizing and evaluating entrepreneurial teams. Existing literature is fragmented in respect to developed frameworks on entrepreneurial teams, with most studies exploring the empirical determinants of venture capitalist criteria but lacking the study of a conceptual framework that feeds into both the entrepreneur and the funding investor. Therefore, this study contributes to the existing literature on the determinants of startup valuations by venture capitalists and develops a framework that aids entrepreneurs in the formation of the optimal team, which may lead them to a higher percentage of success, and avoid aspects that lead to startup failures. The framework should be useful for entrepreneurs while forming their teams, and for venture capitalist's while evaluating investments in potential entrepreneurial ventures.

TEAM ENTREPRENEURSHIP

Successful entrepreneurial ventures are often those of which involve a team with certain qualities (Leary and DeVaughn, 2009). While the description of these qualities may differ across perspectives, there are a few criteria that have been identified by most research studies. Minimal research has been carried out regarding entrepreneurial teams and their composition, maybe because there has not been a proper definition (Schjoedt and Kraus, 2009). Combining different definitions of entrepreneurial teams from other studies, Schjoedt and Kraus came up with a collective meaning for an entrepreneurial team:

> *An entrepreneurial team consists of two or more persons who have an interest, both financial and otherwise, in and commitment to a venture's future and success; whose work is interdependent in the pursuit of common goals and venture success; who are accountable to the entrepreneurial team and for the venture; who are considered to be at the executive level with executive responsibility in the early phases of the venture, including founding and pre-start up; and who are seen as a social entity by themselves and by others. (Schjoedt and Kraus, 2009).*

Entrepreneurial Teams' Characteristics

Through this identified definition, exploration into various team composition studies can be undergone and the evolution of its methodology can be viewed. In 2009, Schjoedt & Kraus classified the characteristics of the team into 2 main levels: the surface-level characteristics and deep-level characteristics. The surface level refers to demographic differences and the deep-level follows the attitude, beliefs, and norms difference. Later in 2015, Zhou and Rosini stated that this train of thought pertains to two main issues, the first problem being the limited set of variables within the 2 categories and the second problem encompassing the possible overlap that may occur between the two levels; i.e. the placement of educational background. From these flaws, Zhou and Rosini established a framework that revolved around defining different characteristics by clusters such as demographic, informational, and personality traits.

Teams' Homogeneity & Heterogeneity

Supporting the idea of characteristics influencing a team's performance are ones involving the study of whether a team should be homogeneous or heterogeneous (Knockaert, Ucbasaran, Wright, and Clarysse, 2011). Some argue that heterogeneous teams lead to success because of the different functional and work backgrounds that help input different perspectives, knowledge, and expertise (Knockaert, Ucbasaran, Wright, and Clarysse, 2011). This heterogeneity leads to greater strategic consensus and enhanced performance (Leary and DeVaughn, 2009). Myleen and Michael also researched the idea of heterogeneity of experience and the way this diversity leads to a greater pool of knowledge between the team. Through this, a heterogeneous team will have social resources that they may use to generate greater demand or capital (Leary and DeVaughn, 2009). Some challenge this theory by saying that homogenous teams are more effective because heterogeneity leads to less common ground between team members, which result in dysfunctional conflict (Knockaert, Ucbasaran, Wright, and Clarysse, 2011). Since a homogeneous group is best at solving routine-problems and following a system, the environment pertains to increased cohesiveness than within a heterogeneous team. However, the widely accepted agreement that the nature of the industry can directly select the team leads most studies to understand that in a dynamic environment, a heterogeneous team will have better performance than a homogeneous team while within a stable environment, a homogenous team will be more effective (Klotz, Hmieleski, Bradley, & Busenitz, 2014). Since the dynamics of any industry are often unpredictable and driving, heterogeneous work in parallel to create an entrepreneurial team that is innovative and flexible and thereby allow the team to demonstrate agility and adaptability to market changes and face a higher success rate of survival.

Selecting a Partner

Further studies have demonstrated the way in which team formation takes personality traits into consideration and how entrepreneurs may choose partners solely based on prior work collaborations (Ferriani, Cattani, and Baden-Fuller, 2009). In this scenario, an entrepreneur has the choice between partnering with an old-timer or a newcomer. More often than not, old-timers may increase team efficiency due to their routine task work, but will have limited ability to bring innovation into the team due to their comfortability with a set structure and method of approach (Ferriani, Cattani, and Baden-Fuller, 2009). Newcomers, on the other hand, input a new way of thinking and variance but may not be able to coordinate all the new ideas due to their lack of shared experience (Ferriani, Cattani, and Baden-Fuller, 2009).

Khan, Breitenecker, & Schwarz (2015) proved that a team with high diversity in the teams' need for achievements negatively affects the efficiency and effectiveness of entrepreneurship. Therefore, teams must have increasingly similar or parallel objectives to be able to set a common strategic plan. According to Cooney (2005) the idea can be formatted before the team by a sole individual, hence he is the lead entrepreneur and he/she has the right to choose the team, or the idea can be generated by the whole team (partners, family members,) at this case, it's hard to find a leader. Generally speaking, there are two categories to formulate the team: instrumental and interpersonal attraction (Ben-Hafaiedh-Dridi, 2010).

Resource-Based Selection

One argues that an entrepreneurial team will be formed to complete missing gaps in knowledge or resources. This means that entrepreneurs will strategically pick team members based on who can offer the team the best supply of resources (Ben-Hafaiedh-Dridi, 2010). This *resource-based* theory originally found by Penrose did not only include filling gaps in the entrepreneurial team, but explained that a firm's growth is based on resources such as management capability and technological expertise (article 22). Meaning, an entrepreneur will have a more efficient team if it is composed of resources that enhance the managerial and technological process. Interpersonal attraction also plays a role in efficient team formation, and therefore, while homogeneity within a team does not facilitate aspects of an entrepreneurial team aiming for success with a new venture, parallels within objectives and required environments can allow for synergy between the team; that of which maintains the ability to feed into innovation through varying perspectives within a heterogeneous team. Therefore, homogenous teams are needed when it comes to demographic diversity & interpersonal attraction, while the composition and main characteristics of the team should pertain to a great deal of diversity and heterogeneity in methods of approach, skills, and information analysis. (Zhou, & Rosini, 2015).

Through all of the above analysis, team compositions draw a heightened importance to the success of a new venture and heterogeneity in skillset has been identified to be a crucial element of consideration. Elizabeth Chell (2013) reviewed Mitchelmore and Rowley's suggestion that there are four types of skills needed to build an effective team; entrepreneurial competencies, business management competencies, human relations competencies and conceptual competencies. Acknowledging the weight Venture Capitalists (venture capitalists) put on their investment decisions, we can begin uncovering the specific qualities an entrepreneurial team must have to be successful (Jain, 2001, Gimmon, 2008).

VENTURE CAPITALISTS' CRITERIA: WHAT TICKS THEIR BOXES?

A sole entrepreneur cannot ensure that there are enough similarities present between him/her and a well-rounded venture capitalist or investor. Through this, a hypothesis can be drawn related to the formation of an entrepreneurial team, whereby teams with many various backgrounds, skills, and competencies can nearly fully guarantee that a well-rounded reflection will amount to parallel similarities with the venture capitalist; this positively correlates with the success of a venture. Due to the limitations in interpersonal networks, coordination of social relationships, and lack of comprehensive manpower, one sole entrepreneur cannot fulfill the role of a whole entrepreneurial team and therefore, the formation of an entrepreneurial team requires specialized members pertaining to broadened fields, that of which are mutually exclusive and complementary.

Holland's Model

In respect to venture capitalists and their criteria for startup selection, insight into theories of personality within a working environment can broaden the scope of analysis and manifest the creation of the TEAM framework. John Holland (1959, 1997) provided an interest-based theory that is composed of six types of personalities and six parallel work environments: Realistic (R), Investigative (I), Artistic (A), Social (S), Enterprising (E), and Conventional (C)—referred to collectively as RIASEC (Armstrong and Day, 2007). In Holland's model, each personality is described based on the type of the activities performed in each work environment (Armstrong and Day, 2007).

The Theory of Planned Behavior

The Theory of Planned Behavior (TPB) also provides itself within the landscape of venture capitalist criteria, covering a framework for understanding intentions and lending itself to become a predictor for a new venture's expedition. Within this theory, entrepreneurial activity is one that is planned and learnable, oftentimes dependent on an individual's ability to cope within the provided circumstances of social norms and cognitive frameworks under their control (Sabah, 2016; Ajzen, 1991). The TPB, additionally, reasons that set personality traits encompass an individual's ability to become self-employed and pursue entrepreneurship (Schjoedt, 2009). Therefore, studying an entrepreneur's behavioral intention can provide valuable insight into the future of the startup and its innovative pursuit as it has been widely accepted as a direct predictor for actual outcomes (Engle et al., 2010; Schlaegel and Koenig, 2014).

Venture Capitalist's Evaluation

This study paves a pathway towards team compositions and its role in being one of the key criteria that venture capitalists examine when investing in an entrepreneurial venture (Knockaert et al. 2011); venture capitalists consider the ideal entrepreneur to be one who understands the importance and need for a team with a variety of different skills (Gimmon, 2008). There are a few different methods that a venture capitalist may use when analyzing an entrepreneurial team, but they all lead to the same conclusion of the importance of a heterogeneous pool of knowledge within the team. One proven theory that explains a venture capitalist's choice in an entrepreneurial team is the similarity hypothesis in relation to business, which states "the higher the similarity between the profile of a venture capitalist and the profile of a start-up team, the more favorable the evaluation by the venture capitalists will be" (Franke et al., 2006). Therefore, it can be logically concluded that most venture capitalists have the tendency to favor teams that have similar characteristics as their own. An example of this was proven in a conducted study where venture capitalists who had both engineering and managerial backgrounds of education would rate teams with the same capabilities higher than other venture capitalists who do not have this knowledge (Franke et al., 2006).

This study can reveal a few important points to take into consideration when building an entrepreneurial team: 1) There is a direct link between a venture capitalist's rating of an entrepreneurial team and their success; 2) The more similarities present between a venture capitalist and an entrepreneurial team, the higher the rating of the entrepreneurial team; and 3) an entrepreneurial team composed of a wide-ranging and exhaustive knowledge base will likely have the most similarities present with a venture capitalist, and therefore have a higher chance at success.

INTRODUCING THE "TEAM" FRAMEWORK

By combining the factors involved in creating a growing, successful venture, we suggest the TEAM Framework where team composition can simply be divided into 4 components; the **T**echnical Individual, the **E**ntrepreneur, the **M**anager, and the **A**ssisting Functions and networks.

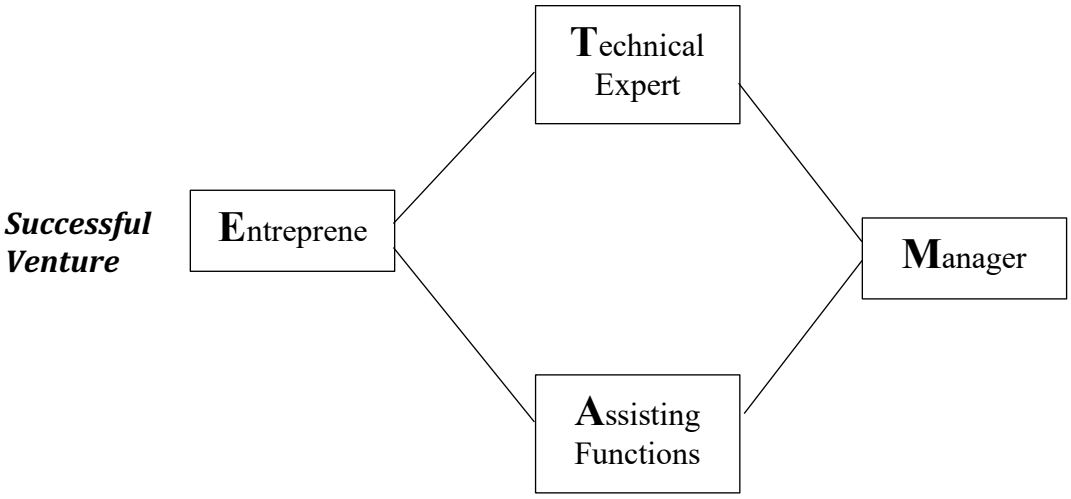


Figure 1: The "Team" Framework

This structure is based on efficiency in resource allocation within individuals of a team, and rather than attempting to collectively place all these tasks into one individual and failing to secure efficiency in operations, an entrepreneur should create a team that includes these four criteria in parallel to the Holland theory. Teams that are formulated based on "Task orientation" proved to be more effective; to be able to assure wide scope of attention, information (Van Doorn, Justin, Van Den Bosch, & Volberda, 2013). The importance of this model and what each element brings into an entrepreneurial venture will be further explained to prove its success.

The Entrepreneur

The first component of the TEAM framework is the *Entrepreneur;* who may be considered the main driver for a new venture: the person who has the capabilities to turn an idea into an opportunity and further into a fully functioning business (Thornberry, 2003). The entrepreneurs' risk-taking behavior and tolerance for ambiguity enables them to start a business and take all the daring decisions at the beginning of a venture (Pillis and Reardon, 2007). As previously mentioned, an entrepreneur has many characteristics that will unquestionably motivate his/her entire team and play a role in influencing decision-making. There are a few major traits always linked with entrepreneurs and their characteristics:

Achievement motivation

Different aspects drive different people; that may be the need for security, money, or even achievement within the scope of a certain career path chosen for them. When it comes to entrepreneurs, their main drive is achievement (Svante and Joakim, 2009). Entrepreneurs have a high level of achievement motivation, which enables them to achieve their goals for growing their own firm. Studies show that there is a direct, positive correlation between entrepreneurial success and achievement motivation (Pillis and Reardon, 2007). Entrepreneurs perceive themselves as people who love the challenge and this is their motive to push forward and prove

themselves (traits). Achievement motivation is critical to economic development and progress, due to effort and time that will be put into a venture to ensure success (Pillis and Reardon, 2007).

Locus of Control and Personal Efficacy

One important personality trait that most entrepreneurs share is the need for control (Cooper and Krista, 2010). Rotter's locus of control theory complements the achievement motivation trait, since people who aim to solve problems, set goals, and reach these goals believe this is done through their own effort (Littunen, 2000). He divides the locus of control into internal and external; internal, which entails that the results of something are completely based and dependent on one's actions and efforts, while external believes that outcomes are caused by fate, luck, and chance that is out of the person's control (Littunen, 2000). Regarding entrepreneurs, they believe in the internal locus of control theory, which establishes a foundation for an entrepreneur to work and achieve without letting outside forces set them back. This belief in their personal efficacy and appreciation for work to achieve the life outcomes they want are major traits in entrepreneurs that lead to venture success (Pillis and Reardon, 2007). These traits influence an entrepreneur's reasoning when coming up with decisions for their firm.

Tolerance for risk and ambiguity

Another trait that differentiates entrepreneurs is their high tolerance for ambiguity; entrepreneurs have a significantly higher tolerance for ambiguity than managers, giving them the ability to take risks that others are not capable of doing (Pillis and Reardon, 2007). Acceptance of ambiguity leads entrepreneurs to pursue high-risk, profit-maximizing opportunities (Mazzarol, Reboud, and Soutar, 2009).

Individualism

Entrepreneurs are seen as quite individualists, sometimes even referred to as loners (Malach-Pines, Levy, Utasi, and Hill, 2005). They are usually self-confident and have a sense of autonomy that adds to their independent personality (Andersson, 2010). Being individualistic gives entrepreneurs the chance to devote time into their thoughts and develop them further into opportunities they can achieve (Williams and Lee, 2011).

To counteract the missing links within an entrepreneur's traits, another component of the TEAM framework pertains to an individual able to grow the venture after its initial launch, thereby leading to the second component of the TEAM framework.

The Manager

The manager is of utmost importance when it comes to taking the venture to the next stage, which is to grow it from a small starting point to a fully operating business. Studies prove that there is a positive relationship between managers' aspiration to grow a company and a company's actual growth (Andersson, 2010). Personality traits and skills of managers give them the expertise that is needed to grow and maintain growth within a firm (Thornberry, 2003). Their work attitude of excelling at systematic, routine tasks (Schjoedt and Kraus, 2009) helps them manage performance and day-to-day activities that require patience and tolerance. By monitoring and fulfilling these tasks, managers can take new businesses into the growth and sustainability period.

Most ventures are beginning to recognize the importance of having an entrepreneurial team, but allocating managerial tasks to a lead entrepreneur who acts as a manager (Ben-Hafaiedh-Dridi, 2010). Zhou, Vredenburgh, and Rogoff. (2015) proved that managerial skills diversity is a major need for the venture capitalist. Moreover, studies indicated that *managers cannot be entrepreneurs* and there must be differentiation between the two (Thornberry, 2003). Both managers and entrepreneurs have a set of skills that differ from each other yet both offer a lot to a venture. This could be seen as "managerial competence", focuses on efficiency and maintaining growth while "entrepreneurial competence", focuses risk taking and maximization of profits (Mazzarol et al. 2009). Thornberry uncovers two main reasons why managers cannot be entrepreneurs. The first reason involves the amount of pay they receive for certain tasks. Managers get paid to fulfill routine tasks; entrepreneurs accept the idea of a low pay at first while the venture grows. The second reason is time consumption. Entrepreneurs devote all their time and effort towards a venture, but managers are used to a secure job and will put entrepreneurship as a second priority. This leads to entrepreneurial failure, which demotivates a manager. Other than these factors, risk is the most important and demotivating reason for managers incapable of being entrepreneurs (Tihula et al., 2009). Managerial teams always focus on joint responsibility and do not practice risk-taking behavior. Entrepreneurs on the other hand, as earlier discussed, are more risk enthusiasts and include this ideology in their daily decisions. Compared to managers, entrepreneurs have a higher level of tolerance for ambiguity (Pillis and Reardon, 2007).

A central point between being an entrepreneur and a manager is intrapreneurship; the idea of corporate entrepreneurship has been increasing and pushing managers to become more innovative, which satisfies both the manager's needs and the firm's growth (Thornberry, 2003). Managers are used to a more systematic way of work, which fits under the homogenous philosophy where they excel at routine tasks rather than taking risks with new ideas (Schjoedt and Kraus, 2009). Intrapreneurship helps managers become more innovative and think of the changing environment, while at the same time allowing their business skills gained from experience to grow the firm. Teaming up an entrepreneur and a manager would lead to greater success than an entrepreneur alone or a manager attempting to be an entrepreneur.

A study based on the Five-factor model of personality traits revealed some important traits that entrepreneurs share, which affects their fondness of individual work (Eggers, 2000; Brandstätter, 2011). Rather than attempting to transform managers into entrepreneurs, one can understand the different qualities each brings into the work environment and how that would be more beneficial than having one person trying to be both. Entrepreneurs are good at three main things:

1. Identifying opportunities whether new, revolutionary, or evolutionary
2. Shaping and developing these opportunities
3. Creating a business from these opportunities (Thornberry, 2003)

These may seem as the core of any business, but without the appropriate growth strategy, opportunities are less likely to turn into successful businesses. Managers on the other hand have great experience in managing performance, growing firms, and calculating risk (Pei and Qing, 2011). We cannot place all managers under one umbrella of personality characteristics, but we can highlight general traits that are found in most managers. A select number of studies show that managers may have a creative/innovative trait, but remains within the context of

their managerial roles, not overall creativity (Kinder and Roberston, 1994). A manager may have sporadic moments of ingenuity however it comes with limitations within the scope of work they tend to on a day-to-day basis (Kinder and Roberston, 1994). Another trait a manager typically has is his/her perception towards change. Even innovative and creative managers do not have a tolerance for variety and do not accept change. Linking back to entrepreneurship, these traits are of most importance when it comes to routine tasks and excelling by finding creative ways to achieve tiresome work.

Rather than combining all these traits into one entrepreneur or one manager, it is more efficient and will lead to higher success if a team is composed of both. Managers have a great deal of discipline and control on issues mainly concerned with detail and logic (Harrison, Pegram, and Roomi, 2011). Entrepreneurs, on the other hand, are more interested in influencing and motivating others while setting direction to an opportunity (Harrison, Pegram, and Roomi, 2011). A venture cannot succeed without a joint combination of these traits; looking at these qualities, it is transparent that entrepreneurs have their own characteristics that will influence a venture in one way while managers have traits that will help an entrepreneur grow the venture into something big.

While entrepreneurs are identified to fuel the launch of a new venture and managerial competency sets to ensure maintained growth, a founding team must also contain the technical expertise to ensure efficiency in resource allocation and advancements; this is the role of the third aspect of the TEAM framework.

The Technical Expert

Another component that helps a firm grow is the *Technical Expert with the relevant know-how skills;* no matter the type of entrepreneurial venture, there must be a technical side that offers a higher level of innovation, efficiency, and growth (Johannessen, 2009). These are the types of personalities who explore, promote and implement a high level of uniqueness and originality of the products and services the organization offers (Hamer, 2001). They have the ability to collect information and use their imagination to think of novel ideas (Puccio, 1999). Being creative and having a technical background may assist in the improvements of new technical solutions, business models that may drive the company to a breakthrough (Leonard, 1995; Moss Kanter, 1996). The technical competence of a team is essential to a firm's internal growth system since members with technological backgrounds will be able to utilize this information and input it into the firm (Johannessen, 2009). The technical idea will lead to intrapreneurship within the firm because they have technical knowledge and experience, which will lead to an improvement in the knowledge system, task system, and skill system of the organization (Johannessen, 2009).

Technical skills also relate to information and communication technology, which is a major element in growing and maintaining a firm. The most important function of a technical team is their knowledge in the field of research and development (R&D), which could also be associated with networking. R&D is crucial to a firm's efficiency, effectiveness, and link to its corporate and business strategy (Chiesa et al. 2009), and requires a technical team with expertise in this field (Loras and Vizcaíno, 2013)

Within the framework of entrepreneurial characters, the supporting members of the ecosystem play a crucial role in a venture's ability to thrive and succeed; venture capitalists and funding investors work to provide the accelerating aspect through financial, technical, and theoretical assistance. Within the TEAM framework, these external players work as Assisting Functions and Networks for the success of a new venture.

Assisting Functions and Networks

The last component of the TEAM framework gathers all these elements and builds a comprehensive inclusion of assisting functions and networks within thebeco-system that support the entrepreneurial venture. The importance of building and maintaining social networks is directly linked with the start-up (D'Este, Mahdi, Surya, Neely, Andy D. and Rentocchini, 2011). Networking is the cornerstone for entrepreneurship to have a link with different sources of information and social embeddedness. Moreover, if the team has a good domestic network, it can easily expand to the international market. (Dimitratos et al., 2014). Hence, by a good networking the entrepreneurship will be aligned with the temporal context to assure effectiveness.

Networking requires a set of skills that might not be found in the entrepreneur, manager, or the technical team, hence the importance of having an alliances and networks department in an entrepreneurial firm. Creating social bonds between the firm and other organizations is vital to a firm's survival as it provides access to critical resources they may need (D'Este, Mahdi, Surya, Neely, Andy D. and Rentocchini, 2011). Networking can be categorized into two types: formal networks consisting of venture capitalists, banks, accountants, creditors, lawyers, and trade associations and informal networks consisting of personal relationships and business contacts (Littunen, 2000). With the help of the entrepreneur and the managerial team, alliances with formal and informal networks can be formed to further help the growth and development of the firm. To gain maximum productivity and innovation from a network, an entrepreneurial team must strategically form relationships with the appropriate people (Tomás and Arias, 1995). If this is done correctly, the new start-up will increase its innovation and leading edge since networking allows the venture to engage in innovation-related alliances and a means to a new pool of knowledge (Huggins, 2010). Assisting Functions and Networks can help bridge the gap between the entrepreneurial venture and the actual market (Tomás and Arias, 1995).

Networking is vital as it provides the enterprises with access to new markets, technology, and information, which improve the growth and their survival growth (Birley, 1985; Hoang, Antoncic, 2003). Entrepreneurs can make quick wins through their personal networks as they can access some recourse at a limited cost (Dubini, Aldrich, 1991). Networking is considered one of the organization's social assets from knowing resource persons, being part of a social network, and having a good reputation (Nahapiet, Ghoshal, 1998). There is a positive relationship between networking activities undertaken by the entrepreneur and the structural measures of the entrepreneurs' network (Staniulienė, Sonata, 2011). This type of character is the entrepreneur who can identify opportunities and create synergies with other stakeholders who will complement their resources and current capabilities; their communication skills is considered an advantage over those who do not have it (Staniulienė, Sonata, 2011).

Mapping the TEAM Framework with Holland's Model

In relation to the TEAM framework, each character has its corresponding character in Holland's Model:

Table 1: Mapping The "Team" Characteristics

TEAM Type	Characteristics	IESC Type	Characteristics
Technical	• Implement original products and services (Hamer, 2001). • Use their imagination to think of novel ideas (Puccio, 1999).	Investigative	• Prefer observational, systematic & creative work • Avoid social persuasive, & repetitive activities.
Entrepreneur & Assisting Functions/ Networks	• Driver of the new venture • Capable to turn an idea into an opportunity & business • Risk-taker; tolerates ambiguity	Enterprising	• Influence others • Leader with interpersonal & persuasive competencies. • Avoids scientific debates
	• Create social bonds • Identify opportunities and create synergies with other stakeholders	Social	• Inform, connect with people • Cooperative, generous, helpful, responsible, tactful, & understanding • Avoid systematic activities
Manager	• Excel at systematic & routine tasks (Schjoedt & Kraus, 2009) • Help manage performance and day-to-day activities	Conventional	• Prefer explicit, ordered, systematic activities • Avoid ambiguous & unstructured tasks

In addition, the figure above based on Holland's theory shows the compatibility of the personalities in the work environment (Smart, Feldman, and Ethington, 2006). The personalities that are close to each other have much in common than those that are far from each other on the hexagon (Patton, 2006). For example, the enterprising E personalities resemble with the conventional C and social S personalities, unlike the conventional C personalities and the artistic A. Based projection analyses of personality variables, in particular, characters E and S can work and have high performance with people as they prefer working within a social context; it is highly supported to increase the connection between these characters (Armstrong and Day, 2007).

Figure 1. Hexagonal model for defining psychological resemblances among personality types and academic environments

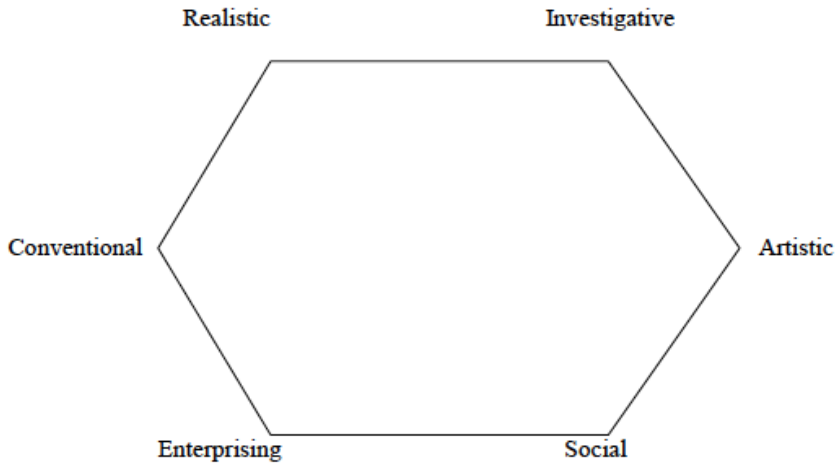


Figure 2: IESC Working All Together As A TEAM
(Smart, Feldman, and Ethington, 2006)

CONCLUSION

This study built on the existing studies in the literature on entrepreneurial venture success, and integrated them to develop the "TEAM" framework, which helps entrepreneurs build their optimal team, and helps venture capitalists better evaluate potential investment opportunities. There are limited studies in the literature that focus on the actual composition of a successful team (Ben-Hafaiedh-Dridi, 2010), while stressing on the importance of the entrepreneurial team. An entrepreneurial venture is not solely established through entrepreneurs, but a TEAM with complementary notes and synergies to turn a start-up into a well-governed sustainable organization taking in consideration the surrounding context. Understanding the significant qualities different members acquire and bring into a venture rationalizes the idea of the entrepreneurial teams. In this respect, the implementation of the TEAM framework works to provide a framework for venture capitalists and funding investors through their selection process. By understanding that entrepreneurial teams pertain to the TEAM framework, venture capitalists can understand that their behaviors can lend to intentions and echo into actions that will boost the new venture to success. A successful firm is one that can take an opportunity and turn it into a growing, sustainable business; this definition cannot be met without a team composed of an Entrepreneur, a Manager and a Technical expert, supported by Assisting functions and networks. Each group takes the venture from one stage to another. The *technical expert* can spark the innovative idea of the venture, and help sustain its innovations and technological infrastructure, leading the research & development (R&D) function in the future. The entrepreneur, who possesses traits such as individualism, achievement motivation, and tolerance for risk, can turn the idea into an opportunity and establish the venture, and subsequently lead the business development process and guide the business to growth. The manager handles the operational details and turns it into an organization. Lastly, assisting functions and networks aid the whole start-up in creating partnerships with outside firms who offer a new pool of knowledge, leading to continuous innovation. By following this TEAM framework, entrepreneurs will be able to fulfill venture capitalist's criteria as well as build a

team with sufficient and complementary resources that will take a venture towards sustainable growth.

AGENDA FOR FUTURE RESEARCH

This research paper lends itself to a multitude of topics for future research, most of which use the TEAM model as a foundation for analysis in terms of implementation and evaluation of its use. Using the entrepreneurial team composition listed in this study, a next step would constitute empirically testing this notion across a broad range of new ventures and their respective teams. Insight into the success rates of these ventures and the application of the TEAM framework could strengthen the argument made in this research paper by providing valuable quantitative evidence.

Also, future studies may use the TEAM framework to analyze the performance of different entrepreneurial investments by venture capitalists, and analyze its accuracy in evaluating the teams against the positive financial prosperity of investments. Such studies may prove that the application of TEAM framework within the venture capitalist criteria can increase the chances of investment success.

Another area of further research would revolve around the implementation of the framework at the different stages. Different criteria may be more relevant to new startups compared to more mature ventures. Considering the different stages of an organization and testing the implementation of the TEAM framework against their structure could provide insight into how much marginal increase of growth can impact the entrepreneurial pursuit. In addition, venture capitalists can gauge their likelihood of quantifiable success through understanding the method of evaluation, the TEAM framework structuring how likely the new venture will be at creating profitable return in the long run.

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