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From investing to creating startups:
new perspectives on angel investors and Startup Studios as new ecosystem players

By

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Declaration

I hereby declare that the contents and organization of this dissertation constitute my own original work and do not compromise in any way the rights of third parties, including those relating to the security of personal data.

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I would like to dedicate this thesis to my grandparents

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Summary

In the last decades, a number of changes impacted our society. Climate change, the avenue of digitization, and the COVID-19 crisis represent considerable social, environmental, and economic challenges that have changed how we do business. This transformation has also hugely impacted the entrepreneurial support landscape. However, scholarly research appears to neglect to explore a number of radical changes resulting from the critical phenomena mentioned. The present dissertation aims to fill this gap following three phases.

Firstly, the present dissertation investigated if the social impact has changed angel investing. Indeed, startups with a significant social impact play a crucial role in contributing to societal transformation. However, they need adequate financial resources and entrepreneurial support to enhance their survival likelihood. Business Angels are known to support entrepreneurs with these resource requirements. However, previous angel investing literature has mainly neglected the study of Business Angels financing startups with significant social impact. For all these reasons, the second chapter of the present dissertation aims to understand if Business Angels who intentionally prioritize investments in startups with a significant social impact (i.e., Social Business Angels) have different characteristics and modus operandi compared to other Business Angels. Two data sources are used to examine this issue: a survey involving 359 Business Angels operating in Italy and a follow-up interview with 10 Social Business Angels. The findings show that Social Business Angels present some distinct peculiarities and a peculiar investment process.

Secondly, the research carried out to realize this dissertation explored how digitization, whose effect widened as a result of the COVID-19 crisis, has transformed collective forms of angel investing. To achieve this goal, the third chapter of the present dissertation explores the distinct characteristics of a

Business Angel Platform. Business Angel Platforms are online platforms focusing on investing in early-stage innovative ventures by bringing together Business Angels who want to cooperate to realize and manage co-investments. For this reason, they represent a suitable instrument to explore how digitization has impacted collective forms of angel investing. In order to achieve this goal, an explorative qualitative study was carried out. Based on the theoretical framework of the activity system and the analysis of the case study Doorway, the research carried out presents the design elements and themes of a Business Angel Platform.

Lastly, this dissertation explored the main characteristics of a novel player in the entrepreneurial landscape: the Startup Studios. Unlike incubators/accelerators, Venture Capitalists, and Business Angel organizations, Startup Studios create startups by providing not only managerial and financial support but also acting as founders or co-founders. The research carried out identifies 420 Startup Studios worldwide operating in 2019 and creates a database of these organizations. Then, multiple case studies with 12 European Startup Studios were performed. In addition, 2 well-known international Startup Studios networks were interviewed. Based on the theoretical framework of the activity system, the fourth chapter of the present dissertation presents the main peculiarities and a definition of Startup Studio. Moreover, differences among Startup Studios, incubators/accelerators, Venture Capitalists, and Business Angel organizations are also explained.

The findings of the present dissertation contribute to exploring how impact investments changed angel investing. Quantitative findings of the second reveal some distinct characteristics of Social Business Angels and suggest a recent social impact shift in the investment behavior of some Business Angels. In complementarity, the qualitative findings of the second chapter reveal a distinct investment process followed by Social Business Angels. In particular, qualitative findings show how these new impact investors balance the social impact and financial evaluation criteria to select their investments.

Additionally, the present dissertation contributes to validating the design lens as a systematic methodological approach to explore novel entrepreneurial organizations supporting startups and their modus operandi. In particular, the findings of the third and fourth chapters display how the activity system framework can be adopted to identify the design elements and themes of a novel organization operating in the entrepreneurial ecosystem. The findings of these two chapters contribute to respond the entrepreneurial literature’s request for

analyzing novel players operating in the entrepreneurial ecosystem. These findings can also serve as a fruitful base for future theory-building and explorations of literature about entrepreneurial support.

In conclusion, by exploring Social Business Angels, Business Angel Platforms, and Startup Studios, the present dissertation aims to contribute to impact investing, entrepreneurial support entities, and, more generally, entrepreneurial literature.

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Chapter 1

Introduction: evolution of entrepreneurial support and novel research opportunities

1.1 Background and literature gaps

Young innovative ventures are a crucial part of the entrepreneurial ecosystem, as they provide a platform for innovation, job creation, and economic growth (Audretsch et al., 2020; Czarnitzki and Delanote, 2013). Indeed, a vast stream of the literature showed that young innovative ventures are often at the forefront of innovation and a driving force behind new industries. In particular, they are able to introduce radical innovations and support established firms through open innovation activities (Block et al., 2016; Colombo and Grilli, 2005; Spender et al., 2017). Furthermore, some studies showed that young innovative ventures also play a crucial role in addressing economic and social crises (e.g., Kuckertz et al., 2020). Despite this pivotal role, young innovative ventures are hampered by managerial and financing constraints, which limit their capacity to survive and flourish (Cosh et al., 2009; Fuertes-Callén, 2020). Entrepreneurial support plays a critical role in facing these constraints and helps create a supportive environment where entrepreneurs can thrive (Block et al., 2018; Theodoraki and Messeghem, 2017).

Entrepreneurial support can take many forms (Hanlon and Saunders, 2007), including mentoring, training and education, networking opportunities, and access to funding. Firstly, mentoring is a crucial aspect of entrepreneurial support. Indeed, having access to a mentor who has been through similar experiences can provide guidance and advice and serve as a sounding board for new ideas (Mertz, 2004). In particular, a mentor can help entrepreneurs to navigate the many challenges they may encounter, such as developing a business plan, securing funding, and building a customer base (Waters et al., 2002). Secondly, training and education are also crucial aspects of entrepreneurial support. Entrepreneurs need to have a wide range of skills, including marketing, finance, and management, in order to be successful (Gimmon and Levie, 2010). Training and education can provide entrepreneurs with the knowledge and skills they need to start and grow their businesses (Kariv et al., 2019). Furthermore, many entrepreneurs are unfamiliar with their target market's legal and regulatory environment, and a lack of knowledge can be a significant barrier to entry, so training and education can help them navigate these complexities (Malach et al., 2006). Thirdly, networking opportunities are vital for entrepreneurs. Entrepreneurs need to connect with other entrepreneurs, investors, and other business professionals in order to build relationships and gain access to new opportunities (Elfring and Hulsink, 2007). Networking events, such as pitch competitions or investor day, can allow entrepreneurs to connect with potential partners, investors, and customers. Lastly, access to funding is also an essential aspect of entrepreneurial support. Indeed, many entrepreneurs struggle to secure funding for their businesses, and without access to capital, starting or growing a business can be difficult (Block et al., 2018). For all these reasons, entrepreneurs need access to mentoring, training, networking opportunities, and funding in order to start and grow their businesses. Therefore, the public sector has sought to find suitable solutions to provide support and resources for entrepreneurs to create a supportive environment that encourages innovation and economic growth (Audretsch et al., 2020; Cojoianu et al., 2020; Román et al., 2013). However, the public sector does not have the resources needed to address this problem alone. Thus, the private sector is requested to contribute to the creation and develop of young innovative ventures by providing suitable support. Business Angels (henceforth, BAs) and incubators are examples of how the private sector can provide funding, mentoring, coaching, and other support for young innovative ventures (Block et al., 2018).

In the last decades, a number of changes affected our society. Climate change, the avenue of digitization, and the crises related to COVID-19 entail considerable social, environmental, and economic challenges that have remodeled the way we do business (EVPA, 2022; OECD, 2020). Thus, these changes have also largely impacted the entrepreneurial support ecosystem (e.g., Brown et al., 2020; Mason et al., 2019). However, academic research has neglected to explore how global changes imposed by these crucial phenomena affect distinct players in the entrepreneurial support landscape (e.g., Mason et al., 2019). For instance, entrepreneurial finance literature suggested that increased attention to green investments (Botelho et al., 2022), digitization (Mason et al., 2019), and COVID-19 crisis (Mason and Botelho, 2021) may have largely impacted angel investing. However, despite the pivotal role of previous studies, the current entrepreneurial finance literature needs to investigate further the critical evolution affecting angel investing (Mason et al., 2019). In addition, as a consequence of digitization, collective rather than individualistic forms of work become increasingly crucial by contributing to realize a transformation of the entrepreneurial ecosystem (e.g., Croce et al., 2017; Leendertse et al., 2022). However, current entrepreneurial research needs to identify new interpretive approaches and theoretical lenses to investigate this transformation affecting the entrepreneurial support landscape (e.g., Mason et al., 2019).

Moreover, as suggested by Block et al. (2018), many novel players supporting young innovative ventures have entered the entrepreneurial ecosystem. However, scholarly research seems to neglect these players and the relationships among these new players and the established forms of entrepreneurial support, such as angel investing. The main reason for these literature gaps could be precisely the challenge in data collection characterizing fields involved. Indeed, the novelty of social impact attention (Islam, 2022) and the COVID-19 crisis and the absence of comprehensive databases characterizing angel investing (e.g., Tenca et al., 2019) result in making it particularly challenging to carry out studies on these transformations. Also for this reason, entrepreneurial research needs to identify and test novel and innovative data collection methods.

Overall, angel investing has become an increasingly important funding source for early-stage startups in recent years (Tenca et al., 2018). With the rise of impact investing (Botelho et al., 2022) and digitization (Mason et al., 2019), angel investing has evolved to meet the challenges and demands of the modern business

landscape. However, very few studies explored this change in angel investing (Mason et al., 2019). For instance, to the best of my knowledge, no studies analyzed the development of angel investing processes dedicated to impact investing. Moreover, the avenue of new players in the entrepreneurial finance landscape has impacted BAs' characteristics and modus operandi (Bonini et al., 2018; Block et al., 2018; Mason et al., 2019), who now can access novel investment opportunities. Indeed, in the past, angel investing was often defined as a way for wealthy individuals to invest locally in promising startups (Harrison et al., 2010). However, with the growth of the startup ecosystem and the increased need for early-stage funding, angel investing has become institutionalized and international (Mason et al., 2019). In particular, as more and more entrepreneurs launched their own businesses, BAs needed to change their approach to identify the most promising opportunities. This change has led to the development of new ways and tools to invest, such as new collective forms and online platforms dedicated to angel investing. These new ways and tools have enabled BAs to not only pool their resources and expertise, creating larger and more diverse investment portfolios, but also sift through the vast amount of investment opportunities available and identify the most promising ones (Bonini et al., 2018; Butticè et al., 2021; Croce et al., 2017; Mason and Botelho, 2017; Mason et al., 2019). In addition, while early-stage investing is inherently risky, BAs need to balance the desire for high returns with the need to support the growth and development of their portfolio companies. This need requires a careful balance of risk-taking and due diligence, as well as a deep understanding of the startup ecosystem and the industries in which their portfolio companies operate (Amatucci and Sohl, 2004; Haines et al., 2003; Paul et al., 2007; Riding et al., 2007). The avenue of new organizations creating startups through a tested and standardized process can meet the need of BAs to find new sources of promising and already validated investment opportunities. However, to my best knowledge, very few studies explored the avenue of similar organizations (e.g., Baumann et al., 2018; Patel and Chan, 2023), and no one explored the differences and potential relationship between these organizations and the established forms of entrepreneurial support.

In conclusion, the evolution of angel investing has been driven by the need to meet the challenges of the modern business landscape, including impact investing, digitization, the avenue of novel players, and the pressure to identify novel sources of profitable investments (Bonini et al., 2018; Butticè et al., 2021;

Mason et al., 2019). While these challenges are significant, they have also spurred innovation and new ways of thinking about angel investing (Croce et al., 2017; Mason et al., 2018). As the entrepreneurial ecosystem continues to grow and evolve, angel investing remains a critical source of funding and support for the entrepreneurs driving this change (Botelho et al., 2022; Tenca et al., 2018). For this reason, academic research needs to explore how global grand challenges have affected angel investing and identify novel players able to support this crucial form of support for young innovative enterprises.

1.2 Research questions and research designs

In order to address the mentioned literature gaps, the present dissertation aims to answer a number of interrelated research questions (henceforth, RQs). To achieve this goal, the study that allows the realization of the present thesis followed different phases and adopted different methods. The use of different methods was essential to realize the present study. Indeed, despite the goal of the phenomena analyzed being the same (i.e., supporting the creation of young innovative ventures), they present peculiar characteristics and distinct modus operandi. For this reason, identifying the more suitable method to investigate the specific player analyzed represented an essential part of the research design dedicated to this dissertation.

The first goal of the present thesis was understating if social impact is changing angel investing. In particular, the study carried out aims to understand if BAs operating in impact investing present distinct characteristics compared to other BAs. In the present dissertation, impact investing is defined as an investment with a double goal: generating a social or environmental impact and simultaneously generating economic return (Hehenberger et al., 2019; Höchstädter and Scheck, 2015; Tekula and Shah, 2016). Although impact investing has progressively involved parts of the angel community (OECD, 2019), the number of studies investigating the peculiarities of BAs operating in impact investing is currently very limited (Botelho et al., 2022; Silby and Nicholas, 2015). In order to investigate the relationship between impact investing and angel investing, the present dissertation explored the peculiarities of other impact investors identified by literature. Then, the definition of Social Business Angel (henceforth, SBA) was introduced based on essential elements characterizing an impact investor. In particular, SBAs are defined as BAs who intentionally

prioritize investing in ventures with a significant social impact. Moreover, it was verified that each SBA had actually invested in at least one of these startups during their angel investing activity. Thus, based on the definition elaborated, two interrelated RQs are identified: "are Social Business Angels' individual characteristics different from those of other Business Angels?" and "do Social Business Angels follow a different investment process from other Business Angels?". Consistently with other studies (e.g., Hallen, Cohen, and Bingham, 2020; Wang and Seifert, 2021), a mixed method design was adopted to answer the identified RQs. In particular, quantitative and qualitative methods were combined (Small, 2011; Kaplan, 2015). Since this methodological approach provides greater depth and breadth of information, it is especially suited for exploring partially new research topics (Almalki, 2016; Edmondson and McManus, 2007; Yauch and Steudel, 2003), such as the exploration of SBAs' main peculiarities. Indeed, to the best of my knowledge, this study is one of the first to study impact investments in the angel investing context. The first part of this study involved mapping the Italian angel investing ecosystem and a domestic survey. In particular, an original and comprehensive database of BAs operating in Italy was created. BAs and BA organizations were identified through desk research carried out in 2020 and 2021. The database was created through desk research and snowball sampling (Biernacki and Waldorf, 1981, p. 151). Snowball sampling is particularly fruitful in research involving BAs (Mason et al., 2017; MacMillan and Katz, 1992). Each researcher involved in mapping the Italian angel investing ecosystem verified if every identified investor was actually a BA according to specific criteria identified from the literature (Botelho et al., 2021; Duxbury et al., 1996; Tenca et al., 2018). Subsequently, an online survey was sent to all the identified BAs to investigate their activities as investors. The survey was previously tested by a specialized committee composed of expert BAs and board members of some of the main Italian players operating in the angel investing and impact investing ecosystem. Then, in order to answer the first RQ, a cross-sectional regression model was employed. Finally, in order to answer the second RQ, a multiple case study method was adopted based on the Case Study Evaluation Template (CASET) (Goffin et al., 2019). The qualitative analysis carried out involved 10 SBAs.

The second goal of the present thesis is to contribute to exploring how digitization, whose effect widened as a result of the COVID-19 crisis, is impacting collective forms of angel investing. In particular, the present thesis

examined a novel phenomenon that focuses on supporting angel investing: the Business Angel Platforms (henceforth, BAPs). BAPs are an evolving phenomenon in the entrepreneurial finance landscape, and the present thesis aims to explore its main characteristics. To the best of my knowledge, no study has explored how BAP operates, and there is still not a clear definition of what a BAP is. For all these reasons, the present thesis aims to contribute to fill this gap by carrying out an in-depth empirical analysis of BAP's model. In order to achieve this goal, the present thesis identifies the following overall RQ: 3) "what are the distinctive peculiarities of a Business Angel Platform?". In order to address this RQ, the mapping of the Italian ecosystem of organizations related to angel investing was realized by combining desk resources and snowballing sampling (Biernacki and Waldorf, 1981). Based on the literature (e.g., Bonini et al., 2018; Bonini and Capizzi, 2019; Croce et al., 2017; Mason et al., 2013; Tenca et al., 2018), a classification of these organizations was realized. Thus, a clear case of BAP was identified: Doorway. The identified case study was analyzed based on the CASET (Goffin et al., 2019). A case study methodology is recommended for studies investigating a current ongoing phenomenon for which there are several sources of evidence (Eisenhardt and Graebner, 2007; Tracy, 2010; Yin, 2003). Moreover, as recently studies suggested (Massaro et al., 2020; Calandra et al., 2022; Sansone et al., 2023), a single case study is a suitable methodology for carrying out an in-depth analysis of relevant experiences. Indeed, this methodology allows scholars to obtain an in-depth and robust understanding of an evolving phenomenon, such as BAPs (Sansone et al., 2023). For these reasons, a single case study methodology was performed based on semi-structured in-depth interviews with key people and a startup involved in Doorway's investment process. Moreover, a survey of investors operating within Doorway was carried out. Finally, similarly to other studies exploring novel phenomena in the entrepreneurial literature (e.g., Alaassar et al., 2021; Pauwels et al., 2016), the activity system framework elaborated by Zott and Amit (2010) was adopted as a theoretical framework to identify the design elements and themes of a BAP. This theoretical framework has preliminarily proven to be a fruitful lens to identify the critical features of a new organization and explore how it operates (Pauwels et al., 2016). For this reason, its adoption allowed the performed study to generate findings able to be of assistance for future theory-building (Eisenhardt, 1989).

The last goal of the present thesis is to explore the main characteristics of a recent brand-new organization focusing on creating innovative ventures: the

Startup Studios. Differently from incubators/accelerators, Venture Capitalists, and Business Angel organizations, Startup Studios create startups by providing not only managerial and financial support, but also acting as founders or co-founders. Although this phenomenon is growing, we know surprisingly little about how this organization operates (Baumann et al., 2018; Blank, 2022; GAN, 2019, 2020; Patel and Chan, 2023). Moreover, similarities and differences among organizational logics of Startup Studios, incubators, VCs, and BA organizations have not yet been explored. The present thesis aims to fill mentioned gaps by offering an empirical analysis of the Startup Studio and highlighting the deviations of Startup Studio's model from those of the entrepreneurial support organizations already analyzed in the literature. In order to achieve these goals, the following overarching RQs are identified: 4) "how do Startup Studios operate?", 5) "how can Startup Studios be defined?", and 6) "how do Startup Studios differ from incubators, VCs, and BA organizations?". To answer these RQs, a worldwide database was created, and a multiple case studies methodology was employed. In particular, extant Startup Studios worldwide were identified by specific desk research, and a short worldwide survey was sent to the identified organizations to confirm their Startup Studio status. Overall, 420 Startup Studios were identified as operating at the end of 2019. Then, based on the CASET (Goffin et al., 2019), a qualitative multiple-case study methodology was employed on 12 European Startup Studios with 31 interviews. Moreover, 2 international networks of Startup Studios were also involved in the present study through 3 in-depth interviews. A case study methodology is the most suitable when, as in this study, the RQs are "how" or "why" questions which are being asked about a contemporary set of events (Yin, 2003). In addition, the activity system framework (Zott and Amit, 2010) was adopted to identify the design elements and themes of a Startup Studio. Finally, the human capital theory lens (Becker, 1964; Unger et al., 2011; Marvel et al., 2016) was adopted to examine and explain the benefits derived from the startup creation process characterizing Startup Studio. To verify the suitability of the methodology adopted, at the beginning of April 2022, a preliminary coding of the interviews and documents collected until that moment was performed. This activity revealed data saturation. Despite this result, to confirm the actual obtainment of data saturation and provide greater robustness to the results obtained, another case study was added to the sample and other 6 interviews were performed.

1.3 Main contributions

The research findings are reported individually at the end of each chapter and extensively discussed in Chapter 5. This sub-section aims to describe them at a high level.

Firstly, the present thesis is one of the first studies to explore impact investments in the angel investing context. Quantitative findings of Chapter 2 reveal some distinct characteristics of SBAs. For instance, they are more likely to be unaffiliated with BA groups or networks. Moreover, BAs who invested lower capital in their angel investing career but higher capital in 2020 alone are more likely SBAs. These results suggest a recent social impact shift in the investment behavior of some BAs. In addition, qualitative findings of Chapter 2 reveal a distinct investment process followed by SBAs and hence how these new impact investors balance the social impact and financial evaluation criteria to select their investments. In this way, the present thesis responds to the call of impact investing literature (e.g., Lee et al., 2020), which requests the analysis of how impact investors evaluate the riskiness of social versus financial outcomes of their investment opportunities.

Secondly, by exploring novel organizations in the entrepreneurial ecosystem (BAPs and Startup Studios), the present thesis contributes to respond the entrepreneurial literature's request to analyze novel players operating in the entrepreneurial ecosystem (Block et al., 2018). As suggested by literature (Busenitz et al., 2003; Cornelius, 2006) and similar to other studies about evolving phenomena in the evolving field of entrepreneurship (e.g., Dell'Era and Landoni, 2014; Mollick, 2014; Neirotti et al., 2014; Pauwels et al., 2016), the exploration carried out in Chapters 3 and 4 and the related findings obtained can serve as a fruitful base for future theory-building (Eisenhardt, 1989). In addition, the present dissertation provided a comprehensive definition of BAP and Startup Studio, which hopefully can lead to the application of a unique label to refer to these novel organizations. The explorations carried out in these Chapters 3 and 4 can also be considered by BAs looking for new sources of profitable investment opportunities. Indeed, the startups selected by BAPs and created by Startup Studios have been subjected to a rigorous testing or validation process.

Thirdly, exploring the investment processes of BAPs and SBAs contributed to responding to an angel investing literature request for new studies on BAs'

investment process (Tenca et al., 2018). In addition, the present dissertation answers to another call from angel investing literature. Particularly, angel investing literature suggests the need to explore how collective forms of angel investing and the avenue of digitization have impacted BAs' peculiarities and modus operandi (Mason et al., 2019). The exploration of BAPs carried out in Chapter 3 contributes to answering this request.

Finally, the present dissertation contributes to providing additional evidence of the suitability of the design lens as a systematic methodological approach to investigate novel players in the entrepreneurial ecosystem. In particular, the findings of Chapters 3 and 4 show how the activity system framework (Zott and Amit, 2010) can be adopted to identify the design elements and themes of novel entrepreneurial phenomena.

1.4 Thesis structure

As mentioned in sub-section 1.2, three main research phases can be identified, focused on:

- discovering if social impact is changing angel investing (RQs 1 and 2);
- exploring how digitization, whose effect widened as a result of the COVID-19 crisis, is transforming collective forms of angel investing (RQ 3);
- exploring the main characteristics of a novel player in the entrepreneurial landscape focusing on creating innovative ventures: the Startup Studios (RQs 4, 5, and 6).

Each chapter of the present dissertation addresses one of the research phases. In more detail, Chapter 2 addresses the first two RQs by analyzing how BAs operate in impact investing. Subsequently, Chapter 3 answers RQ 3 by exploring a novel collective form of angel investing: the BAP. A BAP is defined as *"an online platform focusing on investing in early stages new innovative ventures by bringing together BAs who want to cooperate to realize and manage co-investments"*. Afterward, RQs 4, 5, and 6 were addressed in Chapter 4, where Startup Studio's model is exposed. In particular, Startup Studio is here defined as *"an organization that creates and develops startups by acting as a founder or co-founder and operating through a standard and parallel venture creation process"*.

For a better understanding of the thesis structure, Table 1.1 outlines the three abovementioned phases of the research and relates them with the chapters, the RQs, and the methodologies used to address each RQ.

Table 1.1: Thesis structure

Chapter	**Research Question**		**Methodology**
Chapter 2			*Mixed method*
	1	Are Social Business Angels' individual characteristics different from those of other Business Angels?	Creation of a domestic database+ Domestic survey + Quantitative analysis
	2	Do Social Business Angels follow a different investment process from other Business Angels?	Multiple case studies with 10 SBAs
Chapter 3	3	What are the distinctive peculiarities of a Business Angel Platform?	*Qualitative* Single case study + Survey + Activity system framework (Zott and Amit, 2010)
Chapter 4			*Qualitative*
	4	How do Startup Studios operate?	Creation of a database + Worldwide survey +

	5	How can Startup Studios be defined?	12 European case studies + 2 Startup Studio networks +
	6	How do Startup Studios differ from incubators, VCs, and BA organizations?	Activity system framework + (Zott and Amit, 2010) Human capital theory lens

Finally, as already mentioned, Chapter 5 presents the research findings of the present thesis and related theoretical and practical contributions.

Chapter 2

Is social impact changing angel investing?

2.1 Introduction[1]

The global crises related to COVID-19, climate change, and the Ukraine war present considerable social, environmental, and economic challenges that need governmental prioritization. Solutions to tackle these problems require societal change aimed at creating a more resilient, sustainable, and inclusive society (EVPA, 2022). However, the leading actors, national governments, do not have the necessary resources to solve these problems; hence, the private sector is expected to play a crucial part in the search for the needed solutions (ClearlySo, 2019; OECD, 2019). This scenario has changed the institutional mindset to avoid the "business as usual" (OECD, 2020), with increased attention given to entrepreneurship as a source of economic and social development (Dhahri et al., 2021; Zahra and Wright, 2016). Indeed, scholars have recognized the role of entrepreneurship in mitigating the effects of global crises (e.g., Bacq and Lumpkin, 2020; Kuckertz et al., 2020) and creating innovative solutions for social or environmental problems (Bacq and Aguilera, 2022; Haugh and Talwar, 2016;

[1] The contents of this chapter are based on the working paper presented at the (ISBE) 2022: Viglialoro, D., Laspia, A., Ughetto, E., Landoni, P., Botelho, T. (2022). How do Business Angels operate in impact investing?. ISBE 2022. York, 27-28 October 2022.

Miller et al., 2012). Currently, governments expect entrepreneurs to find the desirable answers to address these social, environmental, and economic issues (Bacq and Aguilera, 2022; Bacq and Lumpkin, 2020; Botelho et al., 2022; Johnstone and Tan, 2015). To stimulate the surge of innovative solutions to these problems, governments have created support mechanisms, such as the European LIFE Program (EU, 2021) and the UK Global Innovation Fund. As a result, new enterprises that generate social, environmental, and economic impact through innovative solutions have surged (Audretsch et al., 2020; Cojoianu et al., 2020). Those enterprises, which aim at realizing social and environmental returns as well as financial returns, can be defined as hybrid organizations (Bhatt, 2022; Cornelissen et al., 2020; Doherty et al., 2014; Haigh et al., 2015; Pache and Santos, 2013) or enterprises with a significant social impact (Sansone et al., 2020).

Although dedicated novel policies have positively impacted the creation of hybrid organizations, there are still internal challenges that entrepreneurs need to solve. In particular, the main problem faced by hybrid entrepreneurs is to obtain adequate financial resources and support to improve the likelihood of survival of their business (Ciambotti and Pedrini, 2019; Gupta et al., 2020). This challenge could be seen as a surprise given the rise of impact investing (Armstrong et al., 2018; GIIN; 2022; Riedl and Smeets, 2017) and given the increased focus on supporting social enterprises (e.g., Farhoud et al., 2021; Sansone et al., 2020). However, conventional capital allocation practices evaluate and value financial returns through traditional investments on the one side and social benefits through charitable donations on the other. For this reason, hybrid organizations may struggle to attract investment opportunities that simultaneously optimize financial and social outcomes (Lee et al., 2020). Hence, part of the funding problem is associated with the hybrid nature of impact investments (Barber et al., 2021; Lee et al., 2020). This funding constraint is critical as a venture with a significant social impact faces additional challenges compared to startups without an impact focus (Arena et al., 2018; Cacciolatti et al., 2020; Hoogendoorn et al., 2019).

The present study argues that business angels (henceforth, BAs) could represent a possible solution to the lack of investments and support for startups with a significant social impact. First, BAs are a pivotal source of external finance for early-stage startups (Maxwell et al., 2011). Second, angel investing represents a solid economic resource during financial crises (Mason and Botelho, 2021; Mason and Harrison, 2015). Third, BAs provide value-added contributions (Tenca

et al., 2018) that support the creation and growth of new ventures (Cox et al., 2017; Fassin and Drover, 2017; Politis, 2008).

However, the impact investing literature has almost neglected BAs as a source of external finance. Indeed, although impact investing[2] has been progressively endorsed by parts of the angel community (OECD, 2019), the number of studies investigating the peculiarities of this type of investment is currently limited (e.g., Botelho et al., 2022; Silby and Nicholas, 2015). Evidence of the growing involvement of BAs in impact investing is reflected in the worldwide emergence of BA groups and networks focused on supporting enterprises with a significant social impact. Such groups and networks can be found, just to name a few examples, in Italy (Angels4Impact - A4I)[3], Switzerland (Geneva Angel Investor Network - GAIN)[4], and the UK (Angel Academe)[5]. Since this is a recent phenomenon, there is a lack of understanding about the investment practices of social business angels (henceforth, SBAs).

In the present study, SBAs are defined as angels who intentionally prioritize investing in ventures with a significant social impact. The present study aims to answer two interrelated RQs: "Are Social Business Angels' individual characteristics different from those of other Business Angels?" and "do Social Business Angels follow a different investment process from other Business Angels?". Consistently with other works (e.g., Hallen et al., 2020; Wang and Seifert, 2021), a mixed method design was adopted in order to address these questions, combining quantitative and qualitative methods (Small, 2011; Kaplan, 2015). This methodological approach provides greater depth and breadth of information and is especially suited for studying a research topic that is at least partially new (Almalki, 2016; Edmondson and McManus, 2007; Yauch and Steudel, 2003). To the best of my knowledge, this study is one of the first to study impact investments in the angel investing context. Quantitative analyses outline some distinct characteristics of SBAs. For instance, they are more likely to be unaffiliated with BA groups or networks. Moreover, research results reveal that

[2] As mentioned in chapter 1, in this thesis, impact investing is defined as an investment with a double goal: generating a social or environmental impact and, simultaneously, generating economic return (Hehenberger et al., 2019; Höchstädter and Scheck, 2015; Tekula and Shah, 2016).
[3] For more information, see Angels4Impact (A4I)'s website: https://angels4impact.net/en/
[4] For more information, visit Geneva Angel Investor Network (GAIN)'s website: https://www.gainangelinvestor.com/
[5] For more information, visit Angel Academe website: https://www.angelacademe.com/

BAs who invested lower capital in their angel investing career but higher capital in 2020 alone are more likely SBAs. These results reflect a recent social impact shift in the investment behavior of some BAs, who are defined SBAs. Finally, qualitative analyses reveal the distinct investment process followed by SBAs and how these new impact investors interrelate the evaluation criteria to select their investments.

The remainder of this chapter is organized as follows. The following section illustrates the background literature and the research gaps. Section 3 presents the research design and the data collection process. In section 4, the results are illustrated. Finally, section 5 presents the conclusions and explains the implications of the research findings.

2.2 A new impact investor: the Social Business Angel (SBA)

Impact investing has been commonly understood as an investment with a double goal: generating social or environmental impact and simultaneously generating economic returns (Hehenberger et al., 2019; Höchstädter and Scheck, 2015; Tekula and Shah, 2016). In addition to pursuing both financial and social goals, two other peculiarities have been identified as crucial in defining impact investments (Islam, 2022). The first is the intention to make an impact investment; the second points out that the social or environmental impact generated should be measurable and, consequently, regularly tracked (Höchstädter and Scheck, 2015). Literature also highlighted that impact investing invests primarily in impact-driven, unlisted organizations in the form of private equity, debt, or guarantees (Islam, 2022). Impact investing literature has identified different typologies of impact investors (GIIN, 2020; Renneboog et al., 2008), such as philanthropic venture capitals (Scarlata et al., 2017)[6]. As well as other investors (Barber and Odean, 2008; Nofsinger and Sias, 1999; Ongena and Zalewska, 2018; Sias and Starks, 1997), impact investors also can be divided into two main categories: institutional and individual impact investors. According to Koh (2003), *"Institutional investors are large investors, other than natural persons, who exercise discretion over the investments of others"* (p. 112). On the contrary,

[6] Other studies name this type of venture capital as social venture capital funds (e.g., Block et al., 2018).

individual investors are generally defined as small investors *"Who manage their own equity portfolios"* (De Bondt, 1998, p. 831). Table 2.1 presents the main types of impact investors based on existing works on impact investing.[7]

Table 2.1: Institutional and individual impact investors

Impact investor type	Description	Category	Source
Banks, insurance companies, and other financial institutions	Diversified financial institutions which invest in projects with a social or environmental aim.	Institutional	Emerson (2003); Battilana and Dorado (2010); Mendell and Barbosa (2013); Lehner and Nicholls (2014); Hazenberg et al. (2015); Quinn and Munir (2017); Rizzi et al. (2018); OECD (2019); GIIN (2020); Phillips and Johnson (2021); EVPA (2022)
Corporations	Corporations that improve their positive social and	Institutional	Jackson (2013); EVPA (2022)

[7] In more detail, Table 1 was realised on the basis of recent literature reviews on impact investing (Agrawal and Hockerts, 2021; Höchstädter and Scheck, 2015; Islam, 2022) and desk research on the main web search engines (e.g., Google, Yahoo!) and widely recognised formal academic literature databases (e.g., Scopus). Studies that analyse specific cases and not types of impact investors are not included in the table. For instance, Reeder et al. (2015) report the following cases: Alterfin, Ashoka, Bank of America Merrill Lynch, Big Issue Invest, Big Society Capital, Bridges Ventures, DOB Foundation, Impetus – Private Equity Foundation, Nesta Impact Investments, Phi Trust Partenaires, Quadia, responsAbility, Social Finance, Social Venture Fund, Triodos Investment Management, and Triple Jump.

	environmental performances through specific investments.		
Development finance institutions (DFI)	Government-backed institutions that support the private sector development in developing countries. Usually, DFIs source their capital from national or international development funds or benefit from government guarantees.	Institutional	OECD (2014); Ormiston et al. (2015); Quinn and Munir (2017); OECD (2019); GIIN (2020)
Family Offices	Family offices dedicated to impact investing.	Institutional	Grabenwarter and Liechtenstein (2011); Jackson (2013); Ormiston et al. (2015); OECD (2019); GIIN (2020)
Foundations	Public or private organizations that serve a good cause. They are usually created through an endowment, i.e., a single primary	Institutional	Wood and Hagerman (2010); Jackson (2013); Mendell and Barbosa (2013); Ormiston et al. (2015); Quinn and

	donation.		Munir (2017); Rizzi et al. (2018); Lall (2019); OECD (2019); GIIN (2020); Phillips and Johnson (2021); EVPA (2022)
Funds	Funds that help projects with a social or environmental aim to achieve social impact and economic sustainability. Philanthropic Venture Capitals (PhVCs), Social impact venture capitals (SIVCs), and Impact-investing funds are examples of this type of impact investors identified by literature.	Institutional	Emerson (2003); Achleitner et al. (2013); Mendell and Barbosa (2013); Serrano-Cinca and Gutiérrez-Nieto (2013); Ingstad et al. (2014); Rajan et al. (2014); Glänzel and Scheuerle (2016); Scarlata et al. (2016); Cetindamar and Ozkazanc-Pan (2017); Ebrahim and Rangan (2017); Scarlata et al. (2017); Apostolakis et al. (2018); Block et al. (2018); Addy et al. (2019); Hazenberg et al. (2015); Roundy et al. (2017); Yan et

			al. (2018); Lall (2019); Leborgne-Bonassié et al. (2019); OECD (2019); Barber Morse and Yasuda (2021); Croce et al. (2021); Holtslag et al. (2021); Phillips and Johnson (2021); EVPA (2022); Logue and Grimes (2022)
NGOs, Non-for-Profit Organisations, and philanthropy organizations (VPOs)	Non-business entities which support social impact projects or organizations (e.g., social enterprises).	Institutional	Emerson (2003); Roundy et al. (2017); Di Lorenzo and Scarlata (2019); GIIN (2020); Mersland et al. (2020); Phillips and Johnson (2021); EVPA (2022)
National governments and international institutions	National governments and international institutions create specific investment programs and other financial tools to support projects that	Institutional	Tjornbo and Westley (2012); Jackson (2013); Mendell and Barbosa (2013); Lehner and Nicholls (2014); Rizzi et al. (2018);

	address social or environmental problems.		Lall (2019); OECD (2019)
High-net-worth individuals (HNWIs) and BAs[8]	HNWIs and business angels who invest in projects and startups with a social or environmental aim.	Individual	Benjamin and Margulis (1998); Emerson (2003); GIIN (2020); Grabenwarter and Liechtenstein (2011); Jackson (2013); Mendell and Barbosa (2013); Ormiston et al. (2015); Silby and Nicholas (2015); Roundy et al. (2017); OECD (2019); Botelho et al. (2022)

[8] Since many of the reported works do not separate HNWIs and BAs, it is impossible to establish if BAs' investments are or are not included among the HNWIs' investments analysed. Moreover, the natures of these two categories of investors are strongly interrelated. Indeed, BAs are generally defined as "high wealthy individuals, usually former entrepreneurs or professionals, who invest their own money in promising startups in which they have no direct connection, in exchange for ownership equity" (Tenca, Croce and Ughetto, p. 1384). For all these reasons, works that consider HNWIs and those that consider BAs operating in impact investing were included together.

Crowdfunding investors	Small investors who invest in projects with a social or environmental aim. Generally, they operate on specific online platforms.	Individual	Lehner and Nicholls (2014); Meyskens and Bird (2015); Parhankangas and Renko (2017); Farhoud et al. (2021)

Understanding the main characteristics of impact investors is an emerging research area in impact investing literature (Islam, 2022). Indeed, not all impact investor types are sufficiently analyzed, and studies about the differences between impact investors and their traditional counterparts (as such, Scarlata et al., 2017) are necessary. As shown in Table 2.1, the vast majority of impact investing literature is currently focused on macro-level explanations and the analysis of institutional impact investors. Also for this reason, there is a lack of studies on the analysis of individual impact investors to date (Smith et al., 2022). Moreover, it is important to note that many works related to individual impact investors consider only macro-categories of individual investors (e.g., HNWIs). This lack could be related to the opacity and inconsistencies still characterizing the impact investing industry (Agrawal and Hockerts, 2021; Höchstädter and Scheck, 2015), which makes it challenging to identify and label impact investments.

The reported lack of studies and the consequent literature gap also concern BAs operating in impact investing (Botelho et al., 2022). However, this is not a surprise. Indeed, in the study of BAs operating in impact investing, the opacity and inconsistencies of impact investing literature (Agrawal and Hockerts, 2021; Höchstädter and Scheck, 2015) are added to the difficulties of angel investing literature in constructing high-quality samples of BAs (Tenca et al., 2018). Despite angel investing literature recognizing that the population of BAs is heterogeneous (Mason and Harrison, 2017) and identifying several taxonomies of BAs (Tenca et al., 2018), only a few studies identified (Benjamin and Margulis, 1998) or analyzed (Botelho et al., 2022) BAs operating in impact investing. For instance, in their preliminary work, Silby and Nicholas (2015) realized an overview of the phenomenon of angel impact investing by reporting best

practices, main tools used, and examples of organizations and single BAs operating in impact investing. Besides, Botelho et al. (2022) analyzed the BAs' financing green/clean businesses. In more detail, they showed that the motivations of BAs for investing in green/clean tech opportunities differ according to the proportion of their investment portfolio that comprises green/clean tech investments. In accordance with other studies on impact investors (e.g., Apostolakis et al., 2018), they also showed that BAs who have invested exclusively in green businesses are younger than others. Despite the pivotal importance of this study and the outstanding effort carried out by the authors, it is important to highlight that Botelho et al. (2022) considered green/clean tech investments only and no other typologies of investments involved in impact investing. Moreover, they focused their study on the analysis of investment motivations. To sum up, based on the literature review carried out, there is a lack of studies on individual impact investors, and no study deeply analyzed the distinct individual characteristics of BAs involved in both social and environmental impact investments. These are relevant gaps in both the impact investing and angel investing literature, and the present study aims to fill them by addressing the following RQ: "Are Social Business Angels' individual characteristics different from those of other Business Angels?".

To be as exhaustive as possible, a study on a new type of impact investors also needs to consider the investment process through which they act and how they balance social impact and financial evaluations. Understating how to balance social impact and financial evaluations is an open question in the impact investing literature (Agrawal and Hockerts, 2021; Islam, 2022; Lee et al., 2020), and insights of a new impact investor could be a meaningful theoretical and practical contribution. Impact investing literature has highlighted that standardized metrics and processes for evaluating hybrid enterprises' performances in terms of social or environmental value creation lack (Hoogendoorn et al., 2019). Because of this lack, Islam (2022) suggests that academic research should explore the interrelationship between criteria used in the impact investment decision-making. Similarly, Lee et al. (2020) suggest that academic research should analyze how impact investors evaluate the riskiness of financial versus social outcomes of investment opportunities. Indeed, Lee et al. (2020) demonstrated that impact investors struggle to identify portfolios of investments that simultaneously optimize across financial and social outcomes. This struggle is partly due to "Categorical cognition", i.e., a natural tendency to evaluate investments in terms

of known categories rather than the actual outcomes achieved. Because of these reasons, impact investing literature needs to identify investment processes that allow impact investors to mitigate that risk and achieve the full potential of their investments. How to do it? By understanding how to simultaneously evaluate the actual social impact and financial outcomes potentially generated by hybrid organizations, transcending conventional thinking about business and charity as separate domains (Lee et al., 2020). Some authors have tried to propose solutions to address these issues. For instance, Jackson (2013) suggested a range of qualitative and quantitative methods to blend with the theory of change approach in evaluating impact investments, whereas King (2019) showed how evaluating an investment project in a hybrid enterprise could provide a more holistic picture of the project's worth by using both qualitative and quantitative methods. Differently, through the study of conventional and impact bonds' theory of change, Thompson (2022) reported a simplified impact investing process by showing the impact logic, profit logic, and how the related risk categories involved in the process operate. Despite the laudable effort of reported studies, it is important to point out that impact investors are also heterogeneous in their use of impact evaluation approaches (Islam, 2022) and, hence, in the related balancing of social and financial evaluations. Indeed, such as for traditional investors (e.g., Elitzur and Gavious, 2003; Paul et al., 2007), the investment processes followed by different types of impact investors could be really distinct. Especially if we compare the investment process followed by institutional and individual impact investors (Smith et al., 2022). For these reasons, studies focused on the impact and financial evaluation approaches chosen by specific types of impact investors are desirable. Nevertheless, to my best knowledge, no studies have analyzed the investment process followed by BAs operating in impact investing and, therefore, how social impact and financial criteria are blended in the investment process followed by these investors. Indeed, although part of the angel investing literature has examined the different phases of the BAs' investment process (e.g., Paul et al., 2007; Scheela et al., 2015) and the related selection evaluations (e.g., Maxwell et al., 2011; Mitteness et al., 2012), no one focused on the specific investment process chosen by BAs operating in impact investing and the related balancing between potential social impact and financial outcomes evaluations. As already mentioned, Botelho et al. (2022) focused their study on the analysis of investment motivations of BAs investing in green/clean tech businesses; however, they did not explore their entire investment process or the distinct evaluations they carry out during the different phases of the process. Indeed, Botelho et al. (2022)

themselves suggest that future research should investigate how BAs screen green/clean tech investing opportunities, which are part of the impact investing ones. This literature gap was not unexpected. Indeed, according to a recent literature review on the field (Tenca et al., 2018), research on the BAs' investment process is still underdeveloped, and the related potential future research lines are numerous. A possible starting point to analyze the BAs' investment process is the framework that Haines et al. (2003) elaborated. Seven different phases characterize the identified process: 1) Deal origination, 2) Initial screening, 3) Due diligence, 4) Negotiation, 5) Decision making, 6) Post-investment activity, and 7) Exit. These phases result from the combination of previous models (Tyebjee and Bruno,1984; Van Osnabrugge and Robinson, 2000) and reflect three sub-stages: investment motivations, investment criteria, and finding deals. Frameworks with similar structures have also been developed in the later angel investing literature (e.g., Amatucci and Sohl, 2004; Paul et al., 2007; Riding et al., 2007). However, neither of the existing studies examined in detail the investing process followed by BAs operating in impact investing. Based on the previous arguments and in order to fill the literature gap about the investment process of BAs operating in impact investing, the present study states its second RQ: "Do Social Business Angels follow a different investment process from other Business Angels?".

In conclusion, by filling the identified literature gaps and answering the two related RQs, this study aims to discover if social impact is changing angel investing. In order to achieve this goal, the definition of SBA is introduced, the differences between SBAs and other BAs are explored, and the SBAs' investment process is investigated in the following paragraphs.

2.3 Research design

This study was based upon 1) a survey run in 2021 to Italian BAs identified employing both desk research and collaborations with some of the prominent Italian BA organizations and 2) in-depth interviews with SBAs. The following paragraphs present the description of the mixed methods adopted by combining quantitative and qualitative analyses in order to provide a definition of SBAs, analyze their characteristics with respect to those of other BAs, and describe their investment process. This methodological approach is well suited to the present study because it is intended to "generate greater understanding of the mechanisms underlying quantitative results in at least partially new territory" (Edmondson and

McManus, 2007, p. 1157) and enables a triangulation that supports overcoming the limitations of single research methods (Almalki, 2016; Hallen et al., 2020; Kaplan, 2015; Yauch and Steudel, 2003). For these reasons, this methodological approach is suitable for overcoming the challenges of impact investing and angel investing research, which I already exposed in the previous section.

2.3.1 Samples and data collection

Population identification

In order to identify the population of BAs targeted by the survey, an original and comprehensive database of BAs operating in Italy was created. BAs and BA organizations were identified through desk research carried out in 2020 and 2021. In this way, a population of 1209 BAs was identified. The database was created by consulting several lists of BAs, such as the ones reported on the websites of BA groups and networks. These organizations were identified through desk research and snowball sampling. Snowballing sampling refers to "Contact one participant via the other" (Biernacki and Waldorf, 1981, p. 151). This sampling method is particularly fruitful in research involving hidden populations (Browne, 2005): angel investing literature showed that BAs are an example of this kind of population (Mason et al., 2017; MacMillan and Katz, 1992).

The desk research was performed on secondary resources using specific keywords drawn from the literature (e.g., Tenca et al., 2018). Keywords were also interrelated to all the 20 Italian administrative regions and capital cities on the main web search engines (Google and Yahoo!) and social media (LinkedIn, Facebook, Twitter, and Instagram). "Business Angel Network Firenze" is an example of the searches carried out. The same searches were also performed with the acronyms of existing angel investing organizations. Based on criteria identified in the literature (e.g., Bonini et al., 2018; Croce et al., 2017; Mason et al., 2013), every researcher verified whether each identified organization was a BA group or network according to criteria identified from the literature (e.g., Bonini et al., 2018; Croce et al., 2017; Mason et al., 2019), and the decisions were cross-validated by the research team involved in this study. Moreover, in order to limit errors, every identified organization was also contacted through e-mail, social media, and phone calls. Each contacted organization was asked to indicate other similar organizations operating in Italy. Subsequently, in order to identify additional BAs, similar searches were run on the main web search engines and

social media (e.g., LinkedIn and Twitter) by using specific keywords such as "Business Angel" and "Angel investor". Research on social media was also carried out through specific hashtags related to angel investing. In order to avoid errors, each candidate BA in the database was verified independently by three researchers. In more detail, based on the criteria identified through the abovementioned studies (e.g., Tenca et al., 2018), each researcher verified through LinkedIn and other secondary sources if every identified investor was actually a BA according to specific criteria identified from literature (e.g., Botelho et al., 2021; Duxbury et al., 1996; Tenca et al., 2018). When inconsistencies arose and a joint decision was not reached, uncertain BAs were contacted through e-mail or LinkedIn for verification.

Survey and data collection

In April 2021, an online survey was sent to the 1209 identified BAs to question their activity in 2020. The survey was tested and developed by a specialized committee composed of expert BAs and board members of some of the main Italian BA groups, networks, and an entrepreneurial association working with startups with a significant social impact. Nine Italian organizations operating with BAs collaborated with the data collection. Questions examined, for instance, personal information, financial data, number of invested organizations, and specific information related to the support provided to organizations with a significant social impact. 378 responses were collected. After an examination of the responses, 359 were considered valid. In this way, a representative response rate of 30% was reached. This high response rate was achieved thanks to the work of 10 researchers and the specialized committee. Most of the BAs provided answers that enabled us to categorize them into two groups: Social Business Angels (SBAs) and other BAs. SBAs were identified as those who both declared to prioritize investments in startups with a significant social impact[9] and had actually invested in at least one of these startups during their angel investing activity. Thus, the other BAs were the angel investors who declared that they did not prioritize investments aiming at generating a positive social impact, regardless of whether they had invested in impact startups.

[9] In the present study, startups with significant social impact are defined those startups aim to introduce a positive social impact through the creation of social innovation, i.e., "a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals" (Phills et al., 2008, p. 36).

Sample for the quantitative analyses

Our primary sample comprises 212 BAs out of the 359 BAs who participated in the survey. The BAs of the sample have invested in at least one startup by the end of 2020 and indicated the number of their impact investments and whether they prioritized impact investments (BAs who did not provide these data, therefore, were excluded from the analyses).

According to the research sample, the Italian BAs operate mainly (66%, N = 212) in the North-west of Italy. On average, BAs are 53 years old (median = 53, N = 212), they have 6 years of angel investing experience (median = 5, N = 211), and they are predominantly males (92%, N = 212). Many BAs of the sample are themselves entrepreneurs (42%, N = 212), and most of them hold at least a bachelor's degree (90%, N = 212). Regarding their investment behavior, the BAs analyzed are mainly specialized in a specific sector or technology (54%), and many of them invest only in specific sectors (42%), whilst just a small fraction invests in specific technologies (12%, N = 212). Most BAs invest within BA groups or networks (83%), and 33% of the BAs only invest within these organizations (N = 212). On average, the typical BAs have a track record of 9 startup investments (median = 5, N = 198), have invested a total of 315.653 € during their angel investing careers (median = 150.000 €, N = 193), with an average ticket of 38.856 € (median = 20.000 €, N = 179), and have exited from 12% of their total investments (median = 0%, N = 198).

Sample for the qualitative analyses

In order to analyze the investing behaviors of SBAs and how they operate, a sub-sample of 10 SBAs was selected. These SBAs were selected based on their attitude toward impact investing. In more detail, SBAs with at least 50% of startups with a significant social impact in their portfolio were identified from the primary sample. Only SBAs who declared that they considered the evaluation of impact risk very important were selected among these investors. Impact risk was defined in this study as the possibility of achieving less than expected social impacts from the investments. In this way, 23 SBAs were identified, and 10 of them agreed to be involved in the research. Table 2.2 presents some general information about the interviewees.

Table 2.2: Description of the qualitative sample

ID.	Main job positions	Age	Years of angel investing experience	Number of investments in the portfolio
SBA 1	Manager and psychologist	67 years	12 years	4
SBA 2	Manager and consultant	56 years	3 years	3
SBA 3	Manager and consultant	31 years	3 years	10
SBA 4	Researcher and manager	41 years	6 years	5
SBA 5	Manager	59 years	12 years	2
SBA 6	Entrepreneur and consultant	35 years	2 years	3
SBA 7	Consultant and manager	59 years	2 years	8
SBA 8	Manager and entrepreneur	56 years	9 years	30
SBA 9	Manager and entrepreneur	54 years	8 years	20
SBA 10	University professor	46 years	7 years	5

2.3.2 Quantitative approach

In order to answer the first RQ, whether being an SBA (i.e., prioritizing and performing impact investments) is related to some of the BAs' characteristics was assessed. In the present study, a cross-sectional regression model where the logit estimator was employed to estimate the likelihood of being an SBA based on the BAs' individual characteristics was reported. The regression model was designed as follows:

$$SBA_i = f(X_i, \beta)$$

Where:

- SBA_i is the dependent variable for each business angel *i*
- X_i is the set of independent predictor variables for each business angel *i*
- β is the vector of the parameters of the model

Table 2.3 describes the regression variables included in the regression model. The variables are based on the data collected from the survey. The sample analyzed was the primary sample comprising 212 BAs.

Table 2.3: Description of the regression variables

Variable name	Definition
SBA*i*	Dummy variable = 1 if BA *i* is an SBA; = 0 otherwise (i.e., other BAs).
Age*i*	BA *i*'s age.
Gender*i*	Dummy variable = 1 if BA *i* is female; = 0 if male.
Area*i*	Categorical variable indicating the geographic areas where the BA *i* mainly operates: "Central Italy", "South and Insular Italy", "Northeast Italy", "Northwest Italy", "Abroad".
Education*i*	Categorical variable for the education of BA *i*: "Primary education or secondary education", "Bachelor's Degree", "Master's, Executive or Ph.D. Education".
Occupation*i*	Categorical variable for the present occupation of BA *i*: "Other", "Manager or employed in a company", "Consultant or freelance", "Entrepreneur".
BA_Experience*i*	Total years of BA *i*'s experience in angel investing.
BA_Organisation*i*	Dummy variable = 1 if BA *i* invests at least sometimes with a BA Organisation; = 0 otherwise.
Specialised_BA*i*	Dummy variable = 1 if BA *i* invests only in specific

	technologies or sectors; = 0 otherwise (i.e., in all the technologies and sectors).
Extra_services*i*	Dummy variable = 1 if BA *i* provides supporting services to the invested startups; = 0 otherwise.
Tot_no_invest*i*	Total number of startups invested by BA *i* before the end of 2020.
Tot_eur_invest*i*	Total amount invested by BA *i* before the end of 2020 (in thousands of euros).
Tot_no_exit*i*	Total number of exits of BA *i* before the end of 2020.
Annual_no_invest*i*	Number of investments of BA *i* in 2020.
Annual_eur_invest*i*	Amount invested by BA *i* in 2020 (in thousands of euros).

2.3.3 Qualitative approach

In order to investigate the second RQ, i.e., whether SBAs follow a different investment process from other BAs, a multiple case study based on semi-structured in-depth interviews was performed. The CASET method (Goffin et al., 2019) was followed to carry out the multiple case study. In more detail, CASET is a template providing clear criteria to assess and develop robust case studies.

In particular, in-depth semi-structured interviews with 10 SBAs were performed. In addition to the data collected through the interviews, information about the 10 selected SBAs was integrated with data collected through the surveys and information from secondary sources and archival data. Such sources included personal websites, social media, articles on their activities, other interviews released, articles or reports written by themselves, and materials about their investments shared by the SBAs with the authors. In this way, employing data triangulation, it was possible to integrate data arising from carried out interviews and validate emerging insights by secondary sources and archival data. Such sources included personal websites, social media, articles on their activities, other interviews released, articles or reports written by themselves, and materials about their investments shared by the SBAs with the authors. This approach was

followed to outline SBAs' peculiar approach to the deal flow and their investment process.

Several questions about the investment process and the elements used to evaluate impact risk were asked during the interviews. From February to March 2022, a team of three researchers employed the developed protocol to conduct semi-structured in-depth interviews with the 10 SBAs in the sample. Each interview lasted approximately one hour and was performed online. The SBAs were interviewed in their mother tongue (Italian). The interviews were transcribed into Italian and then translated into English. Thanks to the data collected from the interviews and additional materials, the described process produced a document of 153 single-spaced A4 pages.

Data analysis was based on Eisenhardt and Graebner (2007), and a cross-case analysis was carried out. The case history of each SBA in the sample was written using the collected data. Each case history was reviewed and approved by all researchers involved. An inductive open-coding procedure was applied to code the collected data. Despite being iterative, the coding procedure involved several phases. In the first phase, the transcriptions of the interviews were read repeatedly to generate first-order codes. The codes were taken in parallel directly from the transcriptions of the interviews (i.e., in vivo codes). Two researchers reached a 94% intercoder agreement, and then any disagreement was reconciled by involving another researcher. As suggested in several studies (e.g., Saldaña, 2021), this percentage is an adequate level of agreement for qualitative research purposes. At the end of this first phase, 2305 codes were identified. In the second phase, the first-order codes were aggregated with conceptually similar ones into increasingly abstract provisional and then final categories. Also in this case, any disagreement was reconciled by involving another researcher. The same operations were followed in the third phase to create provisional and subsequent final overarching dimensions. The creation of the final overarching dimensions was also supported by the existing literature about BAs' investment process (e.g., Haines et al., 2003). Finally, the documents were re-coded according to the resulting categories and dimensions to ensure all the texts were correctly assigned. If a text could not be categorized, the coding scheme was amended. An insider-outsider approach was employed during the data analysis, according to what was recommended by Gioia et al. (2010). For this reason, an independent researcher was involved in the data analysis to provide robustness to the findings.

2.4 Results

2.4.1 Comparison of SBAs' and other BAs' characteristics

SBAs constitute 25.9% of the sample (N = 212). Table 2.4 shows the descriptive statistics of the numerical variables used in the regression analysis, with details for SBAs and other BAs.

Table 2.4: Descriptive statistics of numeric variables

Variable	BA	Obs	Mean	Median	Std. Dev.	Min	Max
SBA	SBA	55	1.000	1	0.000	1	1
	Other BA	157	0.000	0	0.000	0	0
	All	212	0.259	0	0.439	0	1
Age [years]	SBA	55	52.982	55	10.869	27	84
	Other BA	157	52.605	53	10.489	26	78
	All	212	52.703	53	10.564	26	84
BA_Experience [years]	SBA	55	5.455	5	3.891	1	22
	Other BA	156	6.385	5	4.662	1	30
	All	211	6.142	5	4.484	1	30
Tot_eur_invest [€]	SBA	51	214.269	130	322.456	5	2000
	Other BA	142	352.067	155	494.477	5	3000
	All	193	315.654	150	458.638	5	3000
Tot_no_invest	SBA	55	8.673	5	9.630	1	50
	Other BA	143	9.021	5	9.910	1	79
	All	198	8.924	5	9.810	1	79
Tot_no_exit	SBA	55	0.800	0	2.076	0	11
	Other BA	157	1.115	0	1.857	0	10

Annual_eur_invest [thousand €]	All	212	1.033	0	1.916	0	11
	SBA	49	70.380	35	125.211	3	800
	Other BA	120	73.946	48	83.353	1	500
	All	169	72.912	40	96.971	1	800
Annual_no_invest	SBA	55	2.600	2	1.872	0	10
	Other BA	146	2.301	2	2.882	0	27
	All	201	2.383	2	2.643	0	27

Regarding the first RQ of the present study (i.e., "are Social Business Angels' individual characteristics different from those of other BAs?"), the results of the present study (Table 2.5) show some differences between SBAs and other BAs.

Table 2.5: Logit regression estimates

Dependent variable: Social Business Angel	
Age	0.029 (0.021)
BA_Experience_y	0.040 (0.079)
Occupation – Manager or employed in a company	1.559 (1.054)
Occupation – Consultant or freelance	2.163* (0.979)
Occupation – Entrepreneur	2.540* (1.016)
BA_Organisation	-1.892* (0.741)
Specialised_BA	0.302 (0.464)

Tot_no_invest	0.013 (0.047)
Tot_eur_invest	-0.003** (0.001)
Tot_no_exit	-0.209 (0.248)
Extra_services	0.538 (0.442)
Annual_no_invest	-0.063 (0.149)
Annual_eur_invest	0.007* (0.003)
Constant	-3.907 (2396)
Gender dummies	Included
Area dummies	Included
Education dummies	Included
Observations	148
Wald chi2	33.590
Prob > chi2	0.029
Pseudo-R-squared	0.171
Model L.L.	-77.289
No. Of iterations	5

Notes: Robust standard errors in parentheses.
* p < 0.05, ** p < 0.01, *** p < 0.001

The analysis employing the logit regression shows that BAs of the sample who are entrepreneurs, consultants, or freelance are more likely to be SBAs. On the contrary, BAs who are affiliated with BA groups and networks are less likely to be SBAs. This last piece of evidence could be related to a lack of readiness in approaching social impact investments by BA organizations. Impact investing, indeed, is a novel and emerging phenomenon (Höchstädter and Scheck, 2015; Islam, 2022); consequently, BAs and BA organizations have only been approaching impact investing for a few years. For these reasons, many non-specialized BA organizations still need to develop appropriate knowledge and capabilities to address impact investing. Research results also highlight that BAs who invested higher capital in their BA career are also less likely to be SBAs. Since impact investing still represents a novelty (GIIN, 2022) in angel investing, this result was not unexpected. In addition, performed analyses show that BAs who invested higher capital in 2020 alone were more likely to be SBAs, albeit the effect is low in this case. This piece of evidence could indicate a response to the need for impact investments and represents an interesting insight for both impact investing and angel investing. Indeed, this result could reflect a shift in the BAs' investment behavior. In particular, we are currently attending to a societal change aimed at creating a more resilient, sustainable, and inclusive society (EVPA, 2022; OECD, 2020). Research results could suggest that this change is also affecting angel investing.

2.4.2 Qualitative results and Social Business Angels' deal flow

Interviews with SBAs in the sample confirmed the presence of distinct characteristics of SBAs. In particular, despite the phases of the investment process that resulted from performed analyses are similar to those found in the angel investing literature (e.g., Amatucci and Sohl, 2004; Haines et al., 2003; Paul et al., 2007; Riding et al., 2007), the evaluations made by SBAs within these phases are different from those of other BAs. These differences are due to the fact that SBAs are not only BAs but also impact investors. This distinct difference largely emerged in the interviews, as well as the consequent importance of social or environmental impact in selecting SBAs' investments. For instance, SBA 10 said: *«I only invest in startups with a social aim».* Given the need to assess the evaluated startups' potential social or environmental impact, SBAs' deal flow is characterized by specific evaluations. The phases of the SBAs' deal flow and their peculiar elements are shown in Table 2.6.

Table 2.6: Social Business Angels' deal flow coding

Phase	Element	Examples of representative quotes
Deal origination	Incubators and accelerators	"I also look for possible investments through an incubator in my city" (SBA 1) "Accelerators and incubators introduce startups to me" (SBA 3)
	BA organizations	"I am starting to rely on clubs to save time" (SBA 4) "I invest through the BA group of which I am a member" (SBA 7)
	Personal networks	"There is word of mouth among BAs" (SBA 1) "I was offered investments by people who knew me" (SBA 9)
	Potential social or environmental impact	"I would never invest in enterprises that do not have a social or environmental impact" (SBA 1) "I am interested in mainly impact investments and, in particular, those related to the circular economy" (SBA 6)
Initial screening	Greenwashing or impact washing	"I try to eliminate the risk of greenwashing" (SBA 2) "I try to eliminate the risk of impact washing completely. If I perceive that he or she only wants to use the impact for marketing purposes, namely, to do green or impact washing, I am not interested in the investment, not even if there is an economic return" (SBA 3) "Impact washing is what I evaluate right away" (SBA 7) "It cannot call it a startup with a social aim if it does not have a social impact as a prerequisite in its vision and it is not integrated to its mission" (SBA 8)
Impact risk evaluation	Parallel evaluations	"For me, financial and impact risk go hand in hand. In my head, those two drivers must go in parallel" (SBA 5) "I evaluate impact risk and financial risk at the same time" (SBA 7)

	Team's experience and authenticity	"[I look for] people who demonstrate that what they are telling me in terms of social impact is something they believe in" (SBA 2) "So, [experience in social impact activities] is an extra guarantee for me because it is not just something that the founder believes in, but it comes from an experience that he did" (SBA 3) "Especially in the impact areas, where you could perform worse than other companies from a financial point of view, team motivation is the fuel" (SBA 6) "[I consider] the person-related risks: maybe they are creating social impact enterprise only because they see a business opportunity in it, and not because they believe in social impact enterprises" (SBA 10)
	Stakeholders' ethical evaluation	"If funds particularly oriented towards sustainability and social impact are involved, I give more credibility to the project" (SBA 3) "Especially when it pertains to social impact, if there are big players involved in the startup, they could affect both positively and negatively what the goals of the startup are" (SBA 4) "You need to have stakeholders with the same values and similar motivations" (SBA 5)
	Impact-oriented activities	"I look at startups that carry out activities that influence consumer behavior towards sustainability" (SBA 5) "I am interested in understanding what initiatives are actually taken within the companies to ensure the achievement of social or environmental goals" (SBA 7)
	Social impact certifications	"Having a certification, which implies a commitment to positive impact, gives me a little more confidence that the good intentions are true" (SBA 6) "If they received a social impact certification, it is a little more probable that they

		believe it. Either way, they have tried to understand it and spent time on it" (SBA 10)
	Impact metrics	"I look at the type of impact indicator they choose to show" (SBA 3) "Impact metrics are elements that give you an indication of the path you take" (SBA 9)
Financial risk evaluation	Economic performance	"Having some turnover is a criterion of preference" (SBA 4) "If you pitch me a business idea that already charges, to me that makes the difference; […] it is obviously also a strong reduction in risk" (SBA 6)
	Team's knowledge and peculiarities	"First of all, the entrepreneur must believe in [the entrepreneurial project] unconditionally" (SBA 1) "It is important for me to understand if they have the know-how to develop it" (SBA 6) "I evaluate the team based on its ability and attitude to listen and change quickly" (SBA 8)
	Financial metrics and business scalability	"It must be a scalable business" (SBA 1) "The ability to scale up is a selection criterion" (SBA 8) "Certainly, I look at the business idea [...] to check if it is scalable" (SBA 9) "I look at the potential for growth" (SBA 10)
	Market and traction	"I look at whether there is a detailed competitor analysis" (SBA 3) "There must be a traction, so the keyword is traction" (SBA 4) "I look at the market, therefore, what size of the market can be reached with that type of solution, how competitive the market is [...] looking at whether there are copycats, whether there are companies abroad doing the same thing or not" (SBA 6) "The investment must be more market-driven" (SBA 7) "A project must certainly respond to certain market needs" (SBA 8) "[I evaluate] if there is a potential market" (SBA 9)
	Shareholders involved	"Let there be few in the cap table" (SBA 1)

		“One of the things I look at is the cap table of a startup” (SBA2) “Very fragmented cap tables usually become a problem later on” (SBA 9)
Negotiation	Identification of the deal	“Then, there is the phase in which some negotiation takes place” (SBA 4) “If the evaluation of the documents is positive and everything is confirmed, we proceed with the final agreement, and we define the conditions” (SBA 6)
Decision making	Trade-off between social impact goals and business activities	“If, however, I see that there is a negative impact, even if the financial risk is low, I do not invest” (SBA 2) “In my opinion, if a startup is doing badly economically, the social or environmental impact goals will not be achieved” (SBA 4) “The evaluation [...] is balanced on both the axes: profit and sustainability” (SBA 5)
Post-investment activity	Mitigation of the risks	“Having something to put into the startup is important. I have seen that just putting money in does not produce an impact” (SBA 1) “I try to support them to mitigate the risk of their business not working” (SBA 7) “I try to be a good example for the startups I invest in” (SBA 10)

As shown in Table 2.6, the SBAs' deal flow involves different phases. Firstly, SBAs, as well as other BAs, receive business ideas for evaluation and make the first selection based on their motivations and personal interests. Business ideas are typically selected by organizations that support or collaborate with BAs, such as BA organizations (e.g., groups and networks) and incubators, or by other investors. This phase is similar for both SBAs and other BAs. However, research findings reveal a distinctive element of this phase for SBA: the organizations which start the SBAs' deal flow are often connected to hybrid entrepreneurial ecosystems (such as social incubators, communities of hybrid enterprises, or BA groups and networks focused on impact investing). For instance, analyses carried out reveal that SBAs 3, 4, 6, 8, and 10 are affiliated with BA organizations focused on impact investing. Both for SBAs and the other BAs, motivations and personal interests play crucial roles in this phase. In SBAs' deal origination, these elements are also related to the indispensable presence of a potential social or environmental impact. In agreement with the literature about angel investing (Croce et al., 2020a; Harrison et al., 2015; Maxwell et al., 2011), research findings show that during this first phase, as well as the entire investment process, SBAs use decision-making heuristics. This technique is commonly known as "elimination-by-aspects to reduce the available investment opportunities to a more manageable size" (Maxwell et al., 2011, p. 212).

After the first phase, SBAs actively make an initial selection of their investments by evaluating if there is greenwashing or impact washing. In particular, the purpose of this phase, which in this study is named "Initial screening", is to understand if the startup evaluated uses marketing strategies aimed at associating the label "green" or "social impact" with products or services that do not actually embrace these social values. In order to make this assessment, SBAs often attempt to understand whether the social or environmental impact is integrated within the corporate mission or is just an additional element. Another additional element that SBAs explore preliminary to avoid the risk of greenwashing or impact washing is the relationship between impact-oriented and business goals.

Subsequently, if the previous phase has been successfully passed, SBAs begin a parallel phase related to the assessment of the impact and financial risk (due diligence phase). As it emerged from the analyses, in this phase, SBAs try to confirm the elements showed by entrepreneurs, identify the possible sources of

impact and impact risks, and then understand the potential consequences of these risks. Analyses carried out reveal that, among the criteria considered by the SBAs to evaluate the impact risk, there are: the team's experience and authenticity, the typology and past experiences of other stakeholders, the impact-oriented activities and their relationship with business activities, the social impact certifications (e.g., B Corp certification), and the adoption of impact metrics. Moreover, research results reveal that traditional financial risk evaluation is essential in the SBAs' evaluation process. Since a crucial goal of this process is to determine whether the trade-off between social impact and financial goals is acceptable, this is not a surprise. Indeed, the opportunity to obtain an exit is an essential element also for SBAs. SBAs adopt strategies similar to those used by other BAs to evaluate financial risk. Table 2.6 shows the elements and risk sources considered by SBAs to evaluate the impact and financial risk. The analyses also revealed that, at this phase, SBAs extensively use minimum acceptance thresholds on both social or environmental impact and economic aspects. For instance, SBA 7 said: *«They [need to] pass an acceptance threshold»*, and SBA 8 stated: *«Based on a very precise ranking, they are admitted or not admitted to the next selection phase»*. As for the previous phases, interviews revealed that SBAs are often driven by decision-making heuristics when evaluating whether these acceptance thresholds have been achieved and estimating both the impact and financial risk. *«I rely a lot on my gut feeling»* (SBA 4), *«I think I have matured a bit of a gut feeling»* (SBA 5), and *«I think I have a fair amount of intuition in some cases, and so I try to use that to identify startups that in my opinion can grow»* (SBA 6) are some of the evidence of the use of decision-making heuristics by SBAs.

The subsequent phase is related to negotiation. In this phase, similarly to other BAs, SBAs and entrepreneurs try to establish a deal to proceed with the investment and the complementary conditions.

Then, SBAs start the decision-making phase. The final goal of this phase is to understand if the trade-off between social impact and financial risks is acceptable. If the business idea passes all the selection and evaluation processes presented, SBAs proceed with funding the startups.

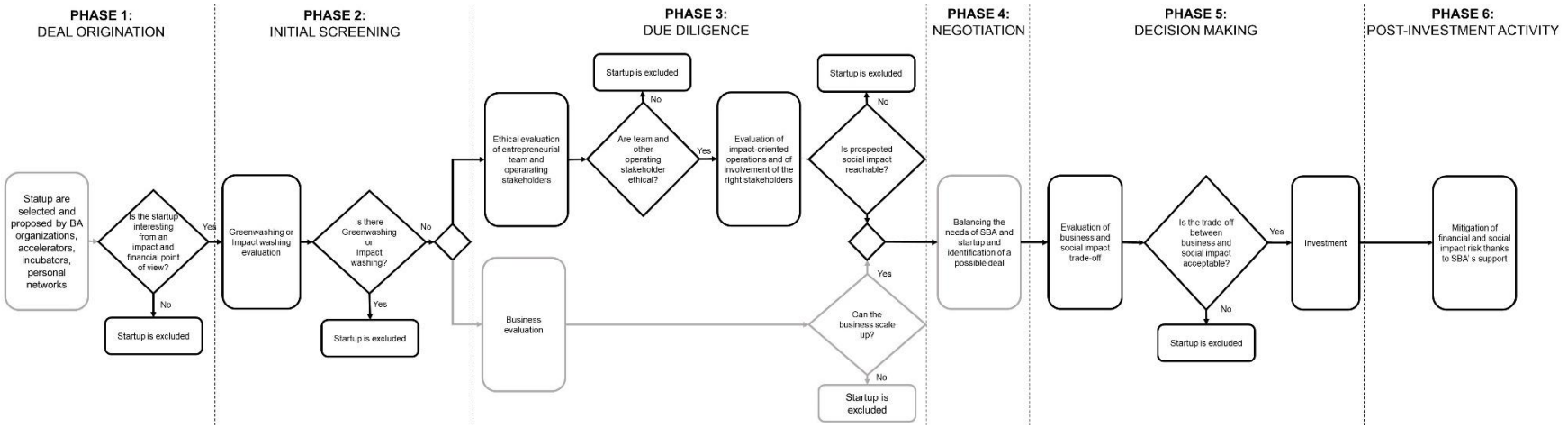
In a similar way to other BAs, finally, SBAs attempt to get involved and support the activities of their investees in order to mitigate the impact and financial risks.

To summarize, comparing the investment process of traditional BAs emerged from the literature (Amatucci and Sohl, 2004; Haines et al., 2003; Paul et al., 2007; Riding et al., 2007) and that of SBA, it is possible to observe that the investment process followed by SBAs presents some similarities and some distinct elements respect to that of other BAs. In particular, like other BAs, SBAs identify potential investments through organizations they collaborate with (e.g., BA organizations, incubators/accelerators, or other investors). Moreover, comparing the investment process that emerged in the angel investing literature and that reported in Table 2.6, it is possible to observe that BAs and SBAs evaluate the financial risk related to their potential investments similarly. The phase related to the negotiation is also similar for BAs and SBAs. Finally, according to angel investing (Croce et al., 2020a; Harrison et al., 2015; Maxwell et al., 2011), research findings show that both BAs and SBAs use decision-making heuristics during their investment processes. On the other hand, the evaluation of the green or impact washing in the initial screening phase, the evaluation of impact risk in the due diligence phase, the balancing of social impact and financial risks in the decision making phase, and the support dedicated to mitigating impact risks in the post-investment activity phase represent distinct and unique elements of SBAs' investment process. These elements are also those that characterize SBAs as impact investors.

From the analyses carried out, it is reasonable to state that when SBAs invest in non-social startups act similarly to other BAs. Indeed, as emerged from the analyses carried out, SBAs mix distinct elements of BAs' modus operandi with those of impact investors. In particular, as already highlighted, SBAs evaluate the potential economic performances of the evaluated startups based on their experience as BAs and, therefore, through the distinct assessments of BAs (Haines et al., 2003).

Based on the findings obtained from the coding and the model identified by Haines et al. (2003), a diagram of the above-exposed deal flow was created (Figure 2.1).

Figure 2.1: SBA's deal flow



The black elements of the diagram represent the distinct elements characterizing the SBA's investment process, i.e., those conditioned by social impact evaluations. The grey ones, instead, are the common elements between SBA's investment process and other BAs.

In conclusion, regarding the last RQ of the present chapter (i.e., "do Social Business Angels follow a different investment process from other Business Angels?"), research results reveal that SBAs follow an investment process with phases similar to other BAs. However, according to impact investing literature (e.g., Block et al., 2021), internal stages and evaluations, such as that related to the authenticity of the founding team, are similar to those of other impact investors. Research findings also contribute to confirming the effectiveness of the theory of change in the evaluation of impact investments. Indeed, according to other studies (e.g., Connell and Kubisch, 1998; Jackson, 2013), research findings show that SBAs evaluate the consistency among the ventures' claimed impact and financial goals, the goals already achieved, and the activities needed to achieve them through a process that is consistent with the theory of change (e.g., Brousselle and Champagne, 2011; Funnell and Rogers, 2011; Rogers, 2008). Research findings also suggest that SBAs mix the modus operandi of traditional angel investors with that of impact investors. In particular, the present study suggests that SBAs, similarly to other BAs (Maxwell et al., 2011), use decision-making heuristics to identify scalable businesses that can achieve acceptable impact and financial performance thresholds.

2.5 Conclusions and contributions

The present research contributes to the impact investing and angel investing literature by introducing a clear definition of SBAs and revealing how these new impact investors operate. In more detail, SBAs are defined as the BAs who prioritize investments in startups with a significant social impact and support at least one startup of this typology. This study adopted a mixed methodology to investigate the phenomenon of BAs operating in impact investing and to answer the two interrelated RQs: "Are Social Business Angels' individual characteristics different from those of other Business Angels?" and "Do Social Business Angels follow a different investment process from other Business Angels?". Analyses carried out showed that despite the SBAs' investment practices being similar to those of other BAs, they present some distinct characteristics. In particular,

quantitative analyses outline that SBAs are more likely to be unaffiliated with BA groups or networks. The reason for this result could be the novelty of the impact investing phenomenon (Höchstädter and Scheck, 2015; Islam, 2022) and the related lack of readiness in approaching social impact investments by BA organizations. Moreover, research results reveal that BAs who invested lower capital in their angel investing career but higher capital in 2020 alone are more likely SBAs. This result could reflect a growing interest in angel investing for social impact investments. Despite the paradigm shift, an effort to scale the impact investing market with integrity is crucial if we hope to address the social, environmental, and health crises we are facing (GIIN, 2022). Also for these reasons, from a policy perspective, additional and dedicated financial instruments should be introduced to better support SBAs' activities and, thus, the creation and development of startups with a significant social impact. The present study can serve policymakers in creating and developing the mentioned instruments. Research findings also have relevant practical implications for social entrepreneurs. Indeed, in order to obtain adequate investments, these entrepreneurs incur the risk of reducing their impact to attract unsuitable investors. The findings reveal the existence of new impact investors who can support the development of their businesses by favoring both their financial and social impact outcomes.

The quantitative results of the present study were complemented by qualitative ones, which revealed the distinctive peculiarities of the SBA's deal flow. Such results allowed this study to show the phases involved in the SBAs' investment process, thus responding to the angel investing literature call for new studies on the investment process of BAs (Tenca et al., 2018). The present study also contributes to impact investing literature. In particular, the present study responds to the call of Lee et al. (2020), which suggests that new studies should analyze how impact investors evaluate the riskiness of social versus financial outcomes of their investment opportunities. Indeed, the present study analyses the BAs' modus operandi in impact investing and highlights how they evaluate both impact and financial risk. In particular, this study reveals an investing process characterized by a mix of the BAs' investment process elements and the evaluations characterizing impact investors. Similarly to other studies on impact investing (e.g., Smith et al., 2022), it was also possible to suggest the existence of an investment process for individual impact investors which balances the social and economic needs of these investors by allowing them to maintain their hybrid

nature. BA organizations, funds, and asset owners can use this study to catalyze the efforts to adopt an investment process considering also impact risk. The present study can serve as a basis for further exploring the SBAs' investment practices not analyzed here. For instance, future research could explore SBAs' motivations for operating in impact investing, SBAs' portfolio allocation, and SBAs' investment performances.

In addition, as the demand for impact investing grows (GIIN, 2022), policymakers need to shape the impact investing industry and ensure that investments align with their intended goals. In particular, policymakers need to create an environment that enables impact investing to thrive (Islam and Habib, 2022; OECD, 2019). SBAs can provide valuable resources and expertise to the field. For these reasons, SBAs can help policymakers to build a sustainable impact investing industry that generates both financial returns and positive social and environmental impacts. However, policymakers need to support SBAs by creating a supportive regulatory environment to achieve this goal. In more detail, policymakers can include establishing tax incentives and other forms of financial support that can help to attract more BAs to the impact investing areas. Additionally, policymakers can support the development of BA organizations specialized in impact investing and entrepreneurial communities that can help to connect SBAs with social impact entrepreneurs and other stakeholders in the impact investing industry. Since this chapter contributes to building the evidence base for impact investment in the angel investing context, policymakers can use the findings of the present study to create a supportive regulatory environment for SBAs. In this way, policymakers can help to ensure that the impact investing ecosystem thrives and continues to generate positive social and environmental impacts through the support of expert early-stage impact investors.

Although this study provides interesting findings, it should be noted that the sample is based on only one country. Moreover, the qualitative analysis focused on SBAs who declared that they consider impact risk evaluation very important. Future research could explore the difference in approach between SBAs considering the evaluation of impact risk very important and those considering the evaluation of impact risk not important. Additionally, future research could use the definition of SBA introduced here to explore the involvement of angel investing in impact investing in different developed and developing countries. Moreover, future research could compare SBAs with other impact investors (e.g.,

VCs focus on impact investing). In addition, since literature showed the interest of BAs in green investment (Botelho et al., 2022), some additional characteristics relative to previous experience in green investments, green education (Newman, 2011), or ESG disclosure familiarity could be integrated into future quantitative research on SBAs. Finally, since the study did not focus on an organizational perspective, future research could explore to what extent BA organizations focused on impact investing affect startups' performances in terms of survival rates, employment growth, patenting, and successful exits.

Chapter 3

The avenue of Business Angel Platforms: a new way to promote entrepreneurial finance

3.1 Introduction

As angel investing has matured, Business Angels (henceforth, BAs) have tended to join together in semiformal or coordinated organizations (Croce et al., 2017; Mason et al., 2013). However, current angel investing research needs to investigate this change's implications (Mason et al., 2013; Mason et al., 2019; Tenca et al., 2018). Moreover, the entrepreneurial finance market was sharply impacted by the avenue of crowdfunding platforms (Bessière et al., 2020) and the COVID-19 crisis (Brown et al., 2020; Mason and Botelho, 2021). However, scholars largely ignored this change from an organizational perspective. In fact, over the last few years, the entrepreneurial finance landscape has changed radically, and many novel players entered the entrepreneurial finance market (Block et al., 2018; Bonini and Capizzi, 2019). Some of these novel players are related to angel investing. Since the critical role of angel investing in the growth of the entrepreneurial ecosystem (Aernoudt, 2004; Kerr et al., 2014; Maxwell et al., 2011; Tenca et al., 2018), analyzing these novel players is crucial for entrepreneurial finance research. Nevertheless, scholarly research appears to neglect certain players and the relationships among these novel players and the

established forms of entrepreneurial financing, such as BA financing (Block et al., 2018).

The present chapter aims to fill this gap by answering the request of literature to explore novel players in the entrepreneurial finance landscape (Block et al., 2018). Indeed, the present chapter examines a recent brand-new phenomenon that focuses on supporting angel investing: the Business Angel Platforms (henceforth, BAPs). In particular, the present chapter aims to conduct an in-depth empirical analysis of the main distinctive peculiarities of this novel player. The establishment of Doorway in Italy and BeAngels in Belgium are a few examples of BAPs. Even though this phenomenon represents an innovative and suitable instrument to promote the growth of the entrepreneurial finance market, we know surprisingly little about the distinctive peculiarities of a BAP and how it operates. Indeed, to the best of my knowledge, no study has explored how BAP operates, and there is still no widespread definition of what a BAP is.

As an exploratory qualitative study, this study aims to generate evidence about the peculiarities of BAPs. In this way, similarly to a number of studies exploring novel phenomena related to entrepreneurial finance (e.g., Mollick, 2014; Pauwels et al., 2016), the present study can also serve as a fruitful base for further theory-building in entrepreneurial finance research. Indeed, as suggested by literature (Busenitz et al., 2003; Cornelius, 2006), initial explorations on novel phenomena in an evolving field can serve as a valuable base for future theory-building (Eisenhardt, 1989). To summarize, the present chapter aims to perform the first detailed study on a novel and evolving phenomenon related to angel investing by addressing the following overall RQ: what are the distinctive peculiarities of a Business Angel Platform?

In order to address this RQ, a mapping of the entire ecosystem of organizations related to angel investing operating in Italy was realized. To achieve this goal, the present study combined desk resources and snowballing sampling (Biernacki and Waldorf, 1981). Based on criteria identified in the literature (e.g., Bonini et al., 2018; Bonini and Capizzi, 2019; Croce et al., 2017; Mason et al., 2013; Tenca et al., 2018), a classification of these organizations was provided. In this way, a clear case of BAP was identified: Doorway. The selected case study was analyzed based on the Case Study Evaluation Template (CASET) (Goffin et al., 2019) by conducting semi-structured in-depth interviews with key people and a startup involved in Doorway's investment process. Furthermore, a survey of

investors operating within Doorway was carried out. In addition, since Doorway is one of the most well-known players in the Italian entrepreneurial finance market, many additional data resources were identified to further analyze the selected case study. Moreover, in a similar way to other studies that explored novel phenomena in the entrepreneurial literature (e.g., Alaassar et al., 2021; Pauwels et al., 2016), the activity system framework elaborated by Zott and Amit (2010) was adopted as the theoretical framework of the present study to identify the design elements and themes of a BAP. In this way, the present chapter also contributes to entrepreneurial finance literature by generating further evidence of the efficiency of the design lens as a systematic methodological approach to explore novel phenomena in the entrepreneurial finance landscape.

The remainder of this chapter is organized as follows. The following section exposes the background literature and the research gaps. Section 3.3 presents the research design and the data collection. Section 3.4 presents the results of the present chapter. Finally, section 3.5 presents the conclusions, implications, limitations, and discussions for future research from the present study.

3.2 New opportunities for angel investing

Despite the pivotal role of BAs (Bruton et al., 2009; 2010; Croce et al., 2020b; Kerr et al., 2014; Harrison et al., 2016; Politis, 2008), angel investing literature neglected a number of current critical issues affecting the field. The reasons for these lacks can be related to the fact that angel investing is sharply changing, and the scientific community has been slow to respond to this transformation (Mason et al., 2019). In particular, BAs are increasingly investing as part of BA organizations alongside peers rather than on their own (Butticè et al., 2021; Mason et al., 2019). Since BA research has been based on studies of individual BAs, this change questions the relevance of part of the current corpus of BA research and highlights the need to partially reshape BA research by including even more of an organizational perspective (Mason et al., 2019). This new perspective could also contribute to overcoming the challenges of identifying suitable samples in angel investing research (Tenca et al., 2018).

Part of the literature becomes to consider an organizational perspective on the study of angel investing (e.g., Bonini et al., 2018; Butticè et al., 2021; Croce et al., 2017; Mason and Botelho, 2017; Mason et al., 2019). Mason et al. (2019) show the existence of 5 typologies of collective forms of angel investing identified by

literature. The first one is the "Angel group", defined as a consortium of BAs who cooperate to manage deal flow and process deals together but make their own individual investment decisions. The management of this organization may be hired or provided by volunteers. As suggested by Croce et al. (2017), inside BA groups, the activities related to an investment deal are generally coordinated by a single BA called "Champion". Moreover, each BA member contributes an annual fee to the angel group. The second collective form of angel investing identified is the "Network", which is generally named "Business Angel Network (BAN)". BANs act as "business introduction services", i.e., they connect investors with entrepreneurs seeking finance. Unlike angel groups, BANs follow less strict obligations and engagement rules for affiliation and provide little or no organized processing of investment opportunities (Mason et al., 2013). Indeed, BANs require really low or no fees, no minimum participation, and no obligation to share due diligence costs (Bonini et al., 2018). The third collective form of angel investing identified is the BA "portal". Sohl (2007) used this umbrella term to identify "an organization that provides a structure and approach for bringing together entrepreneurs seeking capital and business angels searching for investment opportunities" (p. 348). He also identified 6 types of BA portals; matching networks, facilitators, informal angel groups, formal angel alliances, electronic networks, and collection of individual angels. Then, we find the "Syndicates". This term refers to deals in which a number of investors enter into an agreement to invest together in a specific company. Entrepreneurial finance literature hugely explores syndication, but little is known about the distinct characteristics of BAs' syndication (Tenca et al., 2018). For instance, Block et al. (2019) indicate a set of advantages (e.g., financing a larger number of ventures) and disadvantages (e.g., high transaction cost) related to this instrument. Finally, the fifth collective form of angel investing is the "Association". The Association is an organization of angel groups and other players in the entrepreneurial finance landscape, such as venture capital funds, incubators, and crowdfunding platforms. Examples of this type of organization are the North American Angel Capital Association (ACA) and the UK Business Angel Association (UKBAA). Despite the pivotal role of previous studies, the current angel investing literature becomes increasingly divorced from how practice is evolving. Therefore, there is a need to capture the heterogeneity of the current angel investing market (Mason et al., 2019). The study of angel investing from an organizational perspective represents a major opportunity for scholars in the entrepreneurial finance field (Tenca et al., 2018). Indeed, many new players have entered the entrepreneurial finance

landscape (Block et al., 2018; Bonini and Capizzi, 2019); however, scholarly research appears to neglect certain players and the relationships among these new players and the established forms of entrepreneurial financings, such as BA financing (Block et al., 2018). The negative effect of the lack of study about distinct and novel collective forms of angel investing can be verified by the number of names that describe similar entities, generating further confusion in the analysis of the angel investing field (Mason et al., 2019). In conclusion, it is possible to observe that entrepreneurial finance research needs not only to identify novel players acting in the angel investing landscape but also to explore the peculiarities of these entities deeper in order to mark out the boundaries that identify the different collective forms of angel investing and, thus, the related areas of research.

In addition, digitization has been one of the most impactful phenomena for entrepreneurial finance, and its avenue contributes to creating novel opportunities for the entrepreneurial finance market (Bertoni et al., 2021). One of the most significant ways by which digitization has impacted entrepreneurial finance is through the creation of online platforms for fundraising (Block et al., 2018). Crowdfunding platforms, for example, allow entrepreneurs to raise capital from a large number of small investors alongside traditional forms of entrepreneurial financing such as BA and venture capital financing (Hervé and Schwienbacher, 2018). This transformation has made it easier for entrepreneurs to access capital, particularly those without the connections or resources to secure funding through traditional means (Assenova et al., 2016; Mollick, 2014). The literature presents different types of crowdfunding platforms: rewards-based (Cappa et al., 2021), donation-based (Salido-Andres et al., 2021), loan-based (Kgoroeadira et al., 2019), and equity-based (Hervé and Schwienbacher, 2018). Among these types of crowdfunding platforms, equity-based crowdfunding platforms largely impacted angel investing. In equity-based crowdfunding, the contributors receive an equity stake in the project or venture, in which they will be shareholders and be able to participate in the profits and decision-making of the venture (Garaus et al., 2020). The avenue of equity-based crowdfunding platforms brought novel opportunities for BAs and many new challenges that must be addressed and investigated to ensure the continued growth of angel investing. For instance, Mason et al. (2019) highlight that entrepreneurial finance research needs to explore the effect of equity-based crowdfunding on angel investing and related collective forms. Indeed, the growth in equity-based crowdfunding platforms could generate novel

investment models involving BAs (Mason et al., 2019) or challenge the long-held geographic boundaries of in-person BA investing (Drover et al., 2017).

Additionally, over the last few years, entrepreneurial finance has been largely impacted by the COVID-19 crisis (Brown et al., 2020). Indeed, the COVID-19 crisis has massively hit traditional sources of capital for young innovative ventures (Brown and Rocha, 2020), but it has also boosted digitization at an unprecedented rate (Bertoni et al., 2020). An example of this COVID-19 boost to digitization comes from the U.S. ecosystem, where loan- and equity-based crowdfunding platforms were much more stable, timely, and resilient in the COVID-19 crisis than bank consumer lending (Cumming et al., 2021). This boost may also derive from the fact that the COVID-19 pandemic has brought a substantial reduction in travel and in-person network events. Moreover, as shown by previous works (e.g., Coakley et al., 2022), more and more BAs choose to invest through equity-based crowdfunding platforms. In this way, these investors are increasingly familiar with online instruments such as "video pitches" used by entrepreneurs to obtain equity finance through crowdfunding platforms (Brown et al., 2020). During the COVID-19 crisis, the use of similar tools grew further, and the COVID-19 crisis has acted as a kind of catalyst for the adoption and increasing use of digital tools for business (Amankwah-Amoah et al., 2021). These trends could mitigate the need to physically meet to engage with investors during events such as the COVID-19 crisis (Brown et al., 2020). The COVID-19 crisis has also shown that angel investing can be a critical financial source for restarting young innovative ventures (Mason and Botelho, 2021). Nevertheless, no study explored how angel investing is adapting and taking advantage of new opportunities brought by combining the growth of collective forms of BAs, digitization, and the COVID-19 crisis.

In conclusion, the literature showed that collective forms of angel investing can be classified differently based on their internal structure and distinct peculiarities (Mason et al., 2013; Mason et al., 2019). Moreover, crowdfunding platforms are bringing new prospects and challenges to BAs. Finally, the COVID-19 crisis has significantly impacted entrepreneurial finance (Brown et al., 2020) and, thus, also angel investing (Mason and Botelho, 2021), leading to new opportunities. However, entrepreneurial finance research neglected to explore how global changes imposed by digitization and the COVID-19 crisis are affecting collective forms of angel investing. In order to fill this gap, the present

chapter aims to investigate the peculiarities of a novel organization operating in the entrepreneurial finance landscape: the BAP. To achieve this goal, the present study aims to answer the following overall RQ: what are the distinctive peculiarities of a Business Angel Platform?

3.3 Research design

3.3.1 Data collection

Given the lack of previous research on BAPs and the explorative nature of the present study, a mapping and a classification of all the organizations related to angel investing operating in Italy was realized. This operation allows us to identify an explanatory case of BAP and perform an in-depth analysis of the phenomenon. In order to identify organizations related to angel investing, a comprehensive mapping of BA organizations operating in Italy was created. BA organizations were identified through desk research carried out in 2020, 2021, and 2022. In this way, a population of 38 organizations in the Italian entrepreneurial finance ecosystem (e.g., angel groups and BANs) was identified. The mapping was carried out by following different phases. Firstly, several lists of organizations related to the Italian entrepreneurial finance ecosystem were consulted. Examples of these sources are the lists reported on the websites of the national BA associations or the lists of investor partners collaborating with leading players of the entrepreneurial ecosystem (e.g., incubators, accelerators, and venture capital funds). Then, following desk research was performed on secondary resources using specific keywords drawn from the literature (e.g., Mason et al., 2019; Tenca et al., 2018). Keywords were also interrelated to all the Italian regions and capital regions on the main web search engines (e.g., Google and Yahoo!) and social media (e.g., LinkedIn, Facebook, Twitter, and Instagram). Research on social media was also realized using distinct hashtags pertaining to angel investing. The same searches were also performed with the acronyms of existing collective forms of angel investing (Mason et al., 2019). Based on criteria identified in the literature (e.g., Bonini et al., 2018; Croce et al., 2017; Mason et al., 2013; Mason et al., 2019), every researcher individually verified whether each identified organization was one of the collective forms of angel investing identified by literature, and, if yes which one. The decisions were cross-validated by the research team involved in the present study. Then, to limit errors, every identified organization was also contacted through e-mail, social media, and

phone calls. In addition, Snowball sampling was applied to identify additional organizations. In particular, each contacted organization was asked to indicate other similar organizations operating in Italy. Snowballing sampling involves contacting "*one participant via the other*" (Biernacki and Waldorf, 1981, p. 151). This sampling method is particularly suitable in studies involving hidden populations (Browne, 2005), such as those related to angel investing (Mason et al., 2017).

Examining all the data collected about the organizations identified allowed to obtain an overview of the entire ecosystem and so identify a novel collective form of angel investing: the BAP. In more detail, the BAP that contributed to identifying the existence of this novel player in the entrepreneurial finance landscape was Doorway. As will be seen in the following sections of this study, this organization presents some similarities with some of the collective forms of angel investing (e.g., angel groups, BANs) and instruments adopted by BAs (e.g., equity-based crowdfunding platforms). However, BAP also presents a number of distinct elements that characterize it as a novel collective form of angel investing. In order to describe BAPs' particular features and modus operandi, a qualitative single case-study methodology (Yin, 2003) based on Doorway was employed. This method is recommended to perform research about a current ongoing phenomenon within its real-life environment, in which the boundary between the environment and phenomenon is not well-defined and for which there are several sources of evidence (Eisenhardt and Graebner, 2007; Tracy, 2010; Yin, 2003). In order to carry out the case study more rigorously as possible, CASET was adopted. This methodological template provides clear criteria to objectively assess and develop robust qualitative case studies (Goffin et al., 2019). Following the CASET and as suggested by literature to improve the rigor in case study research (e.g., Dubé and Paré, 2003), a pilot study was carried out. In this way, it was possible to test, revise and shape the research protocol, the survey, and the observation guides developed based on the literature review carried out. The pilot study was performed from December 2020 to October 2021 and involved one interview and a preliminary survey with investors operating within the selected BAP. The results from the pilot survey performed in 2021 were also included and discussed in a domestic Report of Italian BAs, carried out by some authors of this manuscript with the collaboration of several critical players of the Italian entrepreneurial finance ecosystem. After the pilot study, the elaborated protocol

for the case study and the survey to explore the distinct peculiarities of a BAP in-depth were improved.

In order to realize the case study, semi-structured in-depth interviews with key people and a survey among investors affiliated with Doorway in 2022 were performed. The interviews were carried out with Doorway's team members and, to be as comprehensive as possible, a startup that participated in the selection process performed by the analyzed BAP. Table 3.1 presents some information from the 4 interviews.

Table 3.1: Description of the interviews

Typology	Date of the interview	Role of the interviewee	N. interview
BAP	February 3, 2021	Co-founder and CEO	Interview 1
	January 26, 2022	Chief strategic partnership officer	Interview 2
	February 1, 2022	Chief Legal Design & Communication Officer	Interview 3
Startup involved in the investment process of the BAP	February 3, 2022	Co-founder and CEO	Interview 4

The average time of the interviews is approximately forty-five minutes. The interviewees were interviewed in their mother tongue (Italian), and the interviews were transcribed into Italian and then translated into English. In addition, collected data about the selected case study were integrated with secondary sources and archival data, such as websites, posts on social media and official social-networking platforms, magazines and newspaper articles, articles and reports written by the interviewees, transcriptions of video interviews, and documents available online or that Doorway shared with the authors. Doorway is

one of the most well-known players in the Italian entrepreneurial finance market, so many additional data resources were identified to analyze the case study further. At the end of this process, a document of 118 single-spaced A4 pages was obtained.

To collect additional data about the case study and extend my knowledge about BAPs, in 2022, a survey was sent to all the investors affiliated with Doorway. This operation was realized through the collaboration of the BAP. The survey was divided into two sections. Sections examined, for instance, typologies of investments carried out, personal information, financial data, number of invested organizations, and specific information related to the support to organizations. 17 valid responses were collected, and 16 out of 17 respondents confirmed that they recognized themselves as a BA according to a definition indicated and elaborated on the base of literature (Botelho et al., 2021; Duxbury et al., 1996; Tenca et al., 2018). The proposed definition was "Private investors who invest part of their own capital in promising startups in which they have no personal connections in exchange for ownership equity. They act alone or through semiformal networks and provide advice and hands-on assistance. BAs may also invest not only for financial reasons". Table 3.2 illustrates the main characteristics of BAs operating within Doorway answering the survey.

Table 3.2: Overview of BAs affiliated with Doorway answering the survey

		BAs affiliated with Doorway
Gender	Female	31%
	Male	69%
Age	Average	53 years
	Median	52 years
Education	High school diploma	6%

	Bachelor's Degree	0%
	MA/MSCs/MBA	88%
	Ph.D.	6%
Occupation	Consultant or freelance	44%
	Entrepreneur	37%
	Manager or employed in a company	13%
	Other	6%
BA Experience	Average	4 years
	Median	4 years
Providing support services to the invested ventures	Yes	60%
	No	40%
Number of ventures invested as a BA	Average	10
	Median	10
Amount invested as a BA until December 2021	Average	146.785,71 Euros
	Median	115.000,00 Euros

In conclusion, as suggested by literature and following CASET (Goffin et al., 2018), comparing all data collected, a triangulation of data was possible to validate emerging insights.

3.3.2 Data analysis

In order to explore the elements and modus operandi of a BAP as a theoretical background, the present study applied the activity system theoretical framework elaborated by Zott and Amit (2010) in data analysis. This theoretical framework was also adopted in other studies that explored novel organizations in the entrepreneurship literature (Alaassar et al., 2021; Pauwels et al., 2016) by preliminary proving to be a suitable theoretical lens to identify the critical elements of a novel organization and explore how it operates.

Based on the activity theory championed by Vygotsky et al. (1978), the activity system framework is a conceptual toolbox to identify, analyze, and describe two parameters: design elements and design themes. The first ones represent the architectural elements that characterize the business model. In more detail, design elements are content (i.e., what activities should be performed?), structure (i.e., how should they be linked and sequenced?), and governance (i.e., who should perform them, and where?). On the other side, design themes represent the business model's four main interlinked value drivers. According to the theoretical framework, design themes represent novelty (i.e., adopting innovative content, structure, or governance), lock-in (i.e., building in elements to retain business model stakeholders), complementarities (i.e., bundling activities to generate more value), and efficiency (i.e., reorganizing activities to reduce transaction costs).

The activity system framework exposed here was adopted in the coding procedure. Despite being iterative, the inductive coding procedure involved several phases. In the first phase, the transcriptions of the collected data were read repeatedly to generate first-order codes. The codes were taken in parallel directly from the text. Then, these first-order codes were aggregated with conceptually similar ones into increasingly abstract categories and, consequently, dimensions. A 95% intercoder agreement was reached by two researchers involved in the coding, and, subsequently, all the disagreements were reconciled by involving

another researcher. As suggested by literature (e.g., Saldaña, 2021), this percentage is an adequate level of agreement. Researchers designed the categories and dimensions to understand what design elements are and then what the design themes of a BAP are. Finally, the transcriptions of the interviews were re-coded according to the resulting categories and dimensions to ensure that all the texts were assigned correctly. As Gioia et al. (2010) suggested, an insider-outsider approach was adopted during the data analysis by involving an independent researcher to provide further robustness to the credibility of the findings.

Finally, a comparison was performed among BAPs, angel groups, BANs, and equity-based crowdfunding platforms. The present study avoids involving other collective forms of angel investing or instruments used by BAs because the omitted entities' characteristics are too comprehensive (e.g., portals - Sohl, 2007) or too different (e.g., Associations – Mason et al., 2019). The comparison was based on the analysis of entrepreneurial finance literature and specific questions during the interviews and survey. The comparison results were also discussed with scholars and experts in angel investing.

3.4 Results

3.4.1 The Business Angel Platform

Founded by four BAs, Doorway is an online platform that aims to simplify investments in young innovative ventures and open angel investing to a broader audience. The team of Doorway was structured in 2020 and includes about 16 employees and external collaborators. The team is coordinated by an expert BA, who was awarded Italian BA of the Year in 2021. This BAP adopts a rigorous method to select the investment opportunities to present to its community of investors on the platform. Each new member can be introduced by a current member or needs to pass an online interview. BAs operating within Doorway can manage the entire investment process online.

Moreover, BAs can independently choose which ventures to invest in and for what amount, starting from a minimum of €5.000. It is important to observe that, as declared in Doorway's impact report, "One of the basic ideas is that the investor is involved in the startups in which he/she invests, bringing skills and experience useful for the growth of the new company". Therefore, the type of investors' involvement in the companies funded is aligned with that of angel

investing organizations previously introduced and described (Mason et al., 2019). For this reason, Doorway dedicates part of its platform to the post-investment phase, which follows specific roles in order to facilitate the relationship between investors and investees. Two revenue streams characterize the business model adopted by Doorway: 1) at the conclusion of a deal, ventures funded recognize Doorway a commission shifting between 4 and 8% of the amount of capital collected; 2) at the obtainment of an exit, investors recognize Doorway a carried interest to be calculated on the capital gain at the time of the exit.

3.4.2 Design elements of the Business Angel Platform

This paragraph is dedicated to the design elements of a BAP. Based on the theoretical activity system framework of Zott and Amit (2010), Table 3.3 shows the design elements identified and the examples of related representative quotes from the interviews.

Table 3.3: Design elements of a BAP

Design elements	**Constructs**	**Examples of representative quotes**
Promoting collective angel investments through an online platform	Co-investments among BAs	"Our aim is the co-investment" (Interview 1) "Our platform works on a club deal approach" (Interview 2)
	Online platform	"Doorway is an online platform for BAs" (Interview 2) "Doorway operates primarily online: the heart of the activity is online" (Interview 3)
Investor selection	Invitation	"Our platform is accessible by invitation only" (Interview 1) "I invited some investors I was familiar with" (Interview 2)
	Self-candidacy	"The investor who wants to participate and has not received an invitation can use an online form to request an invitation" (Interview 1) "Investors also can send a request to receive an invitation and join the platform" (Interview 3)
	Screening of investors	"We check that the potential investor has the profile [...]. Our model provides for an investor entry selection" (Interview 1) "We try to understand if the investor is either a BA or has the prerequisites to be one" (Interview 2)
	Onboarding investor	"After selection, we support investors in the onboarding phase" (Interview 1)
Investment process	Deal origination	"Startups come from different channels: they generally come either top-down, i.e., with a decision, a scouting is done by the team (i.e., by the BAs present who bring business ideas to Doorway), or bottom-up through the startups that decide

		to apply through our website or email" (Interview 2) "We met the CEO, as we were introduced to her by some of our mentors" (Interview 4)
	Initial screening	"We look at whether the innovative business model; the go-to-market strategy and thus whether they are already on the market" (Interview 1) "Afterwards, the startup is interviewed, i.e., makes the presentation, a 15- to 20-minute pitch in which it tells its business and its history to a first team of analysts who perform the first selection, the initial screening" (Interview 2)
	Due diligence	"On specific sectors, industry experts assist us in verifying whether the startups we are evaluating are validated and then in due diligence." (Interview 1) "The startups that are judged to be the best, even with the supervision of the investment manager, start a more in-depth due diligence by both internal and external professionals closely linked to Doorway" (Interview 3)
	Decision making	"Final decision on what to propose as an investment must be made by the board" (Interview 1)
	Negotiation	"The agreement is negotiated depending, of course, on the size of the round and the type of activity planned" (Interview 2) "And then we start a negotiation" (Interview 4)
	Presentation	"Periodically, we organize investor days in which startups present themselves to investors" (Interview 2) "The startup is presented to investors on the platform" (Interview 3)

	Champion selection and post investment support for the invested startups	"One of the investors, the champion, offers mentoring and support on strategy" (Interview 1) "The Champion not only does the due diligence but also acts as a BA and thus helps the founders" (Interview 2)
Investor support	Training for BAs	"We create thematic workshops in which we talk about Angel investing, tax law, and investment-related topics" (Interview 1) "We plan open training or refresher meetings on relevant topics" (Interview 2)
	Invested startups monitoring	"We have a dashboard on the platform for monitoring the invested" (Interview 1) "Doorway requires the startup to send a report with its results periodically" (Interview 4)
Investment knowledge and experience	Founder(s)' knowledge and experience	"CEO and other founders are BAs" (Interview 3)
	Team's knowledge and experience	"First, I joined Doorway as an investor" (Interview 2) "I obtained my second exit in December" (Interview 3)

Promoting collective angel investments through an online platform

The main aim of a BAP is the promotion of collective angel investments. BAPs operate through online platforms dedicated to the entire investment process to obtain this result. This design element was hugely confirmed by the analysis carried out. For instance, it is possible to verify the aim to realize co-investments on the website Doorway, where "co-investments" are listed among the main advantages for the investors. Moreover, the survey carried out revealed that the vast majority of respondents are BAs according to the definition of BA elaborated based on the literature (Botelho et al., 2021; Duxbury et al., 1996; Tenca et al., 2018). In addition, during the interviews, the CEO of Doorway stated: *«Out of the 267 investors operating within Doorway, 65-70% are BAs»* (Interview 1), and the entrepreneur interviewed stated: *«Investors in Doorway are BAs»* (Interview 4). The aim of facilitating co-investment and operating mostly with BAs points to a first similarity with angel groups (Croce et al., 2017; Mason et al., 2019). However, unlike angel groups, BAPs operate predominantly online and, as it will be shown, present some deviations from the angel groups' organizational model

Investor selection

The platform carries out a careful selection of investors who can join Doorway. Indeed, investors must prove that they have *«The right profile, so a good experience as an investor»* (Interview 1). As is also clear from Table 3.3, one of the aims of this selection process is to verify that the evaluated investor has peculiarities in line with those of a BA or potential BA. As emerged from the analysis carried out, this process aims at ensuring an investor audience that is aware, knowledgeable, and has previous experience. Similar to an angel group and a BAN (Croce et al., 2017; Mason et al., 2013), the investor has to receive an invitation to join Doorway. This invitation usually comes from the Doorway team or from member investors. As with angel groups, an investor can apply to receive an invitation. Each candidate has to pass a selection in which the candidate is also profiled as an investor. Subsequently, if the investor has passed the selection, the investor arrives at the onboarding phase, in which the investor is trained in using the online platform.

Investment process

The third design element refers to the investment processes. BAP needs to evaluate multiple young innovative ventures to identify suitable investment

opportunities. Indeed, as shown in Table 3.3, this process follows a number of phases. The investment process used by a BAP involves 7 phases.

Firstly, BAP identifies startups through two main approaches. The first one is scouting suitable young innovative ventures through a dedicated team. On the other side, startups can decide to apply on the BAP's website or by email.

After the first phase, BAP realizes an initial screening. The purpose of this phase is to understand if the startup evaluated can be suitable for the investment interests of Doorway. The business model, the go-to-market strategy, previous entrepreneurial experiences, and exit opportunities are some of the elements considered in this phase in reference to the startups that were scouted or applied. A specific team carries out the evaluation and can also involve an interview and a preliminary online pitch. According to angle investing literature (Croce et al., 2020a; Harrison et al., 2015; Maxwell et al., 2011), research findings revealed that during this phase, as well as the entire investment process, BAP uses decision-making heuristics, which can be defined as an "elimination-by-aspects to reduce the available investment opportunities to a more manageable size" (Maxwell et al., 2011, p. 212).

Then, BAP carries out due diligence. If the evaluated startup operates in a complex and specific sector, BAP can also involve external experts to finalize this phase. Subsequently, based on all the evaluations carried out, the board of the BAP decides whether the evaluated startup is suitable for the investment interests of Doorway investors. In case of a positive evaluation, BAP and entrepreneurs begin a negotiation phase to reach an agreement on the support conditions and implications if the investment is successfully completed. If the previous phase has been successfully passed, BAP presents the startup on the platform to its affiliated investors. In order to achieve this purpose, it also organizes investor days in which investors meet the founders of startups.

Finally, BAP and investors select a Champion. The Champion is the BA who coordinates and realizes the support of the invested ventures during the post investment. Champions can also be selected in a previous phase of the investment process and support the due diligence process and coordinate the entire investment process. Moreover, since BAP operates on the club deal model (Bonini et al., 2020), a special-purpose vehicle can also be created at this phase to

act as an investment conduit. Usually, the Champion is also the representative of the vehicle created.

Naturally, the process described in this section can incur some adaptations based on the needs of the investment and the invested ventures. However, it is relevant to observe that by comparing this investment process with that described in studies analyzing angel groups (e.g., Carpentier and Suret, 2015; Croce et al., 2017), it is possible to see some similarities. However, it also presents distinct elements. For instance, similar to Italian equity-based crowdfunding platforms, the board makes the final decision about which projects can be presented to all the investors. Conversely, unlike equity-based crowdfunding, BAP requires a minimum investment ticket (in the case study analyzed, 5.000 €) and a rigorous investor selection process.

Investor support

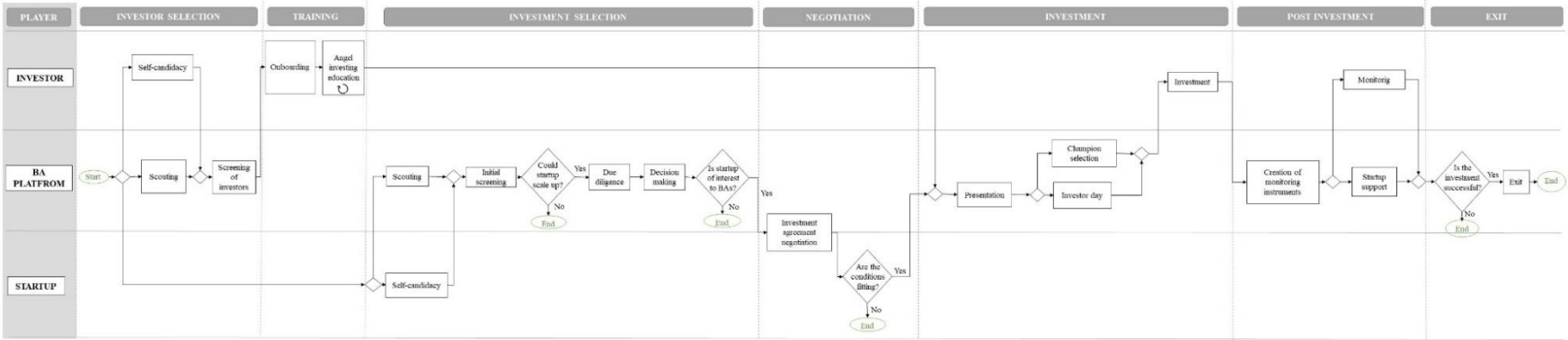
Another critical design element characterizing a BAP is investor support. This design element consists of two activities: training for BAs and invested startups monitoring support. The first one aims to increase the knowledge of Doorway investors further. In particular, the BAP organizes training events and workshops with entrepreneurial finance experts to provide insight to its investor members on relevant topics on entrepreneurial finance. In addition, the BAP also organizes an angel investing academy aimed at training members and attracting new potential BAs who want to become BAs but do not know how to achieve this goal. The training is carried out regularly and can also include peer education among BAs operating in the BAP. Precisely, investor training consists of in-depth financial education, angel investing education, and updates on legal issues. Angel investing education has not only arisen in the interviews, but also as a prominent activity among the benefits.

The purpose of the BAP is to ensure the involvement of investors. For this reason, it also facilitates the monitoring of investments carried out. To achieve this purpose, the BAP provides specific monitoring tools, such as the dashboard, where investors can find investment reports. On a quarterly basis, entrepreneurs supported by the BAP are required to send a report with their results and to update the dashboard with updated KPIs and economic/financial data. In this way, investors are provided with an up-to-date picture of their investment and can react quickly if needed. Through this monitoring support activity, BAP wants to ensure

transparency and continuity of information between investors and invested startups.

Based on the findings obtained from the analyses carried out and the previous design elements identified, a diagram of the BAP's modus operandi process was created (Figure 3.1).

Figure 3.1: BAP's process



Investment knowledge and experience

The last design element is the presence of investment knowledge and experience. This design element plays a critical role in all the activities described. Indeed, this knowledge and experience allow the board and team of BAP to manage investor selection, investment process, and training efficiently. Analyses carried out have revealed that founders and team members are primarily experienced investors and BAs. For instance, one respondent stated during the interviews: *«We are 16 partners, and we are all BAs»* (Interview 1). Since founders and team members are BAs, they are also the first users of the platform and can understand which improvements or changes are necessary. Investor experience also proves to be crucial in applying decision-making heuristics (Maxwell et al., 2011). In addition, the experience gained as a BA enables BAP to access an extensive and established network that ensures co-investors' involvement (e.g., angel groups, BANs, and VCs) and the recruitment of new BAs. The presence of broad know-how as a BA can also be verified in the fact that the CEO of the analyzed BAP was awarded Italian BA of the year in Italy in 2021, while many other founders and team members are affiliated with angel groups.

In order to be as comprehensive as possible, based on the identified design elements and the relevant literature (e.g., Bonini et al., 2018; Butticè and Vismara, 2022; Croce et al., 2017; Garaus et al. 2020; Hervé and Schwienbacher, 2018; Mason et al., 2013; Mason et al., 2019; Tenca et al., 2018), the present study also compared BAPs, angel groups, BANs, and equity-based crowdfunding platforms. The comparison was realized based on the literature analyzed and the data collected. This comparison highlighted the main similarities and the distinctive peculiarities of the entities analyzed. Table 3.4 shows the findings achieved.

Table 3.4: Main differences among BAPs, angel groups, BANs, and equity-based crowdfunding platforms

	BAPs	**Angel groups**	**BANs**	**Equity-based crowdfunding platforms**
Predominantly online activities	Yes	No	No	Yes

Minimum investment	Yes	Yes	No	Yes, but it really contained
Investor fee	No	Yes	No	No
Investee fee	Yes	No	No	Yes
Investor selection	Yes	Yes	Yes	No
Investment selection	Yes	Yes	Yes	Yes
All investors carry out the screening	No	Yes	No	No
Selection of a Champion	Yes	Yes	No	No

3.4.3 Design themes of the Business Angel Platform

Based on the theoretical framework of the activity system (Zott and Amit, 2010), the analysis carried out has also allowed the identification of two design themes.

Moreover, based on the implementation of this theoretical framework in the entrepreneurship literature (Pauwels et al., 2016), Table 3.5 shows the design themes, the possible roles of a BAP, and the relationships between design elements and themes identified.

Table 3.5: Design themes of a BAP

Design themes	**Stimulation and facilitation of angel investing activity**	**Matching BAs with startups and building an entrepreneurial finance community**
Roles of a BAP	**Angel investing developer**	**Smart money-flow maker**
Promoting collective angel investments through an online platform	BAs can operate without physical interactions with their investees through an online platform. In addition, BAs operating through a BAP can access a wider network of co-investors and investment opportunities compared to that investing by angel groups or BANs.	Startups can access funding from selected BAs even if they operate in faraway ecosystems.
Investor selection	BAs operating within BAP benefit from high-quality co-investors.	Startups benefit from investments that were selected by a team of experts.
Investment selection	Investors benefit from business ideas that were selected by a team of experts.	The investment selection process prevents startups from accessing investments they would not yet know how to manage.

Investor support	Wherever they are, investors can learn how to be BAs and easily remain up-to-date on their investments.	Startups can use the tools provided by the BAP to receive support at any time. In addition, quarterly reporting requirements set continuous targets for invested startups.
Investment knowledge and experience	As a result of the investment knowledge and experience within a BAP, BAs can be more confident of the startups selected. Moreover, they can learn how to improve as BA from experienced investors.	Through a widespread investment experience, a BAP uses its network to collaborate with other actors in an ecosystem and build a strong community of co-investors.
Examples of representative quotes	«Not all of us have the time, expertise, and opportunity to approach the world of angel investing because, clearly, being a member of an angel group requires time and money. So we have tried to overcome this issue through technology» (Interview 1) «Doorway's peculiarity is that it wants to do everything online since all the operational and legal part is done online. In this way, it wants to both optimize time and have the possibility of expanding its user base» (Interview 3)	«Doorway also has an interest in proposing international deals» (Interview 3) «It is different with Doorway because there are much more qualified investors, who have their own network that they then bring into the platform, and there is a minimum investment that starts to guarantee a relevant investment» (Interview 4)

Stimulation and facilitation of angel investing activity

Acting as an "angel investing developer", a BAP stimulates and facilitates angel investing activities. In more detail, the first design element of a BAP is promoting collective angel investments through an online platform. This activity, consolidated by a rigorous investment process and the presence of proven investment knowledge and experience, allows BAP to select and then propose investment opportunities that show potential for achieving an exit. In this way, they contribute to generating a regular flow of selected investment opportunities for all the BAs operating within the BAP. Moreover, BAP also performs a rigorous investor selection to verify the presence of a proven experience as an investor. Therefore, investors operating within the BAP may also assign more reliability to the quality of other co-investors. In addition, a BAP contributed to offering an online place where BAs from all over the world can exchange information on possible investment opportunities. Thus, BAs operating within a BAP have the possibility to evaluate investments in international startups from different countries.

Moreover, BAP allows BAs to attend training on the most novel approaches to angel investing in different countries worldwide. Finally, active participation in events and investment monitoring become easier through mainly online operability. Indeed, these activities can be carried out at any time and anywhere. In this way, BAPs also represent an efficacy tool to facilitate the internationalization of angel investments. In fact, although extremely useful, in-person activities can be impossible to realize or extremely time-consuming. Especially because of the challenges that arose from the COVID-19 crisis, the BAP model offers a possible solution to this problem as well.

Matching BAs with startups and building an entrepreneurial finance community

BAPs also act as smart money-flow makers. According to the literature (e.g., Aernoudt, 2005), because of the value that BAs bring through their knowledge, counseling, and networking, as well as the way they facilitate startup investment to raise additional investments at a later stage, BAs' capital is also referred to as "Smart money". Since several experienced and selected BAs operate within a BAP, this can contribute to the creation of a smart money cluster in the same place. In this way, a startup can access a stream of investment that adds significant

value to its financial capital to help it grow further. In addition, online operability removes the barriers arising from a geographical distance by allowing investors worldwide to invest in the startups presented on the platform. In this way, startups are able to receive smart money unconstrained by their geographical location. In addition, online operability removes the barriers arising from a geographical distance by allowing investors worldwide to invest in the startups presented on the platform. In this way, startups are able to receive smart money unconstrained by their geographical location. Through online operability, even entrepreneurs located in areas usually not favored by BAs' capitals can access BAs' funding and their smart money. By operating online, a BAP can facilitate the matching of BAs and startups, whatever their geographical location and even if they are in areas usually not supported by BAs' capitals. Thus, BAPs allow startups to access international investments from different countries. For this reason, a BAP represents an opportunity for both BAs and startups. In this way, indeed, BAP acts as a builder of an entrepreneurial finance community that can overcome the constraints that limit traditional collective forms of angel investing.

3.5 Conclusions

Angel investing was greatly impacted by a number of global phenomena and crises (Mason et al., 2019; Mason and Botelho, 2020). Research findings provide rich insights into the current transformation of angel investing. Indeed, similar to other studies that introduced new organizations (e.g., Alaassar et al., 2021; Pauwels et al., 2016), the present study adopts the activity system framework elaborated by Zott and Amit (2010) as a theoretical background to identify the design elements and themes of a novel collective form of angel investing: the BAP. In this way, the present study answers a call of angel investing literature to explore how the growth of collective forms of angel investing and the avenue of digitization are changing angel investing (Mason et al., 2019). Moreover, the present study also answers a request to explore novel players operating in the entrepreneurial finance landscape (Block et al., 2018). Based on research findings, it is possible to define a BAP as *"an online platform focusing on investing in early stages new innovative ventures by bringing together BAs who want to cooperate to realize and manage co-investments".* This new organization presents a number of similarities with the collective forms and instruments of angel investing already identified in the literature. However, research results confirmed that BAP is a novel player in the entrepreneurial finance landscape, characterized

by distinct peculiarities and organizational logic models. Research results also confirmed that BAPs could greatly support the internationalization of angel investing and the raising of smart money by startups worldwide.

The results of the present chapter provide other additional theoretical and practical implications. Indeed, the present study contributes to confirming that studying angel investing as a phenomenon linked to geographic boundaries and in-person investments may no longer be comprehensive enough. In fact, the avenue of collective forms and digitization, further accelerated by the COVID-19 crisis, have greatly impacted the very definition of angel investing. For this reason, as suggested by Mason et al. (2019), entrepreneurial finance scholars need to strive to find new interpretive approaches to angel investing. Similarly to other studies analyzing other novel phenomena (e.g., Pauwels et al., 2016), by introducing a design lens to look at the BAP model, the present study shows that it allows to identify the key elements of a collective form of angel investing. To my best knowledge, the present study is the first to use the theoretical activity system framework to study a collective form of angel investing. Future research could replicate this methodology to explore other novel phenomena of the entrepreneurial finance landscape.

Moreover, as a qualitative exploratory study, this study generates initial evidence about the nature of BAPs. In this way, the present study can also serve as a valuable base for further theory-building in entrepreneurial finance research. Indeed, according to Busenitz et al. (2003) and Cornelius (2006), initial explorations on novel phenomena in an evolving area can serve as a useful base for future theory-building (Eisenhardt, 1989). For instance, future research could investigate the benefits for BAs and startups in investing through BAPs adopting different theoretical lenses (e.g., knowledge sharing, collective knowledge, resource-based view). These benefits could also be compared to those from other BA organizations or equity crowdfunding platforms.

The present study provides critical practical insights and implications. First, the present study may help investors and young entrepreneurs to discover a new type of organization to find new co-investors or obtain funding. Secondly, given their role as angel investor developers and smart money-flow makers, BAPs represent a potential key player in incentive innovation in an entrepreneurial ecosystem. For these reasons, policymakers should consider BAPs in developing

policies designed to stimulate their creation. In addition, since BAPs primarily operate online, they present a new way to foster financial investments in a more international setting. Finally, by presenting a novel organization, other players in the entrepreneurial ecosystem (e.g., incubators, accelerators, and venture capitalists) can use the findings of this study to start collaborating with BAPs.

The present study is not without limitations. The main limitation is that only an Italian case study was analyzed. Future research could analyze BAPs in other ecosystems. Moreover, future research could replicate the present study to verify the evolution of the BAP over time. Finally, given that only a BAP was analyzed, a complete view of possible collaborations with other players in the entrepreneurial ecosystem is necessary. Therefore, future studies could analyze whether and how BAPs work to facilitate international investments. Future research may also analyze how BAPs collaborate with other players in the domestic and international entrepreneurial ecosystem.

Chapter 4

A new way to create startups: the Startup Studio

4.1. Introduction[10]

As observed in the previous chapter, it is widely recognized in the literature that new innovative ventures engender substantial economic and societal impacts (Audretsch et al., 2020). In particular, a vast strand of literature recognized new innovative ventures as a crucial tool to impact the economic system's efficiency hugely (Colombo and Grilli, 2005) and establish and shape new industries (Ferriani et al., 2020; Giaraudo et al., 2019). Moreover, other studies highlighted the key role of these ventures in fighting economic and social crises' aftermaths (e.g., Kuckertz et al., 2020). Consequently, over the past decades, several domestic and international institutions have sought to promote the creation and development of startups (e.g., Audretsch et al., 2020; Román et al., 2013). In addition, nowadays, more and more young people consider becoming an entrepreneur as a potential career path, and there are more individuals and organizations with knowledge and experience in new innovative venture creation

[10] The contents of this chapter are based on the working paper presented at the AiIG Annual Meeting 2021: Viglialoro, D., Sansone, G., Ughetto, E., Landoni, P. (2021). Building startups instead of supporting startups: the Startups Studio model. XXXII AiIG Scientific Meeting (RSA AiIG 2021): Rethinking Sustainability and Resilience after the Covid-19 pandemic. Naples, 21 - 22 October 2021. The article has been submitted to Research Policy with the title "A new way to create startups: the Startup Studio" and is currently under review.

than in the past (Colombo and Piva, 2020; GUESSS, 2021). For all these reasons, it is not a surprise that the number of startups has grown worldwide (Hong et al., 2020). All the phenomena described may have contributed to the rise of novel typologies of organizations specializing in the creation of startups. Indeed, collective rather than individualistic forms of work are contributing to realizing a pivotal transformation of the entrepreneurial ecosystem (e.g., Leendertse et al., 2022; Mason et al., 2019). However, current entrepreneurial research needs to delve deeper into exploring this transformation.

In this scenario, significant attention has been paid to business support entities, which provide either physical or intangible assets to assist startups (Bergman and McMullen, 2022; Bruneel et al., 2012; Burchardt et al., 2016; Cohen et al., 2019; Hallen et al., 2020; Tenca et al., 2018). Examples of these entities are incubators/accelerators[11], which play a key role in supporting new businesses in their growth processes (Aernoudt, 2004; Aerts et al., 2007; Colombo and Delmastro, 2002; Grimaldi and Grandi, 2005; Hackett and Dilts, 2004; Lukeš et al., 2019; Mian et al., 2016; Sansone et al., 2020). Since their role in the ecosystem and the mentioned growing attention on new innovative ventures' creation, it should not come as a surprise that the literature has shown that the number of incubators is also increasing throughout the world (e.g., Drover et al., 2017; Messeghem et al., 2018). Other examples of entities supporting new innovative ventures' growth are Venture Capitalists (henceforth, VCs)[12] and Business Angel (henceforth, BA) organizations[13]. The entrepreneurial support entities mentioned have similar goals but different peculiarities and modus operadi. Indeed, a number of studies analyzed the differences among distinct entrepreneurial support entities (e.g., Chen, 2009). Other studies, instead, focused on the analysis of how the design of these entities has evolved (Bergman and

[11] In a similar way to other studies (e.g., Mian et al., 2016; Sansone et al., 2020), in this study, the term incubator was considered as an inclusive one, which also encompasses the concept of accelerators, since they both have the same aim and similar peculiarities. For this reason, I will use only the term incubator in the following parts of the study.

[12] VCs have the aim of supporting the development of new ventures in raising funds from a set of limited partners and seeking to obtain a profit from selective equity investments (e.g., Gompers and Lerner, 2000; Sevilir, 2010).

[13] Over time, Business Angels have increasingly organized into associations (Bonini et al., 2018). It is possible to referred to those associations with different names depending on how they are structured (Mason et al., 2013). In this chapter, the term Business Angel organizations was considered as an inclusive one, which also encompasses the concept of Business Angel groups (Croce et al., 2017; Kerr et al, 2014) and networks (Aernoudt, 2004; Block et al., 2018).

McMullen, 2022; Bertoni et al., 2019; Ewens et al., 2018; Mason et al., 2013; Mian et al., 2016), and others on how specific typologies of entrepreneurial support entities operate (e.g., Barbero et al., 2014; Croce et al., 2017; Mian 1997). Finally, some studies introduced new entrepreneurial support entities (e.g., Alaassar et al., 2021), responding to entrepreneurship scholars' request to further explore new players supporting the creation and growth of new ventures. In fact, as suggested by Block et al. (2018), many new players supporting startups have entered the entrepreneurial ecosystem; however, scholarly research appears to neglect certain players and the relationships among these new players and the established forms of entrepreneurial supporters (such as VCs and BAs). The present study has aimed to fill this gap by examining a recent brand-new organization that focuses on creating innovative ventures: the Startup Studio[14]. Startup Studios are a recent and evolving phenomenon, and their number is growing, especially in the United States and Europe (GAN, 2019; 2020). Unlike incubators, VCs, and Business Angel organizations, Startup Studios create startups by providing not only managerial and financial support, but also acting as founders or co-founders. The establishment of Kernel Labs in the United States in 2016 and Mamazen in Italy in 2017 are a few of the recent and significant examples of Startup Studios.

Even though this phenomenon is growing, we know surprisingly little about how this organization operates, and the few available studies that have explored Startup Studios are mostly preliminary in nature. Indeed, to the best of my knowledge, there is still a lack of studies about how Startup Studios operate, and there is still no clear or widespread definition of what a Startup Studio is. Moreover, it is unclear how many Startup Studios are worldwide (Bariller et al., 2018; GAN, 2019). Although Startup Studios are new and distinct organizations, they can also be associated with the philosophy of incubators, VCs, and BA organizations, with which also share some peculiarities. However, similarities and differences among organizational logics of Startup Studios, incubators, VCs, and BA organizations have not yet been highlighted. For all these reasons, the present

[14] As suggested by Rathgeber et al. (2017) and GAN (2019), various synonyms can be found for the organization form known as Startup Studio, such as Company Builder, Company Creator, Startup Creation Venture, Startup Factory, Startup Foundry, Startup Nursery, Operational VC, Venture Builder, Venture Building, Venture Incubator, Venture Lab, and Venture Studio. The label "Startup Studio" was applied as a result of an open discussion with several experts in the field.

study aims to fill the mentioned gaps by offering an in-depth empirical analysis of the novel phenomenon of the Startup Studio and highlighting the deviations of Startup Studio's model from those of the entrepreneurial support organizations already analyzed in the literature. In particular, as an exploratory empirical study, this study aims to develop initial evidence about the nature of Startup Studios, thereby serving as a useful base for further theory-building in entrepreneurship research. Indeed, as suggested by literature (Busenitz et al., 2003; Cornelius, 2006) and shown by a number of studies (e.g., Dell'Era and Landoni, 2014; Mollick, 2014; Neirotti et al., 2014; Pauwels et al., 2016), initial explorations on novel phenomena in the evolving field of entrepreneurship can serve as a useful base for future theory-building (Eisenhardt, 1989). To sum up, the present study aims to perform the first detailed study on a novel and evolving organization supporting new innovative ventures' creation by addressing the following overarching RQs: 1) how do Startup Studios operate?, 2) how can Startup Studios be defined?, and 3) how do Startup Studios differ from incubators, VCs, and BA organizations?

In order to address the above RQs, a worldwide database was created, and a multiple case studies methodology was employed. First, the extant Startup Studios worldwide were identified by combining secondary sources that provide a first classification of these organizations with an independent web search using a detailed list of keywords. Second, a short worldwide survey was sent to the identified organizations in order to confirm their Startup Studio status and validate the definition of Startup Studio. Overall, 420 Startup Studios were identified as operating at the end of 2019. Third, in a similar way to other studies that explored novel entrepreneurial phenomena (e.g., Alaassar et al., 2021; Pauwels et al., 2016) and based on the Case Study Evaluation Template (CASET) developed by Goffin et al. (2019), a qualitative multiple-case study methodology on 12 European Startup Studios through 31 interviews was employed. Furthermore, the activity system framework elaborated by Zott and Amit (2010) was adopted to identify the design elements and themes of a Startup Studio. Finally, the human capital theory lens (Becker, 1964; Unger et al., 2011; Marvel et al., 2016) was adopted to examine and explain the benefits derived from the startup creation process characterizing Startup Studio.

4.2 Theoretical background

4.2.1 The avenue of a new organization: the Startup Studio

Because of the very recent nature of the phenomenon, the literature on Startup Studios is currently limited and mostly made up of working papers (Bariller et al., 2018; de Alvarenga et al., 2019; Rathgeber et al., 2017; Köhler and Baumann, 2015; Scheuplein and Kahl, 2017; Tkalich et al., 2021), books, reports, white papers (Blank, 2022; Futuresight, 2020; GAN, 2019, 2020; Kannan and Peterman, 2022; Miller and Bound, 2011; Mocker and Shane, 2014; Szigeti, 2019), and articles that have appeared in such magazines as Medium, TechCrunch, VentureBeat, and Wired. To the best of my knowledge, just two preliminary works on Startup Studios (Baumann et al., 2018; Patel and Chan, 2023) have been published in an international academic journal. However, despite the pivotal importance of these studies and the outstanding effort carried out by the authors, it is important to highlight that they present some limits. In particular, Baumann et al. (2018) focused their study on analyzing only the Rocket internet case, while Patel and Chan (2023) adopted only one dataset to identify their sample. Despite the interesting insights that arose from all the previous works mentioned, no one realized a deep and overall analysis of Startup Studio's model able to definitely establish which elements characterize the phenomenon. Indeed, a widespread description or definition of the phenomenon is currently lacking (de Alvarenga et al., 2019; Rathgeber et al., 2017). Consequently, a base for future theory-building is also lacking (Eisenhardt, 2021). The main reason for these literature gaps could be precisely the recent emergence of Startup Studios. Indeed, since the novelty of the phenomenon, comprehensive data or databases of these organizations are challenging to retrieve and, therefore, realizing a study on Startup Studio results particularly challenging. For these reasons, it is not surprising that even in recent literature reviews on organizations similar to Startup Studios, such as incubators (Bergman and McMullen, 2022), VCs (Drover et al., 2017), and BA organizations (Tenca et al., 2018), Startup Studios are not mentioned, and information about these entities is currently limited (de Alvarenga et al., 2019; Futuresight, 2020; Mocker and Shane, 2014).

Miller and Bound (2011) originally defined Startup Studios as follows: "Sometimes described as 'foundries', these are investment-led incubators that provide intensive support to occupant companies. Betaworks in New York liken

themselves to a movie-making studio – engaged in producing and managing their own startups but also backing external productions when there's a fit with their expertise. Unlike accelerators, they are not time limited and do not accept applications periodically" (p. 13). To refer to this new organization, they use the term "Venture Incubator" instead of "Startup Studio". This use is due to the variety of used synonyms and the absence of a common definition of a Startup Studio (de Alvarenga et al., 2019; Rathgeber et al., 2017).

As already mentioned, the available works have highlighted disparate operational routines and characterized the features of Startup Studios without conveying a unified picture that converges upon a widely accepted definition and description of how Startup Studios operate. Baumann et al. (2018) examined Rocket Internet, an organization that aims to create new startups. Unlike other Startup Studios, Rocket Internet generally replicates business models that have been established elsewhere as a "clone factory". However, this approach is not common to all Startup Studios throughout the world (Baumann et al., 2018; GAN, 2019). For instance, Rathgeber et al. (2017) suggested that a Startup Studio is like a conveyor that does not create physical products but new ventures. The authors also explain that Startup Studios usually create new ventures based only on internal ideas. From a different perspective, Scheuplein and Kahl (2017) suggested that Startup Studios create new ventures both internally, acting as founders, and externally, acting as co-founders. Szigeti (2019) explained that Startup Studios require a multi-disciplinary team with a high level of know-how and experience in venture creation. Patel and Chan (2023) also highlighted the presence of know-how and experience in venture creation in these organizations.

According to de Alvarenga et al. (2019), GAN (2020), and Patel and Chan (2023), Startup Studios generally need a strong network. This network allows them to efficiently merge a considerable amount of know-how, resources, and experts. The GAN white paper of 2020 illustrates how embeddedness in the local entrepreneurial ecosystem is fundamental for the activity of Startup Studios. In fact, even though new ventures originate from developing internal ideas, Startup Studios may search for co-founders within their network. According to Scheuplein and Kahl (2017), Startup Studios accept a great risk of failure by taking full control of the new venture-creation process. This modus operandi may lead them to test multiple new ventures simultaneously in order to reduce their risk of failure.

Despite this preliminary evidence, it is still unclear how Startup Studios operates (Mocker and Shane, 2014). As outlined by Futuresight (2020), understanding how Startup Studios operate is crucial to facilitate investors (e.g., VCs and BAs) working with them. In addition, according to de Alvarenga et al. (2019), it is important to understand the differences between Startup Studios and incubators. Köhler and Baumann (2015) and Scheuplein and Kahl (2017) explained that Startup Studios and incubators are similar to each other but not the same. Moreover, even though Startup Studios financially support the creation of new ventures, like VCs, they go beyond just providing capital for their creation (Baumann et al., 2018; Patel and Chan, 2023; Scheuplein and Kahl, 2017). BA organizations also add to their financial support managerial support provided with the involvement of BAs associated with them (Croce et al., 2017). However, in a different way from Startup Studios, BA organizations do not act as founders or co-founders. In fact, the support of a BA organization, and so that of BA members involved, usually is well delineated and limited by a specific deal with the supported entrepreneurs and, eventually, other co-investors (Croce et al., 2017; Kelly and Hay, 2003; Mason and Botelho, 2016).

Moreover, differently from VCs and BA organizations, Startup Studios take a higher equity stake in their ventures (Blank, 2022; de Alvarenga et al., 2019; GAN, 2019, 2020; Patel and Chan, 2023). In other words, in exchange for human and financial capital, Startup Studios hold much of the equity of the ventures that they have created (GAN, 2019, 2020). In this way, they may obtain a higher return on investments in the case of exit (de Alvarenga et al., 2019). Table 4.1 summarizes Startup Studios' main characteristic features that can be derived from existing works.

Table 4.1: Startup Studios' main characteristic features

Feature	**Source(s)**
Acting mostly as a "Clone factory"	Baumann et al. (2018)
Both external and internal idea generation	Blank (2022); Scheuplein and Kahl (2017)
Creating more startups simultaneously	Baumann et al. (2018); Patel and

	Chan (2023); Scheuplein and Kahl (2017)
Creating new startups	Baumann et al. (2018); Blank (2022); Miller and Bound (2011); Patel and Chan (2023); Rathgeber et al. (2017); Scheuplein and Kahl (2017); Scheuplein and Kahl (2017)
Different names	De Alvarenga et al. (2019); Rathgeber et al. (2017)
Know-how and experience in venture creation	Baumann et al. (2018); Patel and Chan (2023); Szigeti (2019)
Mostly, internal idea generation	Rathgeber et al. (2017)
Multi-disciplinary team	Szigeti (2019)
High % of equity	Baumann et al. (2018); Blank (2022); de Alvarenga et al. (2019); GAN (2019; 2020); Patel and Chan (2023); Scheuplein and Kahl (2017)
Strong network	de Alvarenga et al. (2019), GAN (2020); Patel and Chan (2023)

In conclusion, the very limited literature does not provide a clear overview of this recent and growing phenomenon. Indeed, as shown in Table 4.1, existing works present different and not always shared findings. Moreover, as can be observed by the works mentioned in this section, a common definition or name of the phenomenon is lacking. Therefore, the present study aims to realize the first detailed study on Startup Studios and introduce a clear definition of these new organizations. In this way, the present study aims to respond to a call of a number of works to investigate better Startup Studios (e.g., de Alvarenga et al., 2019; Futuresight, 2020; Mocker and Shane, 2014), contribute to a better understand these organizations, and serve as a valuable base for future theory-building (Eisenhardt, 1989). To achieve this goal, the research carried out aims to answer

the 3 RQs of this chapter by applying the theoretical framework of the activity system and the human capital theory lens.

4.2.2 Theoretical lenses

The activity system framework elaborated by Zott and Amit (2010) is based on the activity theory championed by Vygotsky et al. (1978). As shown in the literature (e.g., Alaassar et al., 2021; Pauwels et al., 2016; Zott and Amit, 2010), this can be a suitable theoretical lens to study how a new organization operates and differs from other existing organizations. The activity system framework is a conceptual toolbox to identify, analyze, and describe a new organization's key elements and themes (Pauwels et al., 2016). The framework includes two parameters: design elements and design themes. The former concerns how value-adding activities are conducted, whereas the latter identifies the key sources of value creation (Alaassar et al., 2021). Design elements are content (i.e., what activities should be performed?), structure (i.e., how should they be linked and sequenced?), and governance (i.e., who should perform them, and where?). In other words, design elements represent the architectural elements that characterize the business model. Design themes, instead, represent the four main interlinked value drivers of business models: novelty (i.e., adopting innovative content, structure, or governance), lock-in (i.e., building in elements to retain business model stakeholders), complementarities (i.e., bundling activities to generate more value), and efficiency (i.e., reorganizing activities to reduce transaction costs) (Zott and Amit, 2010). As argued in the following section and similar to other studies that introduced new organizations (e.g., Alaassar et al., 2021; Pauwels et al., 2016), this study adopts the activity system framework to the data analysis phase. The introduction of the activity system framework as a theoretical lens to study new entrepreneurial phenomena is fairly new (Pauwels et al., 2016); therefore, further evidence about its suitability is necessary. However, due to the preliminary efficacy proven in other studies (Alaassar et al., 2021; Pauwels et al., 2016), the activity system framework could result as one of the best theoretical toolboxes to explore the peculiarities of a new organization and, therefore, create useful bases for future theory-building (Eisenhardt, 1989). For all these reasons, the present study also aims to prove the suitability of this methodological approach for exploring new entrepreneurial phenomena. To my best knowledge, the present study is the first one to use this theoretical framework to study Startup

Studio's model. In this way, I answer the identified RQs by presenting and discussing the main peculiarities and processes that characterize a Startup Studio.

Another theoretical lens adopted in the present study is the human capital theory. Developed initially to explore the value of education (Becker, 1964; Schultz, 1961), the human capital theory states that people have diversified knowledge and skills having economic value (Marvel et al., 2016). Especially in the first part of the life of an enterprise, human capital constitutes an essential asset that is also able to determine the survival and success of a new business (Baptista et al., 2014; Gimmon and Levie, 2010; Han et al., 2014; Unger et al., 2010). However, having the human capital necessary to develop a sustainable business is difficult for young startups (Gimmon and Levie, 2010). For this reason, understanding how human capital is introduced and shared in the Startup Studios' venture creation process is crucial for the present study. The human capital theory lens was already used in various studies to investigate the role and influence of human capital in the support process provided by several types of organizations to startups (e.g., Colombo and Delmastro, 2002; Dimov and Shepherd, 2005). However, to my best knowledge, no one study adopts this lens to the study of Startup Studios. This study is the first to adopt the human capital theory lens to identify and explain how the venture creation process that characterizes Startup Studios is able to facilitate the sharing of human capital between their heads or founders and the founded startups.

4.3 Methodology

Given the lack of previous empirical research on Startup Studios and the lack of information about this still relatively unexplored organization, firstly, a database of extant Startup Studios worldwide was constructed. I describe the process followed to build the database in the following paragraph. Then, a multiple case studies methodology (Eisenhardt, 1989; 2021) was employed to describe Startup Studios' particular features and modus operandi and provide a comprehensive definition of them. This methodological approach is suggested whenever there is ongoing research about a contemporary phenomenon within its real-life context, in which the boundary between the context and phenomenon is not clear and for which there are multiple sources of evidence (Eisenhardt and Graebner, 2007; Tracy, 2010; Yin, 2003). For these reasons, a case-study methodology was applied based on semi-structured in-depth interviews with key stakeholders. In

order to make the conducted case studies more rigorous, CASET was adopted. CASET is a methodological template providing clear criteria to objectively assess and develop robust case studies (Goffin et al., 2019). Through the analysis and the conducted coding of the case studies and the adoption of theoretical lenses described in the previous section, it was possible to identify design elements and themes of Startup Studios. The analysis of the literature, the creation of a worldwide database, and the analysis of case studies allowed this research to explain how Startup Studios operate and provide a definition of Startup Studios. Finally, based on the collected data, the related triangulation, and a comparison with relevant pieces of literature and scholars of the related fields, it was possible to show the main differences among Startup Studios, incubators, VCs, and BA organizations.

4.3.1 Database creation

In order to analyze the phenomenon of Startup Studios, an updated worldwide database was created on the basis also of previously made lists of Startup Studios. Table 4.2 presents the six consulted sources.

Table 4.2: Existing lists of Startup Studios

Source type	Source name	Date of last consultation	Link
Network	GSSN	February 19, 2020	https://www.gssn.co/studios
Network	Studio Hub Europe	February 19, 2020	https://www.studiohub.org/startup-studios
Startup Studio	InfiniVentures	February 20, 2020	https://infiniventures.com/studiomap
Magazine	Medium	February 20, 2020	https://medium.com/@adrian.calma/list-of-startup-studios-

			a92cbb417d69
Magazine	Medium	February 21, 2020	https://blog.themainingredient.co/the-startup-studio-ecosystem-2019-6598f2652e5e
Magazine	Business of Crypto	February 21, 2020	https://www.thebusinessofcrypto.com/company/venture-builder

However, these lists contained some errors, such as those of some Startup Studios that were out of business. In order to avoid these types of errors, independent and parallel controls were carried out to verify each possible Startup Studio in these lists. In order to carry out this phase of the study, the essential characteristics of a Startup Studio were identified. The identified characteristics are the following: 1) it was aimed at creating new ventures, and not products or projects; 2) it operated directly from idea generation to an exit strategy; 3) it was an organization and not an individual (e.g., a Business Angel or a serial or portfolio entrepreneur); 4) it did not work on cohorts for a limited period of time. These characteristics emerged from the preliminary works already mentioned in this study and preliminary analyses of clear and well-known examples of Startup Studios. Based on these essential characteristics identified, a brief evaluation template was realized. The evaluation template was also validated with a team of international experts on incubators, VCs, and Business Angels. According to the evaluation template, each researcher verified whether the identified organization was a Startup Studio. All the researchers involved in the project cross-validated decisions, thus obtaining interrater reliability of 89%. When inconsistencies arose, a final decision was made by involving an international entrepreneurship expert, who is a scholar and entrepreneur with several publications in the field of entrepreneurship.

In addition to these lists, research based on keywords was performed. Based on the surveyed literature (e.g., GAN, 2019; Rathgeber et al., 2017), a number of

keywords were retrieved to identify Startup Studios, namely, in alphabetical order, “Startup Accelerator”; “Startup Builder”; “Startup Building”; “Startup Creation”; “Startup Creator”; “Startup Factory”; “Startup Foundry”; “Startup Incubator”; “Startup Lab”; “Startup Nursery”; “Startup Studio”; and “Operational VC”. Secondary resources such as Google, CrunchBase, D&B Hoovers, EMIS Professional, Orbis, and Reference USA were searched with reference to these keywords. The word “Startup” or “Start-up” or “Company” or “Venture”. For instance, “Startup Builder”, “Start-up Builder”, “Company Builder”, and “Venture Builder” were always used too. Even though incubators are not Startup Studios, the keywords “Startup Accelerator” and “Startup Incubator” were used since Miller and Bound (2011) related them to a “Venture Incubator”. In this way, a total of 45 keywords regarding Startup Studio was obtained. An organization was only defined as a Startup Studio when it fitted all four previously explained characteristics. Moreover, each used keyword was initially associated with all of the 193 Member States of the United Nations. “Brazil Start-up Studio”; “Jamaica Venture Nursery”; and “Malta Operational VC” are some examples of the more than 8685 searches carried out. Moreover, following the classification made in the literature of the different typologies of incubators and VCs (e.g., Aernoudt, 2004; Albahari et al., 2017; Bertoni et al., 2013; Grimaldi and Grandi, 2005; Sansone et al., 2020), four different models and typologies were initially combined (i.e., Corporate, University, Virtual, and Social) with the 45 identified keywords and searched different databases. “Corporate Venture Creation”; “University Company Foundry”; “Virtual Startup Lab”; “Social Start-up Factory” are some examples of the more than 180 searches. Later on, these searches were combined with all of the 193 Member States of the United Nations. “Tunisia Corporate Venture Lab”; “Switzerland University Company Foundry”, “Italy Virtual Startup Lab”; “Uruguay Social Start-up Creation Venture” are some examples of the more than 34740 searches. Even though the results of the search for “Startup Studio” and “Uruguay Social Startup Studio” may be similar since the first words were included in the second search, all these analyses were preferred to perform because the more detailed the analyses are, the more precise the results.

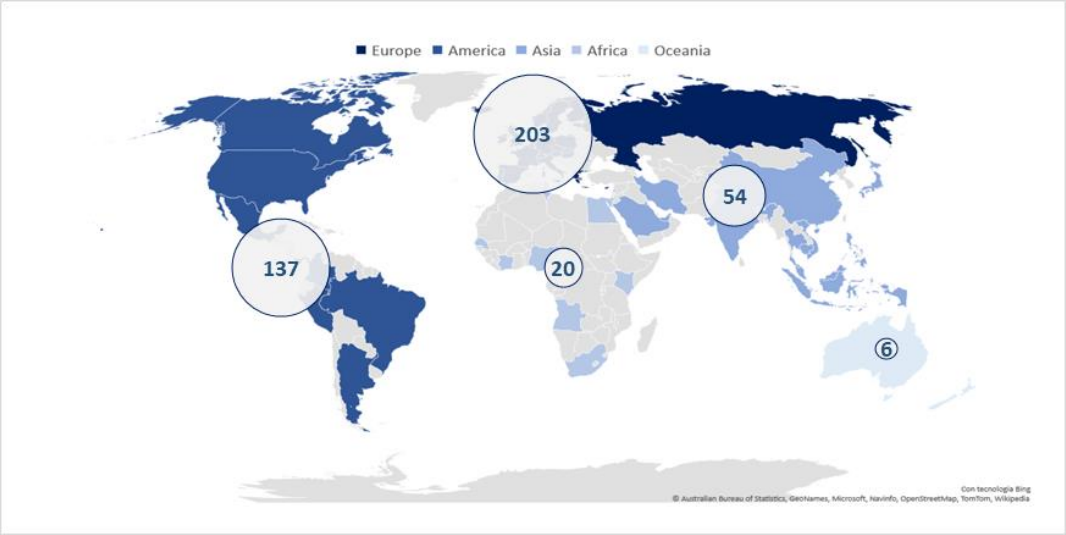
In order to strengthen the quality of the collected data, all the searchers were performed independently by the four researchers involved in the research project in order to limit potential dataset bias (e.g., HTTP cookies, geolocalization, etc.). All these analyses were performed with English keywords only because English terms are common in the field of entrepreneurship. For instance, the word

"Startup" (or "Start-up") is commonly used around the world. Each team member later verified whether the identified organization had the abovementioned necessary characteristics to be qualified as a Startup Studio, and, when inconsistencies arose, a final decision was made by involving an international entrepreneurship expert. As a result, 263 organizations out of 675 were discarded because they did not have all of the four identified characteristics of a Startup Studio. For instance, 05Bit Studio was discarded because it is composed of a team of IT developers who develop web and mobile projects instead of ventures.

Finally, a short survey was sent to all the identified Startup Studios in order to ask whether they agreed to be identified as Startup Studios and to collect and confirm other information (e.g., localization and idea generation). This survey was also performed to validate the elaborated definition and better explore the phenomenon worldwide. Overall, a survey was sent to 412 Startup Studios that were operating in 2019. Additionally, the survey was posted on social media and distributed across the networks and organizations mentioned above. 119 responses from all around the world were collected. Of these, 100 started their activities by the end of 2019, 5 started their activities after 2019, 6 did not identify their organizations as Startup Studios, and 8 were considered as invalid because the name of the organization was a false name or was found not to be a Startup Studio. As a result of this survey, 14 new Startup Studios were operating in 2019.

In short, a population of 420 Startup Studios operating in 2019 was identified. A dataset was created by adding such information as the website, e-mail, phone, social media accounts, year of foundation, city, and Country. When data on the Startup Studios were available on Orbis, the number of employees and revenues for the year 2018 were added. Out of 420 Startup Studios, 137 are located in America, 203 in Europe, 54 in Asia, 20 in Africa, and 6 in Oceania (Figure 4.1).

Figure 4.1: Worldwide map of the Startup Studios



4.3.2 Data collection

Following the CASET methodology (Goffin et al., 2019) and other prior studies (e.g., Dubé and Paré, 2003), a pilot study was carried out before analyzing the main case studies. In this way, testing, revising, and shaping the research protocol and the observation guides developed or identified through the literature review was possible. The pilot study was performed online with a Spanish Startup Studio in February 2020, and the interview lasted one hour. After the pilot study, the elaborated protocol for the case studies was improved. Moreover, the protocol was also validated by a board member of an international network of Startup Studios: Studio Hub. Protocol contained questions about the main peculiarities of Startup Studios, their business strategies, and their differences with respect to similar extant organizations.

In order to identify the sample of the present study, three main stages were followed. The first stage was conducted in 2020; a sample of 12 Startup Studios operating in Europe was selected based on their economic data (the number of employees and revenues) available on Orbis for the year 2018. Since the number of Startup Studios is higher in Europe than in the other continents, the interviews were carried out on Startup Studios located in Europe. Out of the total number, 4 answered us and agreed to be interviewed and to share their data. Subsequently, the second stage was carried out in 2022. In this stage, the previously identified

Startup Studios were re-contacted to perform further interviews. During this stage, snowball sampling was also applied. Snowballing sampling refers to the practice of contacting *"one participant via the other"* (Biernacki and Waldorf, 1981, p. 151). At the beginning of April 2022, a preliminary coding of the interviews and additional documents collected until that moment revealed data saturation. However, to confirm the actual obtainment of data saturation, other 6 interviews were carried out, and another case study was added to the sample. The subsequent coding has confirmed that data saturation has been reached. In total, a multiple case study analysis with 12 European Startup Studios involving 31 interviews was performed. In addition, 3 interviews were performed with 2 well-known international Startup Studios networks in the third stage. The second and third stages were performed in parallel. Table 4.3 presents some information from the interviews.

Table 4.3: Description of the interviews

Name of the interviewed entity	**Type**	**City and State**	**Date of the interview**	**Role**	**N. interview**
7r Ventures	Startup Studio	Madrid, Spain	March 29, 2022	Venture Manager	Interview 1
			April 1, 2022	Venture Architect	Interview 2
			April 27, 2022	Venture Manager	Interview 3
adVentures	Startup Studio	Paris, France	March 3, 2022	Partner	Interview 4
			March 23, 2022	CEO and founder	Interview 5
			April 27, 2022	Vice President and	Interview 6

				Venture Creator	
Builders	Startup Studio	Rotterdam, Netherlands	March 18, 2022	Founder and managing director	Interview 7
Creative Dock	Startup Studio	Prague, Czech Republic	March 11, 2022	Project Manager	Interview 8
			March 11, 2022	Senior HR	Interview 9
			March 16, 2022	CFO	Interview 10
Djakne	Startup Studio	Malmo, Sweden	March 12, 2020	Founder	Interview 11
			March 16, 2022	Co-Founder and Partner	Interview 12
			March 17, 2022	Co-Founder and chairman of the board	Interview 13
eFounders	Startup Studio	Paris, France	March 9, 2022	Communications Manager	Interview 14
			March 30, 2022	Head of product	Interview 15

			April 20, 2022	Legal General Counsel	Interview 16
Mamazen	Startup Studio	Turin, Italy	March 2, 2020	Founder and CEO	Interview 17
			May 18, 2020	Growth Marketer	Interview 18
			May 19, 2020	Data Analyst	Interview 19
			April 15, 2022	Project Manager	Interview 20
Founders Factory	Startup Studio	London, the UK	March 7, 2020	Software Engineer	Interview 21
			March 18, 2020	Director and CTO	Interview 22
			March 24, 2022	Venture Design	Interview 23
FoundersLane	Startup Studio	Berlin, Germany	March 11, 2020	Senior Business Developer	Interview 24
			March 15, 2022	Venture Architect	Interview 25
			April 20, 2022	Venture Architect and Medical Expert	Interview 26

Next Big Thing AG	Startup Studio	Berlin, German	April 6, 2022	Venture Developer	Interview 27
Startup Bakery	Startup Studio	Milan, Italy	February 25, 2022	Co-founder and CEO	Interview 28
			March 9, 2022	Co-founder and COO	Interview 29
			March 15, 2022	Project Manager	Interview 30
Stryber	Startup Studio	Freienbach, Switzerland	April 27, 2022	Associate partner	Interview 31
GSSN	Startup Studio network	Denver, Colorado	March 18, 2022	Board member	Interview 32
			March 31, 2022	Director	Interview 33
Studio Hub	Startup Studio network	Turin, Italy	March 23, 2022	President	Interview 34

Each interview lasted approximately forty minutes and, with the exception of one interview, was performed online. In total, interviews for more than twenty hours were carried out. The Italian-speaking interviewees were interviewed in their mother tongue, and the interviews were transcribed into Italian and then translated into English. In addition, collected data about the selected case studies were integrated with secondary sources and archival data, such as websites, posts on social media and official social-networking platforms, magazines and newspaper articles, articles and reports written by the interviewees, transcriptions of video interviews, and documents that Startup Studios shared with the authors.

Examples of additional sources used are the official Slack channels of GSSN. Indeed, the international Startup Studio network added us to their official Slack channels, where it was possible to get in contact with Startup Studio and follow their activities. Moreover, in order to analyze the previous experience of the founders and the teams of the selected Startup Studios, data regarding them were also collected. Using all the data collected, a triangulation of data was possible to validate emerging insights from the interviews. At the end of this process, a document of 542 single-spaced A4 pages was obtained.

4.3.3 Data analysis

Data analysis was based on Eisenhardt Method (Eisenhardt, 1989; 2021; Eisenhardt and Graebner, 2007) and carried out a cross-case analysis. The case history of each Startup Studio in the sample was written using the collected data. Each case history was reviewed and approved by the entire research team.

A preliminary coding of part of the data collected was carried out to verify the achievement of data saturation. Reaching the complement of data collection, an inductive open-coding procedure was applied to code the collected data. In particular, in order to identify the design elements and themes of a Startup Studio, the activity system framework elaborated by Zott and Amit (2010) was applied. This methodological approach was also employed in similar studies exploring new organizations' peculiarities (Alaassar et al., 2021; Pauwels et al., 2016). This framework, indeed, has preliminarily proven to be a suitable theoretical lens to identify the crucial characteristics of a new organization and explore how it operates (Pauwels et al., 2016). Despite being iterative, the coding procedure involved several phases. In the first phase, the transcriptions of the interviews and other collected materials were read repeatedly to generate first-order codes. The codes were taken in parallel directly from the text (i.e., in vivo codes). Subsequently, these first-order codes were aggregated with conceptually similar ones into increasingly abstract categories and, consequently, dimensions based on the design elements and themes of the activity system framework. Two researchers reached a 92% intercoder agreement, and then any disagreement was reconciled by involving another researcher. As suggested in several studies (e.g., Saldaña, 2021), this percentage is an adequate level of agreement for qualitative research purposes. An insider-outsider approach (Gioia et al., 2010) was employed during the data analysis. For this reason, an independent researcher was

involved in the data analysis to provide robustness to the credibility of the findings.

The authors adopted the human capital theory lens to explore the venture creation process followed by Startup Studios (Becker, 1964; Unger et al., 2011; Marvel et al., 2016). Specifically, this theoretical lens was adopted to examine and explain the role of human capital within the venture creation process identified. The human capital theory lens is particularly suitable to explore and explain how the sharing of knowledge and experience of the heads or founders of Startup Studios affects the creation of new startups. Indeed, adopting this theoretical lens contributed to the data interpretation of the present study. As carried out for data analysis previously explained, a cross-case data analysis through the human capital theory lens was carried out independently, and the results were subsequently discussed by the authors together. In this way, the identification of relevant benefits derived from the venture creation process characterizing Startup Studio was realized.

Finally, a comparison was performed among Startup Studios, incubators, VCs, and BA organizations. In particular, among the novel Startup Studio's organizational logic and those of the mentioned entrepreneurial support organizations. To carry out this comparison, pieces of literature on the related fields were analyzed, specific questions during the interviews were asked, and the characteristics that emerged from pieces of literature were compared with the results obtained through the case studies. The results obtained were also discussed with scholars of the involved fields.

4.3.4 Validation of the definition of the Startup Studio

To confirm the definition and extend my knowledge about Startup Studios, in 2020, a short survey was sent to all the identified Startup Studios worldwide. In order to check the validity and origin of the responses, all the respondents were required to indicate the name of their organization. The survey was divided into two sections. The first is dedicated to the definition of Startup Studio, the second is the year of foundation, the headquarter, the number of employees, and the idea generation. 111 valid responses were collected, and 105 out of 111 respondents confirmed that they recognized themselves within the definition elaborated. Table 4.4 presents information about the data collected.

Table 4.4: Answers to the survey

		Mean	Median	Min	Max
Year of foundation		2015	2016	2005	2020
Number of employees		19	8	0	150
		Percentage			
Idea generation	**Internal or external**	70%			
	Internal	24%			
	External	6%			

4.4 Results

This section of the study shows the results to answer the three RQs. The design elements and themes of the activity system model developed by Zott and Amit (2010) applying to Startup Studios are presented to explain how a Startup Studio operates. The human capital theory lens (Becker, 1964; Unger et al., 2011; Marvel et al., 2016) is here used to explain how Startup Studios' venture creation process facilitates sharing of knowledge and experience from the heads or founders of Startup Studios to the created startups. Then, the present study presents how a Startup Studio can be defined and, finally, how it is distinguished from incubators, VCs, and BA organizations.

4.4.1 Design elements

This paragraph is dedicated to the design elements of a Startup Studio. Based on Zott and Amit (2010), Table 4.5 shows the design elements identified and how these elements are identified.

Table 4.5: Design element of a Startup Studio

Design elements	**Constructs**	**Examples of representative quotes**
Creation and development as a (co)founder	Creation of startups	"We are a founder" (Mamazen, March 2020) "We build startups" (7r Ventures, March 2022) "We create startups" (eFounders, March 2022)
	Ownership of startups	"We have an abundant % of equity" (Mamazen, March 2020) "We hold the same equity capital as the co-founder" (Startup Bakery, March 2022)
Standard and parallel processes	Parallel process	"Now we are active on, I would say, seven or eight" (Djakne, March 2020) "We call it parallel entrepreneurship" (Mamazen, May 2020) "In our network, there are Startup Studios that created 10 startups per year and others that are simultaneously working on 20 startups. But on average, I think that the realistic average is two startups per year" (Studio Hub, March 2022)
	Standard process	"We follow a standardized process in which we start from an idea generation" (Mamazen, May 2020) "They use a playbook for repeating venture building" (GSSN, March 2022)
	Idea generation for new startups	"Either we have an idea, and we find co-founders, or someone else has the idea" (Djkne, March 2020) "We also try to copy from other successful ventures" (Mamazen, May 2020) "The ideas are mostly created internally, but […] we also combine our ideas with those of founders we identified" (Builders, March 2022) "We basically create ideas internally" (eFounders, March 2022)

	Validation and selection of a business idea for a new startup	“We do multiple very heavy validation” (FoundersLane, March 2020) “If the startup passes validation thresholds tested through smoke tests, interviews, and other tests, the idea is developed” (Startup Bakery, February 2022) “We call it kind of “topic validation stage”, where we look at this business model in more detail and say: «Does that really work here?»” (Stryber, April 2022)
	Creation of a startup team	“We find co-founders” (Djakne, March 2020) “In our recruiting process, we usually find people […] we say: «Guys, I think you should be a CEO or a CTO for the newer startup that we are working»” (7r Ventures, April 2022) “Then, Startup Studio recruits a founder” (GSSN, March 2022)
	MVP to test a business idea	“We build the MVP” (Founders Factory, March 2020) “We can start with MVP phase” (Creative Dock, March 2022) “We work on the MVP” (FoundersLane, March 2022)
	Startup establishment and development	“We will help you pitch to investors, help you with our network by trying to close business contracts or recruit employees, so it is more like a business development phase” (Djakne, March 2020) “We establish them as soon as we started to see that they are doing well” (Mamazen, May 2020) “Then, we launched the startup” (eFounders, March 2022)

	Exit strategy	"A few have been incorporated" (FoundersLane, March 2020) "The aim at the end is to sell the startup" (Creative Dock, March 2022) "Our goal is to sell off the company" (Startup Bakery, March 2022)
Entrepreneurial knowledge and experience	Founder(s)' knowledge and experience	"Founders made a millionaire exit" (Founders Factory, March 2020) "The founder was a CEO with entrepreneurial experiences and knowledge. For instance, he also worked for one of the biggest VCs in France" (FoundersLane, March 2022) "In 2018, he made an exit with the company that he created [...]. It was an IoT platform sold for, I think, 300 million" (Next Big Thing AG, April 2022)
	Team's knowledge and experience	"We are entrepreneurs, founders, and tech experts with a great deal of experience in the startup and digital sector" (FoundersLane, March 2020) "I worked in corporate, e-commerce, innovation in large corporate ventures in France, and then I set up some startup projects on my own, I built my startups a few times, I failed with two of them, and I succeeded with one" (Founders Factory, March 2020) "A lot of people here have previous experience with their own ventures" (Creative Dock, March 2022)

Creation and development as a (co)founder

«We are the founders and the startuppers are the co-founders» (Mamamazen, March 2020). Pronounced during the interview by the founder and CEO of Mamazen, this sentence explains the first design element and the most important peculiar feature of a Startup Studio: a Startup Studio works as a founder or co-founder of startups. This design element was confirmed to be present in each of the performed case studies. For instance, the founder of Djakne said: *«Either we have an idea, and we find co-founders, or someone else has an idea that we join afterward»* (Djakne, March 2020). Similarly, other interviewed Startup Studios outlined that they founded or co-created their own startups. This design element was confirmed by analyzing archival data and the short survey. Out of the 111 valid respondents to the survey, 105, in fact, confirmed that they were founders or co-founders of supported startups.

This design element, which represents one of the innovative novelties introduced by the Startup Studio's model, was also supported by other insights that emerged during the analysis of the selected case studies: not only these organizations own a high percentage of the equity of their startups, but they are also their first investors. For instance, one Startup Studio of the sample declared: *«We allocate a fund of one hundred thousand euros on the project to cover the first six months of the startup's life and further validate the idea»* (Startup Bakery, March 2022).

Parallel and standard process

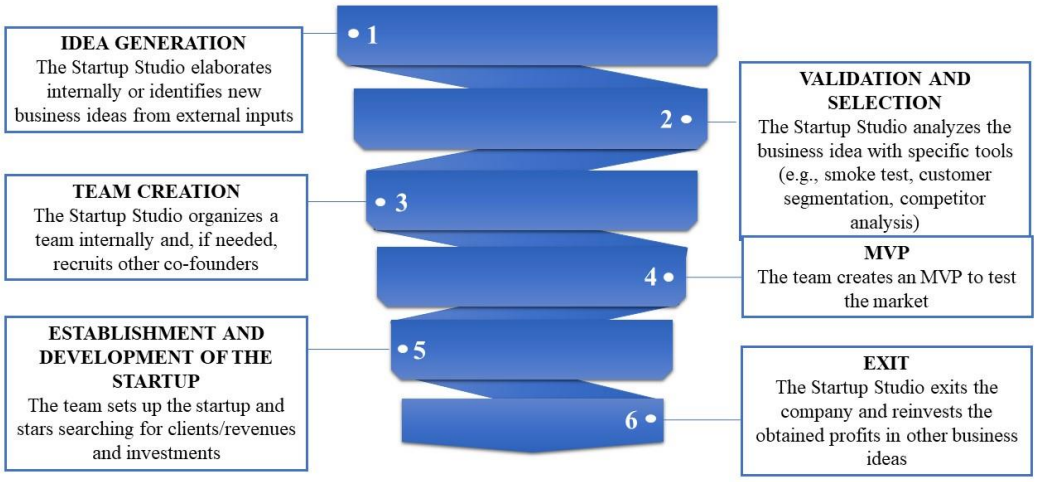
The second design element refers to parallel and standard processes. To create several new ventures, Startup Studios need to test multiple new ventures simultaneously. Indeed, as it is possible to read on the website of one of the selected case studies:

> *"When we talk about circuits, we know we can put them in a series on parallel. But, when it comes to entrepreneurship, people always think about the serial entrepreneur: somebody who, after successfully creating an enterprise, keeps on creating another and another. A Startup Studio is instead*

an enterprise that creates startups in parallel rather than in series. It's parallel entrepreneurship".[15]

The analyses identified the consolidated and standard process used by Startup Studios to create a startup. Figure 4.2 represents the identified funnel process.

Figure 4.2: How a Startup Studio operates



The innovative process used by Startup Studios involves 6 phases. Firstly, the Startup Studio team elaborates internally or identifies a business idea from external outputs. Idea generation can be developed in three different ways: 1) the ideas are generated only from inside the Startup Studio; 2) the ideas only come from outside the Startup Studio; 3) the ideas are derived from both outside and inside the Startup Studio. Based on the short survey, the latter idea generation model results in the most diffused among Startup Studios. Indeed, 70% of the respondents developed business ideas generated internally or externally, followed by 24% focused on those generated internally, and only 6% derived from external sources (e.g., other entrepreneurs or organizations).

Moreover, as also suggested by Baumann et al. (2018) and confirmed in some of the analyzed case studies, in this phase, a Startup Studio may also try to replicate business ideas established elsewhere as a "clone factory". After this first

[15] https://www.mamazen.it/whats-a-startup-studio/, retrieved in September 2022.

step, a Startup Studio uses specific tools, such as a smoke test or competitor analysis, to validate its business idea. After the validation, if the business idea seems promising, there is a phase in which a team is created. The team can be created completely from within the Startup Studio or with someone from outside. In this phase, if a Startup Studio asks someone to join the team to create and develop the idea, the external person usually will be a co-founder of the startup. The created team then develops the MVP to test the business idea. Subsequently, if the other phases have been successfully carried out, the team establishes the startup and develops its business activities by investing their own money and starting to search for external financing. Finally, if the business idea is developed correctly, the startup undergoes an exit strategy, and the Startup Studio reinvests the obtained profits and resources in other business ideas. The existence of a standard process followed by Startup Studios can also be verified by the fact that many of the Startup Studios analyzed created their own playbook, i.e., a guidebook in which team members and other co-founders can find a description of the phases to follow during the creation process of a startup. This tool supports Startup Studios in making the process more efficient by replicating it in a similar way for each business idea they decide to push forward. It is not a surprise, indeed, that one of the Startup Studios states: *«If a Startup Studio has a playbook, the risks are minimized»* (7r Ventures, March 2022). Naturally, the process described in this section can incur some additions or adaptations based on the needs of the startup to be created; but based on the analysis performed, the process followed by Startup Studios presents all the phases described. Moreover, it is interesting to note that the analyses carried out confirmed the existence of a funnel process characterizing Startup Studio's modus operandi. Indeed, since a funnel process is one of the most suitable processes to identify innovative solutions and create startups efficiently (e.g., Kirschbaum, 2005; O'Sullivan and Dooley, 2008), this result also contributes to confirming the first design element identified.

Our findings have revealed that this process is usually carried out in parallel with other additional business ideas by the Startup Studio. Evidence of the efficiency of this innovative parallel process is that Startup Studios can support several startups simultaneously. For instance, Djakne declared that they were working on 7 startups simultaneously, and Studio Hub mentioned that some Startup Studios of its network are simultaneously working on 20 startups.

Entrepreneurial knowledge and experience

The third design element is the presence of entrepreneurial knowledge and experience that Startup Studios introduce in more than one venture. The entrepreneurial knowledge and experiences of the Startup Studio are fundamental in all these 6 phases of the process previously described. Analyses carried out have revealed that successful entrepreneurs are part of Startup Studio teams. Indeed, it emerged that the governance of Startup Studios is mostly composed of successful entrepreneurs who decide to create a Startup Studio after they have obtained a successful exit from a previous entrepreneurial experience. For instance, the founder of Djakne explained that he, together with a group of successful entrepreneurs, created the Startup Studio after a successful exit. Similar stories also emerged from other case studies. Analysis performed has also revealed that Startup Studios present teams with a high level of know-how and experience in venture creation. This characteristic means that Startup Studios have strong human capital related to entrepreneurship. Therefore, Startup Studios differentiate from traditional "Startuppers", who usually need time to develop their entrepreneurial knowledge and experience (Gimmon and Levie, 2010), find their place in incubators, or receive mentorship from BAs in order to develop such human capital necessary to create sustainable businesses. In fact, Startup Studios have already acquired considerable entrepreneurial knowledge, experience, and network and can spend this human capital on creating new ventures.

Moreover, since Startup Studios have already acquired the mentioned human capital, they require less time to create new ventures and reduce the risk of failure. Indeed, as shown by literature (e.g., Baptista et al., 2014; Gimmon and Levie, 2010; Han et al., 2014; Unger et al., 2010) and arose from the case studies also, the presence of consolidated human capital can positively influence the development of a startup. For all these reasons, it is possible to state that, as a result of their past experience and consolidated entrepreneurial know-how, Startup Studios' heads and founders provide significant value to their Startup Studios and the created startups. Indeed, as suggested in several studies and according to human capital theory (e.g., Colombo and Grilli, 2005; Paik, 2014; Ucbasaran et al., 2009; Unger et al., 2011), previous experience on new venture creation has a positive impact on future venture creation. In other words, Startup Studios' innovative and peculiar approach could contribute to their own startups overcoming the difficulty of developing the human capital necessary to create sustainable businesses (Gimmon and Levie, 2010). Indeed, entrepreneurs

operating with Startup Studios already know all the phases of a consolidated process to create a successful startup. Moreover, they usually have an extensive network of actors involved in the local entrepreneurial ecosystem, such as BAs and VCs. The case studies also showed that this network allows Startup Studios to hire people with whom they previously worked successfully. Another example of the potential contribution of entrepreneurial knowledge and experience that emerged from the case studies is that Startup Studios are better positioned to accept failures and choose the best business ideas. Indeed, while testing several new ventures simultaneously, an experienced entrepreneur may have the courage "to kill an idea" that does not work or guide the team toward a pivot. Finally, further possible positive examples of the effectiveness of the previously described process and of the impact of founders' and teams' prior experiences on the results of Startup Studios can also be verified by the number of exits achieved by some of the case studies within a few years.[16]

4.4.2 Design themes

Based on the theoretical framework of the activity system (Zott and Amit, 2010), the data analysis has also revealed three design themes. Table 4.6, based on Pauwels et al. (2016), shows the design themes of a Startup Studio. Table 4.6 also presents the potential roles of Startup Studios, as derived from the identified design themes and their relationships with the design elements

[16] As an example, eFounders, which was founded in 2011, achieved its 6th exit in 2021: https://medium.com/inside-efounders/foxintelligence-ef16-gets-acquired-by-nielseniq-effdc30fa7c1

Table 4.6: Design themes of a Startup Studio

Design themes	**Matching customers' needs with entrepreneurial knowledge and experience inherent to Startup Studios to develop an entrepreneurial ecosystem**	**Identification of new and validated financing opportunities for investors**	**Stimulation of startup activities and economic development**
Roles of a Startup Studio	**Entrepreneurial ecosystem developer**	**Investment-flow maker**	**Economic stimulator**
Creation and development as a (co)founder	A Startup Studio introduces new ventures into an ecosystem by creating startups from internal or external ideas.	By creating new startups, a Startup Studio contributes to generating a flow of possible investments for BAs, VCs, and other investors.	A Startup Studio creates new jobs and economic improvements by creating new startups.

Parallel and standard processes	Through a systematic and standard process, a Startup Studio contributes to the growth of an entrepreneurial ecosystem by creating a number of startups simultaneously.	Investors may benefit from business ideas that have already been validated internally by a Startup Studio through an ad hoc process.	Through an established process, a Startup Studio creates startups that are more likely to scale and create new business opportunities.
Entrepreneurial knowledge and experience	Through widespread dissemination of entrepreneurial knowledge and experience, a Startup Studio helps to create better business ideas to meet customers' needs. A Startup Studio uses its network to collaborate with other actors in an ecosystem.	As a result of the entrepreneurial knowledge experience inherent to a Startup Studio, investors can be more confident of the startups created by this organization.	Because of the widespread dissemination of entrepreneurial knowledge and experience, a Startup Studio allows inexperienced people or organizations interested in creating new ventures to realize their business ideas.

Examples of representative quotes	"The idea of Founders Factory is to find the formula, the key to be successful in reproducing businesses" (Founders Factory, March 2020) "He decided to create the Startup Studio in order to improve the efficiency of the current startup ecosystem" (Mamazen, May 2020) "We try to understand how customers do some behaviors and get insights from them" (7r Ventures, April 2022)	"The Studio's team pitches your ideas to investors or together with you, as an entrepreneur, to these investors […] We go out there to pitch this idea so that it is clear that it is coming from us" (Djakne, March 2020) "We have a network of investors that are willing to invest in our companies" (eFounders, March 2022)	"We create job opportunities" (Founder Factory, March 2020) "We are finding local entrepreneurs and local core team members to build with them" (Builders, March 2022)

Matching customers' needs with entrepreneurial knowledge and experience inherent to Startup Studios in order to develop an entrepreneurial ecosystem

The first design theme that emerged from the data is that a Startup Studio, acting as an "Entrepreneurial ecosystem developer", matches its customers' needs with its entrepreneurial knowledge and experience to develop an entrepreneurial ecosystem.

As previously mentioned, the first design element of a Startup Studio is the creation of new startups. This activity, consolidated by a parallel standardized process and the presence of strong human capital in terms of entrepreneurial knowledge and experience, allows Startup Studios to introduce startups that show a potential for success into the entrepreneurial ecosystem. Indeed, several venture creation experts operate in a Startup Studio and may contribute to creating a cluster of entrepreneurs in the same place, which in turn may foster the development of successful new ventures. For instance, one of the case studies stated: *«What also makes the success of eFounders is the fact that everyone is really building together and spending a lot of time to build our startups»* (eFounders, March 2022). In addition, a Startup Studio contributes to the widespread diffusion of proven entrepreneurial knowledge and experience in an ecosystem, from which other actors in the ecosystem may also benefit. For all these reasons, a Startup Studio may be considered an "Entrepreneurial ecosystem developer". Indeed, it acts like a "human capital transfer" as a result of its processes of creating new ventures. Finally, being successful entrepreneurs or experts in the field, the heads or founders and team members of a Startup Studio have an extended network that they can use to stimulate the collaboration and involvement of different actors in creating their startups. This innovative approach may also stimulate relationships between different actors within the entrepreneurial ecosystem.

Identification of new and validated financing opportunities for investors

Our analysis has revealed that Startup Studios act as "Investment-flow makers". Indeed, the second design theme that emerged is identifying new and validated financing opportunities for investors.

Startup Studios aim to create as many startups as possible. Therefore, they contribute to generating a regular flow of startups, providing good investment opportunities for all investors. Moreover, these organizations perform this activity

through a standard and well-established process during which business ideas and the resulting startups are validated and supported by specific tools and an experienced team. Therefore, investors may also assign more reliability to the startups created by Startup Studios as they benefit from consolidated entrepreneurial knowledge and experience. Previous literature also confirms that founders' business management expertise attracts external investments (e.g., Gimmon and Levie, 2010). Indeed, as also shown in the literature (e.g., Tenca et al., 2018), one of the elements to which investors pay more attention when they invest is the composition of the team, and having an experienced organization as part of the team could increase the attractiveness of the startup to investors. In other words, the human capital inherent to a Startup Studio is transferred to its startups, and this transfer may also facilitate a good evaluation by investors.

Stimulation of startup activities and economic development

A Startup Studio acts as an "Economic stimulator" through the third design theme. By creating new startups, Startup Studios contribute to generating new jobs and business opportunities. In addition, Startup Studios benefit from a consolidated venture creation process and an experienced team that potentially allows them to create many successful startups over time or perform an effective pivot. As suggested by Paik (2014), ventures generated by serial entrepreneurs perform better than those created by novice entrepreneurs, regardless of whether the entrepreneurs had prior success or failure. Therefore, the startups generated by Startup Studios may contribute to economic growth. In addition, the process through which Startup Studios create startups may also involve external business ideas. In this way, people or organizations that are interested in becoming entrepreneurs or want to develop business ideas, despite not having the necessary entrepreneurial knowledge and experience, can be supported by a Startup Studio. This opportunity may imply losing control of the venture since Startup Studios usually have a high percentage of the equity or a control position of their ventures. However, even though these people or organizations may lose control of their ventures, they may accept such a situation in order to see their idea(s) realized. Moreover, Startup Studios may involve people from outside their teams as co-founders of their startups. As a result, people or organizations that want to participate in a venture creation process without having their own business idea may also work with a Startup Studio. These activities allow widespread dissemination of entrepreneurial knowledge and experience that may improve the startup activities in the ecosystem.

4.4.3 Definition of a Startup Studio

Since there is no clear or cohesive definition of Startup Studio, the present study aims to introduce one. Evidence of this lack also emerges from the fact that various names are used to identify Startup Studios. A further example of the need for a widespread definition of Startup Studio can also be verified by the words of one of the Startup Studios analyzed in this study: *«We have to work collectively on the definition of Startup Studio»* (adVentures, March 2022). For all these reasons, this study developed a clear definition from the literature and preliminary works extant, from the analysis of the case studies through the theoretical framework of the activity system (Zott and Amit, 2010), as well as from data collected through a worldwide survey. The mentioned survey also contributed to validating the elements building the definition.

A Startup Studio can be defined as *"an organization that creates and develops startups by acting as a founder or co-founder and operating through a standard and parallel venture creation process"*. The definition elaborate can be verified in several research results. For instance, the role of the founder or co-founder of new startups was confirmed by analyses, which also revealed that a Startup Studio generally holds a considerable share of equity capital in these new ventures, thereby exerting a significant influence on their development. Evidence that confirmed the definition elaborated also emerged from the analysis of the case studies. Indeed, as already shown, a Startup Studio typically creates a number of new ventures parallelly following a standard and well-consolidated process. In particular, a Startup Studio first focuses on testing multiple new ventures simultaneously through a standard process and then developing potentially scalable ones. In other words, a Startup Studio acts like a team of serial entrepreneurs who aim to create several ventures in parallel (i.e., as portfolio entrepreneurs – Parker, 2014) in order to obtain exits from some of them through a standard and efficient process.

4.4.4 The differences from other organizations

Our analyses revealed some novelties in the Startup Studio's organizational logic, and, in particular, between that of Startup Studio and those of incubators, VCs, and BA organizations. The distinct approach with startups created and the peculiar

selection process of the business ideas are two examples of the novelties introduced by Startup Studio's modus operandi.

Unlike incubators, Startup Studios do not act just as mentors; Startup Studios are (co)founders of new ventures. They do not just give the right feedback about the managerial or legal issues they execute. Indeed, as explained by the CEO of Mamazen, a Startup Studio: *«Is a new venture creation industry. It does not support new ventures, it instead produces new ventures. It does not incubate or accelerate new ventures, it instead creates new ventures»* (Mamazen, March 2020). Therefore, Startup Studios act as (co)founders by offering all the necessary support for venture creation. This support includes managerial support, financial support, and operational support.

On the contrary, a team inside an incubator usually receives different types of support from several mentors or partners of the incubator that, however, do not make decisions for the teams (Hallen et al., 2020); they are not members of the team, and they do not execute decisions for them. In fact, mentors and supporting partners sustain the venture creation and development through feedback, but they do not create ventures with the team. In summary, the job of the board and the employees of an incubator is to support the creation and development of new ventures; instead, the job of the board and the employees of a Startup Studio is to create new ventures. Evidence of this difference clearly arose from the case studies. For instance, one interviewee stated: *«We do not support; we build from the scratch»* (Stryber, April 2022). In addition, incubators usually support the ideas of external people or organizations they select through a specific process (Grimaldi and Grandi, 2005). They only support ideas identified internally in very few cases (e.g., corporate incubators focused on intrapreneurship), and, even in this case, incubators act as external supporters and not as co-founders (Moschner et al., 2019). Incubators may also help teams to find customers and investors, but they usually do not directly invest in their tenants (Sansone et al., 2020). On the contrary, Startup Studios own a large amount of equity. Finally, some incubators (usually defined as accelerators – Pauwels et al., 2016) focus their activities on cohorts for a limited period of time. This focus limited on time does not apply to Startup Studios.

This study also shows the differences between Startup Studios and VCs. VCs focus on supporting ventures through investments (Bertoni et al., 2011), while

Startup Studios are one of the founders or co-founders of the ventures. Indeed, all the case studies stated that they collaborate with BAs and VCs, but they recognize them as different organizations. For instance, the CEO of Mamazen said: *«We not only financially support our ventures, we do everything»* (Mamamazen, March 2020). Moreover, VCs always support ventures from outside the organizations through a specific selection process (Caselli et al., 2009). This characteristic is not valid for Startup Studio. Indeed, one Startup Studio of the sample declared: *«We differ from incubators and VCs because we are entrepreneurs, and we want to create our own ideas»* (eFounders, March 2022). Moreover, the survey carried out revealed that 94% of Startup Studios answered identified their business ideas internally or internally (see Table 4.4). In addition, VCs usually support ventures without an on-site office space. Startup Studios instead offer on-site office space usually. Finally, VCs mainly participate in deals mid to late-stage (Drover et al., 2017). On the contrary, Startup Studios focus on developing business ideas and driving from 0 to exit.

Startup Studios also differ from BA organizations. In fact, BA organizations focus on supporting angel investing activities in the entrepreneurial ecosystem in which they operate (Tenca et al., 2018), and their aim is not the creation of new startups. In other words, despite BA organizations supporting startups with both managerial and financial support provided by BAs members, they do not act as founders or co-founders. In addition, inside the BA organizations more structured, the support activities, as the others related to the investment deal, are generally coordinated by a single BA who is called “Champion” (Croce et al., 2017) and delineated by a specific deal among BA organizations, the supported entrepreneurs, and, eventually, other co-investors (Croce et al., 2017; Kelly and Hay, 2003; Mason and Botelho, 2016). Inside a startup created by a Startup Studio, instead, every founder, and so also Startup Studios, build the startup together and spend a lot of time and resources to manage every activity necessary to achieve this goal. Many examples of this peculiar involvement come from the analyses of the case study. For instance, one of the case studies stated: *«The success of eFounders is the fact that everyone really builds together the startups»* (eFounders, March 2022). Finally, although the business idea identification of a BA organization can also derive from a BA member's personal social and business networks (Mason et al., 2013), BA organizations do not generate internal business ideas. Usually, in fact, they follow a specific process to select the best business

ideas to present to their affiliates (Butticè et al., 2020; Carpentier and Suret, 2015).

Based on case histories and interviews carried out, it is reasonable to hypnotize that Startup Studios will always acquire major importance in the entrepreneurial ecosystem. Indeed, similarly to incubators, they can be a key resource in supporting both young entrepreneurs in developing new business ideas and investors (such as BAs and VCs) in finding a constant and adequate inflow of high-quality investments. It is possible to verify the growing importance of the phenomenon analyzed by the growing number of Startup Studios worldwide. Indeed, the database reveals a growth of 16% per year. Analyses carried out revealed that the novel and peculiar Startup Studio's approach to venture creation is one of the elements supporting the success of the startup created by Startup Studios. However, since they act as founders or co-founders of startups and not only as supporters, they usually need to spend more resources respecting other organizations analyzed. For this reason, one of the peculiar challenges that a Startup Studio needs to address is understanding how to orchestrate its resource and time among the set of startups created. For instance, one of the case studies declared: *«The key challenge is to understand how to allocate all our resources to get the maximum value we can capture if we want to make all the startups VC-friendly»* (7r Ventures, March 2022). Portfolio entrepreneurs commonly address this challenge. However, how portfolio entrepreneurs obtain and allocate resources and capabilities across their ventures to exploit new opportunities remain marginally explored (Baert et al., 2016). From the analysis carried out arose that the experience of the Startup Studios' founders and the team is a crucial element in addressing this challenge. Indeed, as already shown, Startup Studios' innovative and peculiar approach could contribute to their own startups overcoming the difficulty of developing the human capital necessary to create sustainable businesses (e.g., Gimmon and Levie, 2010). Based on this consolidated human capital, the Startup Studio team can understand how to accumulate, combine, and exploit resources to support current opportunities while developing future opportunities in an efficacy way. Moreover, they are also able to decide easier than a traditional startupper when it is preferable to "kill an idea" that does not work.

Table 4.7 summarizes the main differences among Startup Studios, incubators, VCs, and BA organizations.

Table 4.7: Main differences between Startup Studios, incubators, VCs, and Business Angel organizations

	Startup Studios	**Incubators**	**VCs**	**BA organizations**
Aim	Creating new startups	Supporting the creation and development of startups	Obtaining returns on financial investment in startups over a period of time	Finding investment opportunities in young startups to support until the obtainment of returns
Idea sourcing	Internal and/or external	Mostly external	Only external	Only external
Owns equity	Always	Occasionally	Always	Always
% of equity	High	Low (if it takes equity)	Medium-high	Medium-high
Support	All types of support (managerial, financial, and operational)	Mostly managerial support	Mostly financial support	Financial and managerial support
Cohort	No	It depends	No	No
Supported period	From 0 to exit	3 months to 5 years	It depends	It depends

Venture location	Usually, on-site	On-site	Usually, off-side	Off-side
Venture stage	Inception	Varies	Usually, mid and late stages	Early stage

Analyzing the Startup Studio ecosystem, the result of this chapter also revealed that some existing incubators and VCs are creating Startup Studios. These organizations probably applied their knowledge of managerial support to create new ventures. However, it is important to note that, usually, these organizations keep the two different activities and related processes separate. Idealab in the United States and 2b AHEAD Ventures in Germany are two examples of existing incubators that have created their Startup Studios. Pioneer Square Labs, in the United States, is instead an example of exiting VCs that have created its Startup Studio. Moreover, some BAs are creating Startup Studios, and Startup Studios collaborate broadly with the angel investing ecosystem. However, BA organizations that are creating Startup Studios were not found.

4.5 Conclusions and contributions

Despite the novelty represented by the phenomenon under scrutiny and its growing trend, Startup Studios are underrepresented in startup culture (GAN, 2019) and, till now, have been under-investigated in academic research. This study has revealed the design elements and themes of Startup Studios, a brand new and increasingly widespread type of organization that is aimed at creating new ventures. Since Startup Studios are relatively young organizations, not enough information is available about their structures and the processes through which they create new innovative ventures. Indeed, the dataset shows that 86% of the considered Startup Studios have only been operating since 2011. I have presented here how a Startup Studio works, its definition, and the differences between Startup Studios and other similar types of organizations, such as incubators, VCs, and BA organizations. The present study contributes to filling a literature gap about Startup Studio by discovering its roles within the

entrepreneurial ecosystem and elaborating a clear definition of this new organization. Moreover, similarly to Pauwels et al. (2016), the present study has responded to the call of entrepreneurship scholars to examine different organizations that create or support the creation of new ventures. In more detail, the present study is the first to adopt the activity system framework (Zott and Amit, 2010) in studying the innovative Startup Studios' organizational model. In this way, the present research has also contributed to confirming the effectiveness of this theoretical framework in studying new entrepreneurial support models and, more generally, new organizations. Indeed, research findings confirm the suitability of the activity system framework to identify design elements and themes of a novel organization and how the use of the framework elaborated by Zott and Amit (2010) can be adopted to identify the role of an organization in the ecosystem. For all these reasons, future studies can replicate this study to explore the peculiarities of novel entrepreneurial phenomena.

A qualitative approach was adopted to run the study. By performing 12 case studies and executing a cross-case analysis (Eisenhardt, 1989; 2021), work shows that, unlike their counterparts, Startup Studios act as founders or co-founders of innovative ventures and do not only provide coaching or financial support to those ventures. In this way, the present study explores and understands the difference between Startup Studio's organizational logic and those of other entrepreneurial support organizations already analyzed in the literature. In particular, this study shows that a Startup Studio acts as an organization of portfolio entrepreneurs who aim to create a critical in-house mass of entrepreneurial experts and financial resources. To achieve this result, Startup Studio adopts a standard and parallel venture creation process that the present study contributes to deeper exploration. In particular, this study contributes to explaining, through the use of the human capital theory lens (Becker, 1964; Unger et al., 2011; Marvel et al., 2016), how Startup Studios' venture creation process facilitates the sharing of human capital, in term of knowledge and experience, from the heads or founders of Startup Studios to the created startups. As shown in the literature (e.g., Mincer, 1958), human capital is able to affect income and can be considered a determinant of income inequality in many cases. For this reason, Startup Studios could create more resilient startups that can improve their possibilities of survival in the market. Future studies could compare the economic performances of startups created inside and outside Startup Studios to test this hypothesis. Based on the analyses carried out and all the peculiar characteristics of a Startup Studio here

reported, it is possible to define a Startup Studio as "*an organization that creates and develops startups by acting as a founder or co-founder and operating through a standard and parallel venture creation process*". The reported definition and all the findings of the present study can also serve as a useful base for theory-building and further empirical explorations on portfolio entrepreneurship research (Carte and Ram, 2003; Baert et al., 2016). Indeed, extant literature (e.g., Parker et al., 2014; Wiklund and Shepherd, 2008) identified the phenomenon of portfolio entrepreneurship as a phenomenon related to individual entrepreneurs only. The present study shows that this phenomenon can also involve organizations by positioning Startup Studio's modus operandi as a novel and innovative strand of research in this literature. For instance, future studies could make an in-depth comparison between the distinct process through which Startup Studios harmonize configurations across startups created and that used by portfolio entrepreneurs identified by Baert et al. (2016).

The present research is not without limitations. The main limitation is that this study has not measured how effective Startup Studios are in creating new ventures. Moreover, future studies may explore the existence of different models of Startup Studios and describe whether different models of Startup Studios have a differential impact on new venture creation. Furthermore, comparing distinct Startup Studios models with similar incubators and VCs models would be interesting. Although 2 worldwide networks of Startup Studios were involved in the study and a worldwide survey was carried out, an additional limitation of this study is that the sample of 12 Startup Studios is only based in Europe. Future research could extend the analysis to other contexts, such as the USA or developing countries, where incubators, VCs, and BA organizations represent an important instrument in promoting entrepreneurship (Adegbite, 2001; Dutt et al., 2016; Khoury et al., 2015; Tenca et al., 2018). Moreover, although this study discussed the roles of Startup Studios in the local entrepreneurial ecosystem, all the ecosystem players were not interviewed, and this could constitute a fruitful future research direction. These investigations could also provide interesting insights to help understand whether and how Startup Studios should specialize in specific sectors or join an underdeveloped entrepreneurial ecosystem rather than a more developed one. Another possible future research direction may be to investigate the role of the founders' passion for performances and decision-making in a Startup Studio. Indeed, as shown in some studies (e.g., Klaukien et al., 2013), managers' passion may influence innovation decisions. Finally, as a

result of the current COVID-19 pandemic situation, future research may be directed toward analyzing whether and how Startup Studios are switching all their activities to remote mode and how this will impact their role.

The present study provides critical theoretical and practical insights and contributions for key stakeholders in the entrepreneurial community, including academic researchers, policymakers, corporations, and entrepreneurs. First, the present study has provided a new and comprehensive definition of Startup Studio, which hopefully can lead to the application of a unique label when referring to this type of organization. In this way, improving the discussion and understanding of this phenomenon will be easier. Moreover, as suggested by literature (Busenitz et al., 2003; Cornelius, 2006) and as already realized by several studies on evolving phenomena in the evolving field of entrepreneurship (e.g., Dell'Era and Landoni, 2014; Mollick, 2014; Neirotti et al., 2014; Pauwels et al., 2016), the exploration carried out in this study and the related results obtained can serve as a useful base for future theory-building (Eisenhardt, 1989). Responding to a call of a number of works to better investigate Startup Studios (e.g., de Alvarenga et al., 2019; Futuresight, 2020; Mocker and Shane, 2014), the present study contributes to a better understanding of these organizations and may help entrepreneurs to discover a new type of organization to turn their business ideas into a startup. For instance, when speaking informally with a BA who had been a successful entrepreneur in the past, he was interested in creating this type of organization since he wanted to have major control of the ventures he supported. Moreover, Startup Studios should be considered by people who have already achieved successful entrepreneurial experiences and want to try to create or replicate new business models in their country efficiently and effectively or decide to become portfolio entrepreneurs (Parker, 2014). In particular, the results of the present study can be considered by portfolio entrepreneurs to introduce an organizational perspective and apply a novel venture creation process in their entrepreneurial activities. Finally, according to the results of this study, Startup Studios have the potential to create and support startups that can drive economic growth and job creation in their region or country. Indeed, since Startup Studios are organizations that specialize in identifying promising startup ideas, building them from scratch, and providing them with the necessary resources and support to grow and scale, Startup Studios have the potential to create jobs, foster innovation, drive economic growth, provide support for entrepreneurs, and diversify the local economy. For these reasons, policymakers should support Startup Studios to

leverage these benefits and help create a thriving ecosystem for startups in their region or country. The finding of this chapter can support policymakers in developing policies designed to consider Startup Studios.

Chapter 5

Conclusions and contributions of the research

5.1 Summary of the findings

The present dissertation aims to understand better and disentangle some aspects characterizing the process of change that the entrepreneurial support industry is undergoing. In more detail, the research carried out aims to explore how the growth of social impact attention, the advancement of digitization, and the avenue of novel players reshape the entrepreneurial support landscape. To achieve these goals, the research performed followed different phases. Each of these phases allows the obtainment of relevant findings.

The first phase of research (exposed in Chapter 2) introduces a clear definition of Social Business Angels (SBAs) and shows how these new impact investors operate. In particular, SBAs are defined as the BAs who prioritize investments in startups with a significant social impact and support at least one startup of this typology. Thus, through a mixed methodology, this research phase shows that, although the SBAs' investment practices are similar to those of other BAs, they present some distinct characteristics. In more detail, quantitative analyses highlight that SBAs are more likely to be unaffiliated with BA groups or networks. Moreover, research findings reveal that BAs who invested lower capital in their angel investing career but higher capital in 2020 alone are more likely SBAs. This result could reflect a growing interest in angel investing for social

impact investments. Quantitative results were complemented by qualitative ones, which contributed to identifying a distinctive SBA's deal flow. The present study also contributes to impact investing literature.

The second phase of the research provides relevant insights about the current transformation of angel investing due the digitization. In more detail, similar to other studies that introduced new organizations (e.g., Alaassar et al., 2021; Pauwels et al., 2016), the present phase of the research adopts the activity system framework elaborated by Zott and Amit (2010) as a theoretical background to identify the design elements and themes of a novel collective form of angel investing: the BAP. Moreover, a definition of BAP was identified. In more detail, a BAP can be defined as *"an online platform focusing on investing in early stages new innovative ventures by bringing together BAs who want to cooperate to realize and manage co-investments".* Research results also reveal that BAPs could greatly support the internationalization of angel investing and the raising of smart money by startups worldwide.

Finally, the third phase of the research revealed the design elements and themes of Startup Studios, a brand-new and increasingly widespread player in the entrepreneurial support landscape. The findings of the research, presented in Chapter 4, show how a Startup Studio works, its definition, and the differences between Startup Studios and other similar types of organizations. In particular, the research's findings contribute to explaining the roles of Startup Studios within the entrepreneurial ecosystem. Research indicates that a Startup Studio is *"an organization that creates and develops startups by acting as a founder or co-founder and operating through a standard and parallel venture creation process"*. Furthermore, by performing 12 case studies and executing a cross-case analysis (Eisenhardt, 1989; 2021), research shows that, unlike their counterparts, Startup Studios act as founders or co-founders of innovative ventures and do not only provide coaching or financial support to those ventures. In this way, the research contributes to exploring and understanding the difference between Startup Studio's organizational logic and those of other entrepreneurial support organizations already analyzed in literature (incubators, VCs, and BA organizations). In particular, research findings reveal that, differently from other players, a Startup Studio acts as an organization of portfolio entrepreneurs. To achieve this result, Startup Studio follows a standard and parallel venture creation

process, which facilitates the sharing of human capital, in terms of knowledge and experience, from the heads or founders of Startup Studios to the created startups.

Based on Table 1.1, the following Table 5.1 outlines the three abovementioned phases of the research and relates them with the findings obtained.

Table 5.1: Thesis findings

Chapter		Research Question	Methodology	Findings
			Mixed method	
Chapter 2	1	Are Social Business Angels' individual characteristics different from those of other Business Angels?	Creation of a domestic database + Domestic survey + Quantitative analysis	➢ SBA definition ➢ SBAs are more likely to be unaffiliated with BA groups or networks ➢ BAs who invested lower capital in their angel investing career but higher capital in 2020 alone are more likely SBAs.
	2	Do Social Business Angels follow a different investment process from other Business Angels?	Multiple case studies with 10 SBAs	➢ Peculiar SBA's deal flow
Chapter 3		What are the	*Qualitative*	

	3 distinctive peculiarities of a Business Angel Platform?	Single case study + Survey + Activity system framework (Zott and Amit, 2010)	➢ BAP's design elements and themes ➢ BAP definition
		Qualitative	
Chapter 4	4 How do Startup Studios operate?	Creation of a database + Worldwide survey + 12 European case studies + 2 Startup Studio networks + Activity system framework + (Zott and Amit, 2010) Human capital theory lens	➢ Startup Studio's design elements and themes
	5 How can Startup Studios be defined?		➢ Startup Studio definition
	6 How do Startup Studios differ from incubators, VCs, and BA organizations?		➢ Differences between Startup Studios and other entrepreneurial support entities

5.2 Theoretical contributions

The present dissertation provides a number of theoretical contributions for impact investing, entrepreneurial support entities, and, more generally, entrepreneurial literatures.

In particular, the finding exposed in Chapter 2 contributes to the impact investing and angel investing literature by introducing a clear definition of SBAs and showing how these new impact investors operate. In more detail, the research

findings of Chapter 2 respond to an impact investing literature request (e.g., Lee et al., 2020), which suggests that new studies about how impact investors balance the riskiness of social and financial outcomes in their investment process are necessary. Moreover, the analysis of this investment process allows this dissertation to respond to an angel investing literature request for new studies on BAs' investment process (Tenca et al., 2018).

Through the findings of Chapter 3, the present dissertation answers to another call from angel investing literature. In particular, angel investing literature suggests the need to explore how the dissemination of collective forms of angel investing and the avenue of digitization are changing angel investing (Mason et al., 2019). The exploration of BAP's main characteristics and modus operandi allows this thesis to fill this gap. Moreover, exploring BAP also answers a literature request for analyzing novel players operating in the entrepreneurial finance landscape (Block et al., 2018).

The present dissertation also provided a comprehensive definition of Startup Studio, which hopefully can lead to the application of a unique label when referring to this organization. Furtheremore, as suggested by literature (Busenitz et al., 2003; Cornelius, 2006) and as already realized by several studies on evolving phenomena in the evolving field of entrepreneurship (e.g., Dell'Era and Landoni, 2014; Mollick, 2014; Neirotti et al., 2014; Pauwels et al., 2016), the exploration carried out in the present dissertation and the related results obtained in Chapter 4 can serve as a fruitful base for future theory-building (Eisenhardt, 1989). Moreover, findings obtained in Chapter 4 allow this dissertation to respond to a call of a number of works to investigate Startup Studios' model (e.g., de Alvarenga et al., 2019; Futuresight, 2020; Mocker and Shane, 2014).

Finally, the present dissertation contributes to confirming the design lens as a systematic methodological approach to explore novel entrepreneurial organizations. In particular, the findings of Chapters 3 and 4 show how the activity system framework (Zott and Amit, 2010) can be adopted to identify the design elements and themes of a novel entrepreneurial phenomenon.

5.3 Practical contributions

The findings and observations presented in this dissertation also aim at readers out of academia. In this sub-section, the main practical contributions are collected.

Firstly, the finding exposed in Chapter 2 of the present dissertation can serve policymakers in creating financial instruments dedicated to SBAs. Since an effort to scale the impact investing market with integrity is critical for domestic and international institutions (GIIN, 2022), and SBAs can play a crucial role in contributing to this scale, additional and dedicated financial instruments should be introduced to better support SBAs' activities. In this way, policymakers could also stimulate the creation and development of startups with a significant social impact. Research findings presented in Chapter 2 can also have relevant practical implications for social entrepreneurs. Indeed, the present dissertation shows the existence of a novel impact investor who can support not only the development of their financial outcomes but also the social impact outcomes. In addition, through research carried out, it was also possible to suggest the existence of an investment process for individual impact investors which balances the social and economic needs of these investors by maintaining their hybrid nature. This process can serve to BA organizations, funds, and asset owners to explore novel methods to adopt an investment process considering also impact risk.

Secondly, findings presented in Chapters 3 and 4 may help entrepreneurs to discover novel types of organizations to turn their business ideas into scalable startups. Furthermore, BAPs should be considered by investors who want to approach angel investments without having experience as BAs. BAs should also consider BAPs and Startup Studios as possible novel sources of potentially profitable investment opportunities. Indeed, the startups selected by BAPs and created by Startup Studios are already validated potential investees.

On the other hand, Startup Studios should be considered by entrepreneurs who have already created a successful business and want to replicate new business models in their country efficiently and effectively. Finally, given the crucial role in stimulating and sustaining the creation of new startups of BAPs and Startup Studios, the findings of the present dissertation can support policymakers in developing policies dedicated to stimulating innovation in the entrepreneurial ecosystem.

5.4 Limitations and future research

Although this dissertation provides relevant findings, the research carried out is not without limitations.

Firstly, samples used in Chapters 3 and 4 are based on only one country: Italy. Future research could use the definition of SBA and BAP here introduced to replicate the research carried out in other countries, thus confirming or improving our knowledge about how social impact attention and digitization is changing angel investing.

Moreover, future research could compare SBAs with other impact investors (e.g., VCs focus on impact investing). In addition, since this dissertation did not explore the relationship between angel investing and impact investing from an organizational perspective, future research could explore how social impact attention is also transforming collective forms of angel investing.

The main limitation of the research presented in Chapter 5 is that Startup Studios' efficiency in venture creation was not measured. Future studies may identify different models of Startup Studios and describe whether different models of Startup Studios have a differential impact on new venture creation. Additionally, since literature showed that founders' passion can impact business performances (e.g., Klaukien et al., 2013), another possible future research on Startup Studios could be to investigate the role of the founders' passion on performances of a Startup Studio.

Finally, since incubators, VCs, BA organizations represent an important instrument in promoting entrepreneurship (Adegbite, 2001; Dutt et al., 2016; Khoury et al., 2015; Tenca et al., 2018), future studies could explore the role playing by SBAs, BAPs, and Startup Studios in developing countries context.

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Glossary

BA	Business Angel
BAN	Business Angel Network
BAP	Business Angel Platform
RQ	Research Question
SBA	Social Business Angel
VC	Venture Capitalist