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### **Presentation**

**Forming Entrepreneurial Teams: Mixing Business and Friendship to Create Transactive Memory Systems for Enhanced Success**

Successfully navigating critical uncertainties during the incipient stages of new ventures requires these ventures to develop learning systems, and building the right team may be key in this process. Drawing on prior work indicating that entrepreneurial teams form using either an interpersonal-attraction strategy (relationships with similar others in a close network) or a resource-seeking strategy (instrumental focus on complementary skills), we theorize that a dual formation strategy, although challenging to execute, is critical for early performance. Using dual formation strategies from the onset fosters the development of stronger transactive memory systems, because close relationships facilitate smooth coordination among founders specializing in complementary tasks. Transactive memory systems thus mediate the relationship between formation strategies and early entrepreneurial success. Findings from two field observational studies and a field intervention study support our theory: teams formed based on a dual strategy raised greater seed funding on Kickstarter—a leading crowdfunding platform—(Study 1), were more successful in a prestigious entrepreneurial competition (Study 2), and gained more profits from selling their initial products (Study 3). Our research advances knowledge on entrepreneurial team formation and offers practical recommendations to facilitate this process at such nascent, but critical, stages.