IPRPD
International Journal of Business & Management Studies
ISSN 2694-1430 (Print), 2694-1449 (Online)
Volume 03; Issue no 02: February, 2022

The Impact of Financial, Human and Social Capital on becoming an Entrepreneur through Acquisition

Hans Vanoorbeek [1], Gianni Spolverato[2]

[1] *INSEAD, Fontainebleau, France, and Vlerick Business School, Ghent, Belgium*

[2] *Vlerick Business School, Ghent , Belgium*

Abstract

While studies on successful entrepreneurship are abundant, this stream of research focused predominantly on start-up entrepreneurship. Acquiring an existing firm, or entrepreneurship through acquisition (ETA), is an alternative form of entrepreneurial entry. Using a unique sample of nascent ETA entrepreneurs, in particular middle-aged senior experienced individuals, collected through online surveys, we test the importance of three forms of capital on the odds of successfully acquiring a business: financial, human, and social capital. Human capital or the experience and expertise of the ETA entrepreneur significantly increases the chances of success. However, contrary to our knowledge of start-up entrepreneurs, financial capital is another vital predictor, while social capital seems to have no significant impact. Our findings suggest that start-up and ETA entrepreneurship require different resources to be successfully completed due to their inherent differences.

Keywords: Entrepreneurship, Entrepreneurship Through Acquisition, Resource-Based Theory, Financial Capital, Human Capital, Social Capital

1. Introduction

Most studies on the preferred mode of entry to entrepreneurship focus predominantly on new venture creation. However, starting a business from scratch is only one of two possible means of becoming an entrepreneur. Entrepreneurship through acquisition (ETA) is an alternative form of entry (Hunt & Fund, 2012 ; Parker & Van Praag, 2006; Parker & Van Praag, 2012; Block et al., 2013; Rocha et al., 2015). An ETA buyout is a buyout where the managers, as ETA entrepreneurs, acquire a relatively small company (almost) entirely with their own funds to become the majority shareholders and subsequently manage the firm. Like start-up managers, ETA entrepreneurs have entrepreneurial motivations as they use a large amount of their personal wealth in the acquisition. However, ETA can be less risky, as the venture survived the riskier initial stages of a venture when the probability of bankruptcy is much higher. Therefore, the determinants for successful ETA entrepreneurship are likely to differ from start-up entrepreneurs (Block et al., 2013).

Although ETA is inherently different from start-up entrepreneurship and represents at least $25 billion of new entrepreneurial activity annually (Hunt & Fund, 2012), the topic has seen little academic research. In the academic research, the main limitation related to the study of ETA transactions, is finding appropriate data (Hunt & Fund, 2012). In fact, there are no official data available to pinpoint the ETA transactions out of the larger database of M&A activity or even management buyouts or leverage buyouts statistics, as these transactions are often very small, highly confidential in nature and therefore take place under any radar screen. Moreover, (nascent) ETA entrepreneurs, in particular as they are still nascent, are extremely difficult to track down by any statistical means. Using a relatively unique database from attendants at Vlerick Business School conferences and courses on ETA in Belgium, we address this gap by exploring the factors that explain how individuals who want to become ETA entrepreneurs succeed in doing so.

Accordingly, we apply the resource-based view and identify three broad resource categories that are likely to be relevant in the context of ETAs: human capital, financial capital, and social capital. We then identify and test suitable proxies of the probability of successful ETA entrepreneurship based on these three categories.

With these results, we contribute to the existing academic literature. Our results in this article take into account some of the shortcomings of previous research and thus contrast with previous findings in several ways.

Previous findings on attempts at transitions into entrepreneurship, have always been predominantly focused on start-up entrepreneurship or at least not be exclusively focused on ETA entrepreneurship. Indeed, research so far investigates entrepreneurial success mainly by considering the resources required for a successful new venture (Kim et al., 2006). Furthermore, studies consider the mode of entry in entrepreneurship by determining why individuals choose to create a new venture rather than taking over an existing business (e.g., Block et al., 2013). In fact, as start-ups and ETA transactions are fundamentally different modes of entry, the research in this article will therefore further investigate these relationships exclusively applied to the context of ETA transactions, entailing a different and ETA-specific research mindset. As opposed to previous research on entrepreneurial entry, this research focuses therefore exclusively on the (nascent) ETA entrepreneurs and highlights ETA as the sole mode of entry. Hence, this article contributes to the existing literature by exclusively looking at nascent entrepreneurship and entrepreneurial entry through the ETA lens, a perspective that has been hardly touched upon in the academic literature.

Furthermore, as opposed to most of the (limited) other research on ETA, we focus in this article for the first time mainly on the middle-aged senior (nascent) ETA entrepreneur, who has had a long successful career with many years of managerial experience and wants to acquire a company for himself mainly funded with his own money (self-funded search). This type of entrepreneur has in the context of ETA always has been overshadowed in the literature by the search fund ETA entrepreneur, mostly a thirty year old recent MBA graduate (Morisette & Hines, 2015; Hunt & Fund, 2012). Given the paucity of ETA data, the Vlerick data of nascent ETA entrepreneurs overcomers most of the data limitations faced by earlier studies, using a relatively unique database to investigate these middle-aged (nascent) ETA entrepreneurs, by far the largest but neglected and under-researched category in the ETA space.

Consistent with the existing research, we analysed the impact of human, financial and cultural capital in the context of ETA. However, we refined this analysis by adding some measurement variables specifically tailor made to the ETA environment, often inspired by the research on MBI's. Some of these variables have not been investigated before in the context of entrepreneurship, as they are only relevant in an ETA context and provide us with new insights in this alternative form of entrepreneurship and hence in the study of entrepreneurship in general. Despite the considerable relevance of ETA, we are unaware of any studies that consider the specific determinants of successful ETA by looking explicitly at nascent ETA entrepreneurs.

2. Background

In order to develop a theoretical foundation for our research, we have drawn primarily from the Resource-Based Theory. This theory is very relevant within entrepreneurship research (Alvarez & Busenitz, 2001) and examines performance differences of organizations based on their resources (Miles, 2012).

Applying this theory on managers and individuals, Resource-based Theory posits that a firm can achieve sustainable competitive advantage by controlling resources that are valuable, rare, imperfectly imitable and non-substitutable (Barney, 1991) (Wernerfelt, 1984). The resource based view is a model that sees resources as a key to superior firm performance. Alvarez & Busenitz (2001) apply this theory on entrepreneurship, including the cognitive ability of individual entrepreneurs. Entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of resources for the venture.

Barney et al. (Barney et al., 2001) make the link between the Resource-based view and MBOs and VC financing, concluding that there is a need for research that examines the extent to which VC firms possess effective specialist skills with respect to the selection of business opportunities and the best entrepreneurs to exploit those opportunities.

In this article, we will analyze different resources, such as human resources, capital resources in order to analyze the human, financial and social capital of an ETA entrepreneur and their influence on the entry mode into an ETA.

2.1. Human capital

Human capital is the stock of skills, knowledge, experience, and capabilities (Becker, 1964). Links between entrepreneurs' human capital profiles and outcomes relating to firm entry and performance have been identified (Bates T. , 1990) (Gimeno et al., 1997) (Davidsson & Honig, 2003) (Ucbasaran et al., 2008) (Unger et al., 2011) and a long tradition of research links human capital with the decision to participate in entrepreneurship, whether via the start-up route or via a business takeover (i.e. an ETA transaction) (Parker & Van Praag, 2012).

Our analysis includes three dimensions of human capital: age as a proxy for work experience, managerial expertise, and entrepreneurial experience.

Previous research has shown that previous work experience, may be a very important component of human capital for nascent entrepreneurs (Bruderl et al. , 1992) (Parker S. , 2004) (Hopp & Sonderegger, 2019). In fact, work experience promotes entrepreneurship by enabling individuals to understand business opportunities and how enterprises function in practice (Parker & Van Praag, 2012; Parker S., 2004). In line with Block et al. (2013), we expect that work experience helps aspiring entrepreneurs acquire their own companies.

Prior managerial experience may equally motivate entrepreneurial entry (Cooper & Dunkelberg, 1986; Lazear, 2004; Kim et al., 2006). Regarding managerial experience, Kim et al. (2006) find that individuals with management experience seem more likely to become business owners than those in other occupations as an entrepreneur has to be a "jack-of-all-trades"(Lazear, 2005; Parker & van Praag, 2012). We therefore believe that managerial work experience correlates positively with entrepreneurial entry through ETA.

Previous entrepreneurial experience, such as prior start-up experience, previous business ownership (start-up or not, majority or minority,…) or current self-employment is a specific aspect of human capital (Westhead et al., 2009) (Dencker et al., 2009) (Gimeno et al., 1997) (Chandler & Hanks, 1998) and considered as a surrogate measure of entrepreneurship-specific capital (Ucbasaran et al., 2008).

Similarly, in line with previous research (Kim et al., 2006; Hopp & Heidegger, 2019), prior entrepreneurial experience or self-employment experience should improve a nascent ETA entrepreneur's success rate.

2.2. Financial capital

Financial capital refers to the available monetary wealth obtained through regular income, inheritance, savings, windfalls, or borrowing. Studies have shown that financial capital indeed matters in the decision to start a firm and increases the likelihood of becoming an entrepreneur (Dunn & Holtz-Eakin (2000); Blanchflower & Oswald (1998); Bates T. (1997), Evans & Jovanovic (1989); Laferrere & McEntee, (1995), i.e. people with greater family wealth are more likely to become self-employed. Equally personal wealth also play an important role in the decision to become self-employed, (Holtz-Eakin et al. , 1994; Blanchflower & Oswald, 1998).

We include two variables measuring financial capital: the amount the ETA entrepreneur is prepared to invest (household wealth) and the origin of that wealth (household income).

Nascent entrepreneurs could benefit from household wealth to create new ventures according to the theory of liquidity constraints (Evans & Jovanovic, 1989) (Evans & Leighton, 1989) and obtaining bank loans for such small businesses are not always easy. However, most start-ups do not require large amounts of financial capital. Accordingly, the association of household wealth with the likelihood of entrepreneurial (startup) entry is relatively low to non-existent in prior research (Aldrich et al. (1998), Kim et al. (2006); Uusitalo (2001); Hurst & Lusardi (2004)). However, such wealth might be critical in an ETA context as the entrepreneur will need to acquire an existing business and all of its assets, investing a significant proportion of his existing net worth upfront and borrowing a substantial part of the transaction (Bastíé et al., 2013).

Regarding household income, individuals may evaluate the potential to create a new venture in terms of the opportunity costs of reducing their current income from employment. Accordingly, prior studies found no positive association between household income and new venture creation (Kim et al., 2006, Parker et al,, 2012). However, the ETA entrepreneur does not have this opportunity cost as the target company can often afford to pay the entrepreneur a more competitive salary compared to a start-up firm. Moreover, the potential gains from a successful ETA exit can be substantial (Ruback & Yudkoff, 2017; Pendarvis, 2005). As ETA entrepreneurs with high-salary jobs might find it easier to accumulate the financial resources needed to acquire a business, we expect a positive impact of the money earned in a previous career and the probability of success.

2.3. Social capital

Social capital entails resources at the individual, group, and organisational level, obtained through social interactions and connections with others (Bourdieu, 1986). Social capital is often considered in terms of the nascent entrepreneur's family background. Numerous studies (Western (1994); Hout & Rosen (2000); Butler & Herring, (1991); Dunn & Holtz-Eakin (2000); Sorensen J. (2007); Robinson (2009); Laferrere & McEntee (1995)) indicate that business owners' descendants are more likely to become business owners themselves, either because they acquired the necessary entrepreneurial skills and social network from involvement in the family business or attach more value to the non-pecuniary benefits of family business self-employment (Sorensen & Phillips, 2011). We therefore assumed that individuals with parents who were business owners or self-employed are more likely to acquire their own company.

3. Data and Method

In line with previous studies on the investment behaviour of equity investors, we used a survey approach (Gompers et al., 2020). We sent surveys via mail to participants of the 'Vlerick Entrepreneurial Buyout Academy' and 'Vlerick Buy Your Own Company Conference' between 2013 and 2018. The surveys were sent through three mailing waves during the months of December 2018 and January 2019. This setting provides a suitable and unique dataset to test our assumptions, as both events targeted nascent ETA entrepreneurs in Belgium. At these events the typical attendants were seasoned and experienced individuals with an average age of 46 years, a data sample that until now has never been specifically researched in the context of ETA. Via our surveys, we tracked which nascent ETA entrepreneurs successfully acquired a business. We collected the responses through a database containing 868 mail addresses. We received 170 responses, a 20% response rate. Seven respondents did not fill in the survey completely, leaving us with 163 observations for the multivariate analysis.

3.1. Dependent variable

We asked the respondents, 'Did you end up acquiring your company?' Out of the 163 respondents, 116 answered 'not yet' and 47 responded 'yes'. We fitted a standard logistic model to determine which independent variables were associated with higher or lower odds of successfully acquiring a company.

3.2. Independent variables

We measured human capital through four variables: age (a continuous variable) as a proxy for work experience; general managerial experience (***management.experience***), a dummy equal to 1 if the number of years in general management was above the median value and 0 otherwise; a proxy for entrepreneurial experience through an indicator equalling 1 if the respondent held a significant stake in a firm in which he or she was active or (co-)founded a new venture in the past and 0 otherwise (***entrepreneurial.experience***); and a binary variable for prior self-employment experience (***self.employed***; 1 if self-employed and 0 otherwise).

We measured household wealth or ***amount.to.invest*** as an ordinal variable ranging from 1 to 8 based on the interval of available capital to invest[1]. Regarding household income, we asked ETA entrepreneurs about the origin of the equity contribution (***origin.of.finance***) based on the classification of Robbie (1993). We asked respondents to score the importance of 7 sources of income on a scale of 1 (Not important at all) to 5 (Extremely important). These income sources consisted of 4 self-generated money sub-categories (personal savings, a golden handshake from the previous employer, re-mortgage of a house, and sale of other personal financial assets). The higher the overall score, the greater the importance of self-earned money as a source of finance, in contrast to not self-earned money from partners, friends, family or inheritance. Subsequently, we converted this variable to a dummy equalling 1 if the score was above the sample median.

To test for the effects on social capital, we included a dummy for whether the respondents' parents were business owners (***parents.background***; 1= business owners; 0= no business owners).

3.3. Control variables

In line with prior research, we control for education (***education.level***) through an ordinal variable (secondary school degree or less; bachelor degree; master degree; Ph.D.). To control for the degree of effort in seeking a suitable business, we included the number of buyout targets considered during the past year or the year prior to acquiring a business (***targets.considered***).

4. Results

	Not Acquired (n = 116)	Acquired (n = 47)	diff	p-value
Amount to invest	3.207	3.915	-0.708	0.012
Origin of finance	0.353	0.489	-0.13591	0.109
Self employed	0.595	0.872	-0.27751	**0.001*** **
age	43.879	45.830	-1.95048	0.128
Parents background	0.405	0.447	-0.04164	0.628
Entrepreneurial experience	0.517	0.553	-0.03595	0.679
Management experience	0.457	0.617	-0.16012	**0.065***
Education level	2.948	2.894	0.054659	0.494
Targets considered	1.707	4.149	-2.44204	**0.000*** **

Table 1. Univariate Analyses

*****, ** and * indicate significance at the 1%, 5% and 10% levels, respectively**.

Table 1 summarises the univariate test result. Successful ETA entrepreneurs seem to be significantly more likely to have previous management experience and self-employment experience. Naturally, more successful buyout entrepreneurs considered more acquisition targets in detail.

Table 2 provides the results of our multivariate logistic models. In Model 1, we include all nine independent variables. To resolve multicollinearity, we mean centre age. To improve the model's fit we identify the most parsimonious model using the LR-test. Accordingly, Model 2 has five regressors: amount.to.invest, origin.of.finance, self.employed, age, and targets.considered.

[1] Survey questions 34 and 90 provide an overview of the intervals.

Variable	Model 1	Model 2
Amount to invest	0.242**	0.255**
	(0.0443)	(0.0300)
Origin of finance	0.795*	0.774*
	(0.0505)	(0.0508)
Self employed	1.573***	1.458***
	(0.00381)	(0.00507)
age	0.0539*	0.0564**
	(0.0827)	(0.0465)
Parents background	0.145	
	(0.736)	
Entrepreneurial experience	-0.312	
	(0.448)	
Management experience	0.412	
	(0.333)	
Education level	-0.428	
	(0.305)	
Targets considered	0.185***	0.187***
	(0.00197)	(0.00136)
Constant	-2.681*	-3.775***
	(0.0552)	(1.38e-07)
Observations	**163**	**163**
R^2	**20.21%**	**18.92%**

Table 2. Multivariate analyses

This table reports the results of a logit regression*, ** and * indicate significance at the 1%, 5% and 10% levels, respectively.**

Our models reveal that previous self-employment is associated with higher odds of acquiring a company. Furthermore, older respondents seem to be more likely to achieve a successful buyout. These findings are conform with the research on start-up entrepreneurship, which finds that entrepreneurs are at a significant advantage when they possess a higher level of human capital (Hopp & Sonderegger, 2015). However, our results reveal that respondents with more household income and household wealth are more likely to acquire a company successfully. This finding stands in contrast with the results of Kim et al. (2006), who find that financial capital has no impact on an individual's chances of successfully starting a business. Compared to new venture creation, ETA requires more financing from the entrepreneur upfront since all the assets in place need to be acquired. Finally, social capital seems to have no significant impact. Given the typical age of the ETA entrepreneur and their long careers, the influence of the parent's background on entrepreneurial success has faded away.

As a robustness check of these logistic regressions, we decided to use an additional linear regression, based on the recent paper of R. Gomila (Gomila, 2020) which suggests that a linear regression based on OLS estimation can be used to assess treatment effects on binary outcomes. The linear regression model gives similar results (similar significant p-vales for the same independent variables) as the logistic regression model, indicating that the achieved results of the logistic regression are confirmed to be robust.

Naturally, our work is subject to limitations which presents valuable avenues for further research. Future studies could review whether the considered forms of capital affect the growth of the acquired business once the entrepreneur has entered the business. Furthermore, our data was collected from a sample of nascent Belgian entrepreneurs. Cultural differences could affect the relevance of each form of capital. Our research question would need to be studied in a cross-country setting to guarantee the generalizability of our results.

5. Conclusion

Previous findings on the success factors for entrepreneurial entry focused predominantly on start-up entrepreneurship. In contrast, this research focuses exclusively on ETA. We find that successful ETA entrepreneurs are prepared to invest or invest substantial amounts of their own money, representing significant percentages of their net worth and accumulated mainly through savings during mostly life-long careers and decades of hard work. In contrast, the literature on start-up entrepreneurs showed that such individuals are often much younger and often do not have to make such significant entry-investment to succeed (Kim et al., 2006). We find no association between individuals with parents who were/are business owners or self-employed and the likelihood of acquiring a company. Given the typical age of ETA entrepreneurs and their long, independent careers, the influence of the parent's background likely declined.

In conclusion, as ETA is hitherto a barely covered subject in the academic literature and the academic research on ETA is still in its infancy, there are still plenty of topics surrounding ETA to advance the knowledge in this fascinating academic area that are still waiting for further research. A considerable part of the research performed on nascent entrepreneurship and entrepreneurial entry, most of the times exclusively focused on startup entrepreneurship, could be the basis for a similar research effort on nascent ETA entrepreneurship and entrepreneurial entry via the ETA door. Without any doubt, there is work to be done as many areas in the ETA space are still academic wasteland.

Works Cited

Aldrich, H., Renzulli, L., & Langton, A. (1998). Passing on Privilege: Resources Provided by Self-Employed Parents to their Self-Employed Children. In K.Leicht, *Research in Stratification and Mobility* (pp. 291-317). Greenwich, CT: JAI Press.

Alvarez, S., & Busenitz, L. (2001). The entrepreneurship of resource-based theory. *Journal of Management, 27*, 755-775.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*, 99-120.

Bastie, F., Cieply, S., & Cussy, P. (2013, May). The entrepreneur's mode of entry: The influence of social and financial capital. *Small Business Economics, 40*(4), pp. 865-877.

Bates, T. (1997). *Race, Self-employment and Upward Mobility: An Illusive American Dream*. Baltimore: John hopkins University Press.

Becker, G. S. (1964). *Human Capital. A Theoretical and Empirical Analysis, with Special Reference to Education* . Chicago: The University of Chicago Press.

Blanchflower, D., & Oswald, A. (1998). What Makes an Entrepreneur? *Journal of Labor Economics, 16*, 26-60.

Block, J., Thurik, R., Van der Zwan, P., & Walter, S. (2013). Business takeover or new venture? Individual and environmental determinants from a cross–country study. *Entrpreneurship theory and practice, 37*(5), 1099-1121.

Bourdieu, P. (1986). The forms of capital. In J. Richardson, *Handbook of theory and research for the sociology of education* (pp. 241-258). New York: Greenwood Press.

Bruderl, J., Preisendorfer, P., & Ziegler , R. (1992). Survival Chances of Newly Founded Business Organizations. *American Sociological Review, 57*, 227-242.

Butler, J., & Herring, C. (1991). Ethnicity and Entrepreneurship in America: Towards and Explanation of Racial and Ethnic Group Varations in Self-Employment. *Sociological Perspectives, 34*, 79-94.

Chandler, G., & Hanks, S. (1998). An Examination of the Substitutability of Founders Human and Financial Capital in Emerging Business Ventures. *Journal of Business Venturing, 13*, 353-369.

Cooper, A., & Dunkelberg, W. (1986, Jan/Feb). Entrepreneurship and Paths to Business Ownership. *Strategic Management Journal, 7*(1), 53-68.

Davidsson, P., & Honig, B. (2003, May). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing, 18*(3), 301-331.

Dencker, J., Gruber, M., & Shah, S. (2009). Pre-Entry Knowledge, Learring, and the Survival of New Firms. *Organization Science, 20*(3), 516-537.

Dunn, T., & Holtz-Eakin, D. (2000). Financial Capital, human capital and the transition to self-employment: Evidence from intergenerational links. *Journal of Labor Economics, 18*, 282-305.

Evans, D., & Jovanovic, B. (1989). An Estimated Model of Entrepreneurial Choice under Liquidity Contraints. *The Journal of Political Economy, 97*, 808-827.

Evans, D., & Leighton, L. (1989). Some empirical aspects of entrepreneurship. *American Economic Review, 79*(3), 519-535.

Gimeno, J., Folta, T., & Cooper, A. (1997). Survival of the fittest? Entrpreneurial human capital and the persistence of underperforming firms. *Administrative Science Quarterly, 42*(4), 750-783.

Gomila, R. (2020). Logistic or Linear? Estimating Causal Effects of Experimental Treatments on Binary Outcomes Using Regression Analysis. *Journal of Experimental Psychology*.

Gompers, P. A., Gornall, W., Kaplan, S. N., & Strebulaev, I. A. (2020). How do venture capitalists make decisions? *Journal of Financial Economics, 135*(1), 169-190.

Holtz-Eakin, D., Joulfaian, D., & Rosen, H. (1994). Sticking it Out: Entrepreneuial Survival and Liquidity Constraints. *Journal of Political Economy, 102*, 53-75.

Hopp, C., & Sonderegger, R. (2015). Understanding the dynamics of nascent entrepreneurship—prestart-up experience, intentions, and entrepreneurial success. *Journal of Small Business Management, 53*(4), 1076-1096.

Hout, M., & Rosen, H. (2000). Self-Employment, Family Background and Race. *Journal fo Human Resources, 35*, 671-694.

Hunt, R., & Fund, B. (2012). Reassessing the practical and theoretical influence of entrepreneurship through acquisition. *Hunt, RA and Fund, BR (2012) Reassessing the Practical and Theoretical Influence of Entrepreneurship Through Acquisition Journal of Entrepreneurial Finance, 16*(1), 29-56.

Hurst, E., & Lusardi, A. (2004). Liquidity Constraints, Household Wealth and Entrepreneurship. *Journal of Political Economy, 112*, 319-347.

Kim, P. H., Aldrich, H. E., & Keister, L. A. (2006). Access (not) denied: The impact of financial, human, and cultural capital on entrepreneurial entryin the United States. *Small Business Economics*, *27*(1), 5-22.

Laferrere, A., & McEntee, P. (1995). Self-employment and intergenerational transfers of physical and human capital: An empirical analysis on French data. *Economic and Social Review, 27(1)*, 43-54.

Lazear, E. P. (2004). Balanced Skills and Entrepreneurship. *One Hundred Sixteenth Annual Meeting of the American Economic Association* (pp. 208-211). San Diego, CA: American Economic Association.

Lazear, E. (2005). Entrepreneurship. *Journal of Labor Economics, 23*, 649-680.

Miles, J. (2012). Resource-based Theory. In J. Miles, *Management and Organization Theory* (pp. 217-223). San Francisco: Jossey-Bass (John Wiley & Sons).

Morrissette, S. G., & Hines, S. (2015, Summer). An Investor's Guide to Search Funds. *The Journal of Private Equity*, 21-40.

Parker, S. (2004). *The Economics of Self-employment and entrepreneurship.* New York: Cambridge.

Parker, S., & van Praag, C. (2006). Schooling, capital constraints and entrepreneurial performance: the endogenous triangle. *Journal of Business & Economic Statistics*, 416-431.

Parker, S., & Van Praag, M. (2012). The entrepreneur's mode of entry: Business takeover or new venture start ? *Journal of Business Venturing, 27(1)*, pp. 31-46.

Pendarvis, E. (2005). *Buying a Business to Secure Your Financial Freedom. Finding and Evaluating the Business That's Right for You.* New York: McGraw-Hill.

Robbie, K. (1993). *The contribution of management buy-ins to corporate restructuring: Concepts, characteristics and performance.* University of Nottingham Nottingham.,

Robinson, D. (2009). *Getting an early start in self-employment.* Duke University.

Rocha, V., Carneiro, A., & Varum, C. (2015, June). Entry and exist dynamics of nascent business owners. *Small Business Economics, 45*(1), pp. 63-84.

Ruback, R. S., & Yudkoff, R. (2016). *HBR Guide to Buying a Small Business: Think Big, Buy Small, Own Your Own Company*: Harvard Business Review Press.

Ruback, R. S., & Yudkoff, R. (2017, January-February). Buying Your Way into Entrepreneurship. *Harvard Business Review*, pp. 149-153.

Sorensen, J. (2007). Closure an dexposure: mechanisms in the intergenerational transmisson of self-employment. *Research in the Sociology of Organizations, 25*, 83-124.

Sorensen, J. B., & Phillips, D. J. (2011). Competence and commitment: employer size and entrepreneurial endurance. *Industrial and Corporate Change, 20*(5), 1277-1304.

Ucbasaran, D., Westead, P., & Wright, M. (2008). Opportunity identification and pursuit: Does an entrepreneur's human capital matter? *Small Business Economics, 30(2)*, 153-173.

Unger, J., Rauch, A., Frese, M., & Rosenbusch, N. (2011). Human Capital and Entrepreneurial Success: A Meta-Analytical Review. *Journal of Business Venturing, 26*(3), 341-358.

Uusitalo, R. (2001). Homo entreprenaurus. *Applied Economics, 33*, 1631-1638.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal, 5*, 171-180.

Western, M. (1994). Class Structure and Intergenerational Class Mobility. Comparative Analysis of Nation and Gender. *Social Forces, 73*, 101-134.

Westhead, P., Ucbasaran, D., & Wright, M. (2009). Information Search and Opportunity. The importance of prior business ownership experience. *International Small Business Journal, 27*(6), 659-680.