

ONLINE APPENDIX

**MOVE-IN READY OR FIXER-UPPER?
VC SPECIALIZATION AND STARTUP INNOVATION**

STRATEGY SCIENCE

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Table A1. Second stage: Cox regression on the time to first patent after VC investment, by research environment

Sample, by research environment	High	High	Low	Low
Endogeneity correction	No	Yes	No	Yes
Model	(1)	(2)	(3)	(4)
VC syndicate specialization: co-located	0.75** (0.25)	0.30 (0.38)	0.04 (0.22)	0.85 (0.56)
VC syndicate specialization: not co-located	0.19 (0.36)	-0.35 (0.56)	0.68† (0.39)	1.33* (0.56)
VC syndicate experience	0.03 (0.04)	0.02 (0.03)	0.01 (0.04)	0.04 (0.03)
Startup capital	0.44** (0.17)	0.58*** (0.14)	-0.11 (0.29)	-0.34 (0.30)
Startup patents	0.31*** (0.09)	0.30*** (0.09)	0.37*** (0.08)	0.37*** (0.09)
Startup publications	-0.09† (0.05)	-0.11* (0.05)	0.25*** (0.07)	0.28*** (0.06)
Startup age	-0.01 (0.07)	-0.03 (0.07)	-0.26** (0.10)	-0.25** (0.10)
After AIPA	-0.26** (0.09)	-0.27** (0.09)	-0.59*** (0.14)	-0.57*** (0.14)
Country industry patent stock			-0.14 (0.26)	-0.19 (0.25)
State industry patent stock	0.31*** (0.08)	0.31*** (0.08)		
Country GDP per capita			0.25 (0.33)	0.20 (0.33)
State GDP per capita	-0.11 (0.53)	-0.19 (0.55)		
Residuals		0.84 (0.55)		-1.15 (0.72)
Observations	464	464	444	444
Log-Likelihood	-1,582	-1,582	-1,076	-1,075

Note. Splitting the sample by median research environment (Country industry patent stock) coincidentally splits the sample into US (high) and not-US (low). All continuous independent variables are logged. Industry segment fixed effects included. Baseline hazard stratified by whether or not the startup has patents at time of VC investment. Efron method for handling ties. Standard errors clustered by startup country (or state, for US regressions), in parentheses.

***p < 0.001, **p < 0.01, *p < 0.05, †p < 0.10

Table A2. VC syndicate specialization measured as mean, second stage: Cox regression on the time to first patent after VC investment

Endogeneity correction	No	Yes
Model	(1)	(2)
VC syndicate specialization (mean)	0.48* (0.19)	3.22* (1.58)
VC syndicate experience	0.04** (0.02)	0.17** (0.06)
Startup capital	0.45*** (0.08)	0.25† (0.14)
Startup patents	0.26*** (0.04)	0.27*** (0.04)
Startup publications	-0.01 (0.09)	0.01 (0.09)
Startup age	-0.10 (0.07)	-0.05 (0.08)
After AIPA	-0.35*** (0.08)	-0.30*** (0.07)
Country industry patent stock	0.11* (0.05)	0.16** (0.06)
Country GDP per capita	0.34 (0.28)	0.15 (0.30)
Residuals		-2.86† (1.59)
Observations	908	908
Log-Likelihood	-3072	-3070

Note. All continuous independent variables are logged. Industry segment fixed effects included. Baseline hazard stratified by whether or not the startup has patents at time of VC investment. Efron method for handling ties. Standard errors clustered by startup country, in parentheses.

***p < 0.001, **p < 0.01, *p < 0.05, †p < 0.10

Table A3. VC syndicate specialization measured as mean, second stage: Cox regression on the time to first patent after VC investment, by research environment

Sample, by research environment	High	High	Low	Low
Endogeneity correction	No	Yes	No	Yes
Model	(1)	(2)	(3)	(4)
VC syndicate specialization	0.42 (0.42)	3.83 (10.65)	0.08 (0.39)	3.36* (1.71)
VC syndicate experience	0.04 (0.04)	0.18 (0.44)	0.02 (0.05)	0.18* (0.09)
Startup capital	0.49* (0.20)	0.27 (0.59)	0.02 (0.26)	-0.28 (0.31)
Startup patents	0.30** (0.09)	0.31** (0.10)	0.37*** (0.08)	0.39*** (0.09)
Startup publications	-0.12* (0.05)	-0.09 (0.10)	0.25*** (0.07)	0.28*** (0.07)
Startup age	-0.01 (0.07)	0.04 (0.20)	-0.25** (0.09)	-0.20† (0.10)
After AIPA	-0.25** (0.09)	-0.24* (0.09)	-0.58*** (0.14)	-0.49*** (0.15)
Country industry patent stock			-0.14 (0.26)	-0.22 (0.26)
State industry patent stock	0.33*** (0.08)	0.33*** (0.08)		
Country GDP per capita			0.30 (0.33)	0.10 (0.34)
State GDP per capita	-0.08 (0.54)	-0.09 (0.54)		
Residuals		-3.44 (10.51)		-3.47* (1.65)
Observations	464	464	444	444
Log-Likelihood	-1584	-1584	-1078	-1076

Note. Splitting the sample by median research environment (Country industry patent stock) coincidentally splits the sample into US (high) and not-US (low). All continuous independent variables are logged. Industry segment fixed effects included. Baseline hazard stratified by whether or not the startup has patents at time of VC investment. Efron method for handling ties. Standard errors clustered by startup country (or state, for US regressions), in parentheses.

***p < 0.001, **p < 0.01, *p < 0.05, †p < 0.10

Table A4. Second stage: Flexible parametric survival analysis on the time to first patent after VC investment

Endogeneity correction	No	Yes
Model	(1)	(2)
VC syndicate specialization	0.58* (0.27)	2.92* (1.35)
VC syndicate experience	0.06* (0.03)	0.15* (0.06)
Startup capital	0.27† (0.15)	-0.08 (0.25)
Startup patents	0.92*** (0.05)	0.93*** (0.05)
Startup publications	-0.09 (0.06)	-0.06 (0.06)
Startup age	-0.08 (0.07)	-0.03 (0.07)
After AIPA	-0.45*** (0.09)	-0.38*** (0.10)
Country industry patent stock	0.06 (0.07)	0.11 (0.07)
Country GDP per capita	0.58 (0.36)	0.36 (0.38)
Constant	-2.41*** (0.44)	-3.32*** (0.68)
Residuals		-2.43† (1.38)
Observations	908	908
Log-Likelihood	-1237	-1236

Note. All continuous independent variables are logged. Industry segment fixed effects included. Baseline hazard stratified by whether or not the startup has patents at time of VC investment. Model estimated with 6 knots. Standard errors, in parentheses.

*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$, † $p < 0.10$