

REFEREE'S REVIEW

Program:	Master in Information Technologies and Innovation Management Program
Student:	Olga Titova
Title of thesis:	Raising Start-Up Capital for Technology-Based Entrepreneurial Ventures: Equity Financing and Subsidising

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.	5			
Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.	5			
Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.	5			
Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.	5			
Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.	5			
Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.		4		
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.	5			

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor.

Additional comments:

The topic of business support and development of technological innovations is currently central to the public policy in Russia. The direct borrowing of international experience in this area is difficult in view of significant institutional features and often immature institutions. Certainly, one of the most important aspects in the development of technology-based entrepreneurial ventures (TBEVs) is a funding model that allows the company to survive. The modern Russian practice of such ventures and in particular the features of their financing are unexplored. In this context, the purpose of the thesis, proposed by the author - to reveal the actual relationship between equity financing and subsidizing in forming start-up capital of technology based entrepreneurial ventures is highly relevant.

The first theoretical chapter contains a detailed analysis of the nature and main characteristics of TBEVs, including sources and models of their funding at different stages of development, the advantages and disadvantages of equity financing and financing through public funds. The author has also done the analysis of the need for government intervention and highlighted the economic rationales for public policy support for innovation - the presence of externalities and information asymmetry/incompleteness. It should be noted that the author was able to formulate a relevant and meaningful theoretical framework for the study based on a comprehensive literature review. The undoubted advantage of the work is numerous systematizations and generalizations realized by the author, supported by graphic illustrations and tables.

Empirical research is based on the use of both quantitative and qualitative methods. The practical part contains the analysis of financing options for start ups in Russia at different stages of their development, as well as analysis of the practice of TBEVs' funding on the example of several

companies. The results of the research are described in detail. Conclusions and managerial implications made by the author are of high practical importance as they contribute to better understanding of the optimal funding models of TBEVs, as well as to improvement of public policies towards entrepreneurship and innovation support.

There are only few small questions to the author:

- In the first chapter many public policy instruments (financial and not financial) were mentioned and many international examples were given. Nevertheless in the empirical part the general innovative infrastructure and public innovation policy in Russia have not been described. Why?
- As the empirical research revealed, there are 63% of TBEVs which want to but still cannot attract equity financing (57 page). What are the reasons for that? Is there any chance to change this situation? Can we conclude that the current preferences of entrepreneurs regarding sources of financing are the outcome of funds availability (accessibility) rather than comparative attractiveness of their sources?

Generally, the paper is characterized with competent style of a statement, a practical orientation and strongly research character. The layout of the thesis absolutely fulfils the requirements of the Regulations for master thesis preparation and defense. The high quality of English is also worth mentioned.

Master thesis of Olga Titova meets the requirements of MITIM program, and deserves an “excellent” grade, thus the author can be given the desired degree.

Date 22.06.2011

Referee: *Senior Lecturer, Anastasia A. Golubeva*

