

# CORPORATE GOVERNANCE ISSUES IN THE ENTREPRENEURIAL FINANCE ECOSYSTEM: AN AGENDA FOR FUTURE RESEARCH

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**How to cite:** Capizzi, V. (2019). Corporate governance issues in the entrepreneurial finance ecosystem: An agenda for future research. *Corporate Governance: Search for the Advanced Practices*, 20-21. <https://doi.org/10.22495/cpr19k2>

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**JEL Classification:** G24, G32, M13  
**DOI:** 10.22495/cpr19k2  
**Keywords:** Start-up Financing, Business Angels, Venture Capital, Equity Crowdfunding, Soft Monitoring

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## Keynote speech / Summary

Alongside the consolidation and spread of the venture capital industry at a worldwide level, over the last two decades we have observed the growing emergence of alternative sources of funding within the early-stage financing industry. These funding sources are radically changing and reshaping the start-up eco-system, as well as the entrepreneurial finance literature. These alternative sources of funding involve many heterogeneous players, such as incubators, accelerators, science and technology parks, university-affiliated seed funds, corporate seed funds, business angels – including “super-angels”, angel groups, business angel networks and angel investment funds – and both equity- and debt-based crowdfunding platforms.

On the opposite side, large financial institutions, which are experienced in operating in the capital markets and investing in late-stage and mature companies, increasingly began diversifying their investment portfolios and, as a consequence, have attempted to “get in the venture game” through, in some cases, the well-consolidated business model of closed-end funds and, in other cases, through direct investments or through co-investments alongside the closed-end funds.

In this keynote speech, I focus on the challenges and market opportunities available to both venture capitalists and the above-mentioned alternative actors, shedding light on the governance issues faced by new ventures when getting access to such opaque and risky segment of the capital markets. I conclude set a promising agenda for future research in the field of entrepreneurial finance, which imply deepening the investigation on the different kind of monitoring mechanisms available to seed investors as well as developing a clearer understanding about the complex nature of the interactions among them. It might be possible in the near future a new theoretical framework will be able to better explain the growth path of start-up companies when compared to the traditional one based on a chronological pecking order in the entrepreneurs' funding policies. In other words, the dynamic interactions between start-ups and their investors could be firm-specific and conditioned by their prior choices about the type of investor first providing equity capital, leading to a "multidimensional" ecosystem where start-ups have their own financing paths, which are different and possibly parallel to each other, based on unique combinations of the many different alternatives now available within the start-up ecosystem.