

ABSTRACT

The significance of venture capital in spurring innovation for venture backed entrepreneurial startups has been majorly emphasized in the literature. However, different processes or central theme for exploring the role of venture capitalists were identified and used. This research study is going to highlight the factors affecting the innovation process of the startups. In other words, the impact of innovation input by venture capitalist is on the innovation output of the portfolio firm investigated. This research study gathered the data from the founders of the venture backed startups and assumed that the role of venture capital and innovation is positively and significantly related. In order to validate this relationship, the participants were offered for a semi-structured interview based on 20 open-ended questions. In addition, by applying Thematic Analysis, this relationship is evaluated and examined. It has been concluded that the VC plays a significant and positive role in spurring innovation. Venture Capitalists add value to the company by playing a far more active role in helping businesses expand by providing additional competencies, contacts, expertise, and several more value-added services. The findings and conclusions of this research study would enable the entrepreneurial startups to recognize the importance, advantages, and the contribution of the VCs in fostering innovation for their new and risky startups.

Keywords: Venture Capital, Corporate Venture Capital, Portfolio Firms, Entrepreneurs, Startups.