## Project Summary

**Topic:**
When do investors pay entrepreneurs to retain control of their ventures?

**Description:**
Literatures in management and finance highlight an important dilemma which entrepreneurs or managers (collectively, insiders) encounter while acquiring financial resources. On one hand, cash proceeds from equity sale is vital for financing growth opportunities. On the other hand, equity dilution leads to diminished insider control over strategic matters. Many firms where insiders are desirous of keeping control implement control-enhancing mechanisms (CEMs) which endow insiders with control rights more than commensurate with their ownership rights. Investors, in return, seek compensation for the imminent low control. This is called the rich or king dilemma- insiders cannot be at once rich and king. Either go for the king position (high control but pay penalty to investors) or the rich position (commensurate control but get your equity’s worth). The project is about identifying boundary conditions – if they exist – under which the equation reverses. That is, external investors pay rather than penalize insiders to retain disproportionate strategic control of their organizations.

**Tasks & skills:**
This is a quantitative empirical project aimed at leading journals and conferences in strategic management. The topic is contemporary (intersection of ESG and entrepreneurship) and has wider implications (business as well as academic). It can provide good pre-doctoral exposure through collecting and preparing large-scale datasets and undertaking systematic literature review.

**Remarks**
N/A