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## Acquiring resources for a new venture:

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## SUMMARY

Most entrepreneurs, at some stage in the creation of a new venture, need to acquire external financial, human, or social capital. The providers of these resources may be reluctant to cooperate, given that new ventures are highly uncertain investment opportunities. As a consequence, one of the key tasks for new venture founders is convincing resource providers to engage with them. Entrepreneurship researchers have therefore increasingly turned to studying new venture founders' language use. These linguistic studies to date focus on the stories entrepreneurs tell, and the analogies and vocabulary they use. What they hardly pay attention to, is how entrepreneurs use micro-level arguments to enhance the persuasiveness of their narratives, nor what arguments they make besides analogies. Another limitation of prior linguistic research on resource acquisition is that it concentrates on the acquisition of financial resources, whereas new venture founders are often also in need of more intangible resources, such as knowledge and expertise. In this dissertation, I aim to address these limitations. To that end, I have conducted three studies of the micro-linguistic practices of entrepreneurs who strive to acquire resources (both financial and nonfinancial) for a new venture.

Chapter 2 introduces a typology of the micro-level arguments that entrepreneurs can use to claim that their new venture is legitimately distinct. Because providers of financial resources are more likely to invest in ventures that simultaneously blend in with, i.e., are legitimate, and stand out (i.e., are distinct) from other organizations in their environment, being evaluated as legitimately distinct is crucial. I argue that entrepreneurs, despite the challenges associated with newness, can use six types of argument – arguments by analogy, sign, cause, classification, generalization, and authority – to convince resource providers of the legitimate distinctiveness of their venture. With the exception of the argument by analogy, none of these arguments has been recognized by prior studies on entrepreneurial resource acquisition. The typology introduced in chapter 2 therefore contributes to a more refined understanding of the rhetorical devices new venture founders have at their disposal, and adds a rhetoric-informed perspective to research on the notion of legitimate distinctiveness.

In chapter 3, I use the typology introduced in chapter 2 to analyze the pitches that nine entrepreneurs gave to an audience of investors. These entrepreneurs used a variety of micro-level arguments to support the higher-level claims they made as part of their pitch narrative,

i.e., to enhance its plausibility. The entrepreneurs further achieved narrative plausibility by basing their arguments on verifiable information. In addition, my argumentation analysis suggests that micro-level arguments contribute to achieving narrative resonance. More specifically, the entrepreneurs used arguments to address topics that investors see as indicators of a new venture's investment readiness, and often refrained from making explicit claims (thus constructing enthymemes) in order to implicitly appeal to their audience's interests. These results extend earlier work on entrepreneurial narratives, which stopped short of explaining how new venture founders achieve narrative plausibility and resonance.

In chapter 4, the focus is shifted to nonfinancial resources. Most entrepreneurs are not just in need of financial resources, but often also lack the knowledge and expertise that is required to sustain and grow their venture. They therefore seek external advice. Despite the need for and potential benefits of third-party feedback, new venture founders do not always express satisfaction with the feedback they receive. The results of an analysis of 28 conversations that took place between mentors and entrepreneurs in a business incubator suggest that new venture founders display a receptive attitude towards third-party feedback if it is a detailed and supportive response to their explicit request for advice. They generally display less receptiveness when feedback lacks detail, challenges the assumptions underlying their request, or when it is unsolicited. If mentors, however, focus challenging or unsolicited feedback on a specific aspect of a new venture idea, discuss that aspect thoroughly, and provide recommendations that aim to help the entrepreneur improve on it, entrepreneurs tend to change their displayed attitude. By specifying in which situations new venture founders respond more or less receptively to feedback, these findings add to existing research on the role of third-party feedback in entrepreneurship.

Together, the three studies that make up this dissertation make two main contributions to entrepreneurship research. First, my findings indicate that taking a micro-level approach to studying new venture founders' language use complements studies that focused on broader discursive mechanisms, such as narratives. Adopting a micro-level perspective resulted in a more comprehensive overview of the arguments entrepreneurs use, and unraveled the rhetorical strategies by which they achieve narrative plausibility and resonance. Second, my dissertation suggests new directions for research on entrepreneurial resource acquisition: studying the challenges entrepreneurs face when crafting a message targeted at resource providers (as an alternative to examining the overall challenges involved in acquiring

resources for a new venture), and paying attention to the acquisition of nonfinancial resources instead of focusing almost exclusively on financial resources.