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Moral over matter – Organizational legitimacy construction through storytelling in entrepreneurial resource acquisition

Master's Thesis
Minttu Aarniovuori
Aalto University School of Business
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Author	Minttu Aarniovuori
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Abstract

The aim of this study is to contribute to a better understanding of the narrative strategies that entrepreneurs engage with in the process of legitimacy construction in the context of resource acquisition. This study has two main objectives. First, it aims to identify the types of narratives that new ventures present to investors in pursuit of resources. Second, it aims to show how these narratives contribute towards the emergence of organizational legitimacy and what specific types of legitimacy they construct. The study answers the call for research on how different modes of communication are used to exploit entrepreneurial opportunities.

The research objectives are approached through a qualitative case study. The empirical data consists of ten video-recorded pitches by early stage technology startups that were selected among the top ten finalists of a pitching competition held during an international entrepreneurship and technology conference, Slush 2017 in Helsinki, Finland. The pitches are first analyzed through the lens of Greimas' actantial model to identify the subjects, objects, senders, receivers, helpers and opponents in the stories. Second, the narratives of the pitches are analyzed through the lens of Suchman's typology of organizational legitimacy to uncover the types of legitimacy pursued. The theoretical framework builds on four streams of literature: entrepreneurial resource acquisition, organizational legitimacy, storytelling, and the prior research on the use of narratives specifically in the context of entrepreneurship and organizational legitimacy construction.

The analysis identifies three distinct types of narrative patterns that entrepreneurs construct in pitching for external resources: *the socially conscious, the environmentally conscious* and *the economically conscious*. The fourth identified type is a mix of the *environmentally conscious* and *the economically conscious*. With these narrative patterns, pitching entrepreneurs pursue all of the three types of organizational legitimacy to some extent. However, most of the entrepreneurs allocate a relatively small share of their pitch towards pursuing *cognitive legitimacy* and instead focus on building either *moral legitimacy* or *pragmatic influence* or *disposition legitimacy* through appearing as socially, environmentally or economically responsible. Most of the pitchers spend relatively little time on constructing *pragmatic exchange legitimacy*: assuring the audience of the favorable exchanges that investing in their venture would produce.

The study contributes to research in the field of entrepreneurship by showing that most pitchers portray themselves as heroes with unique capabilities and resources for helping someone or something in need. The entrepreneurs are predominantly on a mission to make the world a better place–and only secondarily monetizing on their positive impact. In every story, technology is cast as an important helper of the heroes.

Keywords storytelling, entrepreneurship, resource acquisition, organizational legitimacy, narratives, pitching

Aalto-yliopisto
Kauppakorkeakoulu

Aalto-yliopisto, PL 11000, 00076 AALTO
www.aalto.fi
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Tiivistelmä

Tutkimuksen tarkoituksena on lisätä ymmärrystä tarinankerronnallisista strategioista, joita start-up-yrittäjät hyödyntävät pitchatessaan yritystään potentiaalisille rahoittajille ja rakentaessaan yritykselleen organisaation legitimiteettiä resurssien hankinnan prosessissa. Tutkimuksella on kaksi päätavoitetta: (1) tunnistaa millaisia narratiiveja start-up-yritykset esittävät sijoittajille tavoitellessaan rahoitusta yritykselleen ja (2) osoittaa miten nämä narratiivit rakentavat organisaation legitimiteettiä, ja mitä legitimiteetin tyyppejä ne erityisesti tukevat. Tutkimus tarjoaa uutta tietoa viestinnän roolista yrittäjyyden mahdollisuuksien hyödyntämisessä.

Tutkimus toteutettiin laadullisena tapaustutkimuksena. Empiirinen data koostui kymmenestä videonauhoitteesta, joilla start-up-yrittäjät pitchaavat yrityksiään sijoittajille kasvuyritys- ja teknologiakonferenssi Slushin yhteydessä järjestyn pitchauskilpailun finaalissa Helsingissä vuonna 2017. Tutkimuksessa pitchejä analysoitiin kahden teoreettisen mallin kautta: Greimas'n aktanttianalyysin sekä Suchmanin organisaation legitimiteettitypologian. Näiden kahden analyyttisen mallin avulla tutkimus osoitti, millaisia tarinoita pitchaajat kertoivat yrityksistään, ja miten nämä tarinat osallistuvat organisaation legitimeetin rakentamiseen. Teoreettinen viitekehys pohjautuu aiempiin löydöksiin yrittäjyyden, tarinankerronnan, organisaation legitimiteetin sekä näitä kolmea osa-aluetta yhdistävän kirjallisuuden saralla.

Tutkimus identifioi kolme erillistä narratiivin tyyppiä, joita tutkitut pitchit edustavat: sosiaalisen vastuun, ympäristövastuun sekä taloudellisen hyödyn tavoittelijat. Neljäs narratiivin tyyppi oli yhdistelmä ympäristövastuun ja taloudellisen hyödyn tavoittelua. Tarkastellut pitchit tavoittelivat enjossain määrin kaikkia kolmea legitimiteetin tyyppiä, mutta useimmat heistä korostivat vähäisesti kognitiivista legitimiteettiä (*cognitive legitimacy*) ja sen sijaan keskittyvät voimakkaimmin rakentamaan moraalista (*moral legitimacy*) tai käytännöllistä dispositio- tai vaikutuslegitimiteettiä (*pragmatic disposition/influence legitimacy*), joka kumpuaa heidän toimintansa positiivisesta vaikutuksesta ympäristön, yhteiskunnan tai yritystoiminnan näkökulmasta. Pitchaajat korostivat hyvin vähän yrityksensä käytännöllistä vaihdantalegitimiteettiä (*exchange legitimacy*) kertomalla kyvystään tuottaa sijoittajille taloudellista hyötyä resursseja vastaan.

Tutkimus avaa tarinankerronnan ja legitimiteetin rakentumisen välistä suhdetta yrittäjyyden kontekstissa osoittamalla, että tarkastellut pitchaajat esittävät itsensä sankarimaisina auttajina, jotka ainutlaatuisia resurssejaan hyödyntämällä voivat auttaa apua tarvitsevia. Yrittäjät pyrkivät ensisijaisesti tekemään maailmasta paremman paikan – ja vasta toissijaisesti tuottamaa taloudellista hyötyä. Jokaisessa tarinassa teknologia kuvataan yrittäjän tärkeänä auttajana ja tavoitteiden saavuttamisen mahdollistajana.

Avainsanat yrittäjyys, organisaation legitimiteetti, tarinankerronta, narratiivi, resurssihankinta, pitchaus

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This thesis project began in February 2018 with high hopes of being finished by the following September, right before the author would depart for her first CEMS semester at The London School of Economics and Political Science. Indeed, the work was well in progress by the end of August, but little did our heroine know she was about to join a cult instead of a master's program. In London, she quickly understood she had no other choice than to give in to the community and let the thesis wait.

In January, the heroine thought that once back in Helsinki, nothing could stop her from finishing the thesis in no time. She thought wrong. She had not realized that the allure of the cult was not tied to its geographical location. Once again, she found herself neck-deep in the embrace of the community constantly faced with better things to do than write the thesis.

Although this project arguably extended its welcome in my mind a long time ago, I feel absolutely grateful for having experienced every month, day and hour of it, because the only reason for its prolongment has been that I was simply too busy enjoying life. I want to thank each and every fantastic person who has come to my life during this time period and given me such good reasons to not write my thesis.

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Indeed, it was not until the CEMS year ended, that I finally had time to wrap up the project. A special thank you goes to my supervisor Ari Kuismin for having the patience to always provide me with such unwavering support and valuable guidance whenever I was ready to receive it.

Long story short: After fifteen months of only good excuses, the story-told of a master's thesis has finally evolved into a story-lived. The author will live happily ever after.

30.05.2019, Helsinki
Minttu Aarniovuori

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1 INTRODUCTION

Venkataraman (1997, p. 6) defines entrepreneurship as ''a scholarly field that seeks to understand how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what consequences.'' Shane and Venkataraman (2000, p. 218) further suggest that one important question for entrepreneurship researchers to ask is ''why, when, and how different modes of action are used to exploit entrepreneurial opportunities''. My research answers this question by investigating how entrepreneurs use communication to exploit opportunities. Specifically, it seeks to add to the existing knowledge on *entrepreneurial storytelling* and *organizational legitimacy construction* in the act of pitching for resources.

Pitches are scripted narratives that follow an established structure and logic to deliver information about a company in a concise and brief, yet sufficiently comprehensive and persuasive format. Pitches are performed orally for audiences such as bankers, venture economically conscious and media representatives, and their delivery is often accompanied and supported by visual aids such as a slideshow deck. Studying pitching as an act of entrepreneurial resource acquisition is meaningful as the activity is recognized as a vital yet extremely challenging entrepreneurial task. (e.g. Shane 2003; Martens, Jennings & Jennings 2007)

An organization with legitimacy is one that is generally considered to operate in accordance with desirable, proper or appropriate with established socially constructed norms, values and beliefs. Legitimacy facilitates organizations in many tasks, for example in building networks, convincing external skeptics and acquiring resources. (Suchman 1995) As several scholars have suggested that legitimacy construction is a critical component of acquiring resources during the early stages of venture creation (e.g. Aldrich & Fiol 1994; Lounsbury & Glynn 2001; Zimmerman & Zeitz 2002), studying it in the context of pitching increases understanding of two important and intertwined phenomena. My aim is to shed light on the types of organizational legitimacy that new ventures

construct in their pitches through an analysis that treats pitching as an act of storytelling. The purpose is to discover what kind of stories entrepreneurs tell for overcoming the lack of organizational legitimacy inherent to newly established companies.

The use of narrative as an analytical tool has its roots in the linguistic turn of humanities and social sciences. Essentially, the *linguistic turn* entailed a shift of research perspective as scientists predominantly studying topics outside of language, such as social and psychological phenomena, began to consider these as constituted through language, sustained through language and challenged through language (Gabriel 2004; Katila, Laine & Parkkari 2017). Later, the appreciation of language as an arena for the emergence and evolvement of social phenomena led to the *narrative turn* - the recognition and adoption of narratives an analytical lens appropriate for studying social sciences and organizational life (Smith & Anderson 2001). As Gergen (2001) notes, narrative has since shifted from a means of analysis attracting scarce scholarly interest to a research method and perspective applicable throughout the humanities and social sciences.

Most recently, narrative has established itself as a widely applied lens in management studies, so that storytelling is a now acknowledged as a common form of business communication (Buckler & Zien 1996). Smith and Anderson state that narrative is unique as a type of verbal expression "because it provides a fundamental method for linking individual human actions and events with interrelated aspects to gain an understanding of outcomes" (2001, p. 127). Narratives construct meaning by creating mental linkages between seemingly distinct entities and identifying how human actions contribute to a particular outcome; how distinct parts of an entity contribute to the meaning of the whole (Smith & Anderson 2004).

The use of narrative analysis is particularly justified in a study of newly founded organizations because every business begins as a "story of an imagined future" (O'Connor 2002, p. 105). Once a company has been formally founded, it yet remains largely fictional for the first months or even years of its existence, until it can prove its ability to realize its imagined future (Gartner, Bird & Starr 1992) and transcend the role of a "story told" to the role of a "story lived" (Czarniawska 2004). At the stages of

formation and early growth, a venture is fundamentally an imagined concept whose existence and survival depend on whether its founders and audience choose to believe in it.

As entrepreneurs are not in the business of fictitious storytelling, but in the business of generating profits, they need to provide their audience a story so compelling, it convinces them to invest money or resources in the venture (O'Connor 2002) at a time when the organization's future is still largely a matter of faith. Sociologists and organizational theorists call this process of securing mental and financial buy-in as *legitimacy building* (Suchman 1995; Aldrich & Fiol 1994). Storytelling is an essential mechanism for furthering the formation of legitimacy in communication (Lounsbury & Glynn 2001) and can even be a "make-it or break-it element" in a pitch (Cremades 2016, p. 25).

Most recently, many entrepreneurship researchers have shifted their focus from the study of entrepreneurial characteristics (such as social networks) to the study of entrepreneurial behaviors that construct legitimacy (Zott & Huy 2007; Clarke 2011). In the research stream of entrepreneurial behavior, a group of authors has investigated the role of narratives in resource acquisition. For instance, O'Connor (2012) has previously answered the call for research into the processes by which an entrepreneur makes meaning (Aldrich & Fiol 1994, p. 666) by studying, what stories entrepreneurs tell to build legitimacy and how they formulate and develop their legitimacy claims. More recently, Lurtz and Kretzer (2014) have used the actantial model by Greimas (1987) to study the storytelling strategies that entrepreneurs deploy for acquiring resources in pitching. Their research discovered that stories with narrativity, as epitomized by Greimas' six actants, are advantageous for resource acquisition. Similarly, Golant and Sillince (2007) have used the actantial model to study how organizations justify their claims for legitimacy in discourse.

These previous studies have examined entrepreneurial narratives as they appear in written formats, in everyday conversations, and in pitching. Although entrepreneurship research has previously studied storytelling in pitching and legitimacy construction separately, there remains a call for studies that weave together the study of narrativity with the study

of legitimacy construction specifically in the context of pitching, which constitutes a prominent mechanism through which many early stage entrepreneurs today seek for capital. Overall, relatively few studies have yet been made on the topic of how entrepreneurs use storytelling for building organizational legitimacy. As O'Connor (2002, p. 123) phrases it:

> "How founders succeed and fail in the complex, constraining, and life-sustaining activity of legitimacy building is a story with much at stake for researchers as well as entrepreneurs."

Currently, we lack an empirically grounded understanding of the stories new venture founders construct for their organizations and use for engendering organizational legitimacy in pursuit of acquiring external resources for their company, in the act of pitching.

This thesis takes a narrative perspective on pitches presented by entrepreneurs during resource acquisition. The study uses narrative analysis as a tool to investigate how entrepreneurs construct organizational legitimacy when pitching their businesses to potential capital providers. The study relies mainly on two analytical frameworks: Greimas' structural semantics model of the six actants of a narrative and Suchman's typology of organizational legitimacy. It first analyzes the stories embedded in the entrepreneurs' pitches with the six actants model and then combines Suchman's typology with results of the analysis to convey what type of legitimacy the ventures strive to establish with the stories they tell. The terms *narrative* and *story* are used interchangeably throughout the thesis.

Research objectives and questions

The research problem of my study is addressed through the following research questions:

1. What kind of narratives entrepreneurs construct in pitching for external resources?
2. What types of organizational legitimacy these narratives build?

The study uses a qualitative research design. The empirical data consists of ten pitches performed in December 2017 in the Finnish startup and technology conference Slush. The research approach was partially abductive as the research frame was guided by the initial findings of the empirical data. First, I analyzed the narrativity of each pitch by identifying the six Greimasian actants by carefully investigating relationships between the actants, as the meaning of a story is produced by the relationship between different actants (Greimas 1987). Next, I used the output of the actantial model analysis to highlight what type of legitimacy these narratives constructed; how they justified the entrepreneurs' claims for legitimacy. The methodology here was previously applied in the organizational context by Golant and Sillince (2007). Finally, I identified four distinct sources of organizational legitimacy that the entrepreneurs pursued with their stories.

Overall, the study provided new insights into the topic of legitimacy construction in pitching for resources. New ventures engage in legitimacy building through storytelling and, to a varying extent, make claims for all the three types of legitimacy identified by Suchman (1995): pragmatic, moral and cognitive legitimacy. Most saliently, the new ventures in the Slush 100 pitching competition search for moral legitimacy that flows from their desire and objective to protect the environment or help people live safer or happier lives. The second salient type of legitimacy is pragmatic legitimacy that flows from the new ventures' ambition to help other businesses operate more efficiently and profitably. The ability to produce returns on investment is not particularly emphasized.

The study contributes to a better understanding of entrepreneurial resource acquisition and organizational legitimacy construction among new ventures. It shows that entrepreneurs tend to emphasize their ability to make a positive impact not directly measurable in monetary terms over their potential to generate high financial returns on investment, even when speaking directly to investors. Moreover, the study sheds new light on the narrative aspect of pitching and can provide useful insight for entrepreneurs who are looking for means to construct legitimacy for their new business.

Before proceeding with the study, I address a caveat of my approach: the particularity of the context where the pitches are performed and analyzed. Usually, pitches are not

presented to a large audience, but rather take place in more intimate settings between the investors and entrepreneurs alone. Therefore, the empirical data is not only a reflection of the source of stories but also of the arena where they are presented. Moreover, the analysis in this study is my personal interpretation of the stories and their meanings, influenced by my own cultural accrual. Context-sensitivity is an indispensable element of storytelling (as will be explained further in chapter 2) that cannot be excluded from a study of narratives, and as such important to keep in mind to acknowledge the ensuing potential limitations to the generalizability of the results.

The study proceeds as follows:

Chapter 2 reviews the existing literature relevant to answering the research questions.

Chapter 3 gives a description of the research setting and methods of analysis.

Chapter 4 presents the actantial analysis of the data and discusses the findings of the analysis with respect to legitimacy construction.

Chapter 5 discusses the findings and their implications, presents the limitations of the study and provides suggestions for further research.

2 NARRATIVES AND LEGITIMACY IN ENTREPRENEURIAL RESOURCE ACQUISITION

The theoretical framework of the study builds on four streams of literature: entrepreneurial resource acquisition, organizational legitimacy, storytelling, and the prior research on the use of narratives in the context of entrepreneurship and organizational legitimacy construction. My data analysis relies on two analytical frameworks: Greimas' actantial model and Suchman's typology of organizational legitimacy.

To understand the importance and process of entrepreneurial resource acquisition, I begin the chapter by defining entrepreneurship and explaining the importance of, and the related challenges in, attaining external resources for a new business. To examine the construction of legitimacy in pitching for resources, we must understand what legitimacy is, and how it facilitates firm success, especially in the context of new ventures. Thus, next I cover the existing literature on organizational legitimacy, that is relevant for the study, and explore the different legitimacy construction strategies that prior research has proposed with particular attention to Suchman's model. I also explain and justify the adoption of narrativity as an analytical lens for studying legitimacy construction in the context of entrepreneurship, and present Greimas' model for the actantial analysis. After exploring entrepreneurship, storytelling and legitimacy separately, I cover literature that has explored the themes of organizational legitimacy and narratives jointly in the context of entrepreneurship. Finally, I conclude the literature review by synthesizing the theoretical framework of legitimacy construction in entrepreneurial resource acquisition and the narrative perspective.

2.1 Entrepreneurial resource acquisition

To understand the theory on entrepreneurial resource acquisition, we must begin by defining what is entrepreneurship itself. *Entrepreneurship* is "an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and

services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed" (Shane 2003, p. 4). Consequently, academic research in the field of entrepreneurship seeks to understand "how entrepreneurial opportunities are discovered, created, and exploited, by whom, and with what consequences" (Venkataraman 1997, p. 120). In this thesis, I focus particularly on the dimension of *exploiting* entrepreneurship opportunities, while mostly ignoring the preceding activities of creating and evaluating opportunities, since external resource acquisition mostly becomes relevant in the stage of exploiting an opportunity.

Exploitation of an entrepreneurial opportunity requires the acquisition and recombination of different resources and selling their output with profit. The needed tangible and intangible resources include financial, physical and human capital. (Aldrich & Fiol 1994) The acquisition of financial resources for a new venture, also called *financing*, can and often does entail obtaining capital from the entrepreneur's personal funds. However, financing can also involve the acquisition of resources from external sources. External financing can take several forms, such as equity investment, debt financing, asset-based financing or grants from governments and non-profit organizations. The sums of money in external financing can range anywhere from a few thousands to hundreds of millions of euros, and the sources of external financing can include personal contacts such as friends and family, as well as business angels, banks, venture capital firms, governments and even public markets. (e.g. Shane 2003; Bhidé 2000) In this thesis, I study resource acquisition from sources with whom the entrepreneur has no personal relationship, since pitching in its structured format does not usually take place between entrepreneurs and their friends or relatives.

As mentioned, the study of external resource acquisition is meaningful because the process is commonly acknowledged to be a vital yet extremely difficult entrepreneurial task (e.g. Shane 2003; Starr & MacMillan 1990; Bhidé 2000; Zott & Huy 2007; Aldrich & Fiol 1994; Baron & Markman 2003). External resources are recognized as a means for mitigating the riskiness of a venture. According to Shane (2003), external resources have been evidenced to produce several benefits for the organizations that manage to attain them. Chandler and Hanks (1994) also observed that higher levels and greater varieties

of resources are notably related to positive venture performance. External resources increase a venture's probability of survival by supporting the continuation of the venture's entrepreneurial effort (Zimmerman & Zeitz 2002).

In addition to supporting continuity, external resources enable new ventures to grow faster and larger (Shane 2003), because firms with more access to capital have a greater chance of making new investments in their own business (Taylor 2001). Funding enables ventures to hire more competent people, as it increases both the credibility and financial resources of the organization (Bhidé 2000. External capital also increases the general rate of employment, sales growth and profitability of a venture. Furthermore, statistics show that receiving external financing increases the probability of achieving an initial public offering (IPO). (Shane 2003)

Formal venture capital from investment funds is generally recognized as a particularly valuable external resource, since venture economically conscious provide more than just financial resources: they offer their portfolio companies strategic advice and leverage their networks to identify and assist potentially beneficial strategic partnerships with other providers of human or financial capital (Gorman & Sahlman 1989). Strategic advice and other non-monetary benefits from investors further propel the performance of a new company in the venture capital firm's portfolio.

Hence, attaining resources is unequivocally beneficial and even necessary for a new business. However, not only is resource acquisition considered as one of the most important entrepreneurial tasks, it is also widely recognized as one of the greatest challenges for an early stage entrepreneur to overcome (e.g. Shane 2003; Martens et al. 2007; Bhidé 2000). Since resource providers do have a limited supply of resources, they cannot fulfil the needs of every organization that seeks for funding. As investing in new businesses requires careful assessment of opportunities, time constraints limit the number of investments that can be made and incentivize investors to focus on a smaller set of businesses they expect to generate the greatest payoffs. (Bhidé 2000) Consequently, in the race for resources, entrepreneurs need to strive for affecting the resource holders in

their allocation decisions to favor their own venture over rivalling companies. (Wernerfelt 2011)

The difficulty of attaining resources has multiple underlying causes. These include *information asymmetry* and *uncertainty* (Shane 2003; Martens et al. 2007) that are, in fact, necessary conditions for the discovery and creation of entrepreneurial opportunities (Shane & Venkataraman 2000), but also constitute barriers to the process of exploiting the opportunities. Another prominent limitation in resource acquisition is a lack of *organizational legitimacy* (Cornelissen, Clarke & Cienki 2012; Zott & Huy 2007; Suchman 1995), i.e. a lack of perceived properness, rightness and appropriateness of the organization or its industry in the minds of external constituents. Lack of legitimacy stems from the inherent novelty of the venture: there exist no similar organizations to compare the venture to or lend it credibility. Next, I cover the extant research on the aforementioned barriers in entrepreneurial resource acquisition.

Information asymmetry

To discover entrepreneurial opportunities, individuals must possess idiosyncratic information and beliefs (Kirzner 2015). Bhidé (2003) contends that a certain level of idiosyncrasy is indispensable for a new venture, since a strong differentiation is exactly what makes an investment lucrative from a resource provider's perspective. Resource owners would not provide their resources at a price that permits entrepreneurial profits, if they held the same beliefs and information as the founders (Shane & Venkataraman 2000). However, idiosyncratic information also constitutes a barrier for linking the entrepreneur's vision with the shared understanding of reality. As Gartner et al. (1992, p. 17) have stated: "emerging organizations are elaborate fictions of proposed possible future states of existence". Indeed, resources first need to be attained and recombined under uncertainty before knowing if their recombination will become profitable (Arrow 1974). Thus, the success of a newly formed business depends on the entrepreneur's ability to convince others that the imagined future he or she proposes is not just a fantasy but in fact will eventually become reality.

Shane (2003) has also recognized the phenomenon of idiosyncratic information under the term *information asymmetry* - a condition where different agents engaged with the same subject hold varying levels of information about it. Shane (2003) contends that expressing idiosyncratic information unambiguously can be difficult, and founders might even be reluctant to do so in an attempt to protect their competitive advantage. A new innovation can easily be copied by rivals if it is not legally protected through patents, copyrights and trade secrets (Teece 1987) and its nature is not difficult to understand (Dosi 1988). Consequently, entrepreneurs cannot disclose all relevant information when seeking financing without compromising their competitive advantage. (Casson 1995)

Idiosyncratic information is then a double-edged sword: it is a necessity for discovering and exploiting an opportunity, but it also encumbers resource acquisition, as from the investor's point of view, the lack of adequate information yet magnifies the perceived risk that is always present in an entrepreneurial endeavor (Shane 2003). An entrepreneur trying to convince the resource holders to allocate their resources towards her venture instead of others, needs to alleviate the information asymmetry between herself and the resource owners and facilitate the resource holders in grasping the potential of her venture (e.g. Bhidé 2003; Lurzt & Kreutzer 2014; Zott & Huy 2007; Shane 2003). While alleviating information asymmetry, the entrepreneur has to simultaneously be careful not to disclose too much information of the opportunity she has discovered and the methods she aims to use for exploiting it. Here entrepreneurs must look for striking a delicate balance, where they disclose just enough information to obtain resources without giving away their competitive advantage.

Uncertainty

New ventures are characterized by a high likelihood of failing (Aldrich & Fiol 1994), as a *venture* is even by its dictionary definition an "undertaking involving chance, risk, or danger" (Merriam Webster 2018). Hence, another commonly recognized limitation of resource acquisition, closely linked to information asymmetry, is *uncertainty*. (Shane 2003) Because new ventures lack prior track records, resource providers make their

allocation decisions based on insufficient information. The ambiguity of the situation leads to the investors associating the venture with high risk (Low & Srivatsan 1994).

Research has evidenced that high perceived risk associated with a venture is correlated with a low probability of receiving investment (Roberts 1991). Information asymmetry causes uncertainty, and together the two increase the perception of riskiness and impede resource acquisition. Several scholars have examined ways of overcoming the challenges of entrepreneurial resource acquisition and many have concluded that a focal task for entrepreneurs to take is the construction of *legitimacy*. Next, I cover research on the topic of legitimacy and introduce the legitimacy framework developed by Suchman (1995) that I apply as an analytical tool in this study.

2.2 Organizational legitimacy

In addition to information asymmetry and uncertainty, new organizations suffer from a lack of *legitimacy* which Suchman (1995, p. 574) defines as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions". Several scholars have suggested that building legitimacy, i.e. becoming acceptable in the eyes of external constituents, is critical for acquiring resources during the early stages of a venture' lifecycle (Aldrich & Fiol 1994; Lounsbury & Glynn 2001; Zimmerman & Zeitz 2002). Previous research has proposed different strategies for building legitimacy, such as reformulating and creating rules, norms and values (Zimmerman & Zeitz 2002), developing identities through storytelling (Lounsbury & Glynn 2001), and leveraging personal networks (Starr & MacMillan 1990) and social competence (Baron & Markman 2000). Many of the previous studies have examined the ways in which entrepreneurs share information to resource providers or manage impressions (Gardner & Avolio 1998).

Zimmermann & Zeitz (2002) argue that as legitimacy is necessary for resource acquisition, success in its construction is conducive to the survival and growth of new

ventures. The authors argue that legitimacy is an important trait that new ventures can leverage strategically to obtain incremental resources and achieve growth in uncertainty. Companies obtain financing when they manage to appear as able to provide a positive return on investment (ROI), and investors grant money for the organization based on their rational expectations of the return. However, the inherent uncertainty of new ventures makes it difficult for the investors to make completely rational evaluations as there exists no past track record for forecasting the future. Legitimacy signals the investors that the organization is appropriate, acceptable and proper, and will be able to generate the positive return. (Zimmerman & Zeitz 2002)

Aldrich and Fiol (1994) have noted that the magnitude of the barriers related to legitimacy building and resource acquisition yet increases, when a venture launches itself in an industry that does has not existed before and lacks direct role models or competitors to benchmark. Not only is the entrepreneur tasked with legitimating a new business, she is also tasked with legitimating a new industry where the new organization operates, i.e. constructing *industry legitimacy*. The new venture needs to "educate" the market and its stakeholders, such as capital providers, staff and partners of the new industry because a lack of industry validation restricts a venture's access to resources such as markets, capital and governmental protection. As more new ventures are established in a new industry, the industry begins to gain legitimacy along two dimensions: cognitive and socio-political. (Aldrich & Fiol 1994)

Suchman (1995) proposes that in order for a new venture to build legitimacy, the descriptions of the company's activities "must mesh both with the larger belief systems and the experienced reality of the audience's daily life" (1995, p. 582). O'Connor (2004) studied the process of such "meshing" as "a verbal process of intertextuality" (O'Connor 2004, p. 105) and concluded, that since entrepreneurs operate in a world of constant conversation, their own conversations must consider and relate to the ongoing conversations of their context in order to achieve legitimacy (O'Connor 2004).

Next, I will cover in more detail the typology of organizational legitimacy proposed by Suchman (1995) that I apply in my analysis in chapter 4.

2.2.1 Typology of organizational legitimacy

Suchman (1995) distinguished three main types of organizational legitimacy*:* pragmatic legitimacy, moral legitimacy and cognitive legitimacy. In his view, *pragmatic legitimacy* flows from a belief that an organization's actions visibly affect the immediate audience's wellbeing, either by producing direct beneficial exchanges between the organization and audience or through political, economic or sociocultural interdependencies. Pragmatic legitimacy can be broken down to three subtypes: (1) *exchange legitimacy* where an organizational policy is supported based on that policy's expected value to a particular set of constituents, (2) *influence legitimacy* which depends on the degree to which the constituencies believe the organization responds to their greater interests although not necessarily producing "favorable exchanges", and (3) *disposition legitimacy* which is dependent on the degree to which the audience perceives the narrator as sharing their personal values and represents a good character with desirable traits such as "trustworthy", "wise" or "decent".

The second higher-level type of legitimacy recognized by Suchman is *moral legitimacy*, which flows from a belief that the organization aligns with commonly held moral norms, which may or may not be same with the audience's personal self-interests. Moral legitimacy can be further broken down to four subtypes: (1) *consequential legitimacy* based on a judgement of the outcomes of the organization's actions, (2) *procedural legitimacy* where the means and procedures for meeting the ends are morally accepted, (3) *structural legitimacy* which depends on whether the organization has morally accepted structures, and (4) *personal legitimacy* based on the founders expressed charisma and ability to appeal to the audience as a person.

Finally, the third higher level type of legitimacy, *cognitive legitimacy* is achieved when an organization and its actions make sense and are understandable to the audience. The first subtype of cognitive legitimacy is *comprehensibility*, which is achieved when an organization's actions are deemed predictable, meaningful and inviting based on cognition. The second, and highest form of cognitive legitimacy, *taken-for-grantedness*

is achieved when a new service, product or service is deemed so necessary that its non-existence is virtually unimaginable. From an organization's point of view, an activity becomes cognitively legitimized when new entrants into the industry are likely to copy an existing organizational form rather than create a new one. By definition, new ventures begin with low cognitive legitimacy (ibid.) Table 1 summarizes the aforementioned types of legitimacy.

Type of legitimacy	Subtype of legitimacy
Pragmatic legitimacy Belief that the organization's actions visibly affect the immediate audience's well-being either by producing direct beneficial exchanges between the organization and audience or through political, economic or sociocultural interdependencies	**Exchange** legitimacy: support for an organizational policy based on the value that the policy is expected to produce to a particular set of constituents **Influence** legitimacy: the degree to which the constituencies believe the organization responds to their greater interests although it doesn't necessarily produce "favorable exchanges" **Disposition** legitimacy: The degree to which the audience perceives the narrator shares their values and represent a good character with traits like "trustworthy", "wise", "decent"
Moral legitimacy Belief that the organization aligns with common moral norms, which may or may not be same with the audience's self-interest	**Consequential** legitimacy: judgement based on the outcomes of the organization's actions **Procedural** legitimacy: the means and procedures for meeting the ends are morally accepted **Structural** legitimacy: does the organization have morally accepted structures? **Personal** legitimacy: based on the founders and his expressed charisma
Cognitive legitimacy Belief that the organization and its actions make sense and are understandable	**Comprehensibility**: organization's actions are deemed predictable, meaningful and inviting based on cognition **Taken-for-grantedness**: organization's actions are deemed so necessary that anything else is unimaginable

Table 1. Typology of organizational legitimacy (Suchman 1995)

When entrepreneurs lack venture and industry legitimacy, resource providers have little reason to believe their venture will survive and flourish - i.e. constitute a profitable investment. However, entrepreneurs can still attain resources by engaging in behaviors and actions that create an *impression* of legitimacy, reliability and competence (Starr &

MacMillan 1990) and, thus, overcome the barriers engendered by their novelty. Given that uncertainty is a vital precondition for the discovery of an entrepreneurial opportunity, resource providers can virtually never be certain that one entrepreneur's plan for exploiting a resource is better than the plan of another. However, successful entrepreneurs understand that investors in fact judge their *appearance* as much as the content of their business plan or pitch. Successful entrepreneurs manage to create the appearance that their opportunities are valuable and legitimate. (Shane 2003)

2.3 Storytelling

In this chapter I cover the stream of literature on narratives as a distinct domain of discourse. I explain the act of storytelling more generally, and its specific role in constructing organizational identities and enhancing entrepreneurial resource acquisition. I also introduce the actantial model of narrativity by Greimas, that serves as an analytical tool for my own research in this thesis. In the end of the chapter, I cover some of the previous studies where narrativity and the actantial model were used as tools for studying entrepreneurship and justify its deployment as a research lens in my own study. The purpose is to contribute towards a theoretical framework for studying the narratives entrepreneurs tell for constructing legitimacy in pitching.

2.3.1 Narratives

Storytelling is a very mundane form of human communication that has always been used widely for persuading and convincing the audience (Cooren 2015). The act of storytelling is not restricted to writing novels or telling tales. Instead, people tell stories all the time: when we talk about our last holiday, explain what is on the agenda for today's meeting or tell a joke to a friend. (Ibid.) Several scholars, including Bruner (1991), have argued for a narrative construction of reality, which entails that stories do not simply express our reality but indeed construct and constitute it. This notion is echoes the *communication-constitutes-organizations* (CCO) perspective proposed by Taylor and Van Every (2000). Similarly, Smith and Anderson (2004) have suggested that the use of narrative as an

analytical tool for understanding entrepreneurial processes calls for espousing the epistemological and ontological assumptions that things that exist in reality are in fact constructed in language and culture. Czarniawska (2004) continues on this note by proposing that all social life is a narrative, where all human action can be viewed either as a "story told" or a "story lived". Hence, essentially any form of human communication from a formal business plan to an advertisement can be examined as a narrative (Martens et al. 2007). Gabriel (2004, p. 62) yet elaborates the idea of narratives as constructive vehicles by noting that a narrative lens does not "obliterate or deny the existence of facts but allows facts to be reinterpreted and embellished".

Classical narrative theory was first generated by Russian formalists (Propp 1958) who defined a narrative as a "set of interlocked signs whose meanings are determined by underlying rules that regulate how different units of text might be combined" (in Fiol 1989, p. 279). Barry and Elmes (1997, p. 4) define stories, or narratives, as "thematic, sequenced accounts which convey meaning from implied author to implied reader". Storytelling is the "preferred sensemaking currency of human relationships among internal and external stakeholders" (Boje 1991, p. 106), because stories deliver a message in a format that is easy to understand, remember and retell to others (Czarniawska 2004).

Today, narrativity has been widely espoused as an analytical lens in management studies (Fenton & Langley 2011). The diversity of applications reflects the broader *narrative turn* within the social sciences (Czarniawska 2004; Barry & Elmes 1997) that led scholars to shift their approach aimed at establishing broad level relationships between abstract concepts towards pursuing an understanding of how humans use narratives to give and make meaning, construct experiences, knowledge, and identities on a more concrete level. A defining feature of narratives is that they allow their audience to identify the connections between the different elements of the content and link them to conditions outside of the story (Fenton & Langley 2011). According to narrative theorists stories are a fundamental for *making sense* of situations and for communicating with others (Bruner 1986; Gabriel 2004).

Czarniawska (2004) argues that narratives are not the same as stories. In her view, narratives are simply sequenced accounts of events that follow a chronological order but for a narrative to become a story, it must have a plot - to be *emplotted*. Todorov defines a a minimal plot:

> [it] consists in the passage from one equilibrium to another. An 'ideal' narrative begins with a stable situation which is disturbed by some power or force. There results a state of disequilibrium; by the action of a force directed in the opposite direction, the equilibrium is re-established; the second equilibrium is similar to the first, but the two are never identical. (1971/1977, p. 111)

In this thesis, however, I use the terms narrative and story interchangeably, and always refer with them to a what in Czarniawska's view is a story: a sequenced account of events with a plot line like the one proposed by for example Todorov. The stories told by entrepreneurs are not simply sequenced events, but emplotted stories with different actors with their specific roles in the process of meaning-making.

In terms of structure, stories usually consist of three time-based structural components: a beginning, a middle, and an end with transitions and event sequences guided by plot lines and twists determined by the story's characters (Bruner 1990). In terms of their content, narratives contain three essential elements: "a narrative subject in search of an object, a destinator (an external force that is the source of the subject's ideology) and a set of forces that enable or impede the subject from achieving the object" (Fiol 1989, p.279).

The influential power of stories is dependent on their ability to awake the listener's interest and appear meaningful from their personal perspective (Gabriel 2004). Bruner (1991) claims that a story's *particularity* and *genericness* make it worth listening to, as on one hand the story has a focus specific enough to make it interesting, while on the other hand its implications are sufficiently generalizable to make it meaningful outside of the story. Following Czarniawska's argument that stories are characterized by their plotline that includes a conflict, or a *breach of canon* in Bruner's words, narratives also include an element of conflict - something unexpected or unpleasant is cast upon the

subject of the story. The breach is the element that makes a story worth telling and listening to (Cooren 2015).

Cooren (2015) maintains that sensemaking is a vital element of storytelling. When people tell stories, they are not in fact simply recounting past events but instead accomplishing tasks such as persuading or convincing someone, encouraging or discouraging someone or even just making conversation or trying to appear interesting. A good story leaves a mark in the audience's mind – it changes something in the way they think, feel or act. The influential element is often referred to as the story's *moral*, the "lesson" the audience is supposed to learn from hearing it. Although the moral of the story is not explicated, it may still be implied and observed through examining how the roles of the story are cast. (Ibid.)

Stories are essentially characterized by their *subjectivity*. Stories influence their listeners – and their content is influenced by their tellers. As Cooren (2015) contends, narratives are always subjective accounts as they consist of selecting, naming or even inventing elements of a specific situation in such a way that lends support to the interests of the storyteller. In Bruner's model the notion of subjectivity is depicted in the features of *context-sensitivity* and *normativeness*. Context-sensitivity implies that a narrative is always a point of view, a perspective that can be challenged, or responded to, with a counter-narrative. A story's normativeness refers to its ability to convey, reinforce and even construct norms. The event that is cast for the role of the "breach" of a norm has a telling role, as it signals the audience what is the norm being breached. (Ibid.) Embedding a particular event in a story implies it carries special meaning as it is something worth telling: it is a breach of a norm that the teller of the story adheres to. This way, a story can portray an uninteresting event as interesting and redefine a norm. The story not only communicates but also *constitutes* norms and reality, as proposed by the communication-constructs-reality theory.

Gergen (2002, p. 67) builds on the CCO principle by suggesting that objectivity and truth are not even necessary qualities for a narrative since "objective appraisal is a communal achievement", i.e. the language of description can never adequately reflect reality and

even the truths that we hold as "objective" are in fact just communally agreed as such. Moreover, Gabriel (2004, p. 64) argues that *poetic license* enables a storyteller "to maintain an allegiance to the effectiveness of the story, even as he/she claims to be representing the truth". Stories cannot or do not need to strictly adhere to facts in order to be meaningful, as long as they manage to establish sufficient verisimilitude (Gabriel 2004).

A story's *referentiality* conveys the idea that a story always refers to something: even if the events of the story itself would not be very interesting or even true, the story might still have meaning because it refers to a genuine, greater issue or problem, of which the story is only an illustration (Bruner 1991). Stories, then, have a capacity to *define* a situation as a signal for something else. Although stories are descriptions of particular events, they are simultaneously descriptions of more generic phenomena or typically occurring events (Gabriel 2004).

Finally, narratives cannot be interpreted without acknowledging their cumulative nature. Narratives do not exist in a vacuum, but instead affect and are affected by other narratives told within a community or organization, a phenomenon labelled as *narrative accrual* by Bruner (1991). When specific narratives are told and retold enough times, the values they carry begin to be embodied in the cultural setting where they exist. They become *grand narratives* - "globally shared cultural beliefs ordering, explaining and producing abstract social knowledge" (Eriksson and Kovalainen 2008, p. 4). These accrued narratives give meaning to new narratives. (Cooren 2015)

2.3.2 Greimas' six actants of a narrative

Algirdas Greimas (1917-92) was a famous narratologist whose theories converge with the work of Bruner. Greimas' theory on narrative semiotics has showed that texts vary in their narrativity by the presence and agency of different *actants*. In Greimas' actantial model every narrative across all genres can be described through the same six actants: 1. hero or *subject*: main character on quest for the object; 2. *object*: goal; 3. *helper*: helps the hero or subject to achieve the goal; 4. *sender*: rules and values or ideology that causes

the hero to act; 5. *receiver*: carries the values of the sender; 6. *opponent*: tries to hinder the hero from goal achievement. The agency in narratives is realized through grammatical structures based on the French language modal verbs devoir (obligation), pouvoir (competence), vouloir (desire) and savoir (know-how). These grammatical structures determine the actant roles of a narrative. (Greimas 1987)

Like Cooren (2015), Greimas (1987) also contends that for a narrative to be interesting it must have a *polemical* dimension. For any program, there needs be an anti-program that runs counter to the protagonist's quest. People have to disagree on something, fight about something or be faced with a challenge that impacts their lives negatively, to make a story worth listening. What Greimas adds to the theory of narrative components proposed by many of the other researchers in the field, is that any narrative is characterized by a hierarchy of actions. What he means by this, is that there is always someone, the sender or the mandator, who recruits the hero or the subject to begin the program, and also finally evaluates its success and rewards for it. Therefore, a program might actually subsume several other "subprograms'" that run independent of each other with the shared objective or accomplishing the overarching program.

2.4 Narratives in entrepreneurial resource acquisition

Entrepreneurial narratives are types of organizational narratives told about entrepreneurs and/or their firms, usually by the entrepreneurs themselves. As such, the study of entrepreneurial narratives is founded on theories of organizational stories (Martens et al. 2007). People engage in entrepreneurial narratives in various circumstances, for example in face-to-face discussions, written texts and oral accounts such as formal presentations and pitches (Alvesson & Karreman 2000). In this section, I cover the existing research on the use of narratives specifically in the context of entrepreneurial resource acquisition.

Before entrepreneurs can even begin defining a clear and easily understandable identity for their venture, providing sensible rationales to justify the initiative and aligning the venture with the cultural context, they need give their audience a reason to listen to them.

Entrepreneurs who seek to attain resources begin by evoking the interest of their audience, mainly the resource providers. This is especially important in conditions where startups perform their pitches one after another and the audience consists of seasoned investors who have heard tens, hundreds and perhaps even thousands of pitches. "*It's quite rough, in 30 seconds I have to get the feeling that this interests me*", says Riku Asikainen, chairman of the board at the Finnish Business Angels network, Fiban and a member of the Slush 100 jury (Sirén 2014).

A good narrative can help the entrepreneur distinguish her venture from the competition and engage the audience to pay close attention to the pitch. As Smith and Anderson suggest, stories about entrepreneurial firms are not just meant to "legitimize entrepreneurial actions"—they are also meant to "provoke us, challenge us, and transform us" (2004, p. 131).

Storytelling is a prevalent part of all organizational life (Barry & Elmes 1997; Gabriel 2004), and newly established organizations are no exception. Organizational narratives are important symbols made up of verbal expression or written language, that convey the identity and objectives of an organization to its internal and external stakeholders (Shaw, Brown and Bromiley 1998). Albert and Whetten (1985, p. 2) define an organization's identity as what is "central, distinctive, and enduring about it". An identity is something that enables the emergence a coherent personality over time: it determines the heuristics of a person or organization by detailing how they behave or think in the face of ambiguity. (Snow & Anderson 1987)

Like the identity of an individual, an organization's identity is a perception of the organization's values, beliefs and norms constructed and shared by the members who form the organization. According to Brown (2006), identity is a discursive and narrative construct: the existence and essence of an identity is established through discourse. An organizational identity can be viewed as being constructed by speech-acts that "bring into existence a social reality that did not exist before their utterance" (Ravasi & Phillips 2011, p. 105). Martens et al. (2007) recognize narratives as effective sensemaking devices to understand and communicate identity claims.

According to Ashforth and Mael (1996) the perception of an organization held by its internal and external constituents is shaped by a process of *claim-making.* Claim-making occurs as influential individuals or groups try to persuade other internal and/or external parties to agree with their understandings of the organization's identity. When entrepreneurs tell their story to investors, they engage in a process of claim-making (Ravasi & Phillips 2011) and establish legitimacy and reputation which are complementary aspects of an organization's identity (Rao 1994). Official identity claims in formal documents and public speeches, such as pitches, are an important mechanism through which entrepreneurs try to affect how their constituents perceive their venture. Stories help their tellers not only figure out who they are, but also shape how they are perceived by others (Martens et al. 2007).

Storytelling can be a highly effective method for constructing an entrepreneurial identity for a venture in its nascent stage (Scott & Lane 2000) as narratives allow organizations to cast roles to themselves and their stakeholders to convey the prevalent relationships between them. Organizations can present themselves as "characters", whose attributes can be revealed and communicated more easily which enables founders to explain and justify their motives and highlight the benefits of their business (Ravasi & Phillips 2011). Entrepreneurial narratives are primarily designed to create "as comprehensible an identity as possible for an entrepreneurial firm" (Martens et al. 2007, p. 7) to give rise to the emergence of cognitive legitimacy.

Lounsbury and Glynn (2001) have built on suggestions of previous work about the connection between new venture legitimacy and the verbal strategies used by founders, such as issue framing, symbolism, and rhetorical techniques (Aldrich & Fiol 1994). The authors have argued that entrepreneurial narratives are critical for enabling new ventures to survive and grow. Particularly, entrepreneurial stories can increase the probability of receiving funding through giving rise to positive perceptions and interpretations of the company's potential for value-creation. The scholars argue that narratives have the ability to shape interpretations by creating and legitimating a new venture's identity. Similarly, they contend that for new ventures in nascent industries stories can provide the needed

mechanism to explain, rationalize, and promote a new venture to reduce the uncertainty and information asymmetry typically associated with new organizations.

Furthermore, the authors have hypothesized that narrative strategies constitute a prominent mechanism that entrepreneurs can use for constructing legitimacy. They contend that the narrative subject is the entrepreneur as an individual or the new venture, and the goal–the moral of the story–is that the new enterprise will become a successful business worth investing in. To put it in Greimas' terms, the narrative object is a successful new enterprise, profitability, securing investor funding, or a positive reputation with potential stakeholders. The senders of the story are forces of the corporate and societal environment in which the subject operates.

Martens et al. (2007) used a mixed-methods study to analyze the role of stories in the process of resource acquisition by entrepreneurs in the setting of high-tech industries. In a study of initial public offerings, they discovered that the identity constructed for a new venture in an entrepreneurial narrative had an influence on resource acquisition beyond the "actual" information about the firm's performance. Overall, their results suggest that the most effective entrepreneurial narratives construct unequivocal identities for entrepreneurial firms, clearly detail how their proposed means of exploitation will reduce risk and embed familiar elements to compensate for the less familiar. (Martens et al. 2007)

When Lurzt and Kreutzer (2014) studied the elements of a "good" entrepreneurial narrative in pitching, they discovered that stories with more narrativity and the six actants introduced by Greimas are advantageous for entrepreneurs in resource acquisition. They found that portraying the entrepreneur as a "hero on a quest" has a positive impact of the venture's chance of acquiring resources, and that deliberately shaping the story by choices of the six actants can increase the persuasive power of their story.

In this thesis, I echo the tenets of these previous studies by contending that storytelling constitutes a key mechanism through which entrepreneurs can acquire resources for their new venture as storytelling facilitates entrepreneurs in building organizational legitimacy. However, legitimacy is a complex construct that can flow from multiple different and

overlapping sources. As noted by Suchman, legitimacy can be of three types: pragmatic, moral or cognitive. Storytelling can be used for giving rise to any of these types of legitimacy through exhibiting different narrative patterns.

Narratives have been praised for their ability to rationalize the inherent risk of entrepreneurship (Smith & Anderson 2004) since they enable entrepreneurs to "frame risk in a way that is more acceptable to investors" (Shane 2003, p. 185). This ability is conducive to the emergence of exchange legitimacy, as reducing perceived risk increases the potential favorability of the exchange. The "plasticity of truth" - the ability to highlight certain aspects of a story while dismissing or omitting others - enables the storyteller to highlight the potential of the exchange they promise. The entrepreneur can convey not only the big conflict that their venture aims to resolve, but also itemize the potential risks involved in the process and elaborate on how the entrepreneur plans to mitigate them (Martens et al. 2007).

Narratives are also great tools for simplifying the complex, which supports the emergence of cognitive legitimacy. Elsbach and Elofson (2000) have showed that rationales that are difficult to understand lead to lower assessments of a sender's trustworthiness. Stories act as sensemaking and sensegiving devices by linking causes and effects, both within and across different parts of the narrative (Gabriel 2004) which enables their usage to explain actions and provide plausible reasoning for actions. (Barry & Elmes 1997; Smith & Anderson 2004). Martens et al. (2007) concluded in their research that when new ventures use storytelling to explain the rationale behind their actions, the entrepreneurial narrative had a positive, but diminishing, effect on the firm's resource acquisition ability despite the complexity of the rationales which impeded the firm's ability to influence potential investors.

To generate interest, commitment, and legitimacy narratives need to resonate with their intended audience. Especially moral legitimacy calls for linking the values of the story to those held by the audience (Barry & Elmes 1997). By embedding a narrative within a more general discursive context, a story becomes more meaningful for its audience (Gabriel 2004). An emerging stream of research proposes a shift in the role of a successful

entrepreneur: it is not enough to be passive participants in the cultural context but, rather, become a "cultural managers" who use communication and storytelling strategically to compensate for the low levels of credibility and legitimacy (Aldrich & Fiol 1994; Hargadon & Douglas 2001).

Lurzt & Kreutzer (2014) also emphasized the importance of aligning the entrepreneurial story with the interests of the audience, i.e. "telling them what they want to hear" and suggested that successful entrepreneurial stories also embed the story into more powerful societal discourses. New venture creators are essentially challenged with making symbolic associations and enacting cultural frameworks that support the creation of legitimacy by linking the narrative with the existing collective value and moral ground of the ventures and relevant industries (Aldrich & Fiol 1994; Rao 1994). Through such cultural enmeshing, stories can give rise to moral legitimacy.

2.5 Legitimacy construction in entrepreneurial resource acquisition: a narrative perspective

Although several studies have been made about the role of storytelling in entrepreneurial resource acquisition, our understanding of how successful stories are structured and used to construct organizational legitimacy in the activity of pitching is still limited. Entrepreneurship studies have identified information asymmetry, uncertainty and the lack of organizational and industry legitimacy as common barriers standing in the way of obtaining resources from external resource holders. Moreover, as early stage companies are characterized by risk by default, the requirement for their legitimacy is heightened compared to more established firms. Because we know that acquiring resources produces several benefits for a newly established business, studying strategies for overcoming the related obstacles is meaningful from the perspective of academia and entrepreneurs.

Storytelling is a fundamental form of human communication that people regularly engage with. Interestingly, it is also a powerful mechanism that can help entrepreneurs overcome the barriers inherent to the process of resource acquisition, because stories are effective

tools for sensemaking and sensegiving. Stories do more than recount facts or express objective truths: they actively participate in the construction and reproduction of our understanding of what is true and meaningful. In fact, objectivity is hardly even a requisite for a good story. This is particularly useful for entrepreneurs who try to balance between the possible and impossible, the proposed future and the factual present. The meaning-making ability of stories is closely linked to their embeddedness in a larger socio-cultural context and narrative canons. Good stories embody and shape the values and beliefs of their context.

Because of this, narratives have been proven to facilitate the process of building venture legitimacy and constructing credible organizational identities. Stories that manage to appear to their audience simultaneously as familiar and surprising, both attract the audience's interest and convince them of the message's truthfulness. Because the variety of tasks that can be accomplished through storytelling, ranging from evoking interest to constructing organizational identities, storytelling can be used for constructing all three types of legitimacy itemized by Suchman: pragmatic, moral and cognitive. Successful construction of organizational legitimacy through storytelling improves the performance of an entrepreneur seeking external resources. The process is depicted below in Figure 1.

Legitimacy construction through storytelling in entrepreneurial resource acquisition
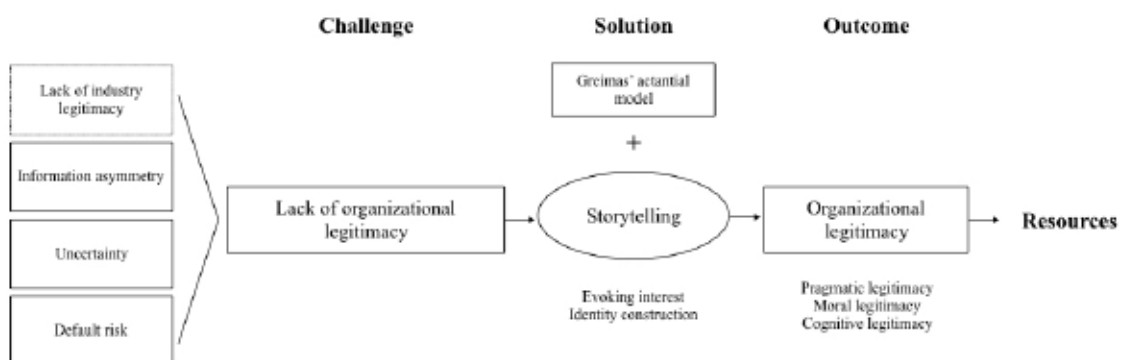
Figure 1: Legitimacy construction through storytelling in entrepreneurial resource acquisition

Although narrativity is an analytical tool used widely in various management and entrepreneurship studies, it is especially adept for studying entrepreneurial pitches, since it is widely acknowledged in both academia and the professional entrepreneurship context that great entrepreneurs are also skilled storytellers. Previous studies applying a narrative lens for studying legitimacy construction and pitching have noted the benefits of storytelling in constructing legitimacy and justified the use of Greimas' model and Suchman's typology as analytical framework for the topic. The adoption of a narrative perspective on the topic enables the study of the narrative construal of reality.

3 METHODS

3.1 Choice of research methods

The research for this thesis was conducted as a qualitative study that uses narrative inquiry as a methodological approach to exploring empirical data. The purpose of this research was to discover what kind of narrative strategies entrepreneurs use when pitching their startups for resource providers in a pitching competition that takes place during a large, international startup and technology conference. As the purpose of the research was to conduct an in-depth exploration of the topic, a qualitative research approach was deemed as the most appropriate.

Qualitative research methods are suited for answering research questions of how, why and what. Unlike quantitative methods, that seek to quantify phenomena and express correlations between variants in numerical terms, qualitative methods seek to obtain a profound understanding of a phenomenon with its causes, traits and consequences. Qualitative research is based on assessments of behavior, attitudes, impressions and opinions. The purpose is to discover new facts or verify and test old facts and to understand human behavior and its interaction with the surrounding environment and social context. (Satyaprasad & Krishnaswamy 2010) In qualitative research the object of study is looked through the lens of an existing theory but instead of confirming a hypothesis, a qualitative researcher aims to formulate a new complimentary theory through her own analysis and interpretation of the existing theory in relation to new data (Warren & Karner 2010).

In this thesis, entrepreneurial pitches are treated as narratives and specifically studied through the lens of structural analysis which is a traditional way of analyzing narratives (Czarniawska 2004). According to Eriksson and Kovalainen (2008, p. 2) an "important justification for doing narrative research is the belief that people are storytellers because telling and sharing stories help us to understand ourselves and connect to each other". The purpose is to explore the different functions in a story, as initially proposed by Propp

in 1928: classifying the pitches according to "their component parts and the relationship of the parts to each other and the whole" (Propp 1968, p. 19). Propp's model was used as a point of departure by Greimas who developed his own model for organizing the components of a narrative discourse in his actantial model. An important notion in his theory is that "actants" do not need to be human characters; instead they can also be animals, objects or concepts. (Czarniawska 2004) Moreover, actants can overlap with each other meaning that narrative teams can be cast as more than one actant.

Structural analysis was chosen for analyzing the narratives in this study because treating an organization as a humanlike character with defined traits, desires and achievements in pursuit of a goal and on a quest following a narrative structure, makes the organization more understandable (Czarniawska 1997; Lounsbury & Glynn 2001). For example, Golant and Sillince (2007) and Lurtz and Kreutzer (2014) have previously used structural analysis and Greimas' model for analyzing legitimacy building in organizational stories. Additionally, the actantial model has been applied in the organizational context by Cooren and Fairhurst (2004) and Taylor and Van Every (2000).

The structural analysis of narratives concentrates specifically on *how* the story is told. It examines what narrative strategies are used, and what the structural and linguistic elements of the narrative are (Eriksson & Kovalainen 2008). Riessman (1993) argued that structural analysis forces scholars to make an analysis that extends outside the content of the narrative, which makes it an interesting tool for analyzing entrepreneurial pitches. Previous research on storytelling and organizational legitimacy has indicated that the actantial model is appropriate for studying how organizations justify their legitimacy claims.

The empirical part of this thesis is based on a study of a single pitching competition. Eriksson and Kovalainen (2008, p. 116) contend that since case studies can be used both in qualitative and quantitative studies, they should be understood as a research approach rather than a method. Eriksson and Kovalainen (2008, p. 118) have identified two types of case studies: intensive and extensive studies. Intensive case studies aim at understanding holistically a unique case from inside, whereas extensive studies aim at

elaboration or generation of more generalizable theoretical constructs by comparing several cases (ibid). This study aims at looking at multiple pitches and generating findings that are applicable also outside the case organization, so it can best be described an extensive case study.

3.2 Introduction to the case and case context

Slush is an international entrepreneurship and technology conference that takes place in Helsinki, Finland every year in late November or early December. The first Slush event in December 2008 was a small 300-person assembly with the aim of changing attitudes towards entrepreneurship more positive, and since its early days the event has grown massively: in 2017, the event attracted over 20 000 visitors, 2 600 startups, 1 500 investors and 600 journalists from all over the world. (Slush 2018) In addition to the main event held in Helsinki, Slush also organizes various entrepreneurship-themed side events around the world throughout the year.

The philosophy of Slush is "to help the next generation of great, world-conquering companies forward" (Slush 2018). The movement implements this by facilitating founder and investor meetings and building a world-wide startup community. The event describes itself as a hybrid of a business conference and a music festival. The venue is darkly lit and decorated with attention-grabbing and colorful details that set the atmosphere of the event somewhere between a nightclub and an art exhibition. The space is populated by a diverse group of attendees: founders presenting their ideas and early stage ventures to potential investors, established corporations showcasing their latest innovation projects and thousands of investors exploring the demo booths on display and searching for new investment opportunities. Moreover, the halls of the convention center are filled with thousands of visitors, volunteers and journalists contributing to an atmosphere full of anticipation, excitement and belief in a better future enabled by the promise of entrepreneurship.

An important arena for facilitating encounters between startups and investors is the *Slush 100 pitching competition,* where a hundred startups are chosen from thousands of applicants to attend the conference and deliver a pitch in front of a jury consisting of seasoned business angels and venture economically conscious as well as an audience of thousands of conference visitors. (Slush 2018) Startups who enter the pitching competition will enjoy the benefit of receiving a "great attention from investors, media, potential partners and future team members" and the chance to win a prize consisting of a Slush Global Pass (giving the winners access to all Slush events around the world in 2018 with flights covered), and a "massive service package consisting of consultancy from PwC, developer services from Google, legal service from Dottir, [local law firm] and PR services from San Francisco Oy [local startup specialized marketing consultancy]". (Slush 2018) Moreover, the runners-up of the final will also receive service packages from the same partners, and each of the 100 early-stage startups will receive "invaluable feedback, invitations to exclusive events with the most relevant people and, of course, stage time at the event." (Slush 2018)

Rao (1994) studied the effects of certification competitions for the future success of startups and discovered that such events themselves legitimate the organizations, generate status orderings and build favorable reputations. His work suggests that victories in certification contests are credentials that enable organizations to acquire a reputation of competence and legitimate themselves. Hence, it is sensible to claim that a victory in the Slush 100 pitching competition would not only grant the winning venture with the contents of the prize, but also endow it with added credibility and reputation of competence, i.e. legitimacy which might pave its way toward growth in the future.

The one hundred founders who pass the pre-qualification screening have their first pitch on the first day. Next, the fifty best ones move on to pitch on the second day. These fifty are then narrowed down to ten semifinalists and finally, three founders make their way to the final round. In the final round of the competition each entrepreneur has four minutes to deliver their pitch and then a chance to answer questions from the jury. In total each Pitcher has a chance to spend approximately eleven minutes on the stage in front of the jury and audience. The time on stage is very limited and the time pressure is yet intensified

by the fact that venture economically conscious tend to reach their investment decision fast. For example, Hall and Hofer (1993) noted that venture economically conscious screen and evaluate business proposals very rapidly: the subjects in their study reached a decision in an average of less than six minutes of initial screening. Each pitcher enters the stage one by one after being announced by a stage host. The entrance on stage is accompanied by a dramatic music and lighting effects.

Next, I describe in more detail the empirical data, its collection and analysis.

3.3 Empirical data and research process

3.3.1 Empirical data

The empirical data consists of ten pitches that were performed during the Slush 100 pitching competition. The pitches under scrutiny are the ten semi-finalists of the competition. The choice of pitches to study was guided by the interest to explore the narrative strategies used by the most successful pitches of the competition. Since these ten startups made their way into the semifinal round out of the one hundred ones who initially entered the competition, it is justified to assume that their pitches represent the best performing ones in their category.

Each pitch is approximately four minutes long and followed by a seven-minute Q&A (questions and answers) session from the judges. In the Q&A session, each of the four judges presents one or two questions to which the pitcher answers. The pitch itself is a prepared speech that the pitchers have practiced in advance and that is supported by presentation slides that can include text, image or video. The pitches need to fit the tight time frame of four minutes per pitch. The following Q&A sessions are less formal discourse events, where the judges ask more elaborate questions about the ventures and the pitchers try to answer them as convincingly as they can. The atmosphere during the pitches and Q&A's is positive, friendly and rather relaxed. The judges are very polite and always begin their speech by thanking the entrepreneurs for their pitch and often also

complementing them by expressions like "great pitch", "good energy" or "very interesting topic".

The ten startups under investigation represent different industries and come from different geographical and cultural backgrounds. Furthermore, they also represent different stages of a new venture development: some of the ventures are best categorized as *early stage ventures* that need capital to initiate commercial manufacturing and sales, whereas some of the ventures are more developed and better described as *later stage ventures* that have already been in business for a few years. Each pitch is presented in English by one person from the organization. Table 2 summarizes the ideas of the organizations presented in the data set.

Startup	Description
Aeropowder	Turning poultry industry's waste feathers into insulation materials
AdLaunch	Automating video ad production for marketers
Altum Technologies	Reducing fouling in large industrial equipment
CHAOS Architects	Collecting and utilizing big data to build smarter cities
Diwala	Providing refugees job opportunities through a digital platform where they can build and verify their skill sets
ObjectBox	Fast mobile database for application developers
Selko	Using artificial intelligence and automation to process regulations in construction projects
SYLink	Cyber security solution that includes an antivirus program, a firewall and a VPN in one device
Vultus	Farm management solution using data to optimize fertilization
3DBear	Gamifying learning experiences for children and enabling the design and production of toys with 3D printing

Table 2. Top ten startups in the Slush 100 pitching competition

3.2.2 Data collection

The data used in this study represents *naturally occurring data*, as it exists independent of the researcher's intervention (Silverman 2014). The data for this study consists of a selected set of videotaped video pitches stored in an online archive, the public video platform YouTube. The pitches were recorded in a video format by the conference organizers as they occurred in the competition and uploaded to the event's public YouTube channel shortly after. As such, I have reason to assume the entrepreneurs had given the conference organizers their consent for publishing the video recordings online. At the time of analyzing and transcribing the data, all ten pitches were publicly available online, but at the time of finishing the work, one of the pitches (by Vultus) was no longer available on the platform. As the YouTube channel with the videos is administrated by the conference organizers, I cannot guarantee the future online availability of the recordings. Hence, the verbatim transcriptions of the videos should be treated as the permanent and primary form of data storing.

According to Warren and Karner (2010), the sampling of data is influenced by the research questions and the overall research design of a project. Hence, the data for this research was chosen with respect to question to be answered. The sampling frame follows the topic of interest and availability of materials while balancing the need for coverage with a feasible workload (ibid.). The recordings chosen for the research sample represent the most successful pitches of the competition which enables the consideration of what kind of narrative strategies are efficient and desirable in entrepreneurial storytelling.

3.2.3 Recording and transcription

The data was collected through watching the videos, downloading their automatically generated transcripts to an offline version and then manually checking that the transcripts correspond to the audio of the recording and correcting the identified errors. Some inaudible words are marked as such in the transcripts.

The video recordings were transcribed verbatim from the beginning of the pitches all the way through the pitcher's time on stage: including the Q&A session that follows each pitch. Although the visual aids used by the pitchers are not the main focus of this study, these elements were also recorded and taken into consideration when necessary: for example, when the visual aids constituted a vital element of the pitch instead of merely supporting or replicating what the pitcher also expressed orally simultaneously to the visual being shown. One example of this is when a pitcher says: "People need a tool to be resilient so they're not just <u>this</u> word" and then points to the screen where the word "refugee" is written.

Most of the pitchers are not native speakers of English, the language in which the pitch is presented, so their speech is not always grammatically correct and sometimes incorrect sentence structures and pronunciation made it difficult to understand the meaning of their speech. The meaning of such unclear expressions is interpreted during the analysis according to my best understanding derived from the context, but minor errors are still possible.

Some notations used in the citations from the data are explained below:

(--) part of the quote has been omitted
[Square brackets] the word inside the brackets is discussed, but does not appear in the quote
<u>Underline</u> identifies a particularly stressed word in the quote

The verbatim transcriptions of the pitches were stored electronically as text documents.

3.2.4 Data analysis and interpretation

Warren and Karsen (2010) maintain that analyzing qualitative data requires a large quantity of data, organizational skills and interpretive skills. According to them, organizing data into a format that becomes understandable for others also requires creative ability and stepping outside of the data set to consider the cultural and

sociocultural setting of the data. The process of qualitative analysis requires reading and re-reading your material over and over again to organize it and to extract insight from it. (Warren & Karsen 2010) The process itself is iterative in nature, which means that stages of reading data and analyzing it repeat one after another multiple times before the final conclusions can be made.

In my research, the first step of the analysis process was becoming intimately familiar with the data by carefully reading and re-reading the transcripts. As the pitches were performed orally it was also important to carefully look and listen to the video recordings of the pitches since the audiovisual experience provided a yet richer description of the events. I paid attention to each sentence and choice of words to notice the first hints of the narrators' intentions: how they framed the facts of the story and which aspects of their business they most emphasized. After this, the analysis process consisted of three steps:

(1) Actantial analysis
(2) Narrative justification for legitimacy claims
(3) Identified types of legitimacy based on narrative patterns

Next, I will explain each step of the process in more detail.

(1) Actantial analysis

As the purpose of the study was to examine the pitches as narratives through the lens of a structural analysis method introduced by Greimas, the first step of the analysis process was categorizing the elements of the narratives into the six actants of the actantial model. In Greimas' model agency is realized grammatically through modal constructions that express obligation, desire, competence and know-how. The six actants and their interrelationships are presented in Figure 1. The stage of casting the roles encompassed two rounds: in the first round I itemized and listed out all the possible elements that belonged to each role: the subjects, objects, senders, helpers, receivers and opponents of the story. Each narrative had multiple elements for each actant role, and many items fit into more than one actant category. For example, the opponents usually overlapped with

the senders, as did the helpers. In the actantial model, identifying simultaneously as several actants is not uncommon or problematic.

In each of the pitches analyzed, the actant of *subject* is the organization that the pitcher represents. An organization is an abstract concept constructed in communication, subsuming its human constituencies and the tangible and intangible assets that make up for its existence. This definition of an organization applies to all the organizations represented in the data set. Each venture has a founding team and a product or service that they aim to use for solving a problem. In my analysis I use the name of the organization to refer to everything and everyone that constitutes the subject of the narrative. For example, although the pitcher often begins his or her speech by introducing himself/herself personally, he/she is not retreated as a subject individually. The subject of the narrative is the organization, and the pitcher as its member is subsumed in that subject.

This choice was made partly in order to avoid unnecessary repetition by enlisting the same elements of an organization again for each venture's subjects. Secondly, it is practically impossible to distinguish the elements from each other as actors of the narrative. Furthermore, distinguishing them is not meaningful for the purpose of this study, as the team and the product in any case have the same objects, receivers, senders, helpers and opponents. For example, the subject Diwala, in Diwala's narrative, is a combination of the people who work for that company and the product they have built and aim to use for monetizing. As both elements of the organization are indispensable to its existence, it would not provide additional value to distinguish them in the analysis.

Sender → Object → Receiver

Helper → Subject ← Opponent

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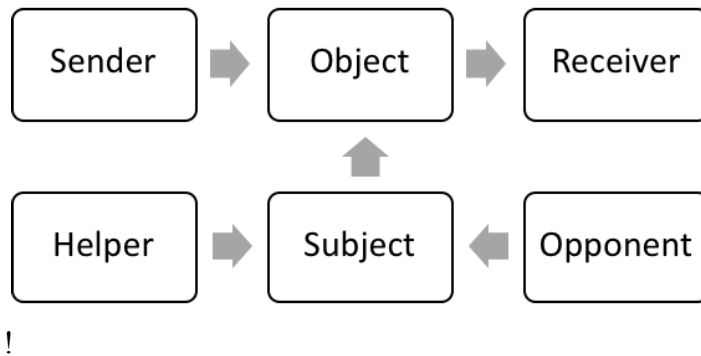
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I also divided the *senders* and *helpers* further down to two distinct groups: external and internal ones. I broke down internal helpers yet further into those retaining to the product of the company and to the team developing it. External helpers were divided into concrete financial supporters such as investors and sponsoring institutions and more abstract forces, such as cultural currents, ideologies and market conditions. The internal senders were abstract interest and desires such as the founding team's passion or expertise in a given field and the external senders were the cultural conditions, commonly recognized problems, technological innovations and latent consumer demands that initially motivated the founders to exploit an opportunity.

The *receivers* of the narratives are the potential beneficiaries of the organization's actions. Only few of the pitches indirectly placed resource providers in the role of receivers and even fewer directly promised financial benefits for those who invest in them. For the most part, the potential of benefiting from investment in the venture was implicit. It was considered as an obvious outcome created as a by-product of the numerous other positive consequences that the venture promises to generate. Customers were a rather obvious receiver for each narrative, and other typical receivers included generic groups or abstract items such as the environment, the humankind, the planet or a certain industry or broad interest group. Sometimes such groups were represented through an illustrative anecdote of a single individual. Appendix 1 shows the classification of the narrative elements into the six actants model.

(2) Narrative justification for legitimacy claims

The purpose of the study was to discover how new ventures search for organizational legitimacy in pitching through the lens of a narrative analysis. Examining the items cast for each actant of Greimas' model made it possible to see what meanings the narratives were essentially trying to convey and thus, what type(s) of legitimacy claims they aimed at validating. As storytelling is a primary sensegiving mechanism, the study of legitimacy construction with the actantial model enabled a profound and robust analysis of the phenomenon.

The typology of legitimacy was based on Suchman's model that covers three types of legitimacy: pragmatic legitimacy (based on interest), moral legitimacy (based on evaluation) and cognitive legitimacy (based on cognition). In Suchman's model pragmatic legitimacy is further broken down to exchange legitimacy, influence legitimacy and disposition legitimacy. Moral legitimacy is broken down to consequential, procedural, structural and personal moral legitimacy. Cognitive legitimacy is yet broken down to comprehensibility and taken-for-grantedness. This typology of legitimacy was depicted in the Table 1 in chapter 2.2.1 Typology of organizational legitimacy.

To examine the legitimacy building strategies of each narrative, I analyzed the pitches through the lens of Greimas' actantial model to determine the type of legitimacy they validated through their modalities: obligations, desires, competences and know-how. For example, if a narrative presented making money for investors and avoiding wasted financial resources as its desires, I concluded the narrative was seeking pragmatic legitimacy.

Some narratives had more than one objective, in which case I tried to determine which one of them was the primary one, and which were secondary ones. For example, if the *primary* object of a narrative was identified to be protecting the environment or helping refugees, the narrative showed more signs of building moral legitimacy, although given the context the search for pragmatic legitimacy was also present. As mentioned, narratives can have several items in the same actant roles, so in practice, they often also show signs of several types of legitimacy.

(3) Identified types of legitimacy based on narrative patterns

In the final step of the analysis, I compared the narratives with each other and identified repeating narrative patterns to group together pitches who most prominently constructed certain types of legitimacy.

As an outcome of the analysis, I was able to distinguish the four types of narrative patterns and ensuing legitimacy claims.

4 CONSTRUCTING NEW VENTURE LEGITIMACY IN NARRATIVES

In this chapter, I analyze each of the ten narratives individually through the lens of Greimas' model of six actants of a narrative to examine how the narratives build organizational legitimacy. As described in the previous chapter, I first identify the six actants in each narrative and subsequently examine the type of legitimacy that the narratives construct. I present the ten narratives grouped into four categories: 4.1 socially conscious, 4.2 environmentally conscious, 4.3 economically conscious, and 4.4 environmentalist-economically conscious. These categories were formed based on the common objects, senders, helpers, receivers and opponents identified in the narratives. The actantial analysis revealed where the organization anchors itself ideologically and what kind of meanings it wants to be associated with. The casting choices for these actant roles determine what type of justifications the narrative uses to support its claims for legitimacy and what type of legitimacy it strives for. The relationship between the findings of the actantial analysis and the legitimacy construction is presented at the end of each actantial analysis, in chapters 4.1.6, 4.2.6, 4.3.6 and 4.4.6. Chapter 4.5. summarizes the findings.

The first category presented consists of the narratives that portray helping people as their object, a desire to improve the lives of others as their sender and societal problems as their opponent. This category is labelled as the *socially conscious*. The second category consists of the narratives that depict helping the environment as their object, a desire to mitigate global warming as their sender and environmental problems as their opponent. This category is labelled as the *environmentally conscious*. Narratives in these two categories pose common people or the planet as their receivers. The third category covers the narratives that focus on the object of helping other businesses and identify their innate desire to fight against inefficient business practices as their sender. The receivers of these narratives are primarily other businesses instead of individuals. This category is labeled as the *economically conscious*. The fourth and last category only contains one narrative and represents a combination of categories two and three: *environmentally and*

economically conscious. Table 3 depicts an overview of how narratives in each category justify their claims for legitimacy with respect to each actant. Excerpts of Table 3 can be found in each sub chapter to summarize the analysis.

Category	Socially conscious	Environmentally conscious	Economically conscious	Environmentally and economically conscious
Subjects	3DBear, Diwala, SYLink	Aeropowder, Vultus	AdLaunch, CHAOS Architects, ObjectBox, Selko	Altum Technologies
Object	Helping people: enabling people to grow, learn, work and feel safe	Helping the environment: fighting climate change, reducing emissions, waste and energy consumption	Helping other businesses; saving money, improving (cost-)efficiency, seizing an untapped opportunity	Helping the environment and other businesses
Sender	Social responsibility, belief in the importance of work, education and security	Environmental responsibility, will to mitigate negative environmental impacts	Economic responsibility, desire to increase business efficiency and profitability	Environmental and economic responsibility
Receiver	Society and people; refugees, teachers, parents and kids, all users of internet	Environment and those looking for more environmental solutions	Businesses	Environment and other businesses
Helper	Technology, team expertise, partners in the public sector (NGOs, governments)	Technology, team expertise, partners	Technology, team expertise and favorable market conditions (growing demand)	Technology, team expertise, favorable market conditions
Opponent	Societal problems; unemployment, bad learning experiences, cyber security breaches	Environmentally unsustainable business practices; emissions and wasted resources	Inefficient business tools and practices; manual labor and high operating costs	Inefficient and environmentally unsustainable business practices

Table 3. Narrative elements supporting legitimacy claims

The following analysis is illustrated with quotes from the pitches. Appendix 1 shows a more detailed analysis of the six actants' model and Appendix 2 shows a detailed breakdown of the actantial castings that I used for justifying the types of organizational legitimacy.

4.1 Moral legitimacy: The socially conscious

In this section I present the pitches with narrative patterns showing signs of pursuing moral legitimacy based on social consciousness. The three ventures in this category are **3DBear**, **Diwala** and **SYLink**. These ventures tell a story where they are sent on a quest to help people inspired by a recognized business opportunity and a sense of social responsibility. I call these ventures the *socially conscious* - organizations primarily justifying their quest by claiming to help people.

3DBear is an early stage venture that wants to change the way toys are designed and made. Their software enables children to design and manufacture their own toys with 3D printing. 3DBear's plan is to first sell the technology to schools where teachers and children can leverage it for making education more enjoyable, and later enter the consumer market by engaging in strategic partnerships with other companies.

Diwala has developed a digital platform where refugees can connect with employers and transact human and financial capital. In Diwala's mobile application refugees can enlist their skills, match with prospective employees and employers in the refugee camps and receive microloans for starting their own business.

SYLink has developed a device for improving cyber security. The product is a three-in-one hardware and software solution that bundles together a VPN, a firewall and an antivirus. They offer improved security against cyber-attacks to businesses and individuals alike at an affordable price point to democratize cybersecurity.

4.1.1 Object: Helping people

3DBear's narrator portrays the enhancement of children's toys and learning experiences as the most important objects of the organization's actions - this is the main program of the narrative. The company wants to make learning more fun and engaging, enable children to be creative and teachers to use new, more effective teaching methods with the help of modern technology. Eventually, they want to take their product to the consumer

market by partnering with entertainment companies, but first and foremost they portray their object as helping children learn.

> *"3D Bear solves these problems by gamifying the learning experience and providing pedagogical content that's been co-developed with the best educational system in the world: [pause] Finland."*
>
> *"that's our final goal -- that's our endgame. We get traction in go-to-market, in education market, and then, when we have the use base, we go to brands like Disney."*

Diwala's object is to enable refugees to live a more independent life, to empower them and allow them to "grow, educate and work". They even want to change the way we perceive the word *refugee*, which as of now comes with negative connotations. Their aim is to connect job seekers and job providers living in refugee camps and through this improve the quality of their life.

> *"People need a tool to be resilient so they're not just this word [REFUGEE] because sadly today it has a lot of negative connotations to it. We want to help them achieve the skills that they want and verify these skills they already have."*

SYLink is on a mission to protect people and businesses from hackers and cyber-attacks. Specifically, on the day of the pitch, the object is to raise one million euros in investment. This achievement would enable the venture to reach a consequent object of growing the team, which in turn would enable the organization to penetrate the B2C market in the next two years. This would allow SYLink to reach a very ambitious goal of making history by starting a revolution in cyber security. As a final output of the proposed chain of events and revolution, people and businesses would be protected against data leaks and cyber-attacks by hackers.

> *"Because all of us we use every day Internet blindly without knowing anything about our surfing! -- That's why with the SYLink device now you're not blind anymore!"*

None of the socially conscious make straightforward promises of generating revenues for external resource providers. Although the desire to generate profits for investors is implicitly present given the context of the event, this is never explicated in words, apart from SYLink, who mentions the goal of collecting an investment of one million euros to enable their plan. However, here as well money is portrayed as a means to an end, not the ultimately targeted outcome.

Subject	3DBear	Diwala	SYLink
Object	Improve education and learning	Improve life in refugee camps, enable people to grow and work	Enable improved cybersecurity for everyone
Common object	Helping people: enabling people to grow, learn, work and feel safe		

4.1.2 Sender: Social responsibility

The senders of the narratives in this category are a mix of pre-existing values and skills and qualities that members of the founding teams share. From the value perspective, these include belief in the importance of education, desire to help people work and live safe, and a desire to provide better cyber security to the masses. The enabling skills encompass hard skills, such as relevant technological expertise, as well as traits, such as humility, determination and ambition. Overall, the most important senders are humanitarian values and social responsibility.

From an external perspective, a sender in 3DBear's narrative is the set of problems currently faced by the education market and its key constituents: schools, teachers and children. An important internal sender is the desire of the organization and its members to solve these problems and improve children's lives and the global education system with the help of the latest technology. A trend of moving from mass production toward personalization and a desire of making new technology, such as 3D printing, more accessible and inclusive, are also driving forces that motivate the subject of the narrative to pursue its journey.

> *"Gone will be the days when we buy impersonal and ridiculously expensive toys mass produced for our children. "*
>
> *"-- teachers have two problems… First, the technology is too difficult to use and second, there is no learning content. "*

Diwala wants to turn an unseized business opportunity into a source of revenue. Even more importantly, Diwala's quest is driven by humanitarian values: the overall desire that we as people feel to enable everyone to live a good and meaningful life. Refugees living in camps deserve a tool for educating, working and growing during their time in the camps.

> *"We're currently facing the biggest refugee crisis of our time. <u>Sixty-five point six million people</u> are displaced globally [pause] and <u>shockingly</u> the average time they spend in camp is an <u>unbelievable</u> twenty-four years.*
>
> *That's twenty-four years when a <u>person is unable to grow, educate and work</u>. And because of the current geopolitical climate refugees are going to be stuck in displacement for longer which entitles that <u>we need to look at something long term</u>. "*

The narrative suggests that *we* collectively as humans cannot want the word refugee to have such negative connotations, *we* must surely all want to empower refugees and enable them to be independent and use their potential. With the pronoun *we* the narrative implies that the justification for their thinking is shared by the members of the audience.

SYLink's narrative puts the greatest emphasis on the object of protecting people from cyber threats and frames itself as passionate about helping others. For them cyber-security is not a nice-to-have condition, it is something that all people are entitled to.

> *"We are working with white hats in order to anticipate and understand the threats because our goal is to beat the threats. Where security is not an option, [it] is a right."*

Other sending elements of the narrative include the founding team's shared background and expertise in cyber security. The founders of the company know the challenges of the industry: they have personally experienced the inadequacy of cyber security and know that the threat is upon all people although a majority of people are "blind" to it.

The team's innate desire to help others feel more secure has sent the team on its quest. Right now, the demands of the market environment require the team to gather more human and financial capital, which has sent them to pitch for resources in Slush. Overall, none of the companies seeking primarily moral legitimacy are sent on their quests by a desire to make money.

Subject	3DBear	Diwala	SYLink
Sender	Dissatisfaction with current pedagogical tools; will to help children learn	Care for people in refugee camps	Worry over weak cybersecurity and future heightened threat of attacks
Common sender	Social responsibility; belief in the importance of work, education and security		

4.1.3 Receiver: People

Receivers of the narratives in this category cover primarily individuals, communities and societies, and secondarily companies. What distinguishes this group from the economically conscious is that no narrative names companies as their primary receivers – individuals or *non-commercial* communities are always key receivers in narratives of this category.

In 3DBear's narrative the receivers are consumers who can now design and produce their own, personalized toys. Receivers of 3DBear's narrative are children, teachers and schools, the educational system and ultimately the whole society. It is also mentioned, that if members of the pitch audience join the subject in its quest for actualizing the proposed benefits, they also have the chance to become receivers, as they can potentially become *"winners of the next big wave of digitalization".*

For Diwala, the receivers of the story are most prominently the refugees living in the refugee camps, and the NGOs and IGOs doing their work in these camps. If Diwala can change the way refugees are viewed, they can have a positive impact on the entire global refugee community. The illustrate their impact they tell a story of a refugee girl, Aisha.

"-- we can help people like Aisha become an entrepreneur with a click of a button. She could sell medical kits or childcare services. She could buy English lessons from others inside her community. She can even in the future request micro loans for initiatives that she wants to build and do. "

SYLink's narrator is very confident of the magnitude of the benefits their solution can bring to the world. The receivers of their story cover the founders themselves, the audience present in the event, and practically anyone and everyone who uses modern information communication technology. Currently, the company is targeting its product at small businesses, but the object is to expand operations to the consumer market as well. The IOT market is expanding rapidly: in two years there will be fifty billion IOT devices and less of two percent of them will be properly secured. Everyone using such devices including businesses, regular people - even parents and kids are cast as receivers, as is especially well illustrated by the anecdote the pitcher tells in the end of the presentation.

"A child seven years old was in his bedroom. His mom told him ok go to bed and after that his mom found him in the garden. Why? Because a pervert turned on the connected toy, start playing with a boy, exactly, and told him that in the garden was a treasure. The boy of seven years old didn't knew how to -- unlock the door, the pervert told him. -- You see? An open door is <u>everywhere</u>. And in two years the market will be fifty billion of IOT devices and less of two percent of them are secured."

Nearly the entire humankind falls under the scope of SYLink's revolutionizing impact, now and in the future, as the subject's mission is to *"make history"*.

Subject	3DBear	Diwala	SYLink
Receiver	School pupils and teachers, society	Refugees and NGOs, society	Everyone, society
Common receiver	Society and people; refugees, teachers, parents and kids, all users of internet		

4.1.4 Helper: Technology, team and partners

The socially conscious receive help on their journey primarily from the new technology they are developing, and their team's expertise. Some are also backed by public sector institutions (NGOs, governments), and desirably in the future by the Slush syndicate. The help of the investors is yet an imagined future waiting to be realized. The narrators cast hard skills, such as relevant technological expertise, and positive personality traits possessed by team members as their helpers. Overall, the helpers of this category represent technology, team expertise or the public sector.

3DBear's product is a software application that utilizes 3D printing technology. Other entities acting as helpers cover the online platform, gamification, digitalization and integration. The cheap price point of the product and co-development of the content with the Finnish teachers (*"the best educational system in the world"*) are other product qualities conducive to the subject's plan. The quantified results of the journey's success so far, the team, its *"superior sales skills"* and the rapidly expanding yet niche target market are other elements cast for the role of helpers in 3DBear's narrative. In the US, 3DBear's quest has been supported by local educational agencies, that provide pedagogical training for teachers. 3DBear tells the audience examples of their supporting forces.

> *"In the United States, there are educational technology agencies which teach teachers. So, we teach them, and they teach teachers."*

Diwala is here to help the refugees and change the way we view the word itself. The skillful and humble team has built a digital tool that utilizes blockchain and provides a fully transparent process for transactions. The tool has been co-developed together with the refugees, and the NGOs and IGOs, and their input is seen as valuable for the process. The United Nations has shown its support for the initiative. In Diwala's case, too, the target customers of the business are not only the beneficiaries but also important helpers in the journey. The audience can also join the quest and take the role of a helper by investing in the venture.

"Because we're building on blockchain we're also able to exclude the challenges of corruption and black markets and information flows faster. So, we've already been grateful to have a lot of people that wants to collaborate with us."

SYLink's greatest helper in saving the humankind from hackers is their core product: a solution that constitutes an antivirus, a firewall and a VPN in one simple device. The device is described as so simple and intuitive that even the narrator's grandmother could use it:

"Very simple, just like the iPhone: no installation needed. Touch screen management, intuitive. My grandmother could use it - <u>and she did</u>."

The narrative claims that the product is unique, the subscription-based business model is unique (allows them 60 % profit margins) and that the company's organizational structure is unique. The team's internal expertise is described as specific and rare and the team works with a unique approach: they collaborate tightly with so called "white hats" which is a term to describe hackers who work on the "good side" by helping governments and companies fight against cyber criminals. The narrator emphasizes multiple times that their team is the best and poses this quality as an important helper of the subject. Examples of the narrator claiming they are uniquely expert in the industry:

"Our team... is... only, you see, the best, the top best experts in cybersecurity, in cyberattacks of the world. <u>The best</u>. "

"I had all these skills in marketing, sales and recruitment and business and my partner David is a genius, but he is an insider in the hacker community."

Externally, the subject receives help from the massive demand for effective and simple yet inexpensive cyber security solutions like theirs. The demand is validated by the 290 000 euros they have already made in revenue this far. Furthermore, the company has acquired three million in letters of intent and now the Slush syndicate, the audience, is offered the opportunity to also become a helper in the narrative.

Subject	3DBear	Diwala	SYLink
Helper	Technology, education sector, team expertise	Technology, NGOs & IGOs, team expertise	Technology, team expertise
Common helpers	Technology, team expertise, partners in the public sector (NGOs, governments)		

4.1.5 Opponent: Societal problems

The opponents of the companies seeking moral legitimacy represent different societal problems, such as poor living conditions, bad learning experiences and old-fashioned pedagogical tools, cybersecurity risks, and unemployment and other social issues in refugee camps. These problems are the ultimate opponents that the subjects want to defeat but they are also faced with several other opponents during their journey towards the final opponents. The interim opponents are roadblocks that they must overcome to move forward with their mission, in particular the lack of funding.

3DBear's opponents are expensive and impersonal toys and the lack of engaging pedagogical content. The initial opponents that the organization has set out to defeat are the lack of inexpensive and personal toys and the lack of engaging pedagogical content. Furthermore, the opponents standing in the way of 3DBear achieving its object include the current lack of educational content for 3D printing software, the difficulties of using 3D technology experienced by teachers, the difficulty of selling such applications to public schools and choice of the right sales channels.

Diwala wants to defeat the problem of unemployment in refugee camps. Finding work in refugee camps is currently hindered by corruption, black markets and slow information flow. The lack of tools and platform that would facilitate connections between job seekers and job provider is the opponent that Diwala's solution directly tackles. Moreover, the word refugee comes with negative connotations. These are the problems that Diwala portrays as its opponents.

Problems in cyber security, such as data leaks and hackers are the opponents of the SYLink narrative that the subject is primarily concerned with. To make matters worse, most people are "blind" to the threats of cyber security, and therefore not interested in investing in cyber security. Current alternative solutions are too expensive and complex to use. In the Q&A session of the pitch, the narrator recounts a new sub-narrative – an anecdote to support the grander narrative of the organization. Here she explains how children, especially, are susceptible to the threats of cyber security because "perverts" can target them by using the loopholes in cyber security.

Subject	3DBear	Diwala	SYLink
Opponent	Problems in education, untapped opportunities of technology	Problems in refugee camps, untapped opportunities of technology	Problems in cyber security, untapped opportunities of technology
Common opponent	Societal problems; unemployment, bad learning experiences, cyber security breaches		

4.1.6 Constructing moral legitimacy with socially conscious stories

All the narratives in this category of narratives act out of social responsibility: they want to help people, are sent on their journey by their willingness to make the world a better place and want to defeat opponents that are currently causing different groups of people harm in the realm of education, employment, or cyber security. Based on the stories these ventures construct, I contend they are primarily building their organizational legitimacy by appearing as morally legitimate. They make few claims for providing their audience (or the investors) exchanges that would benefit them directly, although promoting the common good can also be seen as favorable outcome from their perspective.

The narratives construct moral legitimacy in all formats: they outline improved wellbeing and quality of life as outcomes of their business (consequential legitimacy), portray their organizational structures and ways of working as unique yet collaborative and effective (procedural and structural legitimacy) and by telling jokes and engaging with the audience during the pitch portray themselves as decent and nice people (personal legitimacy).

Furthermore, all the narratives emphasize the simplicity of their respective solutions and by that search for cognitive legitimacy and comprehensibility. All of Schumann's three types of legitimacy are present, yet the seemingly greatest emphasis in all is given to moral legitimacy.

The source of moral legitimacy is the positive impact these ventures claim to make in other people's lives. All these ventures cast the roles as follows: (1) object: helping people, (2) sender: social responsibility, (3) receiver: people and societies, (4) helper: technology, team expertise and partners, and (5) opponents: societal problems, and untapped opportunities of technology.

4.2 Moral legitimacy: The environmentally conscious

In this section I present the pitches that pursue moral legitimacy and validate their claims with a narrative structure that reflects environmental responsibility. The two ventures in this category are **Aeropowder** and **Vultus**. These ventures tell a story where they are sent on a quest to protect our environment and fight global warming. I call these ventures *environmentally conscious* - organizations primarily justifying their quest by claiming to protect the environment.

Aeropowder is turning waste into value: they collect the waste feathers of the poultry industry and use them to manufacture cold seal packaging materials for restaurants and food-delivery services. Their business battles two problems: the massive amount of waste feathers created by the poultry industry with no feasible end use and the negative environmental impact of polystyrene packaging, that their clients currently use.

Vultus operates in the *ag tech* (agriculture technology) industry. The founders have developed a technology that enables farmers to fertilize their fields more cost-efficiently and with reduced damage to the environment. Vultus claims that unnecessary fertilizing leads to excessive levels of nitrogen in the soil which intensifies acid rains. Furthermore, the wasted fertilizers create greenhouse gasses and contribute to climate change.

4.2.1 Object: Helping the environment

Aeropowder's object is creating an environmentally sustainable cold seal packaging material out of unused poultry feathers. The subject of the narrative wants to reduce material waste by creating a recyclable alternative to polystyrene packaging and by seizing the commercial potential of the currently unused supply of feathers generated by the poultry industry. By doing this, Aeropowder can provide its customers a more convenient and better performing cold seal packaging material than the existing alternatives made of unrenewable materials. Aeropowder wants to turn waste into something valuable, *"a magical bit of kit -- in go feathers, out comes valuable material"*, as they describe it. Vultus' ultimate object is to reduce the negative impact of fertilizers on the climate by eliminating waste in farming and reducing toxics in the soil. The narrator summarizes this: *"Our mission is to eliminate waste in farming."*

Subject	Aeropowder	Vultus
Object	Use wasted feathers to replace an unsustainable packaging material	Reduces unnecessary fertilizing to protect the environment and save on costs
Common object	Helping the environment: fighting climate change, reducing emissions, waste and energy consumption	

4.2.2 Sender: Environmental responsibility

The environmental strain caused by polystyrene packaging is an important sender in Aeropowder's narrative. Currently available cold shape packaging solutions are unsustainable as their manufacturing causes emissions and they are not recyclable or renewable. Furthermore, they are inconvenient as they take up a lot of space in the customers' premises. Simultaneously, the poultry industry struggles with the millions of tons of feathers created as a side product of chicken production. Currently these feathers are used for low-grade animal feed but Aeropowder believes that they can be used for better. Aeropowder is sent on its quest by its belief that it can solve two problems with one solution: turning the problem of waste feathers into a solution for the problem of unsustainable cold seal packaging.

"There are lots of feathers out there, millions of tons generated every year, --
turned into a low-grade animal feed, but -- at Aeropowder we think they can
be used for better. Let's start with another problem then: packaging,
specifically polystyrene packaging -- it's terrible for the environment."

The team behind Vultus, William and Robert, have their expertise in drones and remote sensing. This capability combined with their belief that "every farmer should have access to the right type of data to make the right decisions" and the desire to create a better future for farmers and for our environment are internal senders of the narrative. The inadequate functionality, unjustifiably high price point and the significant environmental strain of the current fertilizing systems are external factors that have sent Vultus on its journey. Vultus has recognized an opportunity to leverage technology and their own expertise in it for solving the climate challenge.

Subject	Aeropowder	Vultus
Sender	Worry over the wasted feathers and unsustainable solutions in the food and restaurant industry	Worry over the CO2 emissions of farming
Common sender	Environmental responsibility; will to mitigate negative environmental impacts	

4.2.3 Receiver: Environment

The direct receivers of Aeropowder's narrative are the companies who have a need for cold seal packaging: grocery stores, food delivery companies and restaurants. Another important receiver is the poultry industry. Currently, the *"industry is desperate to find value out of these feathers"*. Besides the businesses that will benefit from Aeropowder achieving its objects, there is one more important beneficiary of the narrative: the environment. The narrative mentions the environmental aspect of the solution multiple times, and the overall impression is that the greatest, or at least the most significant beneficiary of the narrative is the environment. The word *sustainable* is repeated copious times throughout the pitch:

"It will stay cold during transport and fresh in a more <u>sustainable</u> manner. "

"Pluumo can now in a more <u>sustainable</u> manner generate value right across the chain --"

"-- in go feathers outcomes valuable material, we then license out the technology out globally and they enable the <u>sustainable</u> manufacturing of... um, local manufacturing of <u>sustainable</u> materials wherever they are in the world --"

The receiver of Vultus' narrative is the global agriculture industry. As better farming will lead to better food production, the global population can be cast in the role of a receiver. Finally, as the solution directly contributes to battling climate change and protecting the environment, the entire humankind and planet can be seen as the ultimate beneficiaries of the narrative.

Subject	Aeropowder	Vultus
Sender	Food delivery companies and restaurants, the global environment and climate	Farmers, the global environment and climate
Common receiver	Environment and those looking for more environmental solutions	

4.2.4 Helper: Technology, team and partners

Aeropowder's most important helper is *Pluumo*, the material itself, that can also be viewed as another subject of the narrative. Pluumo performs its task of insulating cold contents extremely well, potentially even better than its alternatives. It is sustainable, and customers love it. Feathers are an important helper of the journey as well.

"Thanks to feathers, we have Pluumo and Pluumo can now in a more sustainable manner generate value right across the chain from the poultry industry to their customers and the delivery services to the end-users and have an improved end of life. <u>All thanks to feathers</u>. "

Internally, Aeropowder receives help from its team members who have deep expertise in

feathers: both core members of the team hold PhDs in feathers from prestigious universities. Furthermore, the team is advised by several experts in related fields.

Externally, Aeropowder's journey is backed by supporting agents such as investors from previous investment rounds and various networks and awards. Favorable conditions such as the abundant availability of the raw material, feathers, and the poultry industry's despair for finding use for it, as well as the booming food delivery market also buttress Aeropowder's journey. As the object of the narrative stresses the importance of preserving the environment, Aeropowder's clients are actually cast equally for the role of a helper and the role of a receiver. Customers do not only benefit from the solution; they actively and necessarily participate in realizing it.

Technology is the most important helper of Vultus. Satellite data, spectral data, plant health data, physiological modeling, remote sensing technologies, open data sets, big data and the existing farm management systems are inputs for the projected outcome. Technology enables Vultus to automate and digitize manual tasks and create new additional value. The solution also integrates data provided by third parties, for example the Copernicus program, NASA satellites and the European Space Agency satellites. Simultaneously, the fragmentation of the farm management solution market and integration with the existing competitors' offering allow Vultus to focus on its own core competency and to fulfil a currently unmet customer need.

Subject	Aeropowder	Vultus
Helpers	Technology, team expertise, customers	Technology, team expertise, partners
Common helpers	Technology, team expertise, partners	

4.2.5 Opponent: Environmentally unsustainable business practices

Opponents that also act as the senders of the narrative are the millions of tons of wasted feathers and the unsustainability of polystyrene packaging. Although Aeropowder has a

wide range of helpers on its quest, the road to success is not void of roadblocks. Opponents of the subject include that the product is not ubiquitously appropriate for everyone, its comparatively high price point caused by manufacturing inefficiency and the startup status, difficulty of converting trials into revenue and a lack of "the right partners" and sufficient expertise. All these opponents could be overcome with the help of financial and human capital – exactly what the pitch itself is hoping to achieve.

For Vultus, the greatest opponent is the negative environmental impact of current fertilizing practices. The opposing circumstances are created because farmers lack information of when and where to optimally fertilize. Vultus describes the problems and their magnitude as follows:

> *"-- the problem stems from two main things. Farmers don't know how much to fertilize and when, and farmers spread these fertilizing agents evenly across the field rather than take into account that there are varying conditions within those fields."*
>
> *"This is a huge problem and this kind of waste in any other industry wouldn't cut it."*

Consulting firms in the agriculture industry cannot answer the extant demand for better information because their services are too expensive for all farmers to use and since the data they provide is often either too specialized or too generic to be useful. Negative environmental impact and insufficient information constitute the opponents for Vultus.

Subject	Aeropowder	Vultus
Opponent	Unsustainable packaging materials and wasted feathers	Unsustainable farming practices, insufficient information
Common opponent	Environmentally unsustainable business practices; emissions and wasted resources	

4.2.6 Constructing moral legitimacy with environmentally conscious stories

Aeropowder and Vultus both cast the creation of more sustainable business practices as their object, technological innovation and desire to protect the environment as their

senders, the climate and environment as their receivers, technology as their helpers and wasted resources and environmental damage as their opponents. Therefore, both ventures make claims for moral legitimacy based on the assumption that protecting the environment is a commonly held value.

The narrators do not explicitly claim to be in pursuit of financial returns and therefore omit a search for direct exchange legitimacy. However, both narrators seek for other types of pragmatic legitimacy in the forms of influence legitimacy and disposition legitimacy. They assume that protecting the environment and avoiding wasted resources are values that the audience shares and constitute objects worth emphasizing. Such choice of objects gives rise to moral legitimacy: pursuit of a more sustainable choices is aligned with the moral code of protecting the environment gaining constantly more prevalence in our time. Additionally, as all other ventures in the data set, both these ventures also seek for disposition legitimacy by, for example, portraying as trustworthy and decent actors with academic track record, expertise and supporting authorities.

As Aeropowder, Vultus is most prominently seeking for influence legitimacy and moral legitimacy. The team justifies its claim for moral legitimacy by portraying waste elimination as its the object and the planet and humankind as the receivers of its program. Interestingly, Vultus conveys its mission without ever mentioning the words *sustainability*, *environment* or the *climate*. Instead, the narrative talks about *waste*, *acidic rains* and *greenhouse gasses* as problems, and the team's desire to create a better future.

As so many of the other ventures, Vultus also emphasizes the simplicity of their solution in search for cognitive legitimacy. They dedicate a relatively large share of the pitch to explaining how their solution works, where the data comes from and what is the added value it brings to the competing alternatives. For example, the solution is described as *"very basic"* to emphasize the simplicity.

The source of moral legitimacy is the positive impact these ventures claim to make on the environment. Both these ventures cast the roles as follows: (1) object: helping the environment, (2) sender: environmental responsibility, (3) receiver: environment, (4)

helper: technology, team expertise and partners (5) opponents: environmentally unsustainable business practices.

4.3 Pragmatic legitimacy: The economically conscious

In this section, I present the pitches pursuing primarily exchange legitimacy and reflecting economic responsibility. The four ventures in this category are **AdLaunch, CHAOS Architects, ObjectBox** and **Selko**. These ventures tell a story of a quest to exploit a discovered business opportunity and make profits by selling their service to other businesses. Their stories justify their legitimacy claims by their ability to produce economic gains. I call these ventures the *economically conscious* - organizations primarily motivated to take their quest by a desire to generate profits for commercial organizations.

AdLaunch provides marketers a software that automates video creation. Their technology replaces manual work with automation and leads to faster video production with lower costs and increased convenience.

CHAOS Architects has built an application, *Happy City*, for selling data gathered from citizens and other data sources to businesses that develop smart cities. CHAOS Architects also aggregates third party data and sells it to entities like governments and companies building smart cities.

ObjectBox claims to be the world's fastest mobile application database. The unparalleled speed and convenience of the database enables faster app development and makes the job of developers easier.

Selko has developed an artificial intelligence powered software that automates processing regulations in large construction projects. Their solution reduces manual work, saves money and improves safety in large construction projects.

4.3.1 Object: Helping businesses

AdLaunch's object is to automate video-creation with the help of artificial intelligence to enable faster and easier production of marketing materials. Their solution enables the client businesses to grow their business cost-efficiently. Their objects stem from capitalistic values of seeking growth and generating more economic profits.

> *"If any of you have ever felt like this: you should be doing more video content online but it's so damn difficult. We're here to solve that."*

CHAOS Architects wants to help companies developing smart cities do their job better. They want to gather data, release the power of human creativity, and leverage already gathered yet unused data for building smart cities. They aim at disrupting the way cities are built and becoming the de facto smart city development platform.

> *"So, our mission is to become the de facto smart city development platform. So, what does this mean really, is that we gather data, we analyze that and with this - through artificial intelligence algorithms - we're able to forecast the future of cities, so we can tell you if a development project is going to be successful or not."*

ObjectBox's object is maintaining status as the world's fastest mobile application database, which enables the company to realize its other goals: to monetize on the service that is currently in pre-revenue stage and begin to incur a steady revenue stream of 100 000 euros per month. In addition to monetizing on the existing product, ObjectBox also wants to build a data synchronization solution which would allow ObjectBox to *"be on every connected device"*. In order to reach these goals, ObjectBox must first achieve the sub-goals of raising a million euros in seed investment and growing the team by hiring more developers. Overall, all of its objects aim at enabling more cost-efficient mobile development.

"ObjectBox is 10 times faster than the industry leader, it's reliable across use cases and app developers love that it's only 1/10 of the code to implement. This means app developers can go to market earlier with blazingly fast apps that also work offline."

The object in Selko's narrative is allowing construction companies to save money and human resources. *"We are gonna save fortunes by bringing AI to engineering design. "*

Selko improves regulatory processing efficiency by automating the regulation management process and replacing manual human labor with artificial intelligence. In addition to saving money, Selko's product can also make the world safer, as builders are better informed of the regulations in construction projects. Today, Selko wants to receive 200 000 euros in investment for financing its pursuit of the goals mentioned.

Subject	AdLaunch	CHAOS Architects	ObjectBox	Selko
Object	Increase speed and efficiency in video advertising	Utilize data to improve the development of smart cities	Speed up mobile application development	Decrease manual work, improve safety and quality in construction projects
Common object	Helping other businesses; saving money, improving (cost-)efficiency, seizing an untapped opportunity			

4.3.2 Sender: Economic responsibility

A sender in AdLaunch's narrative is an underlying assumption that making processes faster, cheaper and easier is always worth striving for. Facilitating the efficiency of advertising is beneficial because advertising is conducive to generating incremental revenue and fueling business growth. Another important sender of AdLaunch's narrative is the ongoing and evidently accelerating rise of video content in marketing. However, video creation is described as difficult, slow and expensive. Despite the growing demand for more and better-quality video content, the process of creating them is depicted as time-consuming, difficult and expensive, which causes a mismatch of demand and supply in the video content market.

> *"So, if any of you have ever felt like this: you should be doing more video content online but <u>it's so damn difficult</u>. We're here to solve that."*

CHAOS Architects is likewise sent on its mission by internal and external forces. Internal senders include the team's innate desire to promote co-creation in urban planning and smart cities, improve people's quality of life. The external senders include the currently untapped business opportunity of data in the smart city industry with a 1.5 trillion potential.

> *"We are under-using your creativity: we don't focus on <u>you</u>. So, it's funny because smart city is a 1.5 trillion industry, is working dispersedly, is very good at collecting data, is very good at tracking but not good at listening."*

Likewise, ObjectBox was sent to its journey by the founding team's will to make app development more efficient and their existing expertise in technology. Before founding ObjectBox, the team was dissatisfied with other mobile development databases and knew that other developers felt the same. The economic potential of the market is also highlighted and cast as a sender.

> *"When my co-founder and myself were running our previous business of app development we encountered a huge problem. The mobile database SQLite, it is slow, unreliable in its performance and a pain to work with. ObjectBox fixes this. "*
>
> *"This is a twenty-billion-dollar market in mobile alone. -- Now, if you look a little into the future, there's a rapidly growing trillion-dollar market in IOT <u>waiting for us</u>."*

The biggest competitor, SQLite was deemed unreliable, slow and poor in its performance. Furthermore, it lacked the opportunity for offline app development for which the demand was constantly growing. Today, 25% of the world's top 500 apps run with ObjectBox code inside, including apps with more than 500 million users such as Twitter, Snapchat and Viber. This past success of the subject can also be seen as sender for their future actions. Although the narrative frames a will to make app development faster and easier as the original sender of the subject, the time of the pitch is framed as a pivotal moment,

where the object begins to shift from building the world's fastest mobile database to also monetizing on it. One object has been reached and now it's time for the next one, this time an even more economically driven desire.

Similarly, Selko's sender of the narrative is a desire to minimize costs and maximize profits. The narrator describes examples of budget overruns as "outrageous" and "catastrophic":

> *"-- there are similar cases of massive technology projects with even more outrageous budget and schedule overruns.*
>
> *[Catastrophic problems.]"*
>
> *"We target companies with massive development projects and the savings potential in these systems forms a multi-billion-euro market."*

Another sender is the will to avoid manual work and replace it with machine power whenever possible to boost efficiency. The team also has a personal motive to leverage artificial intelligence as it is their area of expertise. Besides the team itself, the institutions and companies with experience of construction projects that have gone over budget, such as the Olkiluoto nuclear power in Finland and satellite and airplane projects, also constitute senders in Selko's narrative.

Subject	AdLaunch	CHAOS Architects	ObjectBox	Selko
Sender	Pursuit of costs savings in online advertising	Untapped market potential of data for the use of smart cities, unused human potential	Pursuit of increased efficiency in mobile development	Pursuit of better safety, quality and efficiency in costs and manual labor
Common sender	Economic responsibility; desire to increase business efficiency and profitability			

4.3.3 Receiver: Businesses

AdLaunch has built its product for professional marketers – they are the ones who will benefit from AdLaunch reaching its object.

> *"So, many of <u>marketers</u> ended up looking like this [image of a sad and frustrated woman] and we're putting an end to that. "*

The receivers of CHAOS Architects are all the companies who engage in building and developing smart cities.

> *"Concretely, this means that for our <u>customers</u> we are cutting up to 30% time on developing process"*

If and when ObjectBox manages to secure the investment it is looking for, and to further its mission of making 100K MRR (monthly recurring revenue), this will benefit the investors. Because this investment would enable the subject to further its object of building the data synchronization tool, it would also benefit the developers, and especially the companies these developers work for. Right now, the receivers are the developers and the millions of users of the apps with ObjectBox running inside them.

> *"They all have more than <u>500 million users</u> and they've all been built with code libraries we developed previously."*

Receivers of Selko's narrative are equally other businesses to whom they sell the service: organizations with large construction projects, such as private companies, governments and cities. Employers benefit from the service as their employee resources can now be used more efficiently than for going through *"thousands and thousands of pages of requirements"*.

Subject	AdLaunch	CHAOS Architects	ObjectBox	Selko
Receivers	Marketers, businesses	Smart city developers, businesses	Mobile app developers, app users, businesses	Construction companies, businesses
Common receivers	Businesses			

4.3.4 Helper: Technology and market conditions

AdLaunch is helped by technology: the product is an AI powered video creation tool that utilizes advanced image recognition technology, has an intuitive user interface and is able to access and leverage third-party data from sources like YouTube. The team is *"award-winning"* and strikes *"a good balance between creative talent, business knowledge and tech"*.

The market conditions make up a fertile ground for AdLaunch's quest: notable authorities like Facebook predict the demand for video advertising to expand in the near future and the market is already worth 12 billion dollars in the United States alone. Technology and rising digital marketing spending help AdLaunch.

Internal and external elements help CHAOS Architects in its quest for disrupting the way smart cities are built. The main helper of the subject is the company's product: a technological solution that analyzes, or "crunches" data on urban planning. In addition to the software that analyzes data, CHAOS Architects has built a mobile application that allows citizens to participate in developing their surroundings. The application, Happy City, enables people to submit their idea for urban planning fast and easy. They are "cutting up to 30% time on developing process". What makes the solution unique is its combination of data and humanity.

> *"When we talk about the smart city, we normally refer to IOT robots, applications, but we forget one thing - and that is people."*
>
> *"We are creative, we are a very strong team that makes things happen. "*
>
> *"We're different from our competitors because we not only deal with date big data or not only with people, but we actually combine both."*

At the same time, the narrator also stresses the strong role of technology in their business:

> *"We're building a closed service that is powered by <u>artificial intelligence</u>. We collect <u>data</u> from people and open sources and then we create new <u>data</u> that we sell for business reports."*

These helping tools are developed and managed by the team, that is described as "very strong", "creative" and "making things happen." The strength of the team stems from their wide range of expertise in architecture, urban planning, business and marketing. Creativity is also a key component that helps CHAOS Architects in pursuing its goals. Third-party data and the data collected by the company's own application are the main helpers.

ObjectBox's helpers cover the team's traits and expertise in technology as well as the technology itself they have developed. The narrative lists the beneficial features: fast and reliable database and the data synchronization solution that allows offline app development. The founding team has deep expertise in the industry thanks to their history of working with apps and they have social capital in the industry community. Vivian, the CEO has a PhD and she is a great manager and Marcus is one of the top 1% of Java developers in the world according to GitHub, an institution of the global developer community. Like for AdLaunch, the rapid growth of the market creates demand for the company's offering which helps them reach their goal of running a profitable business and generating profits for the investors.

> "Marcus and I, we've been working in the mobile app industry forever, even before there are apps - literally. I have been mainly leading and scaling teams and although I have a PhD in the background, I'm a great manager.
>
> And Marcus - he's the coder as you can tell by his beard. With the code libraries he developed, GitHub shows he's among the top 1% of Java developers worldwide."

Similarly, Selko is helped by technology and growing demand for cost-efficiency. To support Selko's journey, the narrative mentions several helpers. The product leverages artificial intelligence and semantic analysis to process regulations, which saves time, improves quality and eliminates defects. External helpers include institutions like Tekes and EU, who both support Selko financially. To ensure that companies also comply with the regulations, Selko has formed partnerships with companies verifying compliance with regulations. Additionally, the solution is integrated with other currently used requirements management tools to lower the barriers of adoption for Selko's product.

Subject	AdLaunch	CHAOS Architects	ObjectBox	Selko
Helpers	Technology, growing market demand	Technology, team expertise, community	Technology, team expertise, developer community	Technology, growing market demand, partners
Common helpers	Technology, team expertise and favorable market conditions (growing demand)			

4.3.5 Opponent: Inefficient business practices

AdLaunch's pitch begins with a video, where a man is reluctant to invest in video advertising despite of his son's encouragement, because he has *"real work to do"*. Here, the pitcher poses a lack of appreciation for video advertising as a potential opponent of the subject. Besides this, the narrative of the pitch does not itemize any specific opponents that the subject would encounter during the journey toward the object. Only in the Q&A section, the pitcher notes the existence of competitors as an opponent but ensures that their product is fundamentally different and inferior to AdLaunch's product. For the most part, the only objects in AdLaunch's narrative are the senders: high costs and poor efficiency of video creation contrasted with the necessity of the process for business growth.

CHAOS Architects' narrative claims that currently the opponent standing in the way of building smarter cities is a combination of a disregard for the human potential and the lack of tools for gathering, aggregating and leveraging data. The institutions in charge of developing and building our surroundings do not listen to citizens as they are oblivious to the immense creative potential that people possess. Furthermore, there are no tools and processes that would enable data collection and utilization for more efficient smart city development.

The opponents that Selko has set out to defeat are the *"outrageous budget and schedule overruns in technology projects"*. The unnecessary wastage of billions of euros and the arduous manual process of going through complex and long documents full of regulations are challenges that Selko needs to overcome on its journey. The difficulty of regulation processing is amplified as construction projects need to consider the demands of multiple

different stakeholders. The complexity of the process causes a risk of defects going unnoticed. Again, Selko's opponents are poor cost-efficiency and slow processes which impede growing business profitability.

ObjectBox's narrative depicts the existence of SQLite, a competing mobile database as an opponent. The opponent is described as slow, unreliable and a *"pain to work with"* – it represents everything ObjectBox fights against. Like AdLaunch and Selko, ObjectBox is fighting against slow processes and poor cost-efficiency that halt business growth.

Subject	AdLaunch	CHAOS Architects	ObjectBox	Selko
Opponent	Slow and inefficient processes in marketing content creation	Unused data and the disregard for the human component	Slow and poorly performing solutions for mobile app development	Inefficient, slow processes, safety hazard, budget overdraws
Common opponents	Inefficient business tools and practices; manual labor and high operating costs			

4.3.6 Constructing pragmatic legitimacy with economically conscious stories

All four ventures in the group of the economically conscious share the goal of making their own profits through maximizing the profits of other businesses that are their customers. These companies are sent on their journey by their desire to reduce slow and manual labor and improve cost-efficiency. Their innovative technology, the team's expertise and the conducive market conditions help them in reaching their goals. Everything they do aims at growing profits.

As AdLaunch's narrative does not have a social or environmental cause as its sender, it cannot rely on generating moral legitimacy by claiming to align its business with prevailing morally accepted norms. As its audience consists of business investors who are evidently interested in making a financial return, they can appeal to their interests with a story that poses the venture as someone capable of improving cost-efficiency. In addition to this attempt of building pragmatic influence legitimacy, AdLaunch focuses on building pragmatic disposition legitimacy by portraying itself as decent *("we are*

flexible") and trustworthy (*"we partner with notable ad networks"*). The humorous video in the beginning of the performance shows the team is fun to work with. Mentions of Tekes, investors and current clients also lend their credibility to AdLaunch as a trustworthy and decent character. The only type of moral legitimacy that AdLaunch seeks is personal: The video is strongly linked to an attempt to establish an image of a fun, entertaining and emotionally appealing character for the organization.

AdLaunch's story also aims to establish cognitive legitimacy in the form of comprehensibility. The simplicity of the solution is cast for the role of helper several times. The narrative depicts using the product very easy and intuitive:

> *"-- the users only have to input keywords"*
> *"We just analyze what makes viral videos perform well"*
> *"We will just automatically generate that video for them"*

The pitch is concluded with a very simplifying remark: *"If you're thinking video creation, think AdLaunch"* that yet again emphasizes the simplicity of the product.

Although the original sender in ObjectBox's narrative is the will to make app development faster and better, thus helping the global community of app developers and app users, from now on ObjectBox is depicted to be primarily on a mission to monetize on their previous achievements. Therefore, the narrative is seeking for pragmatic legitimacy, especially exchange legitimacy. If the investors support ObjectBox, they can gain financial benefits. The narrative also seeks for influence legitimacy since even if the investors would not gain financial benefit, at least they would support the "good cause" of making app development faster and better leading to better apps for the users. Finally, the narrative seeks for disposition legitimacy by describing the team members as skillful, competent, trustworthy and fun: they have an academic track record, they have plenty of experience, they are trusted by the developer community and they can make jokes.

Selko seeks essentially for pragmatic legitimacy. They emphasize the money-making

potential of their venture and portray receiving a share of the "saved fortunes" as an outcome of their journey in an attempt to appeal to the resource holders.

> *"We are gonna save fortunes by bringing AI to engineering design."*
>
> *"We target companies with massive development projects and the savings potential in these systems forms a multi-billion-euro market."*

They cover the functionality of their solution rather cursory and mostly just name terms "artificial intelligence" and "technology" to explain the core of their solution.

The most prominent type of legitimacy these ventures pursue is exchange legitimacy: the promise to generate a positive return on investment for those who finance them through charging other companies in markets with massive commercial potential. They all cast the roles as follows: (1) object: helping other businesses, (2) sender: economic responsibility, (3) receiver: businesses and investors, (4) helper: technology and market potential, and (5) opponent: inefficient business practices.

4.4. Moral and pragmatic legitimacy: The environmentally and economically conscious

Altum Technologies has developed an AI based tool that detects fouling in large industrial equipment and removes it without pausing production. This creates large savings for the companies and also helps reduce greenhouse gasses caused by fouling. Altum's solution benefits both businesses and the environment.

The narrative constructs two types of legitimacy with equal weight. On one hand, Altum wants to save the planet - on the other hand it wants to make a lot of money while doing it. Its strategy of drawing legitimacy so equally from two different sources is unique in the data set, for which reason I present its analysis separate from the other categories. Altum Technologies justifies its legitimacy claims equally with a desire to protect the environment and a desire to make money.

4.4.1 Object: Helping the environment and businesses

The object of Altum's narrative is two-folded: *"saving the planet and making a lot of money while doing that"*. The narrative begins by describing the main opponent of Altum, a phenomenon called fouling, as *"one of the biggest issues globally"*. The object of Altum is solving this issue, and therefore reducing CO_2 emissions and the use of hazardous chemicals. The other object, mentioned shortly after the first one, is enabling industrial companies to clean their pipes without ceasing their operations and by that saving millions of euros.

4.4.2 Sender: Environmental and economic responsibility

Altum is sent to its journey by the urgency of the issues it aims to tackle: the demand for reducing CO_2 emissions and the financial losses caused by fouling in large industrial equipment. The need to reduce emissions stems from the team's innate desire to act according to environmentalist values whereas the need to reduce costs in manufacturing has its origin in economic responsibility and a capitalistic idea of profit maximization always being worth pursuing. The subject is described as being the only one capable of reaching the object of the narrative, so Altum's sheer uniqueness renders it as the company mandated to save the planet:

> *"And ladies and gentlemen, we are the only company in the world that can do this. "*

4.4.3 Receiver: Environment and businesses

Thanks to the two-folded structure of the object, the receivers of Altum's narrative cover both businesses and individuals, the economy and the environment. As the problem they are solving is global in its nature, the receivers of the narrative are a group of customer companies on a global scale.

"Fouling is currently one of the biggest issues globally"

"We're providing the solution with a Clean tech as a Service model that means that the <u>customers</u> are paying a yearly subscription fee and they get the solution and our full service set which is remote monitoring, cleaning optimization and so forth. "

Resource providers who invest in Altum are also referred to as potential receivers. The audience is invited to join Altum explicitly in "making a lot of money".

"So, ladies and gentlemen I invite you to join us in saving the planet and making a lot of money while doing that."

4.4.4 Helper: Technology, team and market conditions

To conquer the challenges along its journey towards more environmentally sound business practices and improved cost-efficiency, Altum needs help. Fortunately, it has a unique product that provides a fast, timely and efficient cleaning process running on world-class technology. The solution is easy to use and does not require large investments in infrastructure as it is cloud-based. The team of Altum consists of 15 members with strong expertise in the field and impressive academic track record.

One of the founding figures is a world-renowned ultrasound expert who has worked in notable institutions like Stanford University and CERN. Altum's achievements have also been noted among other resource providers: they have received accolades and support from institutions like Tekes and General Electric. Moreover, the general tendency to look for improved cost-efficiency as well as the growing demand for more environmentally sustainable solutions in nearly any field support Altum in its mission.

Altum is one of the few pitches that explicitly states that it's looking for investment, i.e. cast the investors to the role of the helper in their narrative. Right now, the company needs financial support from the investors to realize its vision.

"We're seeking a two point five million investment to get the Altum PI out to Europe, ramp up our manufacturing SCM so that we can respond to the demand and also reduce the cost of production."

4.4.5 Opponent: Environmentally unsustainable and inefficient business practices

Altum describes its opponent as follows:

"Fouling is currently one of the biggest issues globally. <u>It's causing about two-and-a-half percent of the global CO2 emissions.</u> "

"Fouling [is] creating <u>huge issues for the operators</u> because they need to clean it, they get bad quality product, or they need to stop the process totally."

"-- five more days for pulp and paper company would bring them <u>over a hundred million euros revenues per year.</u>"

Altum's initial opponent and sender is fouling and its consequences: CO2 emissions and hazardous chemicals used for cleaning it. This leads to operations being shut for days and hundreds of millions of euros lost. All this constitutes unnecessary damage for business and the environment, wasted money and resources.

Subject	Altum Technologies
Object	Helping the environment and businesses
Sender	Environmental and economic responsibility
Receiver	Environment and other businesses
Helper	Technology, team expertise, favorable market conditions
Opponent	Inefficient and environmentally unsustainable business practices

4.4.6 Constructing moral and pragmatic legitimacy with environmentally and economically conscious stories

Altum's claim for legitimacy is two-folded: it seeks to attain exchange legitimacy and moral legitimacy with seemingly equal intensity. It portrays its positive environmental

impact as the spearhead of its operations while simultaneously ensuring its money-making potential is well understood. It invites the audience to join its quest for both:

> *"I invite you to join us in saving the planet and making a lot of money while doing that. "*

Exchange legitimacy flows from the organization's ability to provide investors an opportunity to obtain financial returns, while moral legitimacy ensues its pursuit for mitigating climate change. Additionally, Altum seeks disposition legitimacy and comprehensibility (cognitive legitimacy) by itemizing notable authorities like Tekes and GE as its helpers and by alleviating information asymmetry with a video clip that shows in very concrete terms how the solution functions in practice. Altum weaves together a storyline that combines the power of an environmentally and economically responsible rationale for justifying it legitimacy claims.

Overall, Altum pursues is a balanced combination of moral and exchange legitimacy. The company casts the roles as follows: (1) object: helping the environment and other businesses, (2) sender: environmental and economic responsibility, (3) receiver: other businesses and the environment (4) helper: technology, team expertise, favorable market conditions, (5) opponents: inefficient and unsustainable business practices.

4.5 Summary of findings

An analysis of the ten finalists of the Slush 100 pitching competition identified moral and pragmatic legitimacy as the two types of legitimacy that all the narratives most prominently search for. The socially conscious and environmentally conscious narratives sought most clearly for moral legitimacy by appearing as socially and environmentally responsible. The economically conscious narratives sought for most evidently for pragmatic legitimacy – they appealed to values and interests that they assumed the audience to share but did not portray themselves as acting out of any other type of responsibility than economic. Furthermore, all narratives made efforts to appear as

cognitively legitimate by emphasizing the simplicity of their solution and by naming advanced technology as its enabling force. Besides this, little effort was made to elaborate on the technological aspects of the solutions.

The items in the data set were spread across the three distinct categories quite evenly: three narratives sought primarily for moral legitimacy that stems from a desire to help people (3DBear, Diwala, SYLink), two sought for moral legitimacy that stems from a desire to help the environment (Aeropowder, Vultus) and four sought for pragmatic legitimacy derived from a desire to help businesses (AdLaunch, CHAOS Architects, ObjectBox and Selko). Altum formed its own category as it was positioned in the nexus of moral and pragmatic legitimacy by reflecting a seemingly equally intense desire to protect the environment and to make money.

In practice, all the narratives showed some signs of pursuing each of the three types of legitimacy, yet moral and pragmatic were emphasized the most. Although most of the narratives used different techniques for building cognitive legitimacy in the form of comprehensibility, none searched for cognitive legitimacy over moral and pragmatic legitimacy. In this data set, none of the narratives sought for legitimacy in the form of taken-for-grantedness.

5 DISCUSSION AND CONCLUSIONS

This thesis studied the stories that entrepreneurs tell in their pitches presented to external resource providers in the context of a pitching competition in a large Nordic startup and technology conference, Slush. The study used narrative analysis as a tool to examine how new ventures construct organizational legitimacy in pitching. The theoretical framework of the study was founded on four streams of literature: entrepreneurial resource acquisition, organizational legitimacy building, storytelling and narrativity as a research method in organizational and entrepreneurship studies.

Although resource acquisition and organizational legitimacy construction have been previously studied in the context of entrepreneurship, relatively few studies have been made on the topic of how entrepreneurs use storytelling for building organizational legitimacy. Furthermore, to my knowledge no study has been made of the use of storytelling in legitimacy building specifically in the context of pitching, a prominent mechanism through which many early stage entrepreneurs today seek capital. My study aimed to answer this research gap by providing new information on the connection between storytelling and legitimacy building in the act of pitching.

The research problem of my study was addressed through the following research questions:

1. What kind of narratives entrepreneurs construct in pitching for external resources?
2. What types of organizational legitimacy these narratives build?

To answer these questions, I studied ten pitches that made their way to the final round of a pitching competition. I first conducted a semantic structural analysis as proposed by Greimas. I examined the pitches as narratives and categorized the elements of the stories into six actants: the subjects, objects, senders, receivers, helpers and opponents of the stories. Next, I investigated the narratives against the backdrop of Suchman's model for

legitimacy construction to discover how and from which sources the entrepreneurs draw legitimacy for their ventures.

As an outcome of the analysis, I answered the first research question by identifying four distinct types of *narrative patterns that entrepreneurs construct in pitching for external resources* (RQ 1): (1) the socially conscious, (2) the environmentally conscious, (3) the economically conscious, and (4) the environmentally and economically conscious. After recognizing the types of narratives that the entrepreneurs told, I could answer the second research question of how the stories contribute towards the emergence of organizational legitimacy. The narrative patterns showed how the entrepreneurs portray their organizations and their mission, and through that, revealed *what types of organizational legitimacy these narratives build* (RQ 2).

Constructing organizational legitimacy for resource acquisition

This study revealed that to some extent pitching entrepreneurs pursue all the three types of legitimacy – pragmatic, moral and cognitive. However, the pitches differ in the types of legitimacy they most emphasize. Most of the entrepreneurs allocated a relatively small share of their pitch towards pursuing cognitive legitimacy and instead focused on building either moral legitimacy or pragmatic influence or disposition legitimacy. Conversely, most of the pitchers spent relatively little time on constructing pragmatic exchange legitimacy: assuring the audience of the favorable exchanges that investing in their venture would produce. Only few of the pitches specifically posed receiving external funding from investors as an object in the narrative or promised returns on the investment. Most pitchers framed their organization as a hero using its unique capabilities and resources to help someone or something in need. The entrepreneurs were predominantly saviors on a mission to make the world a better place–and only secondarily monetizing on the salvation.

Only few of the pitches explained their revenue model in detail or explicitly showed how and how much an investment in their organization would produce return. This held true even for the pitches who unambiguously stated that they are looking for investment.

Moreover, the object of winning the Slush 100 pitching competition was never mentioned explicitly although generally the purpose of entering a competition is to win it. The object of the story was always something "greater" than winning or making/producing profits – it was about creating value for others, not the entrepreneurs themselves.

The typical story of an entrepreneur pitching for resources seems to be characterized by a certain degree of heroism, as the entrepreneurs are depicted as either fighting climate change, reducing unemployment in refugee camps, or at the very least saving exhausted workers from manual tasks. A good entrepreneurial story is one where someone saves the world–or at least a small part of it. Although favorable market conditions and growing customer demand for a certain product or service were mentioned as helpers in several of the pitches, from the entrepreneurs' perspective the ability to fill a latent consumer need alone does not seem to be enough of a sender or object to legitimize a new venture, even when targeting profit-hungry investors.

One way of appearing as morally accepted through pursuing something "greater" and less measurable in monetary terms was emphasizing social responsibility and the desire to help people. Although for example 3DBear named entering the consumer market as its goal in the long term, improving pedagogical methods and helping children through the education sector were deliberately cast as the primary objects – despite the public sector probably representing one of less commercial potential than the consumer market. The venture with the most altruistic motives was Diwala. Their revenue model aimed at monetizing on the companies, governmental bodies or NGOs who are also the receivers of their story and the beneficiaries of their mission. However, to the main receivers, the refugees, Diwala only wants to produce benefits without charge. Such a business model and casting choice portray the organization as particularly benevolent and morally proper. Conversely, this narrative gave the least importance to the aspect of monetizing whatsoever and portrayed the organization as far more interested in philanthropy than profit-making. Given the nearly full absence of pursuing economic interests, and the consequential absence of exchange legitimacy claims, it is interesting that the venture still managed to make its way to the top ten group of pitches in the competition.

A second important type of moral legitimacy that the ventures sought for was one rooted in a desire to protect the environment and stop global warming. These stories portrayed negative environmental impacts as their opponents and framed protecting or saving the planet as their primary objective. The value and necessity of such ambitions was taken for granted which is telling of the cultural context and current zeitgeist. Casting global warming as an opponent in three stories can be seen as a reflections the topic's current prominence in public discussion. For Aeropowder and Vultus, the intent on saving the planet by fighting climate change was deemed as more noteworthy than claims of making hefty profit margins and returns on investment, although the latter were also mentioned as somewhat less important objects in their narratives. Moral properness flowing from the aspiration to save the planet from a global catastrophe was also an important message for Altum Technologies.

The third important source of legitimacy in the study was a desire to help other businesses thrive. The underlying belief seemed to be that either the audience has a personal interest in helping the potential client companies succeed, or that they are merely interested in the commercial potential of the target market. The ventures who took this path, such as CHAOS Architects, Vultus, Selko, AdLaunch, Aeropowder and Altum, aim to generate their revenues by selling their services to other businesses. Out of these four, only ObjectBox and AdLaunch focused solely on helping businesses thrive without any refences to other sources of legitimacy such as helping the environment or other people. The presence of these fully commercially-driven companies within the top ten finalists is interesting as it shows that despite the undeniable prominence or "softer" argumentation for legitimacy and the strong emphasis on themes of social and environmental responsibility, the inclusion of such elements was not eventually an absolute necessity for making it to the final round of the competition.

The winner of the Slush 100 pitching competition 2017 was Altum Technologies which draws its legitimacy from multiple sources. The narrative clearly highlights that the company is equally interested in saving fortunes and saving the planet. Although the sample size of this study is clearly too small for establishing any causalities between sources of legitimacy and success in the competition, it is worth noting that Altum

Technologies is the only venture in the top ten finalists who assigns rather equal amounts of importance to both the environmental and the financial benefits it can produce. Furthermore, they explain and illustrate the basic functioning of their solution during the pitch in more detail and with more clarity than many of the other ventures in the data set. Although their product is fundamentally a technological solution that leverages AI just like so many of the other competitors, they manage to make it appear more comprehensible than the other pitches. They manage to strike a balance of different sources of legitimacy ranging from cognitive to moral and pragmatic legitimacy. Presumably, this balance paved their way to victory in the pitching competition.

Finally, it is worth noting that virtually all the ventures in the data set are technology companies. Technology was cast to the role of a helper in every narrative: in most it was even the most important enabling force of the venture on its journey towards making the world a better place. The strong presence of technology is most likely largely explained by the fact that the setting, Slush, is positioned as a startup *and* technology conference, but also by the role that technologies such as artificial intelligence, big data and machine learning, have in our time. In general, these technologies are considered as capable of solving difficult problems and even expected to provide solutions for improving our lives.

A noteworthy aspect of the role of technology is that the details or even very simplified explanations of the technology were mostly deemed unworthy of covering in the pitches. It generally sufficed to mention that everything is enabled by technology, or a specific type of technology, but further details were not recited. As consumers, we are accustomed to using technologies we do not fully understand, so casting technology as a critical component of a story may indeed lead to increased organizational legitimacy despite not actively contributing towards the emergence of cognitive legitimacy. Inclusion of the element of technology can compensate for the lack of understanding for the product or service, and so the choice of casting it for the role of a helper can be conducive to the emergence of organizational legitimacy.

These findings are interesting given the traditional definitions of entrepreneurship presented at the beginning of this study, for example that the "exploitation of an

entrepreneurial opportunity requires the acquisition and recombination of different resources and selling their output with *profit"* (p. 8, Aldrich & Fiol 1994). Indeed, an ideological premise for this study was that the objective of a pitching entrepreneur is to convincingly communicate to resource holders that investing in their business holds considerable value-creation potential and will ultimately lead to financial gains for the investor. However, in this study the narrators either did not share this belief, disregarded it, or assumed that it was of secondary importance to their audience. Two possible explanations exist for the omission of such themes in this specific forum: either the ability to produce positive returns on investment is seen as a somewhat obvious or naturally ensuing consequence of doing good for the society or the environment, or that the monetary returns are simply not as important as the non-monetary impact of the venture to the entrepreneurs. The cause of the omission remains speculative, but its existence is evident: new venture founders are more interested in, and more focused on, communicating their moral legitimacy and pragmatic influence legitimacy rather than exchange legitimacy – even in a setting that is explicitly created for the purpose of resource acquisition from investors.

Contribution, limitations and suggestions for further research

The contribution of this study is two-folded. First, understanding how entrepreneurs use storytelling to build legitimacy provides a means for understanding how new ventures choose to portray themselves, what qualities they deem as their most valuable assets and what they presume as desirable organizational traits in the minds of investors. These insights can benefit other entrepreneurs in the process of building their organizational identity and planning their organizational narratives for resource acquisition purposes. Furthermore, these implications can benefit resource holders, whose job is to critically assess such narratives and use them to inform their financing decisions.

Secondly, the results of this study add to our understanding of organizational legitimacy construction in the context of pitching for resources. The study reveals that responsibility is an important consideration for many new venture creators and the investors alike, but it is not still a necessity for succeeding in legitimacy construction as some of the finalists

did not weave an element of responsibility into their story. Organizational legitimacy may flow from moral or pragmatic sources, and no one type of legitimacy seems to dominate the entrepreneurship scene. An ideal narrative is one where the themes of environmental and social responsibility and the ability to generate economic gains come together and complement each other. Technology plays a key role as a helper of narrative, irrespective of the senders or objects of the story, or the type of legitimacy pursued.

Additionally, the findings of the study can be viewed as a reflection of the current state of the Finnish and European entrepreneurship community, as the judges and pitchers alike all seemingly represent either Finnish or other European nationalities. The narratives that these individuals and organizations tell each other can be seen as reflections of the norms, values and beliefs that prevail in the cultural context of the people involved at the time of conducting the study. They contribute to the narrative accrual, and construct and shape the moral attitudes present in their cultural landscape.

Indeed, the meanings attached to the organizations and their narratives are only understandable to those who share the cultural conditions of the entrepreneurs. This can also be viewed as a limitation of the study, as the narratives can only build legitimacy among an audience that shares the unspoken assumptions and beliefs of the narrators. For example, environmental concerns are emphasized in the results in a way that probably has not been seen in any other time in our history. Similarly, the role of artificial intelligence and various other technological solutions as helpers and senders of the narratives is most likely greater than ever before. In this context, the presence of some sort of a technological application almost seems like an unspoken yet necessary prerequisite for appearing as legitimate and credible.

The limitations of this study also include the restricted scope of empirical evidence. To gain a deeper understanding of the topic, it would be feasible to study a greater number of pitches from the same context. Furthermore, studying pitching in other similar events in other cultural contexts would enable comparison of results in different circumstances. This study examined the pitches told by early stage ventures in one particular event, which renders the results rather specific to the occasion influenced by its specific conditions. It

is possible that the entrepreneurs in the pitching competition held information that caused them to consciously or unconsciously shape their pitches to fit the expectations of the event audience and the jury they wished to impress. The same organizations might well craft their stories differently in a different context.

This notion also points out an unavoidable caveat in the objectivity of the analysis and the selection of empirical data. As noted by the German sociologist Max Weber (1946, in Silverman 2014), all qualitative research is contaminated by the researcher's values and beliefs. In particular, as narrative analysis by its nature involves interpretation, despite the pursuit of academic objectivity, elimination of all bias from the analysis is not attainable. The narrative patterns revealed in the analysis are heavily influenced by my own accrued knowledge and beliefs. Similarly, the pitches that made their way among the ten finalists of the competition are products of their cultural backgrounds, and the reason why these pitches instead of some others is certainly a strong reflection of the alignment between their backgrounds and mindsets with those of the jury. The jury and all except one of the pitchers are white Caucasian people roughly between the ages of 20 and 40, and as such echo the values of a rather homogenous group. Due to the inherent subjectivity of the interpretation the findings of the study cannot be generalized universally but should rather be treated as one perspective for a specific case. The acknowledgement of this bias is of particular importance at a time when themes of diversity and inclusivity are so unprecedently surfacing in the world of entrepreneurship and venture capital.

Obtaining a more robust understanding or organizational narratives and legitimacy construction would require the study of narratives that ventures construct in multiple occasions in different stages of the organization's trajectory, and that represent a more diverse group of entrepreneurs. As the pitches in the data set of this study were the ten finalists of a pitching competition, presumably they represent the "best" pitches of the hundred pitches that entered the competition. However, a valid research question to explore with quantitative methods would be, whether a causal link indeed exists between the types of narratives these organization tell, the types of legitimacy they pursued and

their good performance in the competition. A quantitative analysis with a greater sample size would enable the exploration of such a causality.

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Appendix 1: Actantial analysis

SUBJECT	OBJECT	SENDER	RECEIVER	HELPER	OPPONENT
3DBear	Provide a new and improved learning method for schools, enable children to enjoy learning more and perform better in school Help teachers do their job Make a dream come true: enable children to make personal toys inexpensively Constitute 'the next big wave of digitalization' Revolutionize the toy market by replacing toys with digital content **Sub-goal**: Make a consumer market Application of the product: enable anybody at home to design their own toys Establish 3D Bear as a 'big name' → result in consumers choosing it due to its high brand awareness	Desire to make learning easier and more enjoyable for children Rising demand for personalized products and experiences The expensiveness and impersonality of mass-produced toys Digitalization The team's innate yearn to make learning more enjoyable Children's need for more enjoyable learning tools and methods Teachers and schools who need modern tools for education Techers' incapability of utilizing technology in education People's desire for more personalized content and products The general, globally recognized constant strive for better education	Children in schools Children at home Teachers Schools Boys with learning difficulties and motivation problems The educational system The society	**Internal** *Product* Technology: software and hardware Online learning and sharing platform Cheap price point 3D printing technology Customer satisfaction and love Gamification of the learning experience The application may be integrated with other 3D printers: no need to acquire a printer to the school *Team* Superior sales skills Content is co-developed with 'the best pedagogics in the world' **External** Educational technology agencies in the US 1M investment, reseller deal Digitalization The story of PCs A rapidly expanding yet niche market Collaboration with Finnish education system 100 schools as paying customers 5% market share in Finland Customers	*Initial opponents* Bad learning content, issues in education Lack of content for similar applications Difficulty of using *Interim opponents* Most teachers, general aversion towards technological advancements Lack of government support in Finland Choice of sales channel Difficult user interface Public education system: difficulty of selling to schools
AdLaunch	Boost the efficiency of marketing material production Answer the growing demand for better videos Automate video ad creation with AI Raise 200k	Aversion to unnecessary work and costs in marketing The expected rise of video content in marketing The high demand for video content for businesses The mismatch of supply and demand Video creation is difficult, slow and expensive: 55% of marketers say that creating enough content is their biggest pain professionally Demand for better quality videos Consumers appreciate video content Capitalistic mandate to maximize profits	Marketing professionals Business owners Anybody engaged with digital marketing Consumers	**Internal** *Product* AI powered video creation tool Advanced AI and image recognition techniques An intuitive user interface Flexibility of the system: 'you can change what you want, we don't mind' SaaS subscription business model *Team* An award-winning team behind the company: A good balance between creative talent, business knowledge and tech Flexibility of the mindset: 'you can change what you want, we don't mind' **External** YouTube videos Digital video advertising is a 12-billion-dollar business in the US alone Partnerships with ad networks Customers	*Initial opponents* Video creation is extremely difficult yet necessary for growing your business Video marketing is not considered legitimate work or truly necessary by business owners Video production is costly and slow *Interim opponents* Competition in the market

Aeropowder (Pluumo)	Reduce waste created by the unused feathers of the poultry industry
	
	Reduce the use of unrenewable materials and replace them with renewables
	Seize the commercial potential of a currently underutilized opportunity
	Provide an environmentally sustainable insulation solution for packaging food
	Promote the agenda of the world rendering organization
	Provide a more convenient and better performing cold shape packaging material
	Secure first customers and then proceed to mass production
	'a magical bit of kit that goes into the poultry industry: in go feathers, out comes valuable material'
		Society eats a lot of chicken
		The unused potential of millions of tons of unused feathers
		Demand for high-quality cold shape packaging materials
		The environmental strain caused by polystyrene packaging: made of oil, unrecyclable
		Global demand for sustainable solutions in every aspect of life
		Aeropowder's belief that feathers can be used for better than low-grade animal feed
			The environment
			The customers (e.g. restaurants, grocery stores, food delivery companies)
			The poultry industry
			The booming food delivery market
				Internal
				Product
				Pluumo, the product
				Customers' love for the solution
				The sustainability of the solution
				Potentially superior product compared to competitors
				Team
				Team with academic track record: both have PhDs from a notable university
				Extended team of experts in relevant industries: textile manufacturing, cold shape packaging, former members of the World Rendering Organization
				
				External
				Sponsors
				Support from previous investment rounds
				Support and sponsorship of various networks and awards
				
				Conditions
				The abundant availability of feathers
				The poultry industry's desperation for finding use for their feathers
					Initial opponents
					Wasted feathers
					Polystyrene packaging
					  Environmental damage caused by manufacturing
					  Waste after using
					
					Interim opponents
					The solution is not ubiquitously appropriate
					Slightly higher price point caused by inefficiency resulting from the startup status
					Difficulty of converting trials into revenue
					Lack of 'the right partners'
					Lack of sufficient expertise

Altum Technologies	Reduce the environmental strain caused by fouling Create massive financial savings for industrial companies. Reduce the costs incurred from fouling in industrial equipment. Save the planet Save money	Desire to help industrial companies avoid losing production days and to 'save fortunes' by doing it. Capitalistic mandate to maximize profits Altum's unique abilities that render it as the only company able to 'save the planet' and 'save fortunes'	Large industrial companies that suffer from fouling The environment The investors who join the quest	**Internal** *Product* A cloud-based solution that is **easy** to use and reduces fouling A notification of a need for cleaning the pipes from fouling Fast and efficient cleaning process *Team* Team with strong expertise and academic track record Professor Haeggström **External** Notable investors and supporters (Tekes, GE) Customers	Fouling CO2 emissions Hazardous chemicals used in cleaning Hundreds of millions of euros lost for shutting down production because of fouling Damage to the environment Unnecessary costs
CHAOS Architects	Sell and aggregate data to smart city developers Become the *de facto* smart city development platform Build better living environments Empower citizens to have an impact on their home town Promote the agenda of 'smart cities'	The team's wish to harness the potential of available data The data providers who want to sell their data The team's desire to improve people's quality of life The people who want to participate in developing their communities The cities and municipalities who want to harness the power of cocreation	Smart city developers Citizens, governments, companies	**Internal** *Product* Technological solution that analyzes data Application Happy City A tool that constitutes a <u>unique</u> combination of data and humanity *Team* Team with expertise in architecture, urban planning, business, marketing, and they are creative, 'a very strong team that makes things happen.' **External** Creative potential of people Third-party data Customers: Governments and other entities who buy the output of CHAOS	Unused opportunity of collecting and selling data to developers of smart cities Disregard for the human component when planning environments, not listening,
Diwala	Improve the quality of life of refugees living in refugee camps: enable independence Build a digital platform where refugees can showcase their skills and find employment opportunities Ease the work of NGOs and IGOs working in refugee camps	The team's desire to improve refugees' quality of life and empower them, build their identity and clear the word refugee from its negative connotations. The refugees who want to work and use their potential The refugees who want to find skilled workers NGOs and IGOs working in refugee camps Inefficiency of current solutions	Refugees NGOs and IGOs Everyone who feels sympathy for the refugees	The local communities IGOs and NGOs, The UN The refugees individually and collectively The digital tool the richness and availability of data and feedback from the refugees Potentially everyone in the room collectively The team and its skills and humility Blockchain, transparency of the tool and process Customers	Corruption, black markets, slow information flow Barriers to entrepreneurial spirit: not having the right resources, not knowing how to overcome the challenges The current geopolitical climate

ObjectBox	Building the world's fastest mobile application database that makes app development faster and easier than before To be on every connected device To monetize and make 100K monthly Large seed investment for hiring more human resources	The team's innate yarn to make app development easier and faster The team's past negative experiences of app development using other databases The global mobile app developers' community The growing need for offline applications Past success: already 25% of the world's apps run with their code inside Capitalistic mandate to generate and maximize profits	Twitter, Viber, Snapchat and their more than 500 million users 25% of the apps worldwide *(have already benefited)* The global app developers' community CTOs The humankind, everybody who uses apps on phones or other connected devices Anyone who wants to synchronize data	Speed The database is fast, reliable, only 1/10 of the code to implement, makes app development fast and offline A data synchronization solution a rapidly growing trillion-dollar market in IOT waiting for us Long history of working with apps 'forever' Vivian has a PhD and is a great manager Marcus is one of the top 1% of coders according to GitHub Rising requirements and demand for offline capability Customers	The mobile database currently used, SQLite, is slow, unreliable and difficult to work with Competitors: SQLite and Realm
Selko	Reduce the time and costs related to construction projects Automate manual labor during regulation management processes 'Save fortunes' Bring AI into engineering design Make the world safer Receive 200 000 euros in investment	The team's innate yarn to reduce manual, arduous work with the help of AI Construction projects that have gone overbudget (examples): Olkiluoto nuclear power, satellite, airplane The general tendency to replace human labor with machines Capitalistic mandate to maximize growth and profits	Companies doing construction projects Governments Citizens and taxpayers Employees tasked with manually processing the requirements Users of the buildings	AI and semantic analysis tools by Selko Saving time, improving quality, eliminating defects Targeting companies with massive development projects where the savings potential forms a multi-billion-euro market Support from Tekes and EU Partnerships with companies verifying compliance with regulations Currently used requirements management tools like Polarian and Doors Uniqueness, value creation potential Customers	Outrageous budget and schedule overruns in technology projects unnecessary use of billions of euros complex and long documents full of regulations for construction Tens of thousands of individual requirements from multiple sources and stakeholders are being processed manually Inability to ensure compliance with regulations
SYLink	*Seeking now* Raise one million to… → Grow the team to… → Penetrate the B2C market in two years to… *Primary* Make history by Starting a revolution by Protect people and business against data leaks, cyber-attacks and hackers	*External* The high costs of current firewall solutions Raising risks in cyber security The complexity of the systems The lack of knowledge about cyber safety among the majority of people *Internal* The team's expertise and history: the founders knew each other and the industry Wish to use existing skills for solving problem Personal feeling of insecurity Innate desire to protect people	The founders themselves The audience Small businesses Everyone with IOT device: for example, parents and kids The humankind that is revolutionized, now and in the future since SYLink is making history	**Internal** *Product* An antivirus, a firewall and a VPN in one device Simple, intuitive device Grandmother could use it Uniqueness of the product Unique business model: subscription service with 60% profit margin *Team* Team with very specific and rare expertise Working with 'white hats' The unique community, unique approach The BEST team, the best **External** 290K in revenue, 3M letters of intent The massive demand for the product The Slush syndicate	Data thefts and leaks Hackers High costs of current alternative solutions We use internet without knowing anything about it and its safety – we are 'blind' Fifty billion IOT devices and less than 2% of them are secured Perverts targeting children
Vultus	To eliminate waste in farming reduce toxics in soil and unnecessary carbon emissions in the climate To integrate soil and weather data into farming systems Digitize the farmers' documentation Provide modeling information and Big Data information to farm management systems	**Internal** The team: William and Robert and their expertise with drones and remote sensing Belief that every farmer should have access to the right type of data to make the right decisions The desire to create a better future for farming **External** The inadequacy of current systems in use The environmental damage caused by the current systems in use The availability of data and technological solutions that can be harnessed for optimizing fertilizing The fast pace of technological advancement and new innovations in the industry Current solutions are too expensive: price point isn't justified	The environment Agriculture industry Farmers all over the world The environment, the planet Existing farm management systems Farmers in the developing world	**Internal** Automation Simplicity of the solution Remote sensing technologies, open data sets, big data Scalable infrastructure **External** Satellite data, spectral data, plant health data, physiological modeling Existing farm management systems The fragmentation of the market: allows Vultus to focus on what they are good at The Copernicus program, NASA satellites, European Space Agency satellites	60% of nitrogen goes to waste, into our soil where it intensifies acid rains and creates greenhouse gasses Farmers don't know when and where to fertilize Farmers spread fertilizer evenly across the whole area Current technologies lack a focus on the modeling, information and big data aspect of things Competitors who are either too specialized and expensive or too broad in their recommendations In the future, the other problems in farming: integrating weather and soil

Appendix 2: Organizational legitimacy analysis

	Pragmatic			Moral				Cognitive	
	Exchange	*Influence*	*Disposition (interest/character)*	*Consequential*	*Procedural*	*Structural*	*Personal*	*Comprehensibility (predictability/ plausibility)*	*Taken-for-grantedness (inevitability/ permanence)*
3DBear	*"Ladies and gentlemen, the winners of the next big wave of digitalization are decided today in our market. My question to you is: are you ready to play?"*	Provide a new and improved learning method for schools, enable children to enjoy learning more and perform better in school Make a dream come true: enable children to make personal toys inexpensively Constitute 'the next big wave of digitalization'	Talk about helping children and teachers to learn better, no talk about making money, the consumer app is only the second phase of the plan Support from other investors The schools involved, 'they love it' The numbers indicating already paying customers	The story about students who designed their own school The schools who already love us *'During the last year we've made 200 thousand US dollars. We have over hundred schools as our paying customers. That's already five percent market share in Finland.'* *Students who don't normally get excited, improve in all subjects*	Co-development with education professionals and agencies Testing the product with kids and validating its feasibility	The best team	We are really good sellers	PR: Emphasizing the simplicity of the solution Showcasing ease of use: kids can use it Delivery of an end-to-end solution PL: Just like PCs in the nineties, toys will be replaced by digital content. 3DBear is like digital content providers in the nineties	-
AdLaunch	No mention of exchange	It solves a problem the audience personally experiences Greater interest: growing businesses	Decent: 'we are flexible' Trustworthy: We partner with notable ad networks The video with humor: shows we are fun to work with, we are 'nice people' Tekes, investors, clients show their support	Businesses and marketers will be able to make better video content more easily	They are leveraging data and Ai No particular mention of their procedures In the Q&A: mentions about teaming up with parties		The video in the beginning is strongly linked to an attempt to establish an image of a fun, entertaining and emotionally appealing character for the organization	The simplicity of the solution is emphasized: you just do this, the UI is intuitive, we are different from the difficult ones etc. 'If you're thinking video creation, think AdLaunch'	-
Altum		Saving money Saving the planet	Saving the planet: we are decent and conscientious Academic track record: we are smart and competent Support from Tekes, introducing himself in the beginning: we are trustworthy	Saving the planet, saving money	The technology is powered by artificial intelligence, cloud computing and data	Notable supporters, PhD in the founding team	Introducing himself in the beginning	PR: The infographic image showing what the solution looks like, in the Q&A explaining more how it works, emphasizing verbally the simplicity of the solution PL: Speaking of the team members with their full names, showing pictures (?)	-
Aeropowder	-	Saving the planet Everything should be utilized: circular economy, eliminating waste	IN: Ikea endorsement PhDs from Imperial College CH: 'We are decent and conscientious' Academic track record: we are smart and competent Team: we are real and approachable	Protecting the environment: reducing waste feathers, reducing packaging waste, reducing emissions from polystyrene manufacturing	They use feathers from the poultry industry Collaboration and negotiations with industry players and experts	A small team of dedicated experts with more experts helping	Tailoring the speech to the audience: 'some of you are probably vegetarian', 'it's silly to talk about keeping things cold in Helsinki'	PL: Introducing the team and their track record, emphasizing their unique interest and dedication to feathers Pluumo is the name of the product	-
CHAOS Architects		Improving living environments, empowering citizens, utilizing underused data	IN: We have lots of users 'a unique combination of data and humanity' Versatile skill set: we are wise Creativity	Commercializing the human component of smart city development Improved living environments, empowered	Collaboration and co-creation are procedures that fit with the organization's values: collective development projects, making use of available	The application in use is real, legit and constitutes a modern approach to	Talk of the team: detailing its strengths and skills and emphasizing its expertise and drive	PR: They use an app to collect data, they 'crunch' data, they mediate and communicate data, they participate in developing our society	

			CH: Co-creation and collaboration: we are decent 'Strong team who makes things happen': trustworthy Harnessing the power of people's creativity: 'we listen, we focus on you' = we are caring and considerate	citizens, use of all available data	yet under used resources for profit: discovering an opportunity	data collection	multiple times	PL: A team with many great qualities: strength, creativity, skills and expertise, drive and ambition	
Diwala		Helping refugees, empowering people and creating employment opportunities, making the world a better place	IN: showcasing sad, emotionally appealing story: arousing sympathy CH: Caring, ethical, good people, transparency, tech savvy	Happier people, better world	Transparent and ethical procedures, involvement of the refugees, the team knows the target area and its culture, people	Involvement of NGOs, IGOs and the UN in the development of the app	Committed and passionate: 'I am really excited to be at Slush' Attentive: engaging the audience, grateful, humble, highly skilled and experienced	PR: Help refugees become entrepreneurs 'with the click of a button', improve lives, collaborate, 'fully automate' the process PL: Humble, skilled, motivated	
ObjectBox	Apps with more than 500 million users use ObjectBox: potential to make equal money as they do The goal is to monetize and make 100K monthly	Make better apps faster	IN: track record, apps already using ObjectBox, team's track record: Vivian and Marcus, experiencing growth and traction, have a solid plan CH: trustworthy, competent, wise, decent, highly skilled	- Not breaking any moral codes but advancing either			Joking, engaging the audience, emphasizing her track record and skills	PR: they have enabled apps like Viber, Snapchat, Twitter, growing PL: the fastest mobile database in the world	
Selko	Implicit: 'value creation potential'	Make construction projects run better: better for people and societies Safer buildings, saved manual labor	IN: examples of projects whose budgets went massively over CH: talk about engineering and tech (AI, data): wise Making the world safer and better aligned with regulations and laws: decent, trustworthy	Obeying legislation, staying in budget and not 'wasting' money or resources	Following the law and regulations, collaborating with other companies, ensuring/verifying	-	The team wants to ensure laws are obeyed and building are safe	PR: 'automate' the process, make it simple and easy, use AI = it's simple and easy PL: They are collaborative, trustworthy, tech savvy, they know what they are doing	-
SYLink	Opportunity to make history and money: 'we hope that the Slush syndicate will join us, because we're making history here! If we get the money, we will get it for sure'	Make the world safer, protect people from cyber attacks	IN: They do things in a very different way, welcome to revolution, CH: decent: want to protect people from attacks and enable safety for everyone	The world is safer Businesses save money Cybersecurity is less complex	Collaboration with 'white hats', the good hackers, is morally acceptable	-	The team has an innate yearn to improve cyber security because 'people are blind', we need to protect people and businesses from hackers	PL: 'Three simple things', 'My grandmother can use it – and she did', intuitive, touch screen management, no installation needed, 'just like iPhone' PR: combines three devices in one – makes security simpler	-
Vultus	-	Protect the environment from acid rains, prevent toxic waste from ending up in the soil, reduce CO2 emissions	Care for the environment Desire to help farmers, to collaborate with existing players and help farmers in the optimal way for them	There is less strain on the environment No fertilizers are wasted Agriculture can enjoy the benefits of AI development	Collaboration with other players in the industry	-	Caring for the environment, 'this kind of waste in any other industry wouldn't cut it'. Personal vision and belief that every farmer has the right to data	PR: use data from trusted, noteworthy sources and employ AI and other modern technological tools to analyze it and make it understandable for farmers PL: 'it's very simple'	-