The valorising pitch

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The Valorising Pitch: How Digital Start-ups Leverage Intermediary Coverage

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ABSTRACT As an unknown quantity, new ventures rely on influential intermediaries to endorse them. However, in some areas, like digital entrepreneurship, there is fierce competition for intermediary attention. Failing to garner intermediary support can mean ventures lack the resources needed to prosper. Still, it is unclear how they attract coverage, how intermediaries evaluate those vying for attention, and what influence this has on venture development. We conducted qualitative inductive research on how digital ventures sought coverage from industry analysts. Our process model of intermediary evaluation shows how ventures must perform a 'valorising pitch' to move from being an unknown quantity to engaging the intermediary to being valorised. Drawing on valuation studies scholarship, we propose an enhanced model of intermediary evaluation that depicts industry analysts as not just identifying but also 'creating' the value of ventures. We offer contributions to the literature on new venture development, intermediaries and digital entrepreneurship.

Keywords: digital entrepreneurship, new ventures, intermediary, evaluation

INTRODUCTION

> *'ABC', a software start-up from Estonia, was selected as the preferred supplier in a procurement contest in the UK for delivering a customer relationship management (CRM) system. It suddenly found itself ejected from the process, however, after the adopting organisation approached an industry analyst firm for more information about the venture. An analyst reported back that they had 'a list of some 500 vendors of CRM, many of which [the analyst] meets on a regular basis to track the development of*

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their products, but [ABC] is not on the list'. The industry analyst suggested that if the adopting organisation bought from an 'unknown venture', it would be 'taking a risk', which led one procurement team member to ask, 'who would sign up to a company that no one has heard of?' (Pollock and Williams, 2011).

The above example reflects a pressing problem. All ventures face the difficulty that they are unknown quantities at the outset (Fisher et al., 2021), but they can rectify this problem in part through drawing support from 'key resource holders' (Lounsbury et al., 2019, p. 1229), such as an intermediary (Plummer et al., 2016; Soublière and Gehman, 2020). An evaluation or endorsement from an influential intermediary like an industry analyst is deemed critical because it is 'linked to the likelihood of firm survival and growth' (Navis and Glynn, 2011, p. 479). Scholars have pointed to how intermediary coverage can reassure audiences about investing in or buying from a venture lacking a track record (Fischer et al., 2016). Others have provided evidence that when intermediary backing is not forthcoming, it can become a block or impediment to progress (Petkova et al., 2013). For instance, if a venture does not appear on a 'recommended vendor list', as the example of ABC above shows, the intermediary will caution against it (Coslor et al., 2020).

However, the process through which ventures gain the support of an intermediary has not been fully addressed (Überbacher, 2014). The literature suggests a 'screening process' (Petkova et al., 2008, p. 327) involving abstract mechanisms of 'filtering' and 'selecting' (Petkova et al., 2013, p. 866). Still, the specific evaluative processes used by intermediaries remain poorly understood (Überbacher, 2014), which points to the need for further investigation as to how, in 'crowded locations' (Petkova, 2012, p. 396) with many ventures vying for intermediary attention, certain ones garner support.

The challenge of drawing intermediary coverage appears especially acute in the context of digital entrepreneurship. There has been a recent surge in numbers of new digital ventures (Nambisan, 2017; Nambisan et al., 2019), defined as ventures that have 'digital artifacts at the core of their business model for value creation and capture' (Lin and Maruping, 2021, p. 1). *How do new digital ventures engage and benefit from intermediary support?* Answering this research question is crucial as it is argued that the uncertainties surrounding digital ventures are different from non-digital enterprises (Ingram Bogusz et al., 2018), rendering them especially reliant on intermediary coverage (Elia et al., 2020; Von Briel et al., 2020).

Our article examines this issue through a qualitative inductive study of new digital ventures seeking coverage from industry analysts. We study industry analysts for two reasons. First, they are amongst the most significant evaluators of digital ventures (Pontikes and Kim, 2017). Second, it is just recently that they have focused attention on new ventures, previously only covering established players (Pollock and Williams, 2016). We reveal how this shift required industry analysts to reshape internal screening processes and new ventures to garner their coverage to perform a distinct pitch. Drawing on a valuation studies perspective (Plante et al., 2020; Vatin, 2013), we theorise this as a 'valorising pitch' and define it as a device to enrol an intermediary to help build market presence.

Grounded in this analysis, we develop a process model of intermediary evaluation. We show how new ventures move from 'unknown quantity' to 'engaging the intermediary' to 'being valorised'. Our model begins by demonstrating how new ventures, previously excluded from analyst screening, are now given focused attention as the intermediary goes about 'crafting a new venture focus' and 'building developmental screening'. Following this, we describe how ventures went about 'engaging the intermediary', which was not only a matter of pitching but required 'keeping them interested', 'understanding expectations' and 'navigating categories'. In 'being valorised', our study finds the intermediary was involved in 'giving spontaneous reactions', 'talking up' and 'advocating for'.

Our study contributes to the literature on new venture development, intermediaries, and digital entrepreneurship. First, we respond to calls (Petkova, 2012) to better understand how ventures convince intermediaries to cover them. Whereas prior research has studied initial funder pitches (Teague et al., 2020), we know less about how ventures pitch to later phase audiences for broader assets like endorsements (Fisher et al., 2021; Lounsbury and Glynn, 2019). Second, we contribute to studies that recognise how intermediaries play a crucial role in new venture development. While previous research has identified intermediaries as funnelling 'public attention' towards ventures (Petkova et al., 2013) and enhancing their 'visibility' (Pollock and Gulati, 2007), we provide an enhanced model of intermediary evaluation that shows how they also 'valorise' (Vatin, 2013) ventures. Finally, we contribute to scholarship on digital entrepreneurship by shedding light on how digital ventures are uniquely reliant on intermediaries (Hair et al., 2013; Von Briel et al., 2020). Answering calls for further research on the way intermediaries help digital ventures 'reach key goals' (Von Briel et al., 2020, p. 13), we offer insights into how they co-create venture attributes that render them comprehensible and desirable to others (Überbacher, 2014).

THEORETICAL BACKGROUND

A core insight of the new venture literature is that young enterprises suffer from the 'liability of newness' (Bruederl and Schuessler, 1990; Stinchcombe, 1965). Scholars have given significant attention to identifying how potential customers and others, because new ventures lack a track record, could be sceptical towards their performance and whether they can deliver the required quality (Fischer and Reuber, 2007; Fischer et al., 2016). Recently, it has been noted that this liability is more prominent in technological areas or what Überbacher (2014) calls 'high velocity environments' as there can be a 'rapid transformation' (p. 685) of many different aspects, including what venture performance and quality mean. We focus below on digital ventures, as the liabilities surrounding these enterprise types are especially pronounced.

Digital Entrepreneurship

In the emerging field of digital entrepreneurship, attention has recently turned to differences between digital and non-digital enterprises (Nambisan, 2017). An early insight of this embryonic literature is that the liability of newness may be 'manifested differently' in these contexts (Ingram Bogusz et al., 2018, p. 318; see also Srinivasan and Venkatraman, 2017). It is argued that digital ventures have a 'high propensity for radical transformation' (Von Briel et al., 2018, p. 284) because their products can be taken in new directions by, for instance, user innovation (Nambisan et al., 2019). Other studies suggest 'pivoting', where digital technologies allow the radical change of focus, goals or strategy, is a distinguishing characteristic of digital entrepreneurship

(Ghezzi and Cavallo, 2020; Wagner and Som, 2021). Despite progress, an important issue left unaddressed concerns how digital ventures make themselves visible and understandable to potential audiences.

Scholars have drawn attention to how digital ventures are uniquely reliant on intermediary support for building market acceptance (Elia et al., 2020; Von Briel et al., 2020). It has been suggested that we are witnessing the emergence of 'an increasing number of intermediaries' who 'play the role of brokers' and help digital ventures 'reach key goals' (Von Briel et al., 2020, p. 13). Some argue that winning support from an intermediary will become decisive as digital entrepreneurship grows (Nambisan et al., 2019). Others point to how competition for intermediary attention will become more challenging (Nambisan et al., 2019) as the numbers of new digital ventures swell (Hull et al., 2007; Hair et al., 2013). Others still suggest that ventures failing to win intermediary support will become marginalised or that hierarchies could emerge between those receiving endorsement and those ignored (Dy et al., 2016). However, notwithstanding calls for more research on the 'nature of intermediaries and their impact on digital entrepreneurship' (Von Briel et al., 2020, p. 13), scholars have stopped short of examining the process intermediaries play in the formation of new digital ventures and what a venture can do to win and harness their support.

Intermediaries and their Screening Processes

Mainstream scholarship has made much progress in showing how new ventures attempt to remedy the liability of newness through 'being selected for coverage by influential institutional intermediaries' (Petkova et al., 2013, p. 866). Intermediary coverage provides valuable assurances because it is assumed it has conducted some kind of evaluation and made a favourable judgement about venture qualities and viability (Hsu, 2004). Intermediaries are defined as neutral 'third parties' (Beckert and Aspers, 2011) or 'gatekeepers' (Bessy and Chauvin, 2013; Coslor et al., 2020) who evaluate phenomenon in which they have no stake or interest (Beckert and Musselin, 2013; Khaire, 2017). The most well-known intermediaries include industry analysts (Pontikes and Kim, 2017), industry media (Kennedy, 2008) and critics (Coslor et al., 2020). Research shows the intermediary performs essential functions such as 'enhancing the visibility' of ventures and 'mediat[ing] information flows' between it and other stakeholders (Pollock and Gulati, 2007, p. 347). Ventures that win intermediary attention fare better as it channels market attention to those covered (Petkova et al., 2013). Equally, failing to attract coverage will mean ventures will 'not only be perceived as of lower quality', but they could also be 'less visible' (Pollock and Gulati, 2007, p. 347) since they are not part of industry discussions. However, the fact that intermediaries have become an important staging post for new ventures raises the question of how ventures are selected for coverage in the first place.

Studies have noted how intermediaries have an internal 'screening process' (Petkova et al., 2008, p. 327) where they figure out 'which firms merit their attention, for what reasons and to what extent' (Rindova et al., 2007, p. 34). Others similarly describe how intermediaries 'filter information about new developments' and 'select a relatively small subset of issues, events, and organisations to focus public attention on' (Petkova et al., 2013, p. 866). However, beyond these abstract screening processes, the actual mechanisms and processes of evaluation remain poorly understood (Überbacher, 2014). How, in situations where there are hundreds or, as with digital entrepreneurship, thousands of ventures vying for attention, does the intermediary decide to cover one venture and not another?

Valuation Studies

To help specify the intermediary evaluation process, we turn to recent valuation studies, a body of work that has shifted conceptions of evaluation from simple outcomes based on filtering and selection to more 'processual' understandings (see Millo et al., 2021). Two key insights are relevant from this literature. First, it acknowledges that venture performance or qualities are not given. Instead, they must be enacted as part of an evaluation. This is not an abstract or cognitive evaluation but one made up of distinctive socio-technical evaluation processes (Helgesson and Muniesa, 2013, p. 23). Here, we will focus on the 'pitches' made by new digital ventures to industry analysts and their efforts, in turn, to comprehend venture viability and distinctiveness.

Second, this research also points to how evaluation can be a transformative process (Antal et al., 2015; Kornberger et al., 2015). In tracing the etymology of the concept 'value', for instance, the French sociologist Vatin (2013) distinguished between 'evaluating' and the more generative notion of 'valorising' where the latter conception captured how the work of evaluation is not merely about appraisal but can also be additive towards the phenomenon under review. To evaluate 'corresponds with a static judgement attributing a value to a good, a thing, a person', whereas to valorise 'has a dynamic meaning – increasing a value, adding an increment to it, a surplus value' (Vatin, 2013, p. 33). The view of evaluation as concerned with both identifying and creating value has begun having currency within management scholarship and broader social sciences (Karpik, 2010). For instance, in their study of the evaluation of art, Plante and colleauges (2020, p. 3) discuss how art evaluators do more than identify the value of a particular artistic asset. In defending and rationalising their assessment to others, they play an active role in enhancing its value (see also Barman, 2015; Bidet, 2020; Frenzel and Frisch, 2020).

When considering how intermediaries screen new ventures, existing scholarship describes the first conception, appraisal (Petkova et al., 2013; Pollock and Gulati, 2007), but not the second, valorising. Inspired by the idea that when digging further into intermediary screening processes, they potentially involve more profound value-creating mechanisms, we highlight the role of valuation and valorisation in screening processes as new venture pitches to intermediaries to win their backing.

In the following section, we provide a brief overview of industry analysts and then detail the methodology used to unpack the process and mechanisms by which new digital ventures move from being an 'unknown quantity' to 'engaging the intermediary' through to 'being valorised'.

METHODS

Empirical Context

The industry analyst firm has been a critical staging post for established digital ventures for the last couple of decades (Pollock and Williams, 2016). Gaining their backing is also increasingly necessary for new digital ventures, as evidenced below. Industry analysts are seen as the 'single most influential validators' of digital ventures (Ikeler, 2007, p. 234). Ventures covered are included within, for example, rankings, research publications and procurement lists (Pontikes and Kim, 2017). Industry analysts also talk directly to technology adopters – their clients – about the strengths and weaknesses of specific ventures. Finally, they also provide endorsements to ventures at industry conferences by presenting them as a case study or 'vendor to watch', all of which raise their profile with technology buyers, investors, and the media.

There are now 1,000 industry analyst firms of varying sizes and importance that research venture strengths and weaknesses (Pollock and Williams, 2016). These firms make the bulk of their money by helping technology adopter organisations discriminate between multi-million-pound workplace digital solutions. Potential adopters experience significant difficulties when assessing the qualities and performance of complex digital technologies – Will the technology work as advertised? Can the venture deliver on its promises? Will it still be around next year? – and are thus forced to resort to industry analysts for assessments. Industry analysts attempt to generate balanced and 'impartial' knowledge (Pollock and Williams, 2016), often presenting themselves as similar to the *Which?* magazine (Aldridge, 1994). As one analyst told us, '[w]e actually are very, very good about being impartial, because, remember, our main constituent is not the vendor. Mine is [my client]' (Analyst 4, interview).

Industry analysts compose their assessments by sitting through thousands of venture pitches each year. These pitches appear to be taken very seriously indeed, with analysts investing significant resources and time in interrogating ventures about offerings, especially if the venture is unknown or new. As one analyst told us, his primary aim is not to 'promote a vendor'. Instead, it is to 'find the best and most appropriate vendor', and if it is a new venture, he has 'to worry about whether it's viable or whether they're telling me the truth' (Analyst 4, interview).

These pitches have become the standard vehicle whereby ventures build and maintain industry analyst interest. Ventures are not charged for these pitches, and they can be set up relatively straightforwardly. Nevertheless, pitching to industry analysts is not an easy task. There is nowhere near the same levels of guidance one finds around, for instance, the investor pitch (Teague et al., 2020). However, recently, several 'analyst relations' agencies have emerged to offer and sell advice to ventures about how to excel in these pitches. Analyst relations professionals will work directly with ventures to guide and mentor them through the pitch (Ikeler, 2007).

Data Collection

Our research strategy is qualitative, with data gathered inductively through participant observation, semi-structured interviews, focus groups, and accessing archival data. Our investigation encompassed new digital ventures, several industry analyst firms and an analyst relations agency. Because we gathered data from various perspectives, this allowed us to gain a comprehensive understanding of how ventures engaged with the intermediary evaluation process and provided a means for robust triangulation of our emerging interpretations (Glaser and Strauss, 1967) (see Table I).

Table I. Data collection

Source / nature of data	*Ventures*	*Industry analysts*	*Analyst relations*	*How used in article*
Observation: Four-week long participant observation in an analyst relations agency in North America	Observation of 17 pitches including prep-phase and post-pitch analysis. All pitches were delivered remotely, and none of the actors (pitchers, analysts, analyst relations) was co-present. Our fieldworker was present with the staff in the analyst relations agency and was able to listen in, and record, the pitches			Central data source for understanding how new ventures engage with and attempt to win industry analyst backing
Interviews: 46 in-depth semi-structured interviews with venture staff, industry analysts, analyst relations professionals	17 interviews with fledging ventures, CEO (8), Marketing Director (6), Sales Director (2), Director of Business Development (1)	18 interviews with industry analysts	11 interviews with analyst relations professionals: analyst relations staff where we conducted our participant observation (3), analyst relations consultants (8)	Deepen our understanding and substantiate observations
Focus groups: Two focus groups with new ventures located in UK	Focus groups organised with new ventures (28 participants)			Deepen our understanding and track a diversity of voices
IIAR Archives: Recorded webinars, PowerPoint presentations, internal reports		Recorded webinars, PowerPoints on 'What analysts look for in venture pitches'	Recorded webinars, PowerPoints on 'How to prepare for pitches'	Further enrich the evidence derived from observations and interviews
Other Archives: Websites, blogs, recorded webinars	Website and blog discussions	Industry analyst webinars given to ventures	Analyst relations webinar, reports on industry analyst influence	Further enrich the evidence derived from observations and interviews

Participant observation. To understand how new ventures engaged with analyst screening processes, we conducted naturalised observations of pitches (Lincoln and Guba, 1985). We observed an analyst relations agency in North America, which tutored ventures to engage with industry analysts. We carried out a four-week-long period of observation where we observed 17 of these pitches, all delivered online and lasted around one hour.

Semi-structured interviews. To understand the evaluation process, we conducted 46 interviews with a range of actors: these included 18 industry analysts, 17 new venture staff, and 11 analyst relations professionals. In analyst interviews, we asked them to explain their choices to cover particular vendors. When interviewing ventures, we asked them to explain what had sparked their initial contact with analysts, how they navigated the analyst screening process, and any difficulties encountered therein. In interviewing those from analyst relations agencies, we sought to understand their role in coaching ventures through the process and what problems arose.

Focus groups. To create a contextual backdrop to situate our understanding of analyst screening processes, we conducted two focus groups with new ventures. We wanted to understand the conception of those not yet necessarily included in analyst research. Tracking a diversity of voices and perspectives also helped avoid the methodological risk of finding or presenting the complacent accounts of those well served by this coverage.

Archival data. We conducted extensive reviews of industry analyst and analyst relations websites and blogs. We also had access to the private archives of a member organisation set up by analyst relations professionals – the Institute of Industry Analyst Relations (IIAR) – where we downloaded recorded webinars, PowerPoint presentations and internal reports. We use pseudonyms for the names of ventures, analyst firms and individuals. All pitches, interviews and focus groups were recorded and transcribed.

Data Analysis

Two of the research team coded data independently before discussing and challenging each other's emerging explanations, which led to data recoding. Furthermore, we proceeded to analyse the data following the principles of inductive theory building (Glaser and Strauss, 1967). This included moving in an iterative process, looking through the extensive data set for recurrent themes (King and Brooks, 2018), combining these into emergent themes (Nag et al., 2007), and then successively evolving themes through comparison with similar notions in the existing literature.

Initially, we focused on the transcripts of interviews conducted with industry analysts, which pointed to how new ventures were becoming the focus of analyst attention. Key *in vivo* quotes included, for example, 'we do a cool vendor report', how analysts were now 'supporting emerging vendors', 'small vendors [are] very innovative', and 'that [start-up] looks pretty good to me'. Simultaneously, the analysts talked about the pitches given by new ventures and the screening processes used. We found fragments referring to, for example, how lots of the smaller vendors 'just won't qualify to be evaluated', 'most [small] vendors aren't on anything published by us at all', and 'we give them some free feedback'.

In a parallel round of coding, we scanned transcripts of venture pitches to develop our understanding of how ventures navigate analyst screening processes. *In vivo* phrases relayed the importance of targeting 'specific analysts', 'build[ing] a relationship', creating an 'analyst champion', but finding analysts 'interested' in them was challenging. One main difficulty was that ventures struggled to understand what analysts wanted. Key quotes here included, for instance, 'what's the hook?', 'why would they care?' and of the need to switch from a 'pitch tone to an analyst focused tone'. Concurrently, we saw that those advising ventures would implore them to 'align' with the analysts. Key quotes included, for example, how there were 'analyst curiosities', and a necessity to 'align language', speak in 'the same tone', 'customise your brief', but also that the analysts gave ventures 'direct feedback', and pull ventures in new 'directions'.

In yet another parallel round of coding, we focused on transcripts of interviews with ventures, where we sought to understand how ventures went about leveraging analyst coverage. The data indicated that ventures saw winning analyst coverage as the prelude to bigger and greater things. Key quotes included, for instance, how it was like 'a stamp of quality', achieving 'industry acceptance', and 'putting [ventures] on the radar', helping to secure 'major deals', and convincing 'big banks to invest in them'. We also paid particular attention to the kinds of relationships that develop between analysts and ventures. Key quotes included, for instance, how the analysts were 'passionate' about ventures, and how the analyst became 'an advocate', and that ventures could 'leverage that advocacy'.

In a subsequent coding stage, we looked at relationships between first-order quotes to develop broader second-order themes. During this process, we were guided by the literature on intermediaries and new ventures, which resembled certain but not all critical aspects of our data. For instance, it helped us appreciate how analysts mediate between ventures and stakeholders (Pollock and Gulati, 2007; Rindova et al., 2007), but could not explain how analysts could become 'passionate' about or be an 'advocate' for ventures. We also drew on relevant scholarship within valuation studies (e.g., Vatin, 2013) to help reconcile the surprising first-order quotes reporting the strength of support analysts might offer ventures, given their position as seemingly independent assessors. Through this analysis, we arrived at three broad themes. The first included how industry analysts were 'crafting a new venture focus' and 'building developmental screening'. The second included 'keeping them interested', 'understanding expectations' and 'navigating categories'. The final theme included 'giving spontaneous reactions', 'talking up' and 'advocating for'.

In the final stage, we combined our second-order constructs into three overarching aggregate dimensions that explained how new digital ventures engage and benefit from intermediary evaluation. Specifically, we labelled these as new ventures moving from an 'unknown quantity' to 'engaging the intermediary' to 'being valorised' (see Figure 1). To arrive at this, we employed what Langley (1999) has described as a 'visual-mapping strategy', diagramming aspects involved in the intermediary evaluations and screenings until we reached a final process model that we felt adequately captured all fundamental dynamics. During the final stage of the analysis process, we further sought to enhance

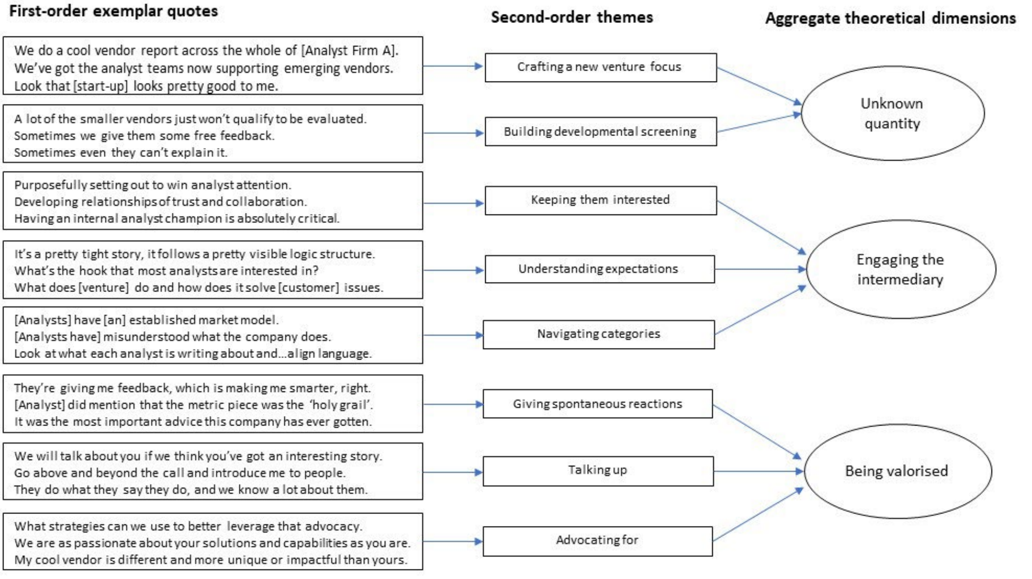

Figure 1. Data structure

the robustness of our interpretations by sending paper drafts to informants for feedback (Bluhm et al., 2011).

FINDINGS

To answer how new digital ventures engaged and benefited from intermediary support, we surfaced three processes that enabled ventures to move from being an 'unknown quantity' in the eyes of the intermediary to 'engaging the intermediary', to then 'being valorised' by it.

New Ventures: An Unknown Quantity

We found that analyst firms are expanding their coverage as they attempt to map and categorise the start-up community. This is a significant departure point. Previously, they only focused on the more prominent and significant players. This shift, we found, involved them in 'crafting a new venture focus' and 'building developmental screening'.

Crafting a new venture focus. The interest in creating specific categories and processes for identifying new ventures started when Analyst Firm A launched its 'cool vendor' reports. Each year, this firm chooses several hundred ventures from various technology areas for coverage. An analyst specialising in the CRM area describes this focus:

> *We do a cool vendor report across the whole of [Analyst Firm A] where we look at Content Management, Web Analytics, and all sorts of different subjects, and we look for cool vendors in that area. It could be networking technologies, or mobile technologies or broadband or whatever; it doesn't really matter. But in the area of CRM, we'll routinely find 30 to 40 vendors easily, and we pick about 15 to write up*

> *and say that is quite cool or even different* (Analyst 1, interview).

The analyst defines what is different about new ventures compared to the more established players usually covered:

> *Our cool vendor reports are really vendors that have been trading for three or four years, maybe five, unlisted. Most people haven't got a clue who they are, but we know that they have got some really good customers. The customers say they are good, and that is what we think is cool about them. They have got something unique, and they got real customers* (Analyst 1, interview).

Analyst Firm A often leads the way when it comes to innovation. Thus, other industry analyst firms have followed suit, in many cases, borrowing and remaking the cool vendor category. For instance, the CEO of Analyst Firm B describes the provenance of his 'hot vendor' designation: 'I was at [Analyst Firm A] for a long time. So, I started [Analyst Firm B] seven years ago. We said it's not cool to be cool, it's cool to be "hot"'! We just took that phrasebook and reinvented it' (Analyst 2, interview). The new venture focus was further augmented recently when another major analyst firm launched its 'innovators' label. An informant from Analyst Firm C explains what they are doing to build a focus on new ventures:

> *We're investing in the market around the 'innovators', around the emerging vendors. We've got the analyst teams now supporting emerging vendors a lot more than what we've done in the past. We're wanting to write about them a lot more. We want to get them visibility a lot more* (Analyst 3, interview).

Two reasons were given for this expansion of coverage. The first point to shifts in digital innovation: 'Most of the really innovative technologies are not coming from the big companies that always occupied [analyst research], it's coming from the small vendors. They're very innovative… [And] seem to account for most of the innovation' (Analyst 4, interview). Another cited reason was the changing interests of technology adopters, the main clients of industry analyst firms. Recent technological developments, such as Software-as-a-Service (SaaS) and cloud-based services, meant new ventures could offer attractive solutions to technology adopters:

> *The thing that we notice… In SaaS software and in a lot of cloud-based applications, is you wonder if the product works and if [buyers] can sign up and they can cancel. A lot of business buyers say: 'Look that [start-up] looks pretty good to me. I think I'm going to sign up for that'* (Analyst 2, interview).

Analyst informants specified how clients no longer avoided new ventures. Seemingly, the buyer's assessment is, 'If it works, and it will help my business, then I'm going to take a chance, and I'm going to go for it' (Analyst 2, interview). Since ensuring clients maintain subscriptions is an immediate priority, this means analyst firms are increasingly focusing on new ventures.

Building developmental screening. Crafting this new venture focus required the industry analysts to create different, more developmental screening processes. As existing evaluation mechanisms were geared towards assessing the more significant players, they contained high 'entry thresholds' that new ventures could not meet: '[W]e do a lot of reports or syndicated research that evaluates [ventures] that cross the threshold of like four to five million at least in revenue. So, a lot of the smaller vendors just won't qualify to be evaluated. They don't have enough customers and enough revenue' (Analyst 2, interview). Another analyst describes how 'most vendors aren't on anything published by [Analyst Firm A] at all… The small ones' (Analyst 1, interview), which, in his view, was not necessarily a bad thing because the evaluation criteria would show them in a negative light: 'I am a big believer that if you are small, you don't really want to be on [a major analyst ranking] at all. You are not going to look good' (Analyst 1, interview).

An analyst describes how the decision by his firm to cover new ventures required two moves. First, this was selectively drawing evaluation criteria from existing assessments: 'We got [ranking 1] and [ranking 2] which are different market evaluations. So, when we evaluate, let's say a product, we use some of the criteria for innovation from those reports to actually look and evaluate some of the younger smaller vendors' (Analyst 2, interview). Second, they developed a developmental screening process where analysts engaged with ventures in a more open and advisory manner, which included, for instance, offering 'feedback'. Direct feedback is unusual in these settings as pitches are typically structured as a 'one-way conversation' (Analyst webinar). Analyst input and feedback is sold as part of a different service called 'client inquiry'. However, analysts told us they make an exception to this rule when dealing with smaller ventures. An analyst described how:

> *Sometimes we give them some free feedback. The technique is called Pattern Recognition: what does the vendor have, and can they explain it. Sometimes even they can't explain it. Like: 'Wow! That's great. That's a huge capability. You should talk about that more'* (Analyst 2, interview).

A further analyst made a similar point about how when he found 'confusing' the material a new venture had sent him, he provided them with direction:

> *I had to admit, the first time I read [new venture's] material, I said, 'Well, this is really interesting'. And my second question was, 'What do you do? What's your deliverable? What's your service?' So I'm big on the economy of words or phrase. Tell me what you do in as few words as possible. And they found out that using my research was easier to explain what they did* (Analyst 4, interview).

As analysts expand their coverage to include newer ventures, this provides opportunities for these ventures to engage more and benefit from their attention.

Engaging Analyst Screening Processes

Our analysis identified a second process whereby the venture engaged with intermediary screening processes: *through a pitch*. Our data captured how the pitch involved a series of mechanisms that included 'keeping them interested', 'understanding expectations' and 'navigating categories'.

Keeping the intermediary interested. Pitching to industry analysts is not easy and marked by a number of hurdles. The first is finding an analyst. Because of the 'volume of vendors participating in the marketplace' (Analyst webinar), these experts are inundated with requests from promising ventures. Thus, there was a need for a venture to be proactive and to set out to 'win analyst attention' (Venture A, interview). Some ventures reported that they 'didn't have a targeted approach to the analysts', and they 'would bump into them at conferences' (Venture A, interview). Others talked of more directed strategies: 'We targeted specific analysts that we felt were commentating on the space to tell them about who we were and what we did and our points of view about how we felt that this market space was evolving' (Venture B, interview).

A second hurdle is finding the analysts who cover a venture's product area. These experts are divided into 'primary' or 'referral' analysts. The former is the analyst who directly covers the area and 'who knows you the best', while the latter is the analyst more on the periphery but who could potentially 'make mention of you' (Analyst webinar). Working out primary from referral analysts was complex (for reasons we unpack more fully below) and often required multiple pitches. One venture describes how: 'I have probably spoken with 20 analysts at [Analyst Firm A], some of them more than others. Most of them, multiple times…You either have 15- or 30-minute calls or one-hour calls. I bet we've had 100 hours of analyst interaction calls' (Venture C, interview). Another described how they approached cohorts of analysts at a time: 'You start with about six [analysts]… You see how it's going. And then you start with the next six. So, we have talked to probably close to 18 or 20 analysts, maybe 24, over the course of the two years' (Venture D, interview).

Once identified, the next significant hurdle is keeping the analyst interested. These pitches are not a one-off event but a process where ventures need to pitch to the analysts continuously – 'maybe every quarter' (Analyst webinar). Ventures are thus encouraged to build a 'relationship' with the analyst. This is to avoid their losing interest but also to move the affiliation to the next level. Specifically, a particular informant, having already 'worked with analysts' in a previous role, knew it was about 'developing relationships of trust and collaboration' (Venture D, interview). She describes how: '[W]e found a few who were interested in us quite early and having an internal analyst champion is absolutely critical' (Venture D, interview). The 'analyst champion' is described as the 'set of analysts who will then start talking about you and take the big leap to starting to write about you' (Venture D, interview).

Understanding intermediary expectations. What do these pitches look like? How should the venture approach them? Ventures learnt that gaining industry analyst attention required assembling more than one set of skills; it was not just a matter of pitching but also understanding what analysts wanted. In thinking about the pitch, a venture CEO asks, '[w]hat's the hook that most analysts are interested in? Is it because… it's their space, and they're interested in all the vendors and all the technologies? Is it because they want to understand what's happening at the lower end, the earlier stage?' (Venture F, prep). Ventures were often unsure why analysts had suddenly become interested in them. For instance, the same CEO asks:

> *Why would they care about what we're doing? I'd get why they would care if we'd launched in January and we now had 50 customers, and we were beating [rival 1] and [rival 2] out of customers.*

You know, there's certain start-up companies that get on a path and a traction where it's like you can't not care. But ones like us where it's sort of that early stage… (Venture F, prep).

Ventures worked hard to understand how to present themselves, that is to say, construct their 'stories' and 'pitch deck' to make themselves attractive to the analyst. Analyst relations professionals would prep ventures on how the analyst is a 'different audience', that the process was unlike 'pitching to clients', and thus required ventures to 'switch their tone from a pitch tone to an analyst focused tone' (Venture E, prep).

During pitches, ventures tended to highlight technical features and had more difficulty conveying their products in a way that analysts understood. For instance, an analyst explained the pitch structure: '[i]t's a pretty tight story, it follows a pretty visible logic structure: what does the marketplace look like, what are the complications affecting that market, and how can your solution solve it or undo this complicating factor' (Analyst webinar). Ventures were advised to focus on how their product resolved significant customer problems (Venture G, prep). An analyst relations professional explains to a venture:

So, [explain] what is [venture], what does it do and how does it solve these [customer] issues. So, if we think of the lion's share of our expository, right, I think … We should just get [the analyst] to start thinking about, 'Wow, this is something that I didn't pay attention to, and I should be paying attention to'. I would like to land that as the primary thing, right? I want [the analyst] to go, 'Wow, I didn't know this was that big of an issue' (Venture G, prep).

Navigating intermediary categories. Pitching also required periods of socialisation whereby ventures would learn about these experts and – as one informant described it – 'analyst curiosities' (Venture B, interview). As this venture CEO saw, the critical aspect of developing and improving a pitch was to understand how:

[Analysts] have [an] established market model… If you don't necessarily fit… Within an established category of business or activity… They can be a bit resistant… Because they are 'Are you… this? Or a[re] you… that?'… And if the answer is 'Well, we're neither of those things'… Then [there] can be a little bit of difficulty in the conversation (Venture B, interview).

Failing to present the venture in a way the analysts recognised was risky. An analyst relations professional recounts how analysts were reluctant to schedule further pitches with a venture as they found its product challenging to understand: 'They haven't used [Analyst Firm A's] language to describe the market category that they were in. And so, [the analysts have] misunderstood what the company does. And they've responded to say, "I don't follow you"' (Venture F, prep). Ventures were advised to 'create alignment' with the analyst, which means thinking about 'how you speak to them' and responding in 'the same tone and the same way to these people' (Venture E, prep). A venture informant describes how '[y]ou can look at what each analyst is writing about, and the sort of terminologies and the models and so on that [they] have developed… And in that way, you can sort of align language' (Venture H, interview).

Contained in analyst research would often be explicit mention of entry criteria: '[A] nd the trick', one venture described, 'is to be able to customise your brief request to show that you know the analysts' research, that you understand how far you meet their criteria, so that you can show relevance, and you can show that you are helpful' (Venture F, prep).

However, our empirical data show that aligning with a specific analyst category could be problematic for many ventures. For instance, when an analyst relations professional asked a venture CEO to tell him which analyst category his 'platform' belonged to, he responded that he no longer knew. This was because the platform had become something of a 'Swiss army knife' (Venture F, prep) used in multiple different ways by customers and thus did not easily fit into one analyst category:

> *Part of the challenge I think we have… You can do a multitude of things with [the platform]… So, the use cases we're finding actually in the market tends to be actually cross organisation data sharing… And it's a totally side use case we hadn't really thought of when we first started building the platform* (Venture F, prep).

Being Valorised by the Intermediary

Those ventures that successfully proceeded through the screening process would expect to benefit from intermediary attention somehow. In our analysis, we identified a third process that included 'giving spontaneous reactions', 'talking up' and 'advocating for'.

Giving spontaneous reactions. In pitching, many ventures hoped to provoke 'feedback'. Whilst we heard above how 'comment' and 'input' is not formally a part of these settings, we also saw that analysts might provide 'a little bit of feedback' (Analyst 1, interview), especially if the venture pitching is a start-up. For instance, one venture CEO told us that he approached the pitch with the explicit aim of provoking a reaction:

> *What I wanted to do was approach it from the standpoint of: is my idea, is this product that the three of us have dreamed up great? Is it truly unique? Or is it my own naivety because it's the first time I've thought of it, but surely someone else has thought about tackling the problem this way* (Venture J, interview).

This informant particularly appreciated the analysts' broader perspective: '[Analysts] see all the technology. They understand it way better than I do. And where [the pitch] was beneficial was, as a learning experience for me, because as I'm verbalising what my thoughts are, they're giving me feedback, which is making me smarter, right' (Venture J, interview).

Indeed, during debriefing sessions, it is usual for venture staff and analyst relations professionals to spend time going over the analysts' comments and questions to see what could be gleaned. After one pitch, for instance, an analyst remark about a venture's product being the 'holy grail' was latched onto. This was first welcomed, then, a few moments later discussed, as doubt began to creep in about whether the comment was positive or negative: '[The analyst] did mention that the metric piece was the "holy grail". Does that mean that she doesn't believe it or that we're really onto something?' (Venture K, debrief).

Analyst comments – even if spontaneous and cryptic – were seen as crucial for a developing venture. For instance, one informant told us how after pitching to a particular analyst, he suggested they rethink their entire identity, which seemingly provided a breakthrough in their development. The analyst told them:

> *'Look, you're not a networking company. You do networking, but you want to be a security company'. And it took us over a year to really appreciate what he meant. But he's absolutely right, and we are a security company now. What we say is 'security is what we do, and networking is how we do it'… Suffice to say, it was the most important advice this company has ever gotten* (Venture E, interview).

Talking up ventures. Industry analyst coverage was seen as a good thing. In some cases, a very good thing: 'It was a great honour to be named a cool vendor' (Venture L, interview) said one venture; it 'helped in building our credibility' (Venture B, interview) described another; it was 'very powerful; it's probably one of the best awards we've ever received' (Venture M, interview), said a third. For some, this initial analyst attention is seen as a stepping-stone to further, perhaps more substantial, analyst coverage. One venture told us how there was talk 'potentially of [Analyst firm A] moving us up into a [major analyst ranking] this year' (Venture N, interview). Direct acknowledgement of the coverage received was common among informants: 'It's like a stamp of quality that we are not just another product but a product who is in the right space' (Venture O, interview). Some described having achieved 'industry acceptance':

> *As you build a business, particularly in tech environments, you know… That people want to have a sense that… There is a technology which is kind of going in the right direction… And has an industry acceptance… So that kind of associational branding…brings that endorsement to you* (Venture B, interview).

Industry analyst coverage was seen to allow entry into a market that was otherwise obstructed: 'When you're trying to break into the enterprise market, it's very important to be recognised by an enterprise analyst firm' (Venture P, interview). Informants talked about using this coverage to attract buyers and funding. A venture covered by an analyst firm very quickly received further attention from others, including investment analysts:

> *451… covered us, Forrester covered us… First Analysts have covered us, and then you know JP Morgan and Goldman have both covered us and so forth… I think that you know the fact that we've had that… coverage by [Analyst Firm A] has helped you know, putting us on their radar* (Venture Q, interview).

Many reported increased numbers of venture capitalists (VCs) cold calling them: 'We got all these VCs calling us, and I kept saying, "Well, where have you heard about us?" … "You're on the [Analyst Firm A's] cool vendor list"' (Venture A, interview). Another analyst informant described examples of ventures he had covered securing further investment: 'We know one from a couple of years ago, that no-one knew, who was from Australia, they said it helped them get some major deals because [Analyst Firm B] research thought that they were innovative, and that was enough to convince some big banks to invest in them' (Analyst 2, interview).

It is analysts who open doors for new ventures. Analysts do this indirectly by being a source of relevant information. They could provide advice to a new venture on how to approach prospects. One venture describes how: 'So, I'm trying to leverage other [Analyst Firm A] analysts so that they can give me insight so I can make better-informed sales calls on my prospects by knowing more of my competition in those individual industry verticals' (Venture N, interview). They may do this more directly through, for example, facilitating critical introductions for ventures:

> *I would say there were a couple of analysts that did approach us that way, and what's interesting is that while they didn't specifically reach out to me in advance of me saying making an enquiry into them, what they did do, was take it upon themselves to go above and beyond the call and introduce me to people in the industry that would be important to the success of my company* (Venture N, interview).

Alongside gatekeeping, analysts also provide the all-important introductions to potential customers. These direct recommendations influenced bottom-line decisions:

> *They would use their position, and they say, 'Oh, this company is struggling with something like this, why don't you reach out to, you know, their head of technology or their CEO or whatever? Use my name, tell them I said it might be worth a phone call and see what you can do'. And they've done that. There's probably been a handful, three or four analysts that have done that multiple times for me* (Venture N, interview).

Informants explained that analysts would help ventures stand out from the crowd, but this was only part of it. For instance, an analyst explains to a group of ventures how they will 'talk them up' if they win their backing:

> *We will talk about you if we think you've got an interesting story. We will speak of you with clients. We'll talk about you in presentations. We'll present case studies of what your clients are doing because that solves the need of our end-user organisations our end-user clients to understand the marketplace and to understand where their solutions are coming from… There are different ways of getting to us so that we are as passionate about your solutions and capabilities as you are* (Analyst webinar).

Advocating for ventures. In the vernacular of these settings, analysts provide 'lead generation'. Although ventures could achieve these leads themselves, it was widely recognised that contacting the lead 'cold' would have been of little use. The analyst not only provided them with an introduction but crucial information as to the specific problem faced. Another informant gives a similar example where it was the analyst who provided the break needed, pointing them to a particular client problem and then smoothing over reservations they had of working with a start-up:

> *[Analyst Firm A] has been very influential to us… One of the big things that happened to our company is we have a relationship with a security company called [Big Vendor], one of the biggest security companies… And [Big Vendor] had a problem… But we could fix that problem with them. But, you*

know, they didn't really want to work with a start-up. The problem is they couldn't find anybody else who could solve their problem (Venture Q, interview).

While reluctant to go with a new venture, the more prominent vendor agreed because the industry analyst recommendation provided this possibility. She recounts how the conversation between Big Vendor and the analyst firm went:

But, you know, [Big Vendor] is a big customer of [Analyst Firm A], and I'm sure it helped when [Big Vendor] talked to [Analyst Firm A] about us and said, 'Hey, can we work with these people or are they going to be total flakes?' And [Analyst Firm A] said, 'Well, you know, they have this weakness and this weakness. But, yeah, they do what they say they do, and we know a lot about them', and so on and so forth … So, it helped us establish the most important partner relationship that this company has had, and it was a turning point for us because once we could say that we worked with [Big Vendor], then we were real (Venture Q, interview).

Above, we heard about the 'analyst champion'. Others used similar terms. For instance, an analyst relations professional explained how analysts could become 'advocates'. Moreover, once enrolled as an advocate, the person could be 'leveraged':

What you can do with an analyst who is an advocate for you, in a lot of ways, is more valuable than being written in a report or being in a [ranking]… Once we have them as an advocate, what strategies can we use to better leverage that advocacy in sales, marketing, product development (Analyst Relations webinar).

The language of 'championing' and 'advocacy' appeared no overstatement. It was routine to hear analysts speak enthusiastically about ventures covered. Some even used words like 'my' venture and 'buy-in'. For instance, we heard how analysts would compete internally to write about selected ventures. An analyst informant describes the selection process for ventures defined as 'cool vendors': 'Let's say there are ten analysts on a team and there only five vendors that are going to be written about and everybody is encouraged to submit a cool vendor' (Analyst webinar). The results are 'some back and forth saying my cool vendor is different and more unique or impactful than yours' (Analyst webinar). Once included in the research, it was common for analysts to talk about the ventures with clients and others: 'So an analyst nominates and successfully publishes a vendor as a cool vendor. Well, then there is a psychological buy-in to the business problem that they are trying to solve and the uniqueness that they bring. So they would come to the lips of the analyst a little more' (Analyst webinar).

DISCUSSION

Our article sought to answer how new digital ventures engage an intermediary and benefit from its coverage in helping solve a critical problem – being an unknown quantity. In doing so, we develop a process model of intermediary evaluation where we reveal how ventures were required to perform a new kind of pitch, theorised as a 'valorising pitch', to move from being an 'unknown quantity' to 'engaging the intermediary' to 'being valorised'. Figure 2 describes the mechanisms and challenges inherent in pitching to the intermediary and leveraging its support.

From Unknown Quantity to Engaging the Intermediary

The starting point for our process model is how, identifying the growing significance of new digital ventures (Nambisan et al., 2019), the intermediary went about 'crafting a new venture focus' and, because these ventures rarely met 'established scales of evaluation' (Aspers, 2018), 'building developmental screening'. We show that to move from being an 'unknown quantity' to 'engaging the intermediary' required ventures to mobilise three mechanisms: 'keeping them interested', where, similar to 'entrepreneurial storytelling' (Lounsbury et al., 2019), ventures attempted to convince why intermediary coverage was warranted; 'understanding expectations', whereby ventures become socialised in intermediary practices and worldview; 'navigating categories', where ventures needed to consider and take into account intermediary categorisations. While these mechanisms helped ventures progress to the next phase of intermediary evaluation, we emphasise that this was far from inevitable given high levels of competition for analyst coverage and exacting demands of pitching.

From Engaging the Intermediary to Being Valorised

If successful in pitching, a venture potentially received more detailed consideration – perhaps making it onto a ranking or procurement list. However, the nub of our argument is that the pitch triggered more than inclusion in the formal intermediary evaluation system. Specifically, it led to 'being valorised', which comprised the intermediary: 'talking up', where it explained and justified to intermediary clients and others why certain

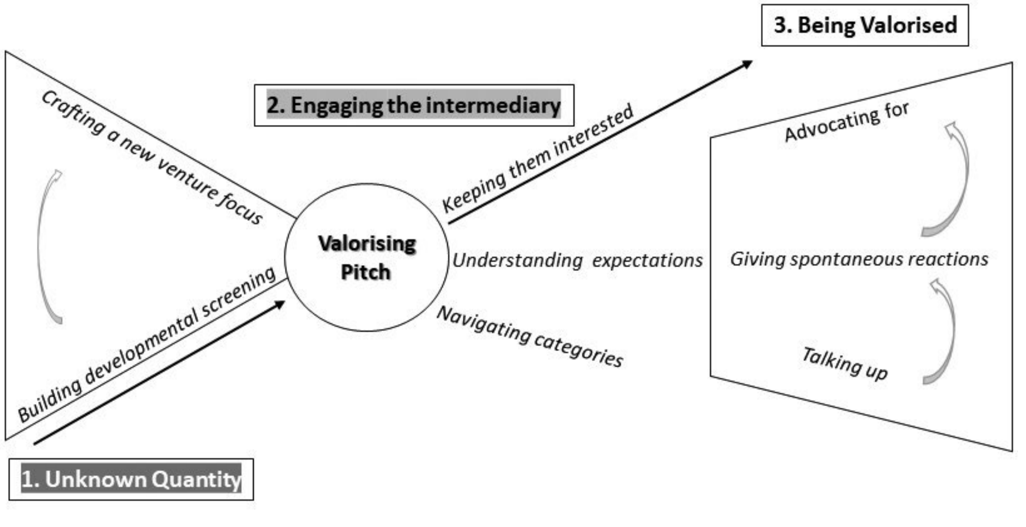

Figure 2. Model of the intermediary evaluation process

ventures received coverage, including providing further detailed evidence of positive attributes and innovative characteristics; 'advocating for', where, having discovered a promising venture, intermediary staff might then enthuse about it during client meetings, on stage when making a presentation, or when writing up a case study; 'giving spontaneous reactions', where advice was offered to a venture struggling to spell out its more innovative attributes or identity. These were typically not deep reflections but unprompted and knee-jerk.

However, this raises the puzzling question of why the intermediary might support or promote a venture, especially considering its role as an 'impartial' assessor (Beckert and Musselin, 2013; Khaire, 2017; Pollock and Williams, 2016). As we see it, the intermediary promoted ventures not in a prescribed or designed way but as a 'consequence' of its evaluation process (Frenzel and Frisch, 2020; Kruger and Reinhart, 2017). This interpretation is reinforced by valuation studies scholarship, which views intermediary screening as involving evaluation and a more generative process of 'valorising' (Aspers, 2018; Kornberger et al., 2015). As Vatin (2013) theorises, evaluators play an active role in not just identifying but 'enhancing' value through explaining and justifying assessments (see also Bidet, 2020). However, in our case, the intermediary did more than elaborate and explain a venture position – what we theorise as 'talking up – it also sought to 'improve' that position through 'advocating for' and 'giving spontaneous reactions'. These findings resemble more Karpik's (2010) analysis of the competition between evaluators, where because evaluators vie with others for the attention of audiences, they strive to make the things they assess 'more visible and more desirable than their competitors' (p. 46). Hence, as shown in our case, the intermediary devoted considerable effort to help ventures prosper in the market, i.e., going as far as to provide suggestions ('You want to be a security company'), introductions ('We will speak of you with clients') and even affective responses ('We are as passionate about your solutions and capabilities as you are'). We suggest that we theorise valorisation as containing both these aspects (justifying, improving), which brings together in one concept aspects that the extant literature treats as separate or do not account for. It also allows us to theorise another aspect in our study – how ventures sought to trigger and leverage this broader intermediary role.

Valorising Pitch

The notion of the valorisation pitch should capture the idea that ventures were often mindful that underlying the intermediary evaluation system were other mechanisms to be leveraged. This aspect resembles the 'strategic valorisation' described by Plante and colleagues (2020, p. 3), where it was shown how actors, often purposefully and expertly, exploit the connection between evaluation and valorisation. For instance, some ventures saw pitching not simply as a vehicle to enter a ranking but as a means to provoke spontaneous feedback, which could then have an 'editing' effect (Überbacher et al., 2015, p. 943) on their venture. Others realised the potential for the pitch to build more significant intermediary engagement – similar to the 'soft power tactics' described by Santos and Eisenhardt (2009, p. 663) – which could then be subtly exploited. Others still saw the potential for a venture to enter a ranking but then for the two processes – evaluation and valorisation – to shape each other in a 'bootstrapping manner' (Plante et al., 2020, p. 15) where, because of intermediary coverage, it receives further valorisation, which enables entrance to other higher prestige rankings.

These insights throw new light onto how ventures could engage the intermediary to overcome some of the damaging aspects of being an unknown quantity. Valorisation appeared as powerful as other influences that stem from the formal intermediary evaluation system. Indeed, for some, intermediary valorisation was thought to be more powerful. Ventures that proactively leverage intermediary valorisation appear more likely to build market acceptance, i.e., successfully engage with potential customers and other resource providers. Our analysis suggests that leveraging intermediary valorisation requires all three mechanisms – 'keeping them interested', 'understanding expectations', 'navigating categories'. We, therefore, reveal and theorise an enhanced model of intermediary evaluation that offers ventures the potential to mitigate some of the liabilities of venture adolescence (Bruederl and Schuessler, 1990; Stinchcombe, 1965).

We now discuss how this new theorisation of the intermediary evaluation process and valorising pitch contributes to research on new venture development, intermediaries, and digital entrepreneurship.

Contributions

How new ventures pitch for endorsements. There is broad recognition of the importance of intermediaries concerning new venture development (Navis and Glynn, 2011). They can perform a significant role for ventures who find it challenging to gain a foothold in the marketplace (Überbacher, 2014). Our research thus directly responds to Petkova's (2012) call to build conceptions of 'what exactly a young firm can do to become selected by prestigious affiliates' (Petkova, 2012, p. 394) through offering a rare empirical study of interactions between intermediaries and ventures at the moment when they become more structured and formalised around a pitch. Our exploration of relationships forming around this distinct pitch type is novel; to the best of our knowledge, we are the first to study and establish the importance of these valorising pitches and the micro-processes enacting them.

It is widely recognised that pitching is a core 'cultural competence' (Überbacher et al., 2015). However, most attention has been given to the pitches related to starting and financing (Clarke et al., 2019) rather than to audiences like intermediaries for broader assets such as an endorsement (Fischer et al., 2016). Scholars posit that it is necessary to distinguish between pitches too early and later-stage audiences as the challenges are likely to be very different (Lounsbury and Glynn, 2019). Fisher and colleagues (2021) identified six pitch types with unique features and functions, but none directly reflect the dynamics and audience identified here. Our account complements the above studies by revealing a further pitch – the valorising pitch – which we have defined as a device to enrol an intermediary to help build market presence. For instance, while investment pitches are characterised as a 'singular transaction-based exchange' (Teague et al., 2020, p. 336) involving 'simple relationship[s]' (p. 334), the valorisation pitch requires longer-term interactions where ventures must not only 'engage the intermediary' but 'keep them interested' over many years, which requires new skills and expertise. Furthermore, our theorisation of the valorising pitch would seem to complement Überbacher and colleagues (2015) call for further research on the 'strategic cultural actions' those in new ventures must engage in when 'legitimising their ventures' (p. 947).

Intermediary evaluation processes also value-creating. Our theorisation of the intermediary evaluation process is also novel. Despite being theorised as 'expert evaluators' (Hsu, 2004), 'evaluative institutions' (Überbacher, 2014) and 'evaluators' (Bessy and Chauvin, 2013), there are as yet no fine-grained models (Überbacher, 2014) that tell us how intermediaries evaluate ventures vying for their attention and what influence this has on their development. This article provides this more granular analysis in the form of an enhanced theoretical model of intermediary evaluation, which depicts evaluation processes as not simply 'value-identifying' but also 'value-creating'. To date, researchers have advanced the debate by examining the 'screening processes' (Petkova et al., 2008, p. 327) used by intermediaries to help figure out 'which firms merit their attention, for what reasons and to what extent' (Rindova et al., 2007, p. 34), where intermediaries are depicted as making 'judgments about the presence and level of specific [venture] attributes' (Petkova et al., 2013, p. 866). However, this focuses on static value-identifying processes, the first part of our model, but not the second. The more value-creating mechanisms that we reveal here are important because they are fundamentally generative of venture attributes and capabilities. Our enhanced theorisation, therefore, articulates mechanisms not fully accounted for in the existing concept of intermediary screening. It also deepens our understanding of how intermediaries influence new venture development.

Specifically, existing research has highlighted two prominent roles the intermediary plays towards new ventures. First, this is Pollock and Gulati's (2007) suggestion that it 'enhance[s] the visibility' of ventures (p. 347). Second, it is Petkova and colleagues' (2013) finding that intermediaries funnel 'public attention toward some [ventures] and away from others' (p. 866). However, by revealing how intermediaries have value-creating and not just value-identifying mechanisms, we theorise them as more than simply amplifying pre-existing venture characteristics or popularising ventures with audiences. For instance, we show that the intermediary can shape the narrative surrounding venture identity and attributes ('That's a huge capability, you should talk about that more'). This insight that the intermediary could make ventures more understandable and attractive meets Überbacher's (2014) call for research on the evaluative institutions that enable ventures to become 'comprehensible and meaningful in the first place' (p. 688). It also complements Lounsbury and colleagues (2019) discussion of the 'judgement processes' surrounding new ventures and how it is these that drive the activity whereby ventures 'acquire their attributes' rather than simply residing in the 'hands of the entrepreneur' (p. 1225).

Intermediaries central actors in realising digital entrepreneurship. Our article builds understanding in digital entrepreneurship of the unique role intermediaries play concerning digital ventures (Von Briel et al., 2020; Elia et al., 2020). Scholars suggest the liability of newness is revealed differently in digital entrepreneurship (Ingram Bogusz et al., 2018; Srinivasan and Venkatraman, 2017). Specifically, this is because digital technologies embody 'traits that allow [ventures] to evolve their identity' (Recker and Von Briel, 2019, p. 2). While the process of transforming identity through a 'pivot' (Ghezzi and Cavallo, 2020; Wagner and Som, 2021) can help survival and growth (Von Briel et al., 2020), it can also make it difficult for ventures to be clear about questions relating to 'who [they] are' and 'what [they] do' (Navis and Glynn, 2011, p. 479), which can be damaging when approaching resource providers.

Our generative model of intermediary evaluation complements research by showing how industry analysts are crucial actors in realising and shaping digital entrepreneurship, working as both 'evaluators' and 'valorisers'. Our study suggests they play an especially significant role for some ventures more than others – specifically, those still developing significant aspects such as identity. Surprisingly, it did not seem to be the case that confusion around identity was wholly damaging in these settings (see Fisher, 2020; McDonald and Gao, 2019). Indeed, we show that the intermediary took a 'developmental' rather than policing (Zuckerman, 1999) approach. However, this finding does not sit easily with mainstream intermediary literature. Scholars suggest that a venture lacking clarity around identity would be 'screened out' (Zuckerman, 1999, p. 1415). Yet, our study showed that this was not always or inevitably the case (Durand and Paolella, 2013). We thus complement the body of scholarship that seeks to move beyond the depiction of ventures as either 'screened in' or 'screened out' (Fisher, 2020; McDonald and Gao, 2019). This is particularly important given that we show that the intermediary adopted more 'developmental screening' and ventures themselves appear more expert and strategic in leveraging such coverage.

Limitations and future research. Our study has limitations that indicate potential research opportunities. We investigated how the valorising pitch was beneficial for new digital venture development but glossed over whether this is a 'tide that lifts all boats' (Lounsbury et al., 2019, p. 1226). An essential vein of research would highlight the differences between those receiving intermediary coverage and those failing to win such endorsements. It is also necessary to identify the adverse consequences surrounding these pitches. This includes aspects such as what happens if the intermediary develops a negative assessment and how the venture might 'shield' (Überbacher et al., 2015, p. 945) if valorisation turns out to be reductive instead of additive.

A further aspect for future research would be capturing the tension in our model between 'value-identifying' and 'value-creating' mechanisms. Both are important in supporting new ventures, but each works differently. Scholars might develop a richer understanding of how these mechanisms interrelate and whether there can be clashes, such as where one mechanism may override or subsume the other. For instance, further research might seek to understand whether there are limits to valorisation as well as any measures evaluators must take to ensure their evaluation systems and outputs continue to be seen as 'impartial' rather than 'puff pieces' (Silberstein-Loeb, 2011).

Finally, we suspect that our insights surrounding the valorising pitch could be further spelt out and incorporated within evaluation studies (Aspers, 2018; Kornberger et al., 2015; Plante et al., 2020). Studying these pitches suggests a new type of evaluation practice – a 'valorisation practice' – that captures the strategy and tactics that actors deploy to leverage the valorisation mechanisms underlying evaluation systems. Further research could investigate practical techniques as well as challenges across a variety of settings – rankings (Ringel et al., 2021), third party certifiers (Gehman et al., 2019), investment analysts (Arjaliès et al., 2017), auditing firms (Power, 2021), rating agencies (Rona-Tas and Hiss, 2010) – as actors seek to benefit from this not much studied but fundamental evaluator role.

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