The Portuguese and British Business Angel "Reality": Heroes and Villains

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Abstract: This paper looks at the ways in which this link defines how business and investment opportunities and expected profitability are viewed by them. How business angels construct "self" and their environment are concepts inextricably linked in this research. This is because narratives with the "out there" embedded, also, implicitly, contain ideas about the future of the industry, the different economic sectors involved, and its organization. The facets of the Portuguese business angel "reality" that this research reveals, along with the evidence it offers with respect to analysing certain contrasts between Portuguese business angels against their UK-based colleagues, is unique among the current literature. The term business angel refers to an informal investor: a private, wealthy individual willing to invest a part of their own wealth in new business ventures for a profit. The business angel market is seen as partially opaque as they are difficult to identify. Many, however, are formally organized into networks. Although one cannot extrapolate the findings of this research to apply to the entire Portuguese business angel community, it does provide future researchers another source in addition to the limited knowledge-base available on them at this time.

Keywords: Business Angel, Networks, Innovation, Finance, Entrepreneurship

1. Introduction

In Portugal, business angels are relatively new phenomena. Although the first club was formed in 1999 the "dot-com" crisis halted the progress of this niche until 2006, since when the number of business angels and clubs has consistently risen. Despite the recession that hit Portugal in 2011, now more than twelve clubs and a few hundred business angels are active.

This paper emerges from Gouveia's background as a banker and is motivated by academic curiosity following a review of the existing literature. Primarily the desire is to explore what Haar et al. (1988) termed the "partially opaque world" of business angels and to build a profile of them and their investments. Among the existing (mainly) objectivist literature about investment and finance, the interpretivist (subjectivist) stance employed by this paper is somewhat unusual (see Haar et al. 1988, 11; Bryman and Bell 2007, 17; Mason and Harrison 2010, 2011).

How business angels construct self and their environment are concepts inextricably linked in this research. This is because narratives with the "out there" embedded implicitly contain ideas about the future of the industry, the different economic sectors involved, and its organization. The facets of the Portuguese business angel "reality" this research uncovers, sustained by an interpretivist approach (where angels' motivation is both discernible and extractable from individual interviews), along with the evidence it offers with respect to

analysing certain contrasts between Portuguese business angels against their UK-based colleagues, is unique among the current literature.

2. Relevant Findings from the Literature Review and Developmental Conceptualization

Literature on business angels, published mainly in the United States, United Kingdom, and Scandinavia, is sustained largely by an objectivist ontology that, as Fisher (2004, 35) argues, expresses its subjectivity: "the knowledge that we gain through research can accurately mirror reality itself, although … the mirror image may be distorted by the intrusion of subjectivity into the process of knowing". The objectivist ontology contrasts with the literature that relies on constructionism, on what Bryman and Bell (2007, 22) sum up as a "position [which] challenges the suggestion that categories such as organization and culture are pre-given and therefore confront social actors as external realities they have no role in fashioning".

This research is based on subjectivist ontology, that is, it relies on the authors' interpretation of the narratives, a role described by Fisher as "the interpretivist forms structures out of interpretations … the interpretative research seeks people's accounts … of how they make sense of the world and the structures and processes within it" (2006, 41).

The objective of the research was to indentify the intersubjective processes involved in the construction of business angels' self and their collective identity as part of business angel networks (and clubs). Among the individuals involved in this research different accounts were produced in the construction of self (the interviewee) in relation to the construction of the idea that there has been a surge of business angel activity in Portugal and the linkages between these two distinct realities.

As interviewee's construction of self created some boundaries around the narratives produced about angels within specific clubs, bounding mechanisms to link the two realities created by self and out there were necessary in order to question what kind of realities these narratives portray and tease out the distinction between the construction of self and the mapping process of the out there. These bounding mechanisms are relevant and are investigated further below to reveal the linguistic "glue" that connects the two realities.

Defining innovation, entrepreneurship and finance

Having pointed out that banks tend to be reluctant to "provide finance for innovation-related, high technology business start-ups" (2006, 209) Smith (2006, 215) then suggests that "most of the innovators ... will make use of personal savings, usually supplemented by financial inputs from family and friends". Beyond these entities, those seeking finance may, therefore, look to both formal venture capitalists and informal venture capitalists, i.e., business angels.

The relationship between entrepreneurship, finance and innovation is illustrated in Figure 1. The Figure clarifies how innovation and finance count as key supporting factors for entrepreneurial success and development.

Figure 1. Informal venture capital at the confluence of different research areas.
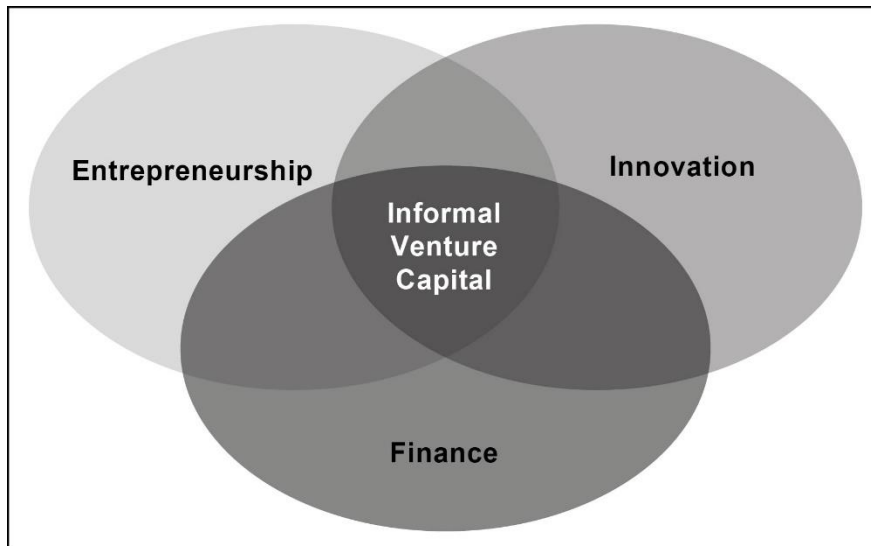
Angels and metaphor

The informal investor is often linked to the powerful epithet "angel"—a term used to define wealthy people, particularly in the US, willing to invest part of their own fortunes in start-up investments for a fixed period. In the UK, "informal investor" or "informal venture capitalists" are common terms to define this type of investor (Wetzel 1983; Prowse 1998; Freer et al. 1990; Mason and Harrison 2009, 2010). While most people understand what a "business angel" is and probably a bit about what they do, many find the angel epithet[1] difficult to disentangle from the concept angel—a mediating figure between divinity and reality. While Gabriel (2004, 181) points out that metaphor "has long been viewed as [a]

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[1] The term "angel" generated 1.3 billion entries on Google; the plural sees almost 432 million entries.

powerful instrument for transferring meaning from one entity to another", Hatch and Cunliffe's assertion that "when you use only one term in a binary, you implicitly draw on its opposite" (2006, 53), makes clear that one cannot define an angel without also defining a demon.[2]

Business angels – description and objectives

Who and what are business angels? Business angels "often provide the seed capital for start-ups" (Read et al. 2011, 135), and as to who they might be, Smith describes "High net-worth individuals seeking capital gains over the life of their investment in a company" (2006, 215). As to the type of venture most attractive to them, Westhead suggests, "business angels may be more appropriate for smaller investments and investments that, while viable, have lower internal rates of return than those that would be of interest to formal VC firms" (Westhead et al. 2011, 203).

Self and identity

Self is framed within the collective identity and the individual's out there. The construction of self (a laborious, continuous and never-ending social process), Gabriel argues, is self-constructed "At the individual level, identity refers to the person's comprehension of him- or herself as a discrete entity" (2008, 136).

The portfolio of available discourses is linked to a number of associated identities, any of which the self may capture. Burr (2007, 141) argues that "social constructionism paints a picture of the person as multiple, fragmented and incoherent. We have a multiplicity of different selves, each called forth or conjured by our immersion in discourse and in process of social interaction."

From this another layer of complexity is unveiled, for it is not possible to construct self without constructing the other and the out there, just as it is not possible to construct the other without mentioning self. To Gabriel (2008, 261), self is "What each one of us refers to through the use of the pronoun I"; while for Burr (2007, 193) self emerges from interactions with others, "Consciousness, our ability to reflect on our experience, and the self are seen as emerging from those interactions."

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[2] The term "demon" generated 43 million possible references on Google, well below the number for angel or angels.

The importance of this study hinges on the relationship between the angel's construction of self and their (collective) out there. Building on the existing ontology and literature to interpret the real-time narratives of these actors, this research reveals new insight into business angels and presents data about the future of the industry, its growth, and the sorts of opportunities (whether seed, start-up or risky enterprises) that attract informal investors. Further, employing subjectivist ontology provides valuable data on the attributes of business angels, which will help project future growth in the informal investment market and estimate the impact this may have on formal investments and the banking sector.[3]

Bounding and boundaries

According to Jackson and Carter (2007, 208) boundaries formed by the discourses of human agents are not fixed, they "are just human constructs … [that] can be changed". While some discourses may have defined boundaries, in others linguistic devices are not so much in evidence. Jackson and Carter concur with this by noting "[b]oundaries are not fixed, natural or obvious" (2007, 209). Gabriel agrees that the boundaries of discourse are mutable, but suggests a dynamic influenced by a theoretical perspective: "social constructionist theorists argue that boundaries along with many other social phenomena are negotiated, maintained, dissolved, and redrawn through social interaction" (2008, 19).

If the boundaries in discourse are subject to change, then where does this leave "meaning"? Meaning, according to Tietze et al. is just as mutable; meanings of words are "unstable [and] dependent on context and perspective" (2007, 12). In addition to the boundaries of informal investors' discourses, the bounding mechanisms associated with narrative construction also play a part in the sensemaking process as "signs work[ing] together to make sense" (Tietze et al. 2007, 23). Weick enumerates several characteristics associated with the sensemaking process (1995, 17–62), but as Gabriel notes, "sensemaking is grounded in people's constant struggles to construct their identities" (2008, 263). It is these bounding mechanisms, then,

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[3] This is the first time that Portuguese informal investors and their investments have been studied. From this research involving two Portuguese networks it emerged that Portuguese business angels do not invest large amounts of financial resources, but prefer to invest in pre-seed or seed phases of projects. Moreover, preferences for investment in certain sectors was revealed to be tourism, leisure, IT and telecommunications. These findings were presented at the EBES conference in Istanbul in 2011. In Portugal and the UK the current financial and economic crisis is perceived as a business opportunity albeit with several constraints of which the most important is increased risk associated with a depressed market. Bearing this in mind, one UK interviewee mapped out what he saw as the most interesting business sectors: commodities, agricultural land and technologies.

which exist as narrative artifacts and are carefully employed in the construction of self as well as in the construction of otherness.

Stimulated by the business angel phenomena in Portugal and keen to fill a gap that existed in the literature concerning the link between business angels in Portugal and the way they construct themselves and define existence in their out there, this research raises three questions about business angels in the Portuguese context: how do they construct self; how do they map their out there; and what kind of bounding mechanism emerges (if any) to give structure to the construction of self and guide the mapping of the out there?

Developmental conceptualization

The narratives produced by business angels address the development of angel networks and offer insight into how they connect with the entire industry. The networks are positioned between entrepreneurs seeking capital and management, and investors. As these networks did not exist in Portugal until 1999, the two-part question that poses itself is: out of where did business angels emerge in Portugal and under what circumstances? Berger and Luckman (1967) suggest a framework of externalization and then internalization, which with regard to business angels in Lisbon relates to the extensive media coverage at the time the network was founded, which then individuals may have embedded into their ever-changing narratives.[4]

Figure 2 presents the conceptual framework of the current research. It illustrates the ways in which business angels construct self, suggests the connections that may exist in the linguistic constructions of their out there, and reveals the ways in which they see business, investment opportunities, and profitability.[5]

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[4] See <http://www.businessangels.pt/> [last accessed 4/4/2012].
[5] For more about the components of Figure 1 see Gouveia (2013).

Figure 2. Conceptual Framework.
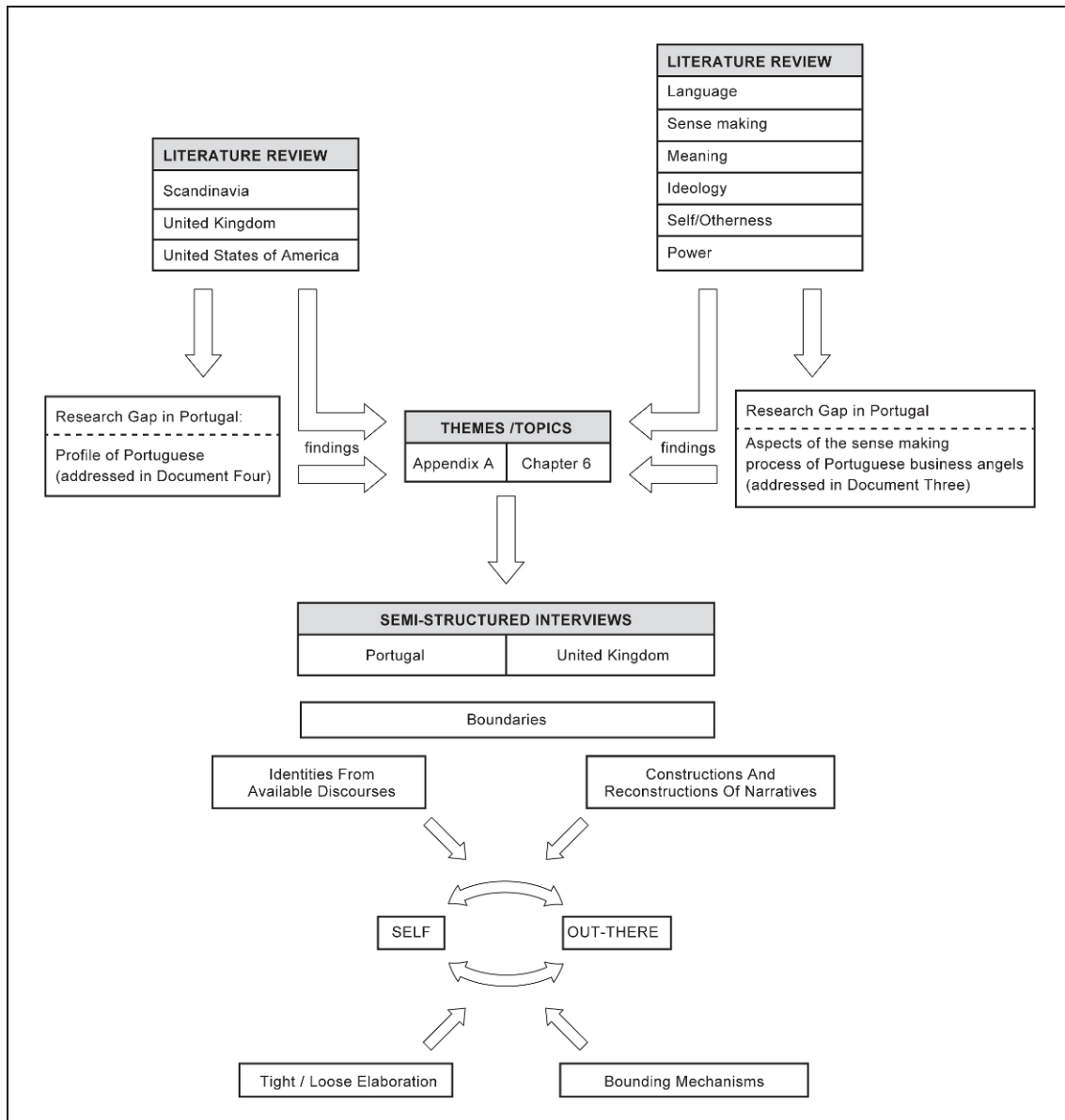
3. The Methodological Approach

The objectivist ontology (Bryman and Bell 2007, 17) of this research holds that there is an outside world independent of the subject, and that this reality requires clarification in order to gain a more accurate representation of the characteristics of the Portuguese business angel.

Key themes from the literature and the Portuguese-based research were fed into the semi-structured interviews carried out in Portugal and the UK. The purpose of the nine interviews was to understand how informal investors construct their personal and investor/business angel identities. Analysis of the interviews looked at ways in which the narratives of individual interviewees incorporated the themes and topics addressed during the interview process.

Five interviews took place in Portugal involving three "founding fathers" of three business angel clubs (all of whom had an in-depth understanding of the development of the business angel market in Portugal). The other two interviewees were business angels. The four interviews that took place in the UK involved business angels and leaders of angel networks. All interviews were coded (see Table 1).

Table 1. Geographic distribution of the semi-structured interviews.

Interview	Country
A	United Kingdom
B	United Kingdom
C	United Kingdom
D	United Kingdom
E	Portugal
F	Portugal
G	Portugal
H	Portugal
J	Portugal

The decision was taken to send questionnaires to around 50 per cent of members of two of Portugal's largest angel clubs: Lisbon Business Angel Club (the Investors' Club of Lisbon) formed in 1999 and the Cascais Business Angels Club founded in 2006. Table 2 illustrates the number of clubs and questionnaires sent to members.

*Table 2. Sample size and the number of questionnaires sent out.*

	Lisbon Business Angel Club	Cascais Business Angel Club
Active Members	50 [+]	40 [++]
Questionnaires sent	25	20

Linking self and mapping the "out there": unforeseen complexity

Figure 3 summarizes a key outcome of this research: the construction of self is not an immediate event. The research revealed that the narratives evolved; a number of signals were

emitted and captured, which allowed the interviewer to gradually understand how self was being constructed and out there was being mapped, including the overall position of the angel network.

Figure 3. Linking self and mapping the "out there".
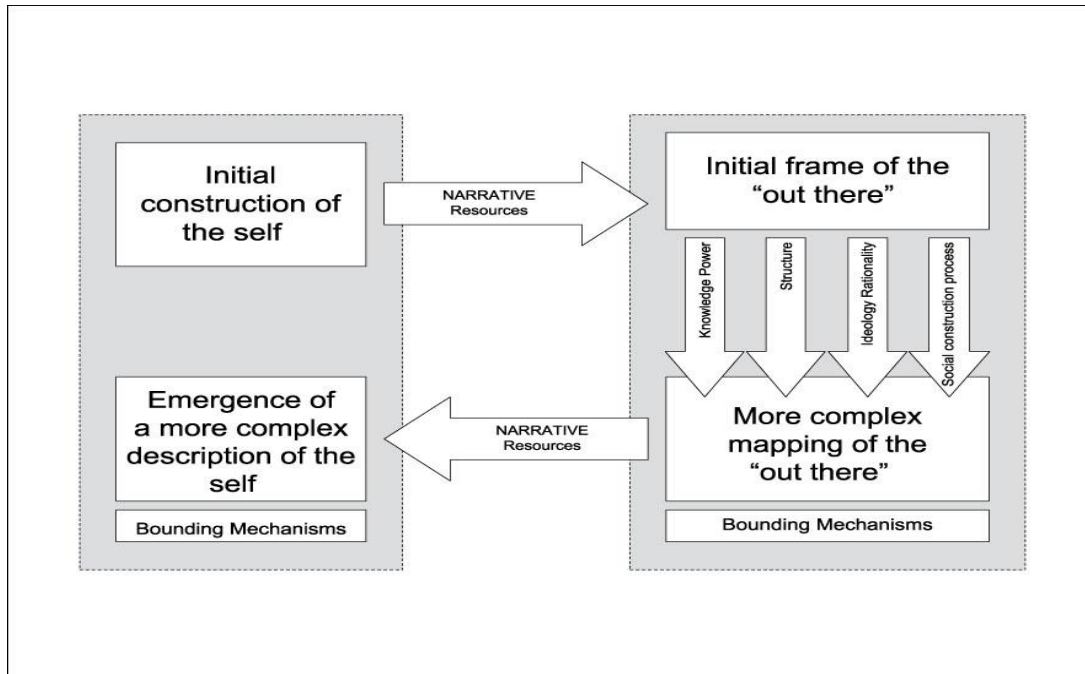
The framing of self is built out of the individual's conception of "social-self" (Watson 2008). Figure 3 illustrates the narrative artefacts that interviewees used to construct their initial self and illustrates how, from this early definition, the out there is first structured. This initial semantic construction, which grew more elaborate as the narrative progressed, revealed a more complex construction of the out there and this mapping helped to uncover the more complex self that was woven into this process.

4. Analysis and Discussion

Self and social-self: construction and reconstruction

Most constructions of "selves" were supported primarily by "social selves". Some of the social selves that emerged from the nine interviews included the business angel, both experienced and potential; leader of a club or a network of investors; current and former entrepreneurs; current and past consultants; academics; managing partner of a service company; and chair of a young entrepreneurs' association. On average, only a small number

of social selves emerged in each individual, but in interview C, for example, a considerable number of "selves" emerged: consultant, academic, business angel and entrepreneur.

The narrative resources of different interviewees diverged widely during interview:

"I represent a group of business angels." Interviewee A

"We formed over about a year [name undisclosed].*"* Interviewee A

"I retired from the [undisclosed] bank, so I got together with someone I knew from the bank ... Set up a business consultancy." Interviewee B

"I sold the company and had some money. To start a company seemed the obvious thing to do." Interviewee C

"I make small investments and ... run a business that supports hundreds of business angels." Interviewee D

"Let's see, the club was formed by the confluence of two forces." Interviewee E

"The club was formed due to the will of entrepreneurs and managers." Interviewee F

"The history of business angels in Portugal started in 1999." Interviewee G

Due to my professional experience I'm interested in everything related to innovation or tech areas." Interviewee H

Interestingly, the role of the business angel often remained central to the narrative. This is the case in interviews A, D, E, F and G. For interviewee H, the informal investment concept remained central in the narrative, but with a looser model. The centrality of informal investors did not persist with interviewee B. He began by focusing on business-angel activities and then shifted to regional development. Interviewee C concentrated on modelling before addressing business angel activities.

Pronoun usage: balancing between collective will and individual leadership

Some interviewees used the pronoun "I" extensively. As Tietze et al. point out, "using the pronoun 'I' can have only one meaning" (2007, 139), indicating that the interviewee is taking personal responsibility for his/her actions and beliefs; while interviewees who tended to use the pronoun "we" might be dilut[ing] "the sense of accountability" (Tietze et al. 2007, 139). Interviewee G uses "I" extensively whereas interviewee F uses "we" more often. Other interviewees used both forms interchangeably. Furthermore, when addressing personal issues

or stories, interviewees tended to use "I"; whereas when recalling experiences within clubs, networks or associations they were more prone to using "we".

Mapping the "out there": stories and myths relating to heroes and villains

Representation of the out there is rooted in different constructions of self, which is a departure from "otherness". Jackson and Carter offer insight into why "we are born into the pre-existing world of the other—the other being all people and things which are not us, or, rather which are not I" (2007, 185).

The mapping of the out there has an underlying model: investment, development and negotiation of sale. Under this model, there is a framing mechanism by which "leaders describe the present and future purposes of the group" (Tietze et al. 2007, 136). The club holds a pivotal role in this, representing the confluence of both the supply of financial resources (angels or informal investors) and the demand for funds (entrepreneurs hoping to finance new business ventures).

Among the narratives some "heroes" appeared, often those who start or manage networks. A number of "villains" appear as well, referred to exclusively in the Portuguese interviews, e.g.:

Interview E asserted that: *"The government created a model that does not function."*

In addition to government, there were two references from different business angels regarding entrepreneurs with whom they had dealt:

Interviewee G commented that: *"There was a project in* [undisclosed Portuguese region] *that didn't go ahead due to the lack of commitment of the entrepreneurs."*

Interviewee G then made the following accusation: *"They* [the entrepreneurs] *have stolen from us!"*

These references to "heroes" and "villains" point to some relevant myths among business angels that address the need for a return on their investments, suggest that government initiatives, entrepreneurs, as well as a [lack of] commitment and competition are salient in a personal narrative and, thus, in the collective out there as well. As Gabriel states, myths "are

narratives that carry powerful symbolism" (2004, 191), and certain personalities and situations seem to furnish the narratives of the interviewees.

Risk and loss were not central among Portuguese interviewees' narratives, e.g.:

Interviewee A stated that being a business angel was: *"[A] Great opportunity to invest in emerging business."*

Interviewee E felt that: *"There were a number of people willing to support new projects."*

Interviewee F stated that his club *"was founded as a group of entrepreneurs and managers who were willing to support entrepreneurship."*

Interviewee G thought: *"I should form a club of business angels as a means to catch the attention of small entrepreneurs, to help me overcome difficulties in financing projects."*

Among UK interviewees there were references to losses, e.g.:

"I have had one bail-out, money lost." (Interviewee B).

"The typical portfolio will have one star with two or three failures and the rest are walking-wounded." (Interviewee C).

"One exited by itself; went into liquidation, it didn't work, part of the risk you take." (Interviewee D).

To conclude, what emerged from the narratives is that the link between the mapping of the out there and the identity-construction process is more complex than expected.

Among the UK interviews, heroes came in many guises: those responsible for structuring partnerships; entrepreneurs devoted to business; those responsible for developing camaraderie between business angels; and those who promoted joint efforts with entrepreneurs and public bodies that support entrepreneurship. In Portugal, generally speaking, heroic status was given to those committed to supporting entrepreneurship; those who made efforts to promote network growth, and publicly funded venture capital companies that support new business ventures at seed- and early-stage phases.

Heroes

There are two sub-types of investor-heroes. Some play a more active role in the process (the visionaries), and the rest, while collaborating are less active (followers). This is visible in the accounts relating to the formation and later expansion of informal investor groups. In terms of Portuguese institutional bodies, the investor-heroes are the publicly owned venture capital funds that decided to support seed- and start-up business ventures (Table 3).

Table 3. The construction of entrepreneurial heroes in the UK and Portugal.

	Efforts	Themes
Heroes in the United Kingdom	Structuring Partnerships	Positioning business "Vision"
	Entrepreneurs Devoted To Their Businesses	Focused Motivation
	Improving Relations With Business Angels	Team Building
Heroes in Portugal	Expanding Business Angel Networks	Business Vision
	State Owned Venture Capital Companies	Strategic Positioning

In the UK predominantly interviewees saw individuals mostly from the consulting industry as heroic, having a "vision", or being adept at team-building. In Portugal, however, both institutions and individuals were seen as heroes.

Villains

Two types of villains emerged in Portugal: the individual and the institutional. Of the former, the term referred to entrepreneurs who failed to secure their commitment to business or who were seen to be unethical. Of this type, the narratives were more personalized, and the implicit condemnation was vivid as the incidents were presented.

Analysis showed that villains are treated differently whether the narrative is produced in Portugal or the UK. In Portugal the villain is treated in two ways, collectively (as an institution) or personally (as an individual). When defining the villain in personal terms, contrary to the UK, the Portuguese narratives are more detailed with a negative emotional

charge. When villains are institutional bodies, such as venture capital firms or government agencies, the Portuguese narratives are less detailed with a less negative emotional charge. Based on this account, Table 4 (below) reproduces Table 3 (above).
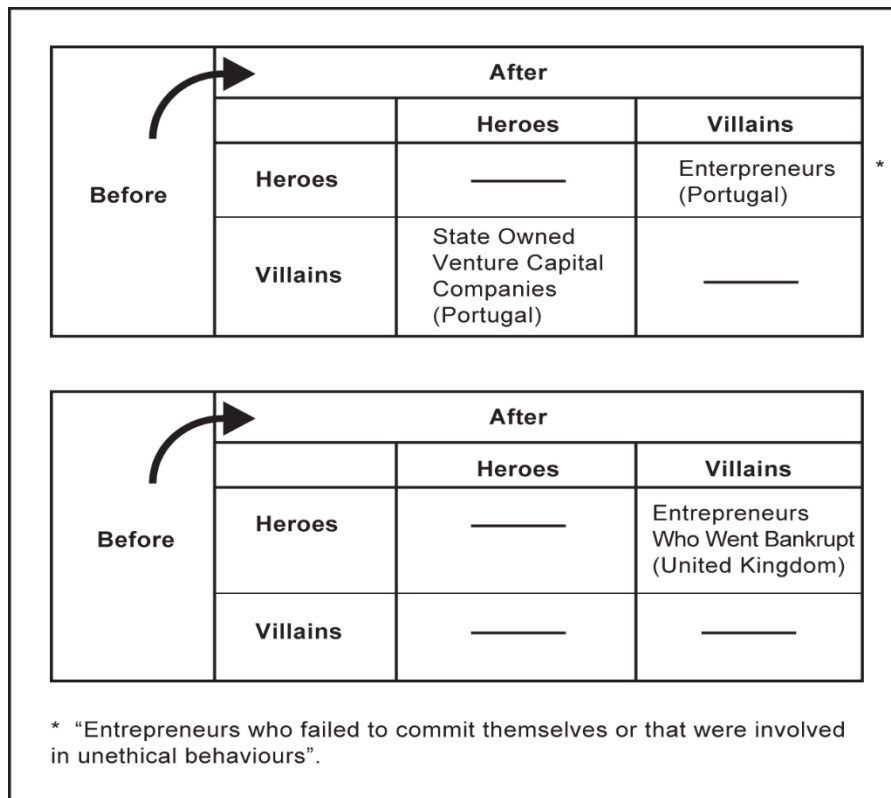
Table 4. Construction of entrepreneurial villains in the UK and Portugal.

	Efforts	**Themes**
Villains in the United Kingdom	Entrepreneurs Who Went Bankrupt Those Who (*) Have Failed To Attend Development Seminars	Vision (Lack)
Villains in Portugal	Entrepreneurs Who Failed (In Commitments)	Commitment (Lack)
	Entrepreneurs Who Failed (in Ethical Grounds)	Ethics (Lack)
	Government	Vision (Lack)
	State Owned Venture Capital Companies	Strategic Positioning (Lack)

(*) both informal investors and entrepreneurs

The narratives shifted as they unfolded in the interviews, in fact, entrepreneurs were described as being heroes for their business ideas and then later, in the same narrative, were reported as villains albeit for different reasons. Villains were transformed into heroes as well: i.e. in the case of formal venture capital companies that had been unable to support new business ventures initially and then supported them after all. To support this assertion, Figure 4 puts forward how new business ventures were supported by formal venture capitalists: fifty-six in all.

Figure 4. Transformative processes from entrepreneurial villain to entrepreneurial hero (and vice versa) in the UK and Portugal.

Before		After	
		Heroes	Villains
Heroes		———	Enterpreneurs (Portugal) *
Villains		State Owned Venture Capital Companies (Portugal)	———

Before		After	
		Heroes	Villains
Heroes		———	Entrepreneurs Who Went Bankrupt (United Kingdom)
Villains		———	———

* "Entrepreneurs who failed to commit themselves or that were involved in unethical behaviours".

5. Major Findings of the Research

The major findings regarding the construct of different "selves" within the respective out there, together with a brief overview of the bounding mechanisms used in the interviews, are summarized below.

Self

Analysis of the interview transcripts conclude that business angels develop concepts of self linked to their (often several) activities, and that they all have roles within distinct networks. Further, although each self-construction process seemed to be unique, each process in the construction of the different self did not happen independently from construction of the out there.

Among the most important similarities to emerge is that business angels or informal investors tend to position themselves within the reality they have created, and that friends and business partners hold a pivotal role within that reality. Among the most significant differences to surface is the fact that Portuguese business angels focus primarily on their place within the

organization (their roles within clubs and networks; where they see themselves as placed among other members, etc.), whereas in the UK informal investors tend to offer a broader perspective of their roles and, furthermore, are more candid about their failures, an attitude that was not mirrored in Portugal.

"Out there"

The process of constructing the out there appears to be linked to construction of self, as mentioned previously. In fact, in the UK, it seems to begin as a result of different motivations or objectives: for example, model-building, career-change, and innovative segmentation of the market. In Portugal, among leaders of business angel clubs or networks, the story is slightly different: a description of the organization and a catalogue of responsibilities are supported by a chronological narrative.

Connecting self and the "out there"

The construction of self and the corresponding out there is unique to the individual and there are differences depending on whether the interviewee is Portuguese or British. The creation of self was partially constructed against friends and partner(s), and in some cases against the market itself.

Elements of the research that are relevant to planning future action in the business angel market are discussed below:

Contingent nature of the "out there"

Construction of the out there is contingent, changeable by nature and fragile, an endless process supported by a web of meanings that are always changing. As Tietze et al. point out, "words and the meaning we attach to them are the fabric of life" (2007, 9). Sometimes the changes are substantial, but on other occasions they are more subtle. Construction of angels' out there requires social interaction, "semiologists argue that signs do not derive their meaning in isolation, but through their relationships with other signs in a given sign system (or code)" (Tietze et al. 2007, 23), but the creation of meaning is also relational.

Although this construct of business angels is rooted in words and meanings that are socially constructed, there is an ideological element associated with the linguistic artefacts from the interviews. As Jackson and Carter contend, ideology "is always there and always profoundly influential in actions and behaviour" (2007, 157). One implication of this research therefore

is that business angels and other stakeholders should be aware of the importance of language in the mapping of the out there and, simultaneously, in the associated sensemaking process (see Abdo and Aguiar 2011a, 2011b). Thus this research appears to support the notion that all interviewees own an embedded "technical-rationality" framework (Schön 2006).

6. Key Takeaways

Business angels are "action-oriented"; always enacting, either through deals or participation in the sourcing and screening processes. This "enactment process" (Weick 1995), which also helps to construct the out there, is a construction referred to as "objectivation" by Berger and Luckman (1967).

Business angels also tend to adopt a narrative that has an embedded means to prioritize meaning. This is particularly visible in the narratives produced by the Portuguese business angel leaders (Interviewees E, F and G). The bounding process is based largely on the construction of models of action such as:

"*Entrepreneurs join efforts to support entrepreneurship.*"

"*A number of projects that needed financing and on the other hand the existence of a number of people wishing to invest.*"

The ephemeral nature of self

The business angel's construction of self is a never-ending process Watson argued, "It is always emergent; it is part of the continuous process through which we come to terms with our changing world through a process of shaping 'selves'" (2003, 59). Not only is self not fixed as Watson implies, but there is some sort of a bi–uni–vocal interdependence with the way the world or the out there is mapped. How the structure of self impacts on the way out there is mapped is an intriguing area.

One individual, different selves

Each individual may have more than one self: business angels were simultaneously entrepreneurs, experts in certain fields, (predominantly) male, members of certain organizations and informal investors. Sometimes they spoke as a business angel, at other times as the director of a club or as an expert in a certain field; occasionally the discourses mixed all selves. Each self had a distinct voice, some more dominant than others, but overall

compatible with a vision of self as "fragmented, distributed, contrary" (Jackson and Carter 2007, 190).

Socialization

Informal investors in the UK and in Portugal tend to socialize intensively. They manage a number of risks and socialize with their partners, interact with other angels and, eventually, formal venture-capital companies.

According to Weick (1995) social process are an occasion for the creation of sensemaking. Business angels or informal investors, therefore, will benefit from being aware of how others construct their own reality and how important the construction of shared meanings is as these involve many exchanges.

Living with contradiction, ambiguity and conflict

In an industry where males dominate conflict and aggression may result as Tannen suggests, "Research on gender and language has consistently found male speakers to be competitive and more likely to engage in conflict" (Wetherell et al. 2007, 160), which the excerpts below illuminate in the context of business angels:

Interviewee G states: *"They* [the entrepreneurs] *have stolen us."*

Interviewee F asserts: *"There was a project that did not go ahead due to a lack of commitment of the entrepreneurs."*

Apart from aggression, informal investors have to manage ambiguity. Hatch and Cunliffe argued, "according to Weick, when humans equivocate they multiply perceived possibilities and then enact them as contradictory realities that they use to justify their further equivocation" (2006, 89).

Finally, from a banker's or researcher's perspective, this insight into the "partially opaque world" of business angels and informal investors represents valuable data, a foundational structure on which to build a model for the future of the industry, the different economic sectors involved, and its organization.

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