

The impact of storytelling in entrepreneurial resource acquisition

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Abstract

This thesis explores the role of storytelling in entrepreneurial resource acquisition, particularly within the B2B SaaS startup sector. By examining how narrative techniques influence venture capital decision-making, the study demonstrates storytelling's effectiveness in reducing information asymmetry and building investor confidence, while enabling founders to secure current or future investments for their ventures..

The study employs a qualitative methodology, including semi-structured interviews with venture capitalists. It demonstrates that engaging narratives assist entrepreneurs in attracting attention, establishing trustworthiness, and successfully conveying their vision. It is essential to have a well-rounded account that combines emotional appeal with factual facts, particularly at the first phases of fundraising when there may be little quantitative proof available. The research emphasizes the significance of authenticity and strategic use of personal narratives to augment persuasiveness and foster trust.

The results indicate that narrative undergoes changes across the investment process, first captivating investors on an emotional level and subsequently need reliable facts and strategic clarity as initiatives progress. Mastering storytelling is shown as a significant asset for entrepreneurs to enhance their fundraising endeavors, distinguish themselves in competitive marketplaces, and maintain investor connections.

Keywords: storytelling, entrepreneurship, venture capital, B2B SaaS startups, resource acquisition

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Abstrato

Esta tese explora o papel do storytelling na aquisição de recursos empresariais, particularmente no sector das startups B2B SaaS. Ao examinar a forma como as técnicas narrativas influenciam a tomada de decisões do capital de risco, o estudo demonstra a eficácia do storytelling na redução da assimetria de informação e no reforço da confiança dos investidores, permitindo aos fundadores assegurar investimentos actuais ou futuros para os seus empreendimentos.

O estudo utiliza uma metodologia qualitativa, incluindo entrevistas semi-estruturadas com investidores de capital de risco. Demonstra que as narrativas envolventes ajudam os empresários a atrair a atenção, a estabelecer a fiabilidade e a transmitir com êxito a sua visão. É essencial ter uma narrativa completa que combine o apelo emocional com factos concretos, especialmente nas primeiras fases da angariação de fundos, quando pode haver poucas provas quantitativas disponíveis. A investigação salienta a importância da autenticidade e da utilização estratégica de narrativas pessoais para aumentar a capacidade de persuasão e fomentar a confiança.

Os resultados indicam que a narrativa sofre alterações ao longo do processo de investimento, começando por cativar os investidores a um nível emocional e, posteriormente, necessitando de factos fiáveis e de clareza estratégica à medida que as iniciativas avançam. O domínio do storytelling revela-se uma mais-valia significativa para os empresários melhorarem os seus esforços de angariação de fundos, distinguirem-se em mercados competitivos e manterem ligações com os investidores.

Palavras-chave: storytelling, empreendedorismo, capital de risco, startups B2B SaaS, aquisição de recursos

Título: O impacto do storytelling na aquisição de recursos empreendedores

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Legkedvesebb családom, Édesanyám, Édesapám és Testvérem! Köszönöm nektek, hogy mellettem és mögöttem álltatok és hogy néha nyolc lányom helyett, amikor a legnehezebb volt, csak hat látszódott!

Моя найпрекрасніша любов, дякую тобі за твою непохитну підтримку!

In preparing this thesis, ChatGPT, specifically the GPT-4 version was used to assist with language refinement and to help with the initial layout and structure. This tool was utilized solely to enhance the clarity and presentation of the writing, ensuring it was well-organized and professionally formatted. It is important to note that ChatGPT was not used to generate any of the content or conduct any research for this thesis; all ideas, analysis, and conclusions presented are entirely my own.

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List of Abbreviations

B2B: Business-to-Business

CEO: Chief Executive Officer

SaaS: Software as a Service

VC: Venture Capital

1. Introduction

1.1 Motivation

The ways of presenting business ideas of ventures can have a various amount of forms, but one thing is common in all of them: the storytelling and reasoning of the business. While every entrepreneur has a story to tell, many fail to articulate it due to confusing, ambiguous, or inconsistent communication. Stories create a blueprint for organizing content that conveys the entrepreneur's overarching vision for their venture (Fletcher, 2007), (Martens et al., 2007). A clear, captivating, and compelling story can simplify the ongoing journeys or results-in-progress that an entrepreneur may like to share (Manning & Bejarano, 2017). On the other hand, investors often deal with information asymmetry when deciding on an entrepreneurial project. An entrepreneur may have a product or service that is genuinely better than its competitor, but decision-making can be more emotional than it is logical (Manning & Bejarano, 2017). Telling a good story is key to entrepreneurs' ability to differentiate themselves in a pool of other competitive cohorts (Navis & Glynn, 2011).

1.2 Background and Relevance

Although scholars have pointed toward the need to study how storytelling varies across cultures and contexts, research is yet to develop in the area of entrepreneurial storytelling and its influence on investment decisions. Scholars have previously recommended storytelling as a powerful tool in management and business (Baldoni, 2011; Fryer, 2003). Finding the definitive factors when it comes to investment decisions can come across multiple channels, one of utmost importance is pitching and the vocal emphasis of a business opportunity towards a potential investor in order to kick start business success. (Zak, 2014)

Insights from neurobiology highlight storytelling's significant role in professional environments. Paul Zak's research is uncovering how stories shape our brains, indicates that narratives centered on characters and laden with emotion enhance grasp and memory of essential messages far more effectively than traditional methods, like PowerPoint presentations. (Zak, 2013) Such stories not only ensure that the audience comprehends the intended points but also retains them for longer periods. Therefore, starting presentations with relatable, impactful

stories is advised to make the conveyed information more persuasive and memorable, underscoring the profound effect storytelling can have in business contexts. "Startups make the fundamental mistake of thinking that it's all about the data and it's all about the tech," said Donna Griffit, a marketing consultant and author. The "most important aspect of their investor pitch is the story that they tell," she said. (Mink, 2023)

1.3 Objective of the research

The aim of this study is to investigate and clarify the basic ideas of storytelling, looking at its roots, definitions, and important differences between just good and really captivating stories as well as between competent storytellers and those who are outstandingly successful. This study seeks to explore the important position that narrative plays in the corporate world—especially in entrepreneurship. Investigating how storytelling is used in corporate environments helps the study to grasp its relevance and its functions by gathering relevant information from literature and from expert interviews in order to seek answers for the questions whether storytelling is a common and powerful instrument in corporate practices

Research Question 1: Is Storytelling is present in business?

Moreover, especially among SaaS technology companies, the study emphasizes the distinctive usage and influence of narrative in entrepreneurial pitches. Here the theory is that good storytelling in pitches improves resource acquisition, therefore increasing the likelihood of obtaining required funding

Research Question 2: Does the use of storytelling has a favorable impact on resource acquisition among SaaS technology firms?

Examining the actual results against the projected advantages that storytelling may provide helps one understand how it influences Venture Capitalist decision-making procedures and their inclination to invest in businesses.

The research also seeks to provide a complete knowledge of what storytelling offers in terms of fulfilling investment requirements and obtaining desired results. The study aims to present a complex picture of how storytelling shapes attitudes, decisions, and finally, the success of entrepreneurial activities in acquiring resources and investments by including insights from both qualitative and quantitative data, including content analysis and expert interviews and

content analysis. This study will help to clarify the strategic importance of storytelling in business and entrepreneurship as well as its possibilities as a strong instrument for influence and communication.

2. Background of Storytelling

One may define storytelling generally as the act of using a narrative structure to transmit events—real or imagined. Storytelling, according to Sibierska (2017), is the arranging of stories—conceptual ideas of events—into tangible forms employing several media. Aiming to affect the audience's emotions, cognition, and conduct by means of organized stories, Lugmayr et al. (2016) characterize serious storytelling as a tool beyond mere entertainment.

Emphasizing the worldwide character of stories across many mediums and civilizations, Barthes (1975) offers a structuralist viewpoint. He argues that, existing in all communities and across time and geography, storytelling is a basic feature of human civilization.

Different academics have tackled the idea of narrative from several directions. Emphasizing the non-linguistic character of storytelling, Sibierska (2017) challenges the conventional wisdom that says storytelling is essentially a verbal activity by stressing the many semiotic resources—pictorial and gestural media—that may be used to transmit stories. From this point of view, nonverbal stories—which may be just as powerful and significant—are included into the notion of narrative.

From an evolutionary perspective, narrative is seen as a fundamental component in human growth that promotes social bonding, collaboration, and the spread of cultural information by means of which social bonding is facilitated. Wiessner (2014) adds that early humans' social life revolved heavily on storytelling, especially in the form of oral stories around campfires, therefore promoting group cohesiveness and shared knowledge. The Master's Thesis will provide further insight into the development of storytelling from a historical point of view as well later on in order for us to understand how different narrative techniques have evolved and which are still crucial to these days still.

Within the field of literary studies, narratologists such as Ryan (2012) and Genette (1980) have concentrated on the structural elements of stories, therefore analyzing their presentation and organization. Through her work on narrative discourse, Genette analyzes the complexity of

time, order, and frequency in storytelling, therefore offering a framework for understanding how stories are created and read.

Barthes (1975) presents the structural study of stories, contending that they are made of elements and purposes whose systematic analysis is possible. According to him, stories are universal and their structural elements help one to grasp them beyond historical and cultural settings.

These definitions and strategies have limits even if they provide insightful analysis. One criticism is the focus placed too much on language as the main storytelling tool, therefore hiding the depth of nonverbal stories. As Sibierska (2017) contends, mime, dance, and visual arts are only a few of the multimodal activities that storytelling may be identified as occurring. This wider view questions accepted limits of narrative and urges further research of how many civilizations and communities use many media to transmit stories.

The absence of a methodical and sophisticated definition of narrative in evolutionary research adds even another restriction. Many times, scholars handle storytelling instinctively, which might lead to a limited perspective on its purposes. For instance, Cuskley et al. (2016) see stories as special creations of human culture facilitated mostly by human language, which may ignore the possible contributions of nonverbal forms of storytelling in early human communication and cultural transmission.

Barthes (1975) also draws attention to the possible problem of oversimplification in structural studies, wherein the variety and richness of personal stories might be minimized to just structural components. This strategy can ignore the particular historical and cultural settings that mold every story.

To sum up, storytelling is a complex and dynamic phenomena spanning many dimensions that goes beyond basic definitions and single strategies. It is a rich field of research as it combines cognitive processes, cultural settings, and many media to create their interaction. Scholars may create a more complete knowledge of storytelling and its function in human existence by appreciating the contributions of nonverbal stories and tackling the constraints of present definitions. This investigation not only broadens our understanding of storytelling as an art form, but also emphasizes its role in creating human history, culture, and social interaction.

2.1 Storytelling from the beginning till today

The way of communication and passing on our history, thoughts and stories in different forms has been as old as humanity itself. As cultures have risen, flourished and eventually fell, storytelling remained a constant part of our nature and our history. Humans have evolved by creating various storytelling mediums, distinguishing us from other species through our unique ability to believe in stories. “It is the distinctive ability to believe in stories that separate sapiens from other creatures,” says Yuva Noah Harari in his book *Sapiens*, writing that “You could never convince a monkey to give you a banana by promising him limitless bananas after death in monkey heaven.” (Harari, 2011). Storytelling remains a cornerstone in our societies, manifesting through myths, legends, and religions, highlighting and sometimes questioning the distinction between right and wrong in our cultures. This narrative impulse is not only a childhood fixture but a lifelong human craving (Parkes, 2020). It is quite complicated to pinpoint and exact time in time when humans have started to tell their stories, however we have some approximations based on archeological findings.. But how did it evolve and what were the most important changes and developments throughout history?

In a recent discovery in Sulawesi, Indonesia, researchers, led by Maxime Aubert, identified what may be the oldest known narrative cave painting, dating back approximately 43,900 years. This 4.5-meter-wide artwork depicts humanoid figures with animal traits engaging in a hunt, challenging previous understandings of the timeline for narrative art by suggesting that storytelling through visual arts in Southeast Asia predates European examples by over 20,000 years (New Scientist, 2019). The figures, described as therianthropes, illustrate a sophisticated level of abstract thinking previously unattributed to such early periods. This find not only highlights a complex early human culture but also suggests the presence of storytelling much earlier in human history than previously recognized.

The Babylonian epic, one of the oldest in the world, captures Gilgamesh’s adventures and his profound quest for life's meaning following the death of his companion Enkidu. This narrative not only explores themes of friendship and the human condition but also provides a window into ancient Mesopotamian values such as heroism and the divine influence over humanity. Gilgamesh, known as the semi-mythic King of Uruk and celebrated as the protagonist of "The Epic of Gilgamesh" (c. 2150-1400 BCE), is one of the earliest figures in epic literature, predating Homer's works by 1500 years. (World History Encyclopedia, 2021).

In sum, "The Epic of Gilgamesh" not only chronicles the adventures of the ancient hero but also offers profound insights into the human quest for understanding divine and eternal. His story remains a cornerstone of literary study and continues to offer valuable lessons on the human condition and the quest for immortality.

Greek storytelling has deeply influenced the way we are telling stories today, with its roots in mythology, theater, and rhetoric shaping not just ancient society but also offering valuable lessons for future generations. Greek myths were integral to cultural and educational frameworks, serving as moral guides and explanations for natural and societal phenomena. Through characters and stories, ancient (Schedlitzki et al., 2014).

Greek theater became a critical public forum where societal issues were explored through plays. This medium addressed complex human emotions and ethical dilemmas, reflecting on themes like justice, duty, and the human condition. The interactive nature of Greek theater—where playwrights engaged audiences in examining moral and social questions—mirrors modern practices (Schedlitzki et al., 2014). This also gives us interesting implications on how we are presenting ourselves and the stories that we want to tell. The thesis will elaborate further on techniques how to make a pitch or story remarkable.

Furthermore, the tradition of rhetoric in ancient Greece highlights the importance of persuasive communication in public and political arenas. Effective speaking was essential in democratic Athens, where leaders used their oratory skills to influence and persuade public opinion and decision-making. This ancient art underscores the contemporary emphasis on communication skills in leadership, particularly the ability to articulate visions and persuade stakeholders and possible investors towards common goals.

As we move on to the middle ages, we can see that the transition from scrolls to codices during the medieval period represents a significant evolution in the art of storytelling, highlighting its importance from both historical and cultural perspectives.

Monastic scriptoria, where these manuscripts were reproduced, served as the epicenters of storytelling and knowledge preservation. The laborious process of manuscript production—copying, proofreading, illuminating, and binding—was not just about preserving texts but also about curating and continuing a story for future generations (Britannica, 2022).

The introduction of the printing press in the mid-15th century further revolutionized storytelling, making books more accessible and vastly increasing the potential audience for these stories. This technological advancement enabled stories to be shared vastly, fostering a

broader culture of literacy and learning. The mass production of texts allowed for greater consistency in storytelling, reducing the transmission errors common in hand-copied texts and setting the stage for the modern era of publishing (Britannica, 2022).

These developments highlight why the medieval period is crucial in the history of storytelling. The evolution from oral traditions and fragile scrolls to more robust and widely disseminated printed books marks a pivotal shift in how societies preserve and learn from their past, ensuring that stories—whether religious, moral, or educational—continue to inspire and instruct far beyond their original creation.

In the modern age, particularly in the 20th century, storytelling has evolved dramatically, with significant implications for entrepreneurship and the presentation methods in business. One of the defining features of modern digital storytelling is its interactivity. Unlike traditional narratives that follow a linear progression, digital stories often allow users to interact with the content, making choices that influence the direction and outcome of the story. This interactive element is particularly evident in narrative situations and interactive television, where the audience itself becomes an active participant in the storytelling process (Donald, 1993)

The transformation facilitated by Modernism introduced new forms of expression and narrative techniques, which broke from traditional structures to emphasize a more personalized, introspective storytelling approach (Britannica, 2022). This evolution mirrors the innovative thinking required in entrepreneurship, where compelling and impactful storytelling is crucial in communicating the value of a new business idea or venture.

The emergence of digital storytelling towards the late 20th century further revolutionized this domain. By integrating multimedia tools such as graphics, audio, and video, digital storytelling has provided entrepreneurs with powerful means to pitch their business ideas in a more engaging and memorable way (Smeda et al., 2014). This approach aligns well with the interactive and dynamic nature of modern pitches, where capturing the attention of potential investors or customers quickly is essential.

Moreover, the constructivist approach to education, emphasizing learning through practical, real-world problems, resonates deeply with entrepreneurial storytelling. It highlights the importance of stories that are not only engaging but also demonstrative of real-world applications and benefits (Smeda et al., 2014). Entrepreneurs can leverage these storytelling techniques to present pitches that not only showcase the potential of their ideas but also clearly articulate the practical impact and the problem-solving capabilities of their ventures.

These modern storytelling techniques are a vastly important aspect of entrepreneurship and communication. Whether through a pitch deck, a digital presentation, or face-to-face meetings, the ability to effectively tell the story of a business venture is paramount. It involves conveying the vision, value, and potential impact of the idea in ways that are not only clear and concise but also emotionally resonant and compelling.

2.2 Science and medical research behind storytelling

Digital storytelling activates the brain in a fascinating number of ways, activating numerous neural regions and cognitive functions. When individuals listen to stories, their brains are not merely passive recipients of information but active participants in a dynamic process of imagination, empathy, and comprehension. This process involves a complex interplay of different brain regions, each contributing to different aspects of the storytelling and making it an immersive experience. This activity is very well depicted in brain scans, showing the active participation of the different areas of the brain collaborating to create a comprehensive picture in our mind.

One of the primary regions involved in storytelling is the prefrontal cortex, responsible for higher-order cognitive functions such as reasoning, planning, and decision-making (Nigam, 2012). This area helps listeners to follow the plot, understand the motivations of the characters and even helps to anticipate future events. The prefrontal cortex's engagement highlights how storytelling enhances critical thinking and problem-solving abilities.

The temporal lobes also play a crucial role, particularly the left temporal lobe, which is associated with language processing and comprehension (Nigam, 2012). This region helps decode the linguistic elements of a story, enabling listeners to follow the narrative's words and sentences. This could be identified as the brain's internal depicting system, which helps transforming language and reason to brain frequencies.

The left hemisphere – among a countless other functions - is also involved in speech production and language comprehension. These areas work together to process the semantics of the story, allowing listeners to grasp the narrative's structure and meaning. This neural activity demonstrates how storytelling is fundamentally linked to language and communication skills.

The parietal lobe integrates sensory information. When listening to a story, this region helps to visualize the scenes and characters described, creating a vivid mental image of the narrative

(Nigam, 2012). This visualization process engages the occipital lobes, the brain's visual processing centers, illustrating how storytelling can stimulate the imagination and enhance visual thinking, creating an even deeper involvement and empathy with the storyteller.

The limbic system is also part of the processing. In particular, the amygdala, which is responsible for human emotions, is deeply involved in processing the emotional inputs and effects of storytelling. When a story communicates feelings of joy, sadness, fear, or excitement, it activates the amygdala, which in turn influences the listener's emotional engagement with the narrative (Nigam, 2012). This emotional involvement is crucial for empathy, as it allows listeners to connect with the characters and their experiences, based on our personality, world-view and experiences.

The hippocampus, another component of the limbic system, plays a vital role in memory formation and especially the ability to remember and recall our memories. When engaging with a story, the hippocampus helps listeners recall previous events and details from the narrative, maintaining continuity and coherence in their understanding (Nigam, 2012). The limbic system, also releases dopamine when we are exposed to emotional stories. This helps us remember the experience with greater accuracy. This memory function is essential for following complex plots and retaining key information from the story in order to remember it for longer. Neuroscientifically, experiencing a story mirrors the process of creating a memory. We don't merely listen to stories; we actively co-create them in our minds, forming substitute memories. We remember and relive stories as if they happened to us, not as events that happened to someone else. This integration of storytelling and memory formation illustrates how deeply narratives can affect our personal experiences and recollections.

Functional imaging studies, such as those using fMRI and PET scans, have shown that listening to stories can activate the default mode network (DMN) of the brain as well, which is involved in self-referential thinking and daydreaming. The DMN's activation suggests that storytelling stimulates reflective thought and personal relevance, encouraging listeners to relate the narrative to their own lives and experiences, working together with the hippocampus as stated earlier (Nigam, 2012). This connection to personal identity and self-concept shows the impact that stories can have on shaping our understanding of ourselves and the world around us.

In summary, storytelling engages a broad network of brain regions, each contributing to different aspects of the narrative experience. From language processing and visualization to emotional engagement and memory, the brain's involvement in storytelling is both extensive

and intricate. This neural activity highlights the cognitive and emotional richness of storytelling, demonstrating its powerful effect on the human mind.

3. Storytelling in Entrepreneurship

In the dynamic and competitive world of entrepreneurship, storytelling has emerged as a crucial tool. Entrepreneurs can leverage compelling narratives to articulate their vision, goals, and challenges in a manner that resonates deeply with stakeholders. This strategic channel often provides the necessary context for potential investors, partners, and customers, enabling entrepreneurs to mobilize resources, establish legitimacy, and develop strategic partnerships (Srivastava et al., 2023).

Research indicates that storytelling is instrumental in building strategic alliances and gaining financial support. Freytag's Pyramid, a narrative structure featuring inciting moments, rising actions, climaxes, and resolutions, captivates an audience by arousing strong emotions that can drive them to action (Srivastava et al., 2023). Barraza and Zak (2009) demonstrated that emotionally charged stories influence stakeholder behavior by triggering empathy, which motivates people to invest in and engage with the entrepreneur's vision. Therefore, a carefully crafted story can effectively convey the goals of a venture and inspire potential stakeholders to offer their support. Storytelling impacts resource acquisition by enhancing the comprehensibility and attractiveness of the entrepreneurial venture. Narratives help entrepreneurs to package complex information about their venture into a more digestible and persuasive format. This process of "sense-making" and "sense-giving" can significantly influence potential investors' perceptions of the venture's feasibility and potential for success (Martens et al., 2007). By presenting a clear and compelling story, entrepreneurs can reduce perceived risks and highlight the unique opportunities their ventures offer.

The research on Entrepreneurial Storytelling in Moments of Friendship investigates the impact of personal narratives and instances of camaraderie among entrepreneurs on the formulation of company strategies, willingness to take risks, and choices about venture capital investments. Saylor et al. (2014) stress the importance of personal narratives in the entrepreneurial setting, underscoring how shared experiences and personal stories may influence business strategy and investment results. The research used the notion of "antenarratives" to characterize these casual, frequently impromptu anecdotes that entrepreneurs exchange throughout personal and professional networks. The authors contend that these antenarratives fulfill many crucial roles.

Initially, they assist entrepreneurs with expressing their vision and strategic objectives in a way that is approachable and captivating. Personal anecdotes frequently capture the trajectory of an entrepreneur's experience, encompassing their challenges, achievements, and driving forces, so enhancing the narrative's appeal and genuineness. The establishment of an emotional bond may have a substantial impact on stakeholders, such as investors, who are more inclined to back enterprises that they see as personally attractive and trustworthy (Saylor et al., 2014).

Furthermore, antenarratives enhance the ability to take risks by offering a structured approach to comprehending and handling uncertainty. Entrepreneurs may enhance investor and partner trust by effectively conveying their risk assessments and management plans via personal anecdotes. These narratives also assist entrepreneurs in presenting their businesses in a favorable manner, emphasizing prospective prospects and reducing perceived dangers (Saylor et al., 2014). Furthermore, the study emphasizes the significance of human narratives in determining venture capital decisions. Investors frequently depend on the entrepreneur's narrative to assess their dedication, perseverance, and likelihood of achieving success. An expertly constructed personal narrative may distinguish an entrepreneur from their peers, hence enhancing the appeal of their business endeavor to potential investors. The authors of the study, Saylor et al. (2014), present instances of accomplished entrepreneurs who effectively utilized personal narratives to get financial support and establish advantageous partnerships. Ultimately, Saylor et al. (2014) emphasize the significance of personal narratives in the field of entrepreneurship. They contend that antenarratives play a vital role in the entrepreneurial process, impacting several aspects such as company strategy, risk management, and investment choices. Entrepreneurs may increase their chances of success by providing genuine and emotionally impactful stories, which helps to establish trust and minimize information imbalances (Saylor et al., 2014).

Beyond resource acquisition, storytelling plays a significant role in establishing an entrepreneur's identity, framing who they are, what their business stands for, and why it exists. Such narratives are essential, particularly for novice entrepreneurs. By defining their identity through storytelling, they can project legitimacy and differentiate themselves from competitors (Baldoni, 2011; Srivastava et al., 2023). Blake Mycoskie, the founder of TOMS Shoes, provided an example of this when he narrated a story that linked his personal journey to his vision for providing children worldwide with footwear. This story instantly resonated with investors, who were inspired by his vision and contributed millions of dollars to his venture (Srivastava et al., 2023).

Moreover, storytelling offers a competitive advantage by creating an emotional connection that distinguishes one venture from another. Lani Lazzari of Simple Sugars leveraged her personal struggle with eczema to craft a story that connected with investors, securing a significant investment that ultimately transformed her business into a multi-million-dollar enterprise (Srivastava et al., 2023). Baldoni (2011) underscores this point, emphasizing that a blend of emotional delivery and powerful examples can effectively convey an entrepreneur's message and influence opinions.

Academic studies have further established that storytelling is not merely about recounting events but about strategically blending rhetoric, facts, and delivery to change minds and build support. Srivastava et al. (2023) elaborate on this, emphasizing that Freytag's Pyramid serves as a practical model for crafting stories that resonate deeply with audiences, creating memorable narratives that align stakeholders with the entrepreneur's vision.

Freytag's Pyramid is a storytelling framework developed by Gustav Freytag to describe the structure of dramatic narratives. This model divides stories into five distinct stages: exposition, rising action, climax, falling action, and resolution.

- **Exposition:** This initial phase sets the stage by introducing characters, the setting, and the primary conflict or situation.
- **Rising Action:** Complications arise as characters face challenges, building tension and driving the story toward the climax.
- **Climax:** The story reaches a turning point where the main character faces a crucial decision or action, creating the story's most intense and dramatic moment.
- **Falling Action:** Consequences of the climax unfold, leading to the resolution.
- **Denouement:** The conflict is resolved, and the story concludes, offering a sense of closure.

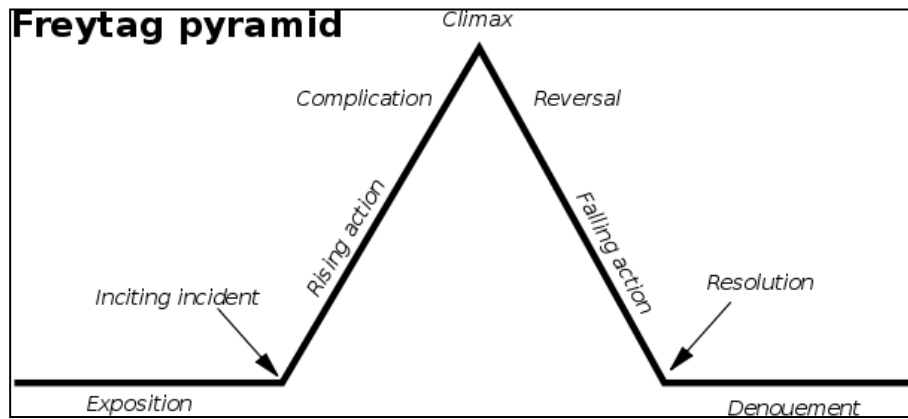


Figure 1: 7-Step “Freytag’s Pyramid” -A Nn Aubrey Hanson (2014)

This structure remains relevant today because of its universal appeal and ability to evoke emotional responses. Stories following this pattern engage audiences through progressive tension-building, guiding them through a narrative arc that culminates in a satisfying resolution (Srivastava et al., 2023).

According to Denning (2006), stories that adhere to a coherent structure like Freytag's Pyramid can enhance strategic communication, whether in a business context or storytelling for persuasion. They engage audiences by offering a logical progression that allows listeners to emotionally resonate with characters and outcomes. It is also relevant in a business context because it provides a roadmap for effective storytelling. When organizations share their stories following a coherent structure, they can convey their values and strategic goals more effectively. Barker and Gower (2010) discuss how storytelling helps in organizational communication by providing a consistent framework for crafting persuasive narratives that build empathy, foster collaboration, and establish strategic vision.

Ultimately, storytelling is a pivotal component of entrepreneurship, empowering individuals to convey their vision, gain trust, and establish partnerships that drive growth and alliances. By integrating personal anecdotes, strategy, and vision, entrepreneurs can harness the power of storytelling to engage and motivate stakeholders, thereby setting their ventures on a path to success.

3.1 Role of Storytelling in Entrepreneurial Ventures

In business, one of the most important roles of story is to establish trustworthiness. For businesses, particularly in circumstances marked by uncertainty and limited resources,

developing trust and confidence among stakeholders may alter everything. By developing and distributing stories that provide their companies a consistent identity, entrepreneurs may reduce information asymmetry and uncertainty (Martens et al., 2007). Entrepreneurs have to present their projects as genuine and realistic if they are to draw in investors and other vital resources. This is accomplished by deftly arranging data about their resources, skills, and market viability into an engaging story.

Furthermore investigated in the research are the contextual elements of narrative, including the target audience and the stage of the business endeavor. While later-stage entrepreneurs may concentrate on specific successes and strategic objectives, early-stage entrepreneurs frequently utilize more visionary and aspirational stories to draw first support, McKenzie discovered. Furthermore customized to certain groups, including investors, consumers, or partners, the stories emphasize many facets of the business based on the interests and worries of the stakeholders (McKenzie, 2011). Among the main conclusions of the research is the role narrative plays in lowering information asymmetry. Stories help entrepreneurs simplify difficult business concepts so their listeners may grasp them. Their clear and interesting story will help to close the distance between technical specifics and the venture's overall objective. Attracting investors who must rapidly understand the potential and feasibility of a company concept depends especially on this (McKenzie, 2011). McKenzie offers a number of case studies of accomplished businesspeople who modified their narrative techniques to fit various cultural and contextual environments. These case studies show how business owners could utilize stories to create legitimacy, inspire confidence, and organize resources across several cultural settings.

Moreover, according to McKenzie (2011), cultural and contextual elements greatly impact storytelling rather than it is a one-size-fits-all technique. Entrepreneurs from several cultural origins, for example, could use original storytelling techniques, topics, and structures that appeal to their particular readers. Understanding how storytelling could be employed successfully in various corporate situations depends on this cultural variety. The research finds that knowing and using cultural and contextual differences in storytelling may greatly improve an entrepreneur's capacity to express their idea and get assistance.

By use of good storytelling, entrepreneurs may also interact emotionally with their customers. If the effort is told in an engaging narrative that inspires empathy, investors, customers, and partners are more likely to interact with and remember the effort. By presenting themselves or their businesses as heroes overcoming significant challenges, Anglin et al. (2022) discovered

that entrepreneurs might appeal to the aspirations and desires of their audience. In many contexts, like crowdsourcing—where backers choose to invest depending on the sincerity and charm of the entrepreneur's story—having an emotional connection is really vital. Presenting to a group of investors, who could be considering further firm investment, is also very beneficial. The careful use of story might significantly increase the chances of success of a corporation. Compelling stories that show the entrepreneur's vision, goal, and possible influence may inspire stakeholders to support the venture goals. Using narrative helps the company to clearly and convincingly present its value offer. Martens et al. (2007) claim that this is absolutely essential for collecting resources and winning market acceptance. For example, by narrating stories about the social impact or innovation their business may provide, entrepreneurs could appeal to stakeholders with similar ideas and motives outside of financial success. Empirical data supports the assumption that learning resources depends on story. A research by Martens et al. (2007) on initial public offering (IPO) prospectuses in the tech sector found that the most effective stories were those that presented the firm, justified the strategic rationale of the efforts, and positioned the enterprise in the framework of industry trends. This study emphasizes the need of narrative creation in drawing investors to entrepreneurial activities. Results on story and resource acquisition provide practitioners understanding on how to create effective entrepreneurial stories. Entrepreneurs should focus on creating stories that not only capture the truth of their activities but also clearly show a purpose. Emphasizing the route of the entrepreneur, the challenges they surmounted, and the larger impact of the company can help to grab the interest of investors and other stakeholders. Using narrative devices helps entrepreneurs increase their ability to attract money for company launches and growth.

3.2 Impact of Storytelling on Resource Acquisition

As hinted before as well, the process of storytelling in entrepreneurship is about crafting a narrative that can lower information asymmetry and foster trust, not only about reporting facts. Studies by Martens, Jennings, and Jennings (2007) show how stories enable businesses to make use of their current resources by means of a clear identity, strategic development, and embedding of their activities inside more general dialogues. By making their businesses more understandable and appealing to possible resource providers, this narrative approach can greatly affect the capacity of entrepreneurial companies to draw investment. Further studies have also

demonstrated the significance of narrative components including the balance of familiarity and novelty, identity construction, and persuasive appeals. Lounsbury and Glynn (2001), for example, contend that cultural entrepreneurship is storytelling that legitimizes new businesses by including them into well-known cultural narratives while simultaneously stressing their special value propositions. Barry and Elmes (1997) also talk on how strategic narratives have to strike a mix between the familiar and the novel to appeal to stakeholders as credible and interesting.

More research highlights how dynamic storytelling is. Entrepreneurs should constantly change their stories to fit various audiences, including first investors, industry analysts, and consumers, according to Chapple, Pollock, and D'Adderio (2021). This flexibility guarantees that the entrepreneurial narrative stays interesting and relevant, so preserving the interest and backing of many different stakeholders. Entrepreneurs can increase their chances of success in resource acquisition and improve their communication effectiveness by customizing stories to particular audiences and situations. According to the research, business owners expand their narrative techniques to several audiences outside of first investors. The study centers on how entrepreneurial narratives might be adapted for different stakeholders including industry analysts, consumers, and later-stage investors (Chapple et al., 2021). The writers contend that narrative is dynamic and must be dynamically changed to fit the demands and expectations of many readers. Maintaining the relevance and efficacy of the story as the entrepreneurial endeavour develops and interacts with several stakeholders depends on this adaptation. The paper emphasizes several important tactics for customizing entrepreneurial narratives to several audiences (Chapple et al., 2021).

First, Chapple et al. (2021) underline the necessity of knowing the audience's viewpoint and interests. Entrepreneurs need to discover what each stakeholder group values and adjust their storylines appropriately. For example, whereas early investors could be attracted in the visionary features and potential of the company, industry experts may concentrate more on market trends, competitive positioning, and technical developments (Chapple et al., 2021).

Second, the research analyzes the influence of context in narrative adaption. Entrepreneurs have to take into account the situation in which their stories are being presented and modify the material and delivery approach to match the particular environment. This covers written communications, informal meetings, and formal presentations. The writers offer instances of successful business owners who skillfully modified their stories to fit different settings, so improving their involvement and influence (Chapple et al., 2021).

Third, the study emphasizes the importance of consistency in the central message while allowing room for the elements of the story. Although entrepreneurs should have a clear and consistent vision of their business, they should be ready to change the focus and presentation of certain components depending on the audience. This harmony between consistency and flexibility guarantees that the narrative stays believable and interesting in many environments (Chapple et al., 2021). Digital storytelling approaches and multimedia technologies could improve the flexibility of entrepreneurial stories. Combining images, sounds, and interactive components helps stories to be more interesting and approachable for a larger spectrum of viewers. This strategy fits the growing consumption of digital tools for presentations and corporate communication (Chapple et al., 2021). This also ties well into the development of storytelling throughout history.

3.3 The Role of Entrepreneurial Narratives in Resource Acquisition

Martens, Jennings, and Jennings (2007) look at how stories of entrepreneurship affect a company's capacity for capital acquisition. The writers contend that by providing a clear identity for an entrepreneurial company, clarifying the rationale behind suggested strategies for seizing possibilities, and including entrepreneurial activities into more general debates, stories assist to maximize resources. Their qualitative studies of IPO prospectuses in high-tech sectors expose how contexts, story elaboration, and identity formation are used within narratives (Martens et al., 2007).

The writers provide three main points on how stories enable businesses to attract investment:

1. Sharing a clear identity: Stories simplify factual information about the stock of physical and intangible capital of an entrepreneurial organization into a simpler, more cohesive, and meaningful whole, while helping possible resource suppliers grasp the identity of the firm. This serves to lower information asymmetry and ambiguity, hence facilitating the evaluation of the firm's prospects by prospective investors.
2. Stories enable potential investors to grasp the nature and possible worth of a company's suggested ways of leveraging entrepreneurial possibilities by clarifying the underlying logic of its suggested strategic ambitions. This justification helps lower perceived risks and uncertainties, therefore enhancing the logical and practical relevance of the firm's activities.

3. Incorporating in more general contextual discourses Effective stories relate to more general contextual narratives in such a manner that the suggested attempt seems creative and unique but not so far-fetched that its soundness is dubious, therefore generating interest and commitment among possible resource suppliers. This contextual embedding underlines the unique value proposition of the entrepreneurial enterprise and helps to place it within known discourses (Martens et al., 2007).

Martens, Jennings, and Jennings (2007) stress the need of juggling known and unknown components in business stories. Familiar components help the narrative to be believable and clear; new elements provide interesting and unique character. This harmony serves to create interest and dedication from possible investors, therefore enabling the purchase of resources.

Combining knowledge from Martens et al. (2007) and Chapple et al. (2021) offers a whole picture of how narrative influences resource acquisition in entrepreneurship. As Chapple et al. (2021) point out, the dynamic character of storytelling highlights the requirement of entrepreneurs always changing their stories to fit various audiences and settings. This flexibility guarantees that the entrepreneurial narrative stays interesting and relevant, thereby preserving the attention and support of many stakeholders. Martens et al. (2007) meanwhile provide a closer look at the ways in which stories could lower information asymmetry and improve the attraction of business initiatives. Entrepreneurs may make their stories more interesting and convincing to possible investors by presenting a clear identity, developing strategic logic, and including the enterprise into more general contextual discourses.

Martens et al. (2007) showed that narratives showing the company as an established or aspirational leader, and employing logos-based arguments (e.g., logical reasoning and quantitative proof), were more successful in resource acquisition. This result fits the 2021 focus of Chapple et al. on comprehending the audience's tastes for rational and evidence-based stories.

The research also underlined the need of striking a balance between known and unknown components of the story. Good stories fused distinctive features that set the company apart from its rivals with known industry standards. This harmony made the narrative appealing to possible investors as well as believable. Resources were shown to be more effectively secured from thorough and well-elaborated narratives. Entrepreneurs may lower ambiguity and raise the persuasiveness of their stories by including rich details and obvious links between many parts of the story. This fits the 2021 debate on the use of multimedia technologies to increase story involvement.

The 2013 article by Liane Lefsrud and Paul Jennings looks at the longitudinal effects of narrative on business performance. The research offers a thorough assessment of the strategic use of storytelling in the entrepreneurial path because it looks at how constant and changing narratives help to preserve investor relations and company development over time (Lefsrud & Jennings, 2013). The study's major conclusions include the significance of narrative coherence and development. While allowing the narrative to change to include fresh events, successes, and obstacles, successful businesses, the writers discovered, have a constant core story that outlines their vision and objective. Lefsrud and Jennings provide instances of businesspeople that have successfully created and maintained investor ties by using longitudinal storytelling. They underline how constant and changing stories may improve the apparent feasibility and credibility of an enterprise, therefore lowering uncertainty and increasing investor confidence. Entrepreneurs that routinely update their stakeholders with new benchmarks, market insights, and strategy changes, for example, are more likely to keep investor support and draw in more capital (Lefsrud & Jennings, 2013). This method may provide insightful analysis of how long-term narrative affects investor relations, market positioning, and corporate development.

4. Methodology

4.1 Approach

This study's section on the methodology is a summary of the methods and practices used in data collecting and analysis. More significantly, this part addresses expert interviews as a qualitative research tool. The selection of expert interviews is based on the need to get in-depth understanding from people who have particular expertise and experience pertinent to the study issue. Engaging these professionals helps the researcher unearth rich, contextual knowledge that could guide the more general goals of the study (Creswell & Poth, 2018).

When investigating complicated events where human experiences and viewpoints are crucial to the study topic, qualitative research approaches—especially expert interviews—are well-suited. This technique enables a sophisticated investigation of the topic by means of a rich, comprehensive narrative that may expose underlying mechanisms, processes, and contextual elements not readily accessible by quantitative approaches (Kvale & Brinkmann, 2009). Moreover, the flexible character of qualitative research helps the researcher to adjust and narrow the topic of investigation as fresh ideas develop, thereby rendering this dynamic and

responsive method of data collecting and analysis (Bryman & Bell, 2015). Capturing the many dimensions of storytelling and its influence on venture capital investment choices depends on this methodological adaptability.

Using semi-structured expert interviews, the study design is a qualitative framework exploring the complex viewpoints of people firmly engaged in the subject. This method lets the researcher investigate further depending on the answers the interviewees provide, therefore allowing flexibility in the process. The semi-structured design was selected as it lets participants freely communicate their viewpoints and experiences while balancing structure with adaptability, hence fostering in-depth conversations (Kvale & Brinkmann, 2009). Capturing new trends and insights depends on this adaptability given the complex character of investing decisions and narrative development (Bryman & Bell, 2015).

Examining the complicated and multifarious phenomena of storytelling in venture capital investment choices requires the qualitative character of the research. For capturing the complexity and depth of human experiences, qualitative techniques are very successful; thus, they are perfect for comprehending how narrative shapes investor opinions and choices. This strategy helps the researcher to compile thorough, context-rich data that could provide a whole grasp of the study issue.

The study plan also contains a component on content analysis, in which case textual material from interviews is methodically examined. This supplementary approach improves the depth and breadth of the gathered data, therefore enabling a more strong study of how entrepreneurial presentations use narrative to influence investment choices.

Using qualitative techniques—especially content analysis and expert interviews—is advocated for various reasons. Qualitative research provides rich, comprehensive data that may expose underlying mechanisms, processes, and contextual elements not available by quantitative approaches, therefore allowing a thorough investigation of difficult events (Rowley, 2012). Particularly expert interviews are appropriate for exploratory research, in which case the goal is not so much to seek direct answers but rather to reveal insights. This approach is very essential for comprehending the many dynamics of narrative in the framework of venture capital investment choices.

Content analysis methodically examines textual material to find trends, themes, and meanings, therefore augmenting the interview data. This approach helps one to grasp the underlying meanings in the data and investigate the presentation of material. Combining content analysis

with expert interviews guarantees a complete method of data collecting and analysis, therefore strengthening the validity and depth of the results (Krippendorff, 2018).

4.2 Data sample

Because of their adaptability and capacity to enable in-depth investigation of the study question, semi-structured interviews were selected. The interview guide included a series of pre-selected questions and allowed for natural follow-up questions to dig farther into fascinating or surprising spheres. This approach guaranteed that the interviews stayed concentrated on the study issues and let the investigation of fresh and pertinent subjects as they developed (Kvale & Brinkmann, 2009).

Depending on the participants' availability and inclination, the interviews took by video conference. Every interview ran between thirty minutes to one hour, which gave plenty of time to explore the subjects while maintaining a relevant and targeted discourse. With participants' permission, the interviews were audio recorded and then verbatim transcribed for analysis.

Apart from the interviews, content analysis helped to examine important records. This study sought to spot main trends and themes in the way investment choices and entrepreneurial presentations' use of storytelling.

Purposive sampling was utilised here, a method often employed in qualitative research to find and choose people or groups of exceptionally informed about or experienced with a topic of interest. This approach guarantees that the chosen professionals might provide the most relevant and rich material for the research. Participants' professional backgrounds, contributions to the field, and availability for a thorough interview were the criteria for choosing them. This deliberate choice helps to compile thorough and varied viewpoints, which are essential for the strength of the study results.

By use of intentional sampling, the researcher may concentrate on those most likely to provide insightful analysis. It entails spotting and choosing people or groups of competent, well-informed experts with a phenomena of interest. For qualitative research, Creswell and Poth (2018) contend that this approach works well as it allows participants with particular experiences or information that would greatly advance the knowledge of the study issue.

The master thesis interviewees are Venture Capitalists, experts who invest primarily in a special category of companies, namely in the B2B SaaS startup sector, They exhibit knowledge in

technology, company development, and venture capital in addition to a great richness of experience from several spheres. Deeply committed to the B2B SaaS market, these people concentrate on creative software solutions for other companies. This sector is distinguished by emphasizing scalable software solutions meant to improve corporate operations, increase production, and simplify procedures. The possibility for great expansion and the transforming effect of technology on conventional business methods inspire the curiosity of the respondents in this discipline.

Apart from their responsibilities in B2B SaaS, several of the respondents have shown interest in other connected sectors like finance, health tech, and artificial intelligence-driven ideas. This suggests a more general investment plan aiming at using technical developments in many spheres.

Apart from these attributes, the respondents included in my study have been listening to entrepreneurial proposals for several years and have previously made substantial investments in a significant amount of startups. This gives them credibility in the understanding of different storytelling approaches and makes the quality outstanding for interviews, while also staying credible and trustworthy.

The interviewees represent a group of progressive professionals who strongly emphasize technical innovation and business transformation. Their combined knowledge and investment approaches highlight the fluid character of the B2B SaaS market and its future expansion possibilities.

In order to achieve best possible results and honest, transparent answers, I assured all the candidates of the anonymity of the interviews. Further on, I will refer to the interviewees based on the numbers that I have ordered to them for clarity and also emphasize their occupation. Given the vast experience that most of these venture capitalists have in the B2B SaaS sector I decided to take industry specific questions as well (see in exhibit A).

Table 1: Descripton of Interviewees

Interviewee number	Occupation	Short description
<i>Interviewee 1</i>	General Partner	Senior executive and venture capitalist with extensive experience in investing into B2B SaaS companies, previous experience as Management Consultant.
<i>Interviewee 2</i>	Advisor	Provides strategic advice to tech startups, focusing on upscaling and providing sustainable growth.
<i>Interviewee 3</i>	COO	Venture capitalist investing in early-stage B2B SaaS startups and other tech sectors and helping entrepreneurs with operative support.
<i>Interviewee 4</i>	Senior Associate	Venture capitalist in emerging technologies and their application in the B2B SaaS industry.
<i>Interviewee 5</i>	Senior Associate	Venture capitalist, with extensive experience in investing in sectors such as fintech, healthcare, and industrial technology. Has a strong background in management consulting from early career.
<i>Interviewee 6</i>	General Partner	Venture capitalist investing in B2B SaaS and infrastructure startups, with extensive experience in founding and scaling tech companies.

<i>Interviewee 7</i>	General Partner	Venture capitalist with experience in B2B SaaS startups, ensuring financial stability and fostering growth.
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The interview guide was set in keeping with important ideas on the function of storytelling in venture capital investment choices. The primary portions comprised:

- **Introduction:** To make sure the subjects comprehended the goal and extent of the research, a quick overview of the study and its aims is given.
- **Storytelling's role in Deal Sourcing:** Questions centered on how entrepreneurs present their company concepts, the value of storytelling in these presentations, and particular instances wherein storytelling affected investment choices.
- **Emotional vs. Rational Content:** Examining the components that make a story emotionally engaging as well as the balance between factual facts and emotional appeal in pitches.
- **Personal Stories and Trust Formation:** Talk about how an entrepreneur's personal storytelling influences pitch judgment, the value of the founder's past, and elements fostering trust development.
- **Final Thought:** Chance for participants to provide more ideas on best practices for enhancing storytelling in entrepreneurial pitches and further opinions on storytelling in investment choices.

While enabling freedom to investigate fresh discoveries as they surfaced during the interviews, the methodology guaranteed that all pertinent elements of storytelling were addressed, see more in *Appendix A: Interview Guideline*.

4.3 Analysis

The method developed and published by Gioia et al. (2012) forms the basis of the technique used to examine the semi-structured interview data. Gioia's inductive approach seeks to express ideas pertinent to human organizational experiences in a manner that makes sense to people engaged as well as fit for scientific theory. Rooted in the theory established via qualitative data, which offers "deep and rich theoretical descriptions of the contexts within which organizational events occur," this methodical inductive technique (Gioia, Corley, & Hamilton, 2012).

The grounded theory approach aims to show the dynamic interactions among developing ideas that either explain or depict the phenomena of interest. It also seeks to explicitly highlight the pertinent links between data and theory, thus addressing the shared worry of sometimes lacking clarity in illustrating this relationship in qualitative research (Gioia, Corley, & Hamilton, 2012).

Analyzing data acquired by inductive research using this method is especially appropriate for addressing criticisms of qualitative research about a supposed "lack of qualitative rigor" and the suitability of arguments for its conclusions. This strategy seeks to dispel doubts over whether qualitative researchers are creatively speculating depending on inadequate evidence (Gioia, Corley, & Hamilton, 2012). Thus, this inductive systematic approach provides a unique and thorough framework for doing theme studies of qualitative data and acquiring a thorough awareness of organizational experiences and procedures. Apart from data organization, these techniques improve the rigor and openness of the study (Gioia, Corley, & Hamilton, 2012).

Many techniques were used to guarantee the validity and dependability of the study. To guarantee consistency and correctness, the data was cross-verified from many sources—including content analysis and interviews—including Participants had the chance to verify and validate the correctness of the transcribed data and the discovered themes during member checking. This procedure helps to increase the validity and confidence in the study results. Lincoln and Guba (1985) contend that as it lets participants confirm the validity of the data and provide comments on the researcher's interpretations, member checking is very vital in qualitative research. This procedure guarantees that the opinions of the participants are faithfully portrayed in addition to validating the results.

4.4 Ethical Considerations

Ethical considerations were paramount throughout the research process. Before the interviews, informed permission was sought from every participant so that they were fully aware of the study goal, their participation, and their freedom to withdraw at any point free from consequences. Strict confidentiality was maintained; all identifiable data in the transcripts and the final reports were anonymised. The ethical perspective followed the policies established by the relevant professional organizations and institutional review bodies.

5. Empirical Findings

5.1 Presentation of interview findings

Early on in the deal sourcing and investment choices, especially when specific indicators are limited, entrepreneurs use several storytelling approaches to present their company ideas to potential investors. These strategies help to organize the story to emphasize their company's vision and possibilities. Usually starting with a gripping narrative that personally or emotionally resonates with the audience, entrepreneurs Emphasise the need to clearly express the future potential and vision of a project; Interviewee 1 noted that "a compelling story helps us understand the vision and the person behind the startup, which is vital for early-stage investments". Likewise, Interviewee 2 noted during the pitch the need of building a "beautiful picture and movie of the future of the company".

Storytelling is much enhanced by the harmony between factual facts and emotional appeal. Because early-stage proposals lack thorough numbers, they often depend mostly on emotional appeal. Interviewee 3 pointed out that emotional appeal might explain up to 80% of early-stage decision-making, then progressively move towards a 50/50 balance as the firm grows."In the early stages, emotional appeal can be very influential, accounting for up to 80% of our decision-making" (Interviewee 3). This harmony enables investors to relate to the vision of the creator while also addressing the pragmatic commercial concerns. The research supports this idea, implying that good narrative may close the gap between the goal of a founder and the state of the present market (Barthes & Duisit, 75). Baldoni (2011) also argues that "storytelling helps investors to grasp the essence of the business model and the entrepreneur's vision," therefore making complicated corporate concepts more approachable and relatable.

Especially powerful are personal stories illustrating enthusiasm, tenacity, and a strong connection with the company concept. Interviewee 2 said that entrepreneurs who have overcome their own challenges or have a personal connection to their company concept frequently exhibit the determination and enthusiasm required to push a venture forward. "Founders who have overcome personal challenges or have a deep personal connection to their business idea often demonstrate the resilience and passion needed to drive a startup forward," Interviewee 2 said.

This viewpoint is consistent with the literature of research stressing the need of human stories in establishing investor confidence and communicating the founder's dedication (Garud, Schildt, & Lant, 2014). Moreover, personal stories highlight the path of the entrepreneur, which helps to establish a strong emotional connection with investors and increases their likelihood of investment. This goes beyond mere overcoming of obstacles.

Moreover, keeping investors' attention depends much on the frequency and kind of information they get. Interviewee 2 went further on the value of ongoing participation via frequent updates: Provide regular updates to keep investors engaged and informed about your progress. This continuous narrative helps build a relationship over time even if the initial pitch does not result in immediate investment" (Interviewee 2). Maintaining investors' interest and confidence depends on their remaining connection to the path of the firm and keeping up the current with milestones and advancements by this strategy. Garud, Schildt, and Lant (2014) who claim that "Ongoing communication and storytelling can significantly enhance investor relationships by keeping them engaged and informed" confirm this result.

The results of the interview generally point to storytelling as a necessary tool for business owners, particularly in the early phases of investor presentations. Entrepreneurs may make strong presentations that appeal to investors by carefully mixing emotional appeal with factual data and using personal stories, thereby stressing both the human factor behind the company and its possibilities. This dual strategy not only makes the pitch more approachable but also helps to establish a closer relationship with the investors, therefore increasing their inclination to assist the enterprise.

Investment choices are much influenced by the impressions and responses of investors to storytelling in entrepreneurial presentations. Particularly in the early phases when concrete statistics may not be accessible, investors seek for a clear articulation of the future potential of the company and the vision behind the initiative. Interviewee 1 underlined that, for early-stage investments especially, a good narrative helps investors grasp the goal and the person behind the firm. "We look for founders who can clearly articulate the future potential of their project. A compelling story helps us understand the vision and the person behind the startup" (Interviewee 1).

Investors' view of storytelling often revolves around the harmony between factual facts and emotional appeal. Interviewee 3 said that early on, emotional appeal can account for up to 80% of their decision-making process; however, as the firm grows, factual data takes front stage. "As the startup matures, this balance shifts towards factual data and metrics, so making the

balance more of a 50/50 split" (Interviewee 3). This change emphasizes the need of combining a gripping story with accurate facts to keep investor attention over time. According to the literature, this harmony is necessary as it blends the practical viability of the company concept with the visionary quality of the entrepreneur (Garud, Schildt, & Lant, 2014).

Personal stories emphasizing the determination and passion of an entrepreneur may greatly influence investor impressions. Interviewee 2 pointed out that entrepreneurs who have a deep personal connection to their company concept or face personal difficulties usually develop greater trust and provide more relevant presentations. "An entrepreneur's personal story significantly affects our evaluation. Founders who have overcome personal challenges or have a deep personal connection to their business idea often demonstrate the resilience and passion needed to drive a startup forward" (Interviewee 2). This result is in line with the body of research indicating that personal stories might boost the entrepreneur's apparent credibility and commitment (Hamrouni Dakoumi & Abdelwahed, 2014). These first-hand accounts often reveal the entrepreneur's temperament, determination, and capacity to overcome challenges—qualities highly sought for possible investments.

Apart from the first pitch, investors also want consistent updates and ongoing narrative. The Interviewee 2 underlined the need of building a continuous story that keeps investors interested and updated about the development of the business. "Provide regular updates to keep investors engaged and informed about your progress. This continuous narrative helps build a relationship over time even if the initial pitch does not result in immediate investment" (Interviewee 2). Even if the first pitch does not generate immediate funding, this constant narrative strategy helps create a long-term connection with investors. The research supports this strategy as it emphasizes that over the long run, consistent communication and narrative help to keep investor interest and trust (Hairston, 2013).

Third interviewee gave a specific case of how narrative affected their choice of investing. "In one case, we had a deal with a company where the storytelling skills of the founder made a complex idea understandable. Without his storytelling, we would have needed more calls to understand the business. His skills influenced our decision up to 90%" (Interviewee 3). In the early phases of investment, when thorough statistics may not be available, this example shows the value of good narrative in simplifying difficult corporate concepts and making them accessible to investors.

Moreover, Interviewee 2 underlined the need of developing trust by means of narrative and underlined how much human stories influence the confidence investors have in entrepreneurs.

"Personal stories help build trust and make the pitch more relatable. They demonstrate the founder's passion and commitment" (Interviewee 2). This is in line with the research, which implies that personal stories may be very important in building trust and that trust is a major determinant of investment choices (Dorussen, Lenz, & Blavoukos, 2005).

Finally, investors believe that a great part of entrepreneurial presentations is narrative. Investor interest and confidence may be greatly raised by a well-balanced story combining emotional appeal with factual facts, along with human stories proving perseverance and commitment. Regular updates and ongoing storytelling help to deepen the link between investors and entrepreneurs even more in line with the research on successful communication techniques in venture capital (Hairston, 2013). These results emphasize the need of narrative in the investment process as they show how best to present to possible investors the vision, potential, and human aspect of a firm.

5.2 Common Themes in Successful Pitches

The venture capital (VC) investment process has shown to be much improved by storytelling, which helps entrepreneurs to express their ideas and engage possible investors clearly. Drawing on knowledge gained from recent interviews with venture capitalists, this study explores the subtle roles narrative plays in deal sourcing and investment choices. The conversation is about how storytelling shapes investor impressions, the balance between emotive and logical material, and how human experiences help build confidence.

Storytelling's value in deal sourcing goes beyond just presenting the vision and promise of a firm. Interviewee 3 underlined the requirement of tailoring narrative to the media of communication: "In emails or written pitches, the story needs to be concise yet powerful, as there's limited space to capture attention. However, during in-person meetings or calls, you can afford to be more elaborate, using body language and tone to reinforce the narrative." This insight emphasizes the need of customizing narrative strategies depending on the situation as it is essential to grab and maintain investor attention (Interviewee 3).

Moreover, narrative is about congruence with the beliefs and interests of the investors as much as about providing an engaging story. Fourth interviewee said that "we are drawn to stories that resonate with our own experiences and goals. When an entrepreneur's story aligns with what we are passionate about, it becomes easier for us to see the potential in their vision." This

implies that the capacity of the entrepreneur to link their narrative with the investor's own experiences and goals determines much whether or not effective storytelling in deal sourcing is possible (Interviewee 4). This point of view fits studies stressing the need of knowing the audience in narrative. It does, however, go one step further in emphasizing how important the resonance of a narrative with personal beliefs is for deal sourcing. This realization deepens the body of current research by implying that the alignment of values might be as important as the story's substance itself (Garud, Schildt, & Lant, 2014).

Effective pitches depend critically on the harmony between emotional appeal and logical substance. Interviewee 1 said, "in the early stages, emotional appeal can be very influential, accounting for up to 80% of our decision-making." This emphasizes how important emotions are in grabbing first investor attention, especially in cases where hard evidence might be missing (Interviewee 1).

Still, the interviews also exposed a crucial component of this equilibrium: the emotional material's trustworthiness. Third interviewee underlined that "the emotional connection is vital, but it must be supported by rational thinking. A lacking in content emotive narrative may draw attention. Interviewee 3 said, "the emotional connection is crucial, but it must be backed by logical reasoning. An emotional story that lacks substance can raise red flags. We need to see that the passion is grounded in a realistic understanding of the market and the challenges ahead". This realization implies that even while emotional appeal is important, it has to be believable and backed by logical information if we are to keep investor confidence.

Interviewee 5 said that "occasionally the emotional appeal may really conceal weaknesses in the economic concept. Interviewee 5 says, "sometimes, the emotional appeal can actually mask flaws in the business model. We've learned to look past the initial emotional impact to critically assess the underlying data". This fact somewhat contradicts certain research stressing the predominance of emotional appeal in early-stage investment choices (Baldoni, 2011). According to the interviews, experienced investors are careful and dig under the surface to guarantee that the company concept is robust even if emotions are strong.

This complex knowledge of the harmony between emotional and logical material gives the current study more complexity and indicates that, while emotional storytelling is crucial, it has to be supported by verifiable evidence if it is to be successful over long run.

It is well known that developing trust between investors and business owners depends mostly on personal experiences. The interviews revealed that the effectiveness of these stories depends

mostly on consistency and sincerity. "When an entrepreneur shares a personal story, it needs to feel genuine. We can tell when someone is embellishing or when the story doesn't quite add up, and that immediately undermines trust", Interviewee 4 said. When someone is exaggerating or when the narrative doesn't quite fit, we can detect right away which compromises confidence" (Interviewee 4). This emphasizes the need of authenticity in narrative as investors are fast to identify inauthenticity, therefore compromising the reputation of the entrepreneur.

Interviewee 2 also spoke on the need of vulnerability in personal narrative: "Some of the most impactful stories are those where the entrepreneur acknowledges their past failures or challenges. It shows resilience and self-awareness, which are qualities we highly value". This realization implies that appreciating prior challenges can help a pitch stand out as it shows the entrepreneur's capacity to overcome obstacles, a very appreciated quality in the perspective of investors.

Still, the personal narrative has to be meaningful for the company. Interviewee 4 pointed out, "The personal story should connect directly to the business idea. If the story feels tangential, it loses impact. We want to see that the entrepreneur's experiences have directly shaped their business vision" Interviewee 4 says. This point of view fits the studies stressing the need of relevance in narrative (Fletcher, 2007). But the focus on direct relevance implies that personal stories have to be carefully created to guarantee they support rather than divert attention from the corporate argument. Interviewee 1 also stressed the need of consistency of personal stories throughout the entrepreneurial path: "We like to see how the personal story of the entrepreneur is reflected in the business decisions they make. If there's a disconnect, it raises concerns about their commitment and integrity" (Interviewee 1). This argument gives human stories a fresh perspective and implies that, in order to keep investor confidence, they have to be constantly mirrored in the activities and choices taken by the entrepreneur.

This emphasis on authenticity, relevance, and consistency in personal storytelling enhances current studies but also offers fresh ideas on the particular traits that make personal stories successful in developing and preserving trust.

5.3 Emotional and Cognitive Elements in Storytelling

Apart from its function in expressing vision and possibilities, narrative in deal sourcing is also a major differentiation in highly competitive markets. "In sectors where there are many similar

startups, the story can be what sets one apart from the others. It's not just about having a good product; it's about making us believe in the journey you're taking us on" said Interviewee 5. This emphasizes the competitive advantage a well-written narrative may provide, especially in congested marketplaces where goods and services could be alike.

This realization fits the idea of narrative differentiation in marketing, in which a company or product may stand out from its rivals by means of a distinctive story. Within the framework of venture capital, this implies that, in the perspective of investors, narrative is not just a tool for communication but also a strategic advantage that may set a firm apart.

The interviews also help to clarify the strategic timing of emotive rather than logical material in a proposal. Third interviewee said, "Early in the pitch, it's crucial to hook us emotionally. But as the discussion progresses, we need to see more of the rational side—how the numbers add up and what the concrete steps are for achieving the vision" (Interviewee 3). This implies that a good pitch uses emotion to grab attention and reasonable material to maintain interest and establish credibility, therefore deliberately balancing emotional and logical elements. This method runs counter to certain research that contends the pitch's emotional and intellectual content is always in balance (Martens, Jennings, & Jennings, 2007). With certain periods of the pitch needing different emphases, the interviews show that the timing of these components may be just as crucial as their balance.

Interviewee 2 also underlined the requirement of the emotional components of a pitch being closely related to the personal experiences or the main goal of the startup: "Emotions in the pitch should stem from real experiences or the fundamental mission of the company. If it feels manufactured, it doesn't have the same impact" (Interviewee 2). This emphasizes even more the need of authenticity in emotional narrative as inauthentic feelings might reduce the general success of the presentation.

Particularly with regard to their continuous influence on investor relationships, the interviews indicated more understanding of the importance human stories play in building trust. Interviewee 2 spoke on the need of ongoing storytelling: "The initial personal story helps build trust, but maintaining that trust requires continuous storytelling. We appreciate updates that not only cover business progress but also reflect the ongoing personal journey of the entrepreneur" (Interviewee 2). This implies that personal storytelling should be a continuous process that keeps investors interested and builds their confidence over time rather than finishing with the first pitch.

This viewpoint gives the idea of storytelling in venture capital a fresh dimension and implies that it is not just a tool for first interaction but also for maintaining long-term bonds with investors. This continuous narrative is especially crucial to make sure the investor stays updated on how the company and the personal story of the entrepreneur develop and stays close to their path.

Furthermore underlined by Interviewee 4 was the need of consistency in personal stories throughout time: "We look for consistency in the personal story and how it aligns with the business's evolution. If the story changes too much, it can cause us to question the entrepreneur's integrity or the stability of their vision" (Interviewee 4). This realization emphasizes the need of keeping a consistent and clear story over the evolution of the company as it is essential to keep investor confidence.

The interviews also offered understanding of how entrepreneurs' narrative techniques are shaped by investor expectations. Third interviewee pointed out, "We expect entrepreneurs to understand our priorities and tailor their stories accordingly. If they come in with a generic pitch, it shows a lack of effort and understanding of what we're looking for" (Interviewee 3). This emphasizes the need of business owners not just creating interesting stories but also tailoring these stories to fit the particular interests and expectations of the investors they are approaching.

This is consistent with the more general body of research on audience-targeted communication, which underlines the significance of customizing messages to the particular requirements and tastes of the audience. Nonetheless, the interviews provide a useful perspective on this idea as they show how the efficacy of the presentation may be compromised by mismatch between the story and investor expectation. Entrepreneurs run the danger of seeming unprepared or disconnected with market reality when they fail to match their narrative with what investors are looking for.

Interviewee five built on this by talking about the significance of context in the narrative: "The context in which a story is told can greatly influence how it's received. For example, if we're in the middle of evaluating several similar startups, the story that best aligns with current market trends or addresses a specific gap in our portfolio is the one that will stand out" (Interviewee 5). This realization emphasizes the need of contextual awareness in storytelling as the efficacy of the story depends much on its timeliness and relevance for the investor's present requirements.

Moreover, the interviews revealed often the expectation of openness and honesty. Second interviewee underlined, "We need to feel that the entrepreneur is being honest with us. If the story feels too polished or too rehearsed, it can actually work against them because it raises doubts about what they might be hiding" (Interviewee 2). This emphasizes the careful balancing businesses have to do between keeping a sense of authenticity and openness and developing a well-prepared story.

Beyond the first presentation, interactions between investors and entrepreneurs depend much on narrative. "A compelling story doesn't just help in the initial pitch—it's also what keeps us engaged over the long term," stressed Interviewee 4. Interviewee 4 says, "A compelling story doesn't just help in the initial pitch—it's also what keeps us engaged over the long term. We like to see how the story evolves, how the entrepreneur responds to challenges, and how they continue to drive their vision forward" This supports the notion that narrative is a continuing activity rather than a one-time endeavor that helps retain investor interest and commitment all through the company life.

This continuous story may especially help to establish resilience and trust. "When we see that the entrepreneur is consistent in their messaging and continues to update us on their journey, it builds trust," said Interviewee 2. We are more sure they are dedicated to their mission and able to get beyond challenges" (Interviewee 2). This captures the need of narrative consistency and the function of storytelling in supporting the entrepreneur's dedication to their company.

The interviews also underlined how narrative helps control investor expectations. "Sometimes things don't go as planned," said the first interviewee, "and that's when narrative becomes even more crucial. "How an entrepreneur frames setbacks or challenges can make all the difference in how we perceive their ability to manage adversity," the interviewee said. This realization implies that storytelling is not just about celebrating achievements but also about clearly presenting obstacles and the ways to overcome them, therefore strengthening investor confidence even in trying circumstances.

The knowledge gained from the interviews shows that, with its influence going well beyond the first pitch, storytelling is a multifarious instrument in the process of venture capital investing. In this context, successful storytelling is defined by authenticity, relevance, and consistency; it is thus very important for startups in competitive marketplaces to stand out from one another by means of human stories, so fostering trust, and so preserving long-term investor connections.

Particularly with relation to the relevance of matching stories with investor expectations, the strategic timing of emotional and rational material, and the continuous function of storytelling in preserving investor involvement, the interviews have offered insightful fresh angles. Although these observations fit much of the body of current research, they also provide fresh ideas like the vital need of customizing stories to particular situations and the dynamic function of narrative in controlling investor relationships over time.

All things considered, narrative plays a multifaceted and crucial function in venture capital. Learning the craft of narrative—both in terms of creating first pitches and keeping constant communication—will help entrepreneurs greatly increase their capacity to attract and keep investments. Knowing the subtleties of narrative will enable investors to have closer knowledge of the entrepreneurs they interact with, therefore strengthening their relationships.

6. Analysis of the storytelling impact on decision making

One of the most effective tools available in the venture capital (VC) investment process is potentially storytelling. It is very important to determine how investors see and assess these prospects as well as how entrepreneurs promote their company concepts. Drawing mostly on recent interviews with venture capitalists, this chapter investigates the complex influence of narrative on decision-making inside the VC environment and considers how these findings either fit or contradict current academic research.

The Role of Storytelling in Early Decision-Making

Early decision-making uses narrative mostly for its capacity to grab and hold investor attention. As Interviewee 3 pointed out, "In the crowded landscape of startups, the story you tell can be what makes us pay attention. We see countless pitches, and it's the compelling narratives that stick with us" (Interviewee 3). This realization fits the studies of Martens, Jennings, and Jennings (2007), who contend that developing a memorable narrative framework that enables investors to remember knowledge and distinguish between many pitches depends on storytelling.

The interviews expose, nonetheless, a more pragmatic aspect to this case. For example, Interviewee 4 pointed out that the sheer volume of pitches seen by VCs means that only the

most unique and emotionally resonant stories stand out, even while Martens and colleagues stress the need of narrative to leave lasting impressions. "Facts alone do not make a pitch interesting" (Interviewee 4). This implies that while the literature is right in stressing the need of narrative, the interviews provide a complex picture by suggesting that the emotional resonance of the story, rather than just its form, is what really attracts investor attention.

Early in the decision-making process, narrative serves not just for grabbing interest but also for building credibility and confidence. "A well-told story that demonstrates the founder's expertise and passion can quickly build credibility. It shows us that the entrepreneur not only understands their market but also has the drive to succeed," said Interviewee 1. This viewpoint aligns with Garud, Schildt, and Lant's (2014) contention that by presenting their company ideas in a manner that appeal to investors' expectations, the narrative may help entrepreneurs legitimize their endeavours.

However, the interviews show that a story's narrative technique may be just as crucial as its substance. The fourth interviewee underlined the requirement of authenticity: "We can tell when a story is rehearsed or insincere, and that immediately undermines credibility. Authenticity in storytelling is key to building trust" (Interviewee 4). This realization questions part of the research, which usually concentrates on the story's content—such as its fit with investor expectations or market trends—without enough regard for the delivery. The focus on authenticity implies that if a story does not seem real, even a well-crafted one might fall short in building confidence.

An often recurring topic in the interviews was how narrative affected emotional involvement. "Emotions play a huge role in our decisions, especially in the early stages when there aren't a lot of hard numbers to go on. A story that resonates emotionally can be incredibly persuasive," said Interviewee 2. Emotionally relevant stories might be very convincing (Interviewee 2). This supports the results of Zak (2014), who contends that emotionally appealing stories stimulate brain circuits connected to empathy and trust, hence increasing their persuasiveness. The interviews do, however, provide a crucial drawback: even if emotional narrative is powerful, it has to be matched by logical information. The fifth interviewee cautioned that "an overly emotional pitch without enough substance can backfire. We need to see that the passion is backed by a solid business plan" (Interviewee 5). This implies that while the literature properly emphasizes the need for emotional involvement, it sometimes undervalues the need to combine this with factual, data-driven material to keep investor attention beyond the first emotional appeal.

Interestingly, the interviews found that the act of making decisions filters the narrative. "If a founder can't articulate a clear and compelling story, it's a red flag for us. It suggests that they may struggle to communicate effectively with customers, partners, or even within their own team" Interviewee 4 said. It implies that they can find it difficult to interact successfully with clients, partners, or even within their own team" (Interviewee 4). This viewpoint conforms with the more general communication theory but questions the emphasis of most entrepreneurial literature, which usually regards storytelling as a persuasive technique alone.

According to the interviews, the narrative is diagnostic as well as persuading. It lets investors evaluate the entrepreneur's communication abilities, which are very vital for the organization to flourish. This perspective expands the body of research by characterizing storytelling as a test of the entrepreneur's capacity to properly communicate their vision—a capacity important not just for ensuring investment but also for the continuous leadership of the firm.

The Role of Storytelling in Mid-Stage Decision-Making

The balance between emotional appeal and logical substance becomes increasingly important as the investing process moves further. Third interviewee pointed out, "In the early stages, we're more likely to be swayed by an emotional appeal. But as we dig deeper, we need to see that the story is backed by solid data and a realistic strategy" (Interviewee 3). This validates Benjamin's (2006) observations on the change in the decision-making process from emotive storytelling to more objective stories using statistics and reason.

Still, the interviews provide a more complex picture of this change. As we approach a choice, "We expect to see a 50/50 balance between emotion and data as we move closer to a decision. If it's all emotion, we start to get wary. If it's all data, it can be hard to see the bigger picture" said Interviewee 2. If it is all emotion, we begin to get cautious. If all the information is data, one might find it difficult to comprehend the whole picture (Interviewee 2). This realization implies that the balance between emotional and logical material changes with the process instead of being fixed. The literature, which usually supports a balanced approach all around, may not completely explain this dynamic change wherein various phases of the decision-making process need different emphases.

Storytelling is very important in the middle of decision-making to reassure investors of the hazards connected to the investment. Interviewee five said, "At this stage, we're looking for

stories that address potential risks. We want to see how the entrepreneur plans to navigate challenges and what contingency plans are in place" said Interviewee 5. This is in line with the 2017 thesis of Manning and Bejarano on how one may control investor expectations and handle any uncertainty through narrative.

The interviews, however, imply that showing strategic planning is more important for providing comfort via narrative than just noting hazards. Interviewee 1 said, "A story that acknowledges the risks and provides a clear plan for addressing them is far more reassuring than one that glosses over potential challenges" (Article). Emphasizing the requirement of openness and strategic clarity in narrative, especially in the final phases of decision-making, this contributes to the body of current knowledge. While Manning and Bejarano concentrate on controlling expectations, the interviews imply that in this situation good storytelling also entails offering thorough, reasonable answers to possible issues.

Particularly in strengthening investor confidence, personal stories remain powerful in the middle phases of decision-making. "As we get closer to making a decision, the entrepreneur's personal story becomes even more important," said Interviewee 4. We want to know who they are, what motivates them, and how dedicated they are to seeing this through" (Interviewee 4). Fletcher (2007) underlines in this point of view the part human stories play in fostering long-term bonds with investors.

The interviews also emphasize, nevertheless, the fluid character of human narrative. The second interviewee said, "It's not enough to tell a compelling personal story once. We need to see how that story evolves as the business grows and faces new challenges" (Interviewee 2). This implies that personal stories should change to represent the path of the entrepreneur and how they adjust to fresh conditions rather than staying fixed. This is a fundamental realization that gives the body of current research more complexity as many times it approaches personal storytelling as a one-time occurrence instead of a continuous activity.

Another fascinating revelation from the interviews was the possibility of narrative impacting reversals of decisions. Third interviewee said, "We initially passed on a startup because we weren't convinced by the numbers. But the entrepreneur kept us updated with a consistent and compelling story about their progress, and eventually, we decided to invest". This implies that reviewing past assessments and changing investor opinions might benefit much from the narrative.

This result adds to the body of knowledge as, in the literature, narrative is usually seen as a technique for first persuasion rather than for influencing choice reversal. According to the

interviews, a well-kept story may keep investors interested even after a first rejection, therefore offering a second chance to get financing. This emphasizes the need of continuity and perseverance in narrative and implies that business owners should keep sharing their advancements even if the first choice is not favorable.

The Role of Storytelling in Later-Stage Decision-Making

The need for narrative consistency takes the front stage when the decision-making process enters its latter phases. "By the time we reach the final stages of our decision-making, we're looking for consistency in the entrepreneur's story. Any significant shifts in the narrative can raise red flags about their commitment or understanding of their own business" said Interviewee 4. This emphasizes the need to keep a consistent and steady story all through the investment process, particularly given the rising stakes.

This point of view is compatible with the study on narrative consistency, according to scholars such as Martens, Jennings, and Jennings (2007), who contend that a consistent story shows the entrepreneur a clear and consistent goal, therefore fostering and sustaining trust. Nonetheless, by stressing the possible hazards connected with major story alterations, the interviews provide this theory a practical aspect. Although the research emphasizes the requirement of flexibility, the interviews imply that any such adaptability has to be well controlled to prevent erasing investor trust.

Interviewee 1 gave an instance of this: "We've seen cases where the entrepreneur's story started strong but became muddled as the process went on. This made us question whether they were truly committed to their original vision or if they were simply telling us what they thought we wanted to hear" (Interviewee 1). This realization implies that even while narrative flexibility is crucial, business owners have to make sure the fundamental components of their story stay unaltered to prevent projecting inconsistent or opportunistic behaviour.

Later on in the decision-making process, investors might have more particular questions or concerns that must be answered before they will be ready to make an investment. The fifth interviewee said, "At this stage, we're digging into the details. A strong narrative can help address our concerns by providing context and showing us how the entrepreneur plans to navigate potential challenges" This shows how carefully created framing of risks and uncertainty within a larger story of resilience and strategic planning may calm investors.

This deliberate use of narrative fits studies by Manning and Bejarano (2017), who address how stories may be used to control investor expectations and lower perceived risks. The interviews, however, expose that this process is about matching investors' expectations with the entrepreneur's vision as much as it is about comforting them. "It's important that the story doesn't just gloss over potential problems but instead shows a realistic path forward. We want to know that the entrepreneur has thought through the risks and has a plan for dealing with them," said Interviewee 2. This implies that rather than by too optimistic or vague guarantees, successful storytelling in the final phases of decision-making is marked by openness and a straightforward strategy to handling obstacles.

Furthermore, Interviewee 3 underlined the need to present setbacks inside a resilient narrative: "When things go wrong, it's not just about explaining what happened—it's about showing how the experience has strengthened the company and what steps have been taken to prevent similar issues in the future" (Interviewee 3). This strategy not only makes investors comfortable with the present situation of the company but also shows the entrepreneur's ability for learning and adaptation—qualities absolutely vital for long-term success.

Storytelling is also very important in establishing the basis for a long-term connection between the entrepreneur and the investor when the investment choice gets close to finish. Interviewee 4 underlined, "By the final stages, we're not just deciding whether to invest in the business; we're deciding whether to enter into a partnership with the entrepreneur. Their story helps us understand who they are and whether we can see ourselves working with them over the long term" (Interviewee 4). This emphasizes how important narrative is not just for ensuring money but also for creating the foundation of a good continuing connection.

According to the research on entrepreneurial narratives—including Fletcher's (2007) work—storytelling is crucial for fostering trust and a common vision between investors and business owners. The interviews, however, imply that this process transcends mere trust building to include the development of a common narrative that will direct the cooperation going forward. "A compelling story can help align our goals with those of the entrepreneur, making it easier to navigate challenges and work together towards common objectives," said Interviewee 3. This emphasizes how storytelling could help to build a cooperative partnership in which both sides are striving toward a common goal.

Interviewee 2 also spoke on the need of continuous narrative in preserving this relationship: "The story doesn't end once the investment is made. We expect regular updates that continue to build on the narrative we bought into. This helps keep us engaged and reassured that the

business is on the right track" (Interviewee 2). This realization supports the view that narrative is a continuous process that goes far beyond the choice of initial investment. It is thus very important for the long-term survival of the cooperation.

Additionally significant in the effect of narrative on decision-making is the influence of cultural and environmental variations. "The way a story is received can vary greatly depending on cultural backgrounds and the context in which it's told," observed Interviewee 5. What resonates with one group of investors might not have the same impact on another" (Interviewee 5). This implies that while developing their stories, especially in markets with cultural diversity or when appealing to foreign investors, businesses have to be aware of these variations.

This discovery is consistent with the body of research on cross-cultural communication, where academics such as Ryan (2012) address how stories have to be changed to suit various cultural settings to be successful. Nevertheless, the interviews illustrate the possible dangers of neglecting these variations, therefore offering a more pragmatic viewpoint on this problem. "We've seen pitches that were clearly tailored to a different audience and didn't resonate with us at all. Interviewee 4 said. "It's crucial for entrepreneurs to understand who they're talking to and adjust their storytelling accordingly" (Interviewee 4). This underlines the need of cultural awareness and adaptability in narrative, especially in the worldwide venture capital environment.

Interviewee 1 also spoke on how the setting in which a story is conveyed could affect its impact: "Timing and context are everything." A story that might work in a booming market can fall flat in a downturn, or vice versa. Entrepreneurs need to be aware of the broader context and adjust their narrative to fit the moment" (Interviewee 1). This insight gives the conversation even another level of complexity as it implies that the external surroundings in which the narrative is presented determines not only the content but also the efficacy of storytelling depending on the delivery.

The Role of Storytelling in Post-Investment Decision-Making

The continuous interaction between the investor and the entrepreneur depends much on narrative even after an investment decision has been taken. Even after an investment decision has been made, storytelling continues to play a vital role in the ongoing relationship between the investor and the entrepreneur. Interviewee 3 remarked, "Once we've invested, the story isn't

over—it's just beginning. We expect the entrepreneur to keep us engaged with regular updates that continue to build on the narrative we bought into" (Interviewee 3). This emphasizes the need of keeping a consistent and convincing story all through the life of the investment, not just on the first presentation.

For many different reasons, this continuous narrative is very vital. First of all, it gives the investor comfort and knowledge about the development of the company. "Regular updates that are framed within the broader narrative of the business help us stay connected to the company's journey. It's not just about the numbers; it's about seeing how the story is unfolding," said Interviewee 2. It is about observing how the story is developing, not just about the figures (Interviewee 2). This implies that investor relations depend much on narrative as it helps to preserve confidence and involvement over the long term.

Second, a continuous narrative offers a structure for handling obstacles and failures. "No business is without its challenges, but how those challenges are communicated makes all the difference," Interviewee 5 said. A story that acknowledges difficulties but shows a clear path forward helps us stay confident in the entrepreneur's ability to navigate tough times" (Interviewee 5). This underlines how controlling expectations and keeping investor confidence during difficult times is just as important as recognizing achievements in the narrative.

Maintaining investor interest depends ultimately on the capacity to change the story over time. The fourth interviewee pointed out, "As the business grows and evolves, so should the story. We want to see how the entrepreneur's vision is adapting to new realities and challenges. A static story can make it seem like the entrepreneur is stuck or not thinking ahead" (Interviewee 4). This emphasizes the need for narrative flexibility and development, implying that entrepreneurs have to be able to modify their storytelling to reflect the evolving situation of their company while preserving the basic features that first garnered investor attention.

The study of how storytelling influences decision-making in venture capital exposes a multifarious and complicated function for narrative throughout the investing process. From grabbing first attention to maintaining long-term connections, narrative is a crucial instrument that shapes investors' view and assessment of startups at all phases of the decision-making process.

Complementing and sometimes questioning the current scholarly literature, the insights acquired from interviews with venture capitalists provide a sophisticated awareness of how storytelling occurs in reality. Although studies clearly show the need of emotional involvement

and narrative consistency, the interviews also underline the need of authenticity, cultural sensitivity, and the continuous development of the story as essential elements in successful storytelling.

Storytelling is ultimately a strategic tool rather than just a tool for persuasion that may determine the whole course of an entrepreneur's relationship with their investors. Mastering the art of storytelling—knowing when to change, when to retain consistency, and how to include investors at every level—can help businesses distinguish between getting financing and losing out on vital prospects. Knowing the subtleties of narrative helps investors to better appreciate the promise and fortitude of the firms they decide to help.

This thorough study emphasizes that, in venture capital, narrative is a continuous process that profoundly influences decision-making from the first contact through to the post-investment phases, not just a tool for the first presentation. Through careful use of narrative, business owners may not only draw in capital but also negotiate obstacles, create close bonds with investors, and guarantee the long-term viability of their projects.

Furthermore, the data from the interviews emphasizes how context-dependent and impacted storytelling is by means of cultural sensitivity, narrative consistency, and entrepreneurial capacity to modify their story to fit changing conditions. These elements are very important for businesses to take into account as they shape and polish their stories to appeal to different markets and situations.

Ultimately, narrative in the venture capital process is a powerful, multifarious instrument with dimensions beyond simple influence. It is fundamental in determining investor impressions, developing confidence, and providing the basis of long-term alliances. As the interviews have shown, authenticity, consistency, cultural flexibility, and the capacity to change the narrative over time define the efficiency of storytelling in decision-making. Masters of these components are more likely to attract investments and maintain positive, long-term bonds with their investors.

7. Discussion

7.1 Summary of key findings

With an emphasis on Venture Capital firms, mainly involved with SaaS technology firms in particular the results of this study provide a thorough grasp of the significance of storytelling in the venture capital investment process. Interviews with several venture capitalists in the study have provided insightful analysis on how narrative shapes resource acquisition, decision-making, and the development of long-term relationships between investors and entrepreneurs.

Is Storytelling is present in business? (RQ1):

Especially in relation to venture capital, the research properly supports the theory that storytelling is a natural component of business. It became abundantly clear from all the interviews that storytelling is not just a technique but also an essential component of how business owners explain their ideas and how investors assess possible investments. Interviewees underlined often how important narrative is for both first pitches and continuous interactions. Interviewee 3 pointed out, for example, "the story you tell can be what makes us pay attention," underlining the crucial role narrative plays in grabbing investor interest early in the decision-making process.

Still, the storytelling has purposes beyond simple display. It is a process by which business owners can match their vision with investor interests and values. Establishing a link capable of generating investments depends on this alignment. Emphasizing the need for this connection, Interviewee 4 said, "When an entrepreneur's story aligns with what we are passionate about, it becomes easier for us to see the potential in their vision". This result emphasizes the point that creating a narrative that appeals personally to investors, counts more than merely presenting facts or statistics.

Does the use of storytelling has a favorable impact on resource acquisition among SaaS technology firms? (RQ2):

Though the data is varied, some important results support the theory that storytelling improves resource acquisition among SaaS technology businesses. The interviews show that, especially in the early phases when quantitative evidence may be lacking, the storytelling may in fact greatly impact investment choices. Interviewee 1 said, for instance, "in the early stages,

emotional appeal can be very influential, accounting for up to 80% of our decision-making". This emphasizes the need of a captivating story in attracting first investments as it implies that it can offset the absence of specific financial data.

However, not all the data exactly supports the Research Question without questions. While emotional appeal is crucial, several respondents voiced concern about the emphasis on narrative and underlined that strong financials and a good business plan cannot substitute each other. For example, Interviewee 5 cautioned against "an overly emotional pitch without enough contents". This point of view emphasizes the danger investors can first be influenced by a compelling story but subsequently become sceptical if the underlying business foundations are weak. This warning implies that narrative by itself is not enough; it must be supported by reliable statistics and a feasible business strategy if we are to keep investor trust and interest over time.

Moreover, the influence of storytelling goes beyond the first pitch and is rather important for keeping investor involvement. Interviewee five underlined the need of ongoing storytelling and pointed out that consistent updates structured into the larger corporate narrative serve to keep investor confidence. This continuous involvement emphasizes the importance of a narrative that is flexible and reflects actual development as it shows that, even if storytelling is important, it should be constant and change as the company develops.

The instance of a specific company that Interviewee 4 discussed shows the strengths and limitations of storytelling. Although the business concept of this firm is advanced, the way its creator told the tale helped the investors find the company interesting and manageable. Interviewee 4 observed that they would have required many sessions to completely understand the company strategy without the founder's superb explanation. Nonetheless, the fact that 90% of the choice to keep talking with this startup was impacted by storytelling alone begs issues about whether the early dependence on narrative may eclipse serious examination of the long-term sustainability of the company. This scenario emphasizes the power of narrative to close knowledge gaps but also emphasizes the need to make sure that the compelling story does not distract attention from careful assessment of the core of the company.

In essence, even if storytelling improves resource acquisition—especially in the early phases—it is essential that accurate business processes and statistics back this tale. According to the data, storytelling may be a very effective tool, but it should be utilized carefully to make sure it enhances rather than replaces the strategic and financial aspects required for long-term success.

The study emphasizes three fundamental components of good narrative: continuity, authenticity, and balance. Building confidence and trust with investors hinged mostly on authenticity. Interviewees often pointed out that they could tell whether a tale was fake or practiced, which would seriously discredit the entrepreneur. As Interviewee 4 said, "Authenticity in storytelling is key to building trust". This result implies that storytelling has to be real and represent the actual values and entrepreneurial ambition if it is to be successful.

Another key component is the harmony between logical information and emotional appeal. Although emotive storytelling grabs people's attention, it has to be backed up with strong facts if it is to keep investor interest and establish long-term trust. It is crucial to make sure the story resonates throughout the whole investment process by combining a coherent narrative with specific, fact-based insights.

Storytelling continuity is also crucial. Entrepreneurs who have a consistent story throughout time are more likely to develop and keep investor confidence. Interviewee 2 said, "The initial personal story helps build trust, but maintaining that trust requires constant storytelling". This result emphasizes the need for storytelling not only as a tool for the first pitch but also as a continuous activity that helps control investor relationships and expectations all along the lifetime of the investment.

The results have various practical consequences for investors as well as for entrepreneurs. Learning the craft of a story can help business owners greatly increase their capacity to attract investment. This means creating a story that is real, fair, and able of changing with time. Entrepreneurs should concentrate on making sure their tale is both interesting and backed by facts as they should match the values and interests of possible investors.

For investors, knowing the subtleties of narrative will improve their assessment methods. Investors may better spot real possibilities and create closer, more robust alliances with businesses by concentrating on the authenticity, balance, and continuity of the stories they come across. Making wise investments that help their portfolio to be long-term successful depends on the capacity to distinguish between a well-crafted tale and a dishonest pitch.

In essence, narrative is a strategic instrument that may influence the course of a startup's success rather than just a weapon of persuasion in the corporate environment. Entrepreneurs and investors may maximize their methods by integrating the knowledge gained from this study into their activities, therefore producing more successful pitches, improved investment choices, and finally more productive ways. Strong evidence from this study shows that storytelling is in

fact existent in business and that its strategic usage may greatly affect resource acquisition and the general performance of entrepreneurial activities.

The research conducted shows very interesting insights into the role that storytelling plays within the venture capital (VC) investment process, particularly among SaaS technology startups. The findings of the research firmly support the need of storytelling as a fundamental component in entrepreneurial presentations, therefore affecting not only first investor interest but also long-term investment relationships. This result is derived from the larger background given by previous research as well as from qualitative data gathered by means of interviews with venture capitalists.

The approach of this study—, which is based on expert interviews and supported by content analysis—offers a strong foundation for investigating the many subtle points of view of people with specific expertise in the topic. Purposive sampling, semi-structured interviews, theme analysis, and content analysis guarantee rich, thorough, and contextually grounded data collecting. This method not only helps to have a thorough awareness of the study topic but also produces insightful analysis that could guide practice and next studies.

The combination of qualitative techniques used in this research enables a thorough analysis of the storytelling in choices about venture capital investment. The thorough, context-rich information gathered by means of expert interviews offers a complex picture of how storytelling shapes investor opinions and choices. Content analysis reveals trends and themes in the presentation of entrepreneurial pitches, therefore enhancing this knowledge.

Triangulation, member checking, and ethical concerns help to improve the methodological rigor attained by means of these approaches, therefore strengthening the legitimacy and dependability of the study results. The meticulous design and execution of the research technique guarantee that the insights acquired are strong and significant even with the natural limits.

This study adds to the body of knowledge already in existence on venture capital investing and entrepreneurial storytelling, therefore providing useful information for investors hoping to make more wise judgments and for entrepreneurs trying to improve their presenting plans. By investigating other settings and using mixed-methodologies to evaluate and extend on the insights produced, future studies may build on these results.

The first main result is the confirmation of Research Question 1 (RQ1), which holds—especially in relation to venture capital—that narrative is firmly ingrained in corporate

processes. According to the report, storytelling is a necessary tool for businesspeople rather than just a side activity. It provides a means for converting difficult, often abstract corporate concepts into a story that appeals to investors by means of relevance. In the SaaS industry, where goods and services are frequently very technical and difficult for non-experts to completely understand without the help of a narrative framework, this is particularly crucial.

The interviews underlined how important narrative is to establish a relationship between an investor and an entrepreneur. As Interviewee 3 emphasizes, a story's capacity to differentiate a business in a saturated industry is very vital: "In the packed scene of startups, the narrative you provide could grab our interest. There are many pitches, but what really stays with us are the gripping stories". Previous research that underline the need of story in catching and maintaining attention in contexts loaded with information supports this realization (Martens, Jennings, & Jennings, 2007).

The study also leads one important conclusion: the dual function of narrative in emotional and logical involvement. The interviews showed that while emotional appeal is important in the early phases of participation, its long-term success depends on being counterbalanced by logical, fact-based material. This conclusion supports Research Question 2 (RQ2) that storytelling positively impacts resource acquisition, but it also introduces a nuanced knowledge: emotional stories are effective in securing initial interest, but sustaining that interest requires a strong basis of data and a clear business plan. Interviewee five pointed out, "an overly emotional pitch without enough substance can backfire". This captures the careful balance entrepreneurs have to strike between satisfying investors' expectations for specific, useful information and appealing to their emotions.

A powerful example of this balancing comes from the anonymised startup under discussion with Interviewee 4. The ability of the entrepreneur to show how successful good storytelling can be in bridging knowledge gaps helped investors to grasp the complicated business concept. But the dependence on storytelling alone—which affected 90% of the choice to keep talking—also emphasizes the possible dangers should the narrative dominate a critical assessment of the business's foundations. This scenario shows the potency of narrative but also acts as a warning about the requirement of careful due attention outside of the story.

The study also comes to the conclusion that developing and maintaining investor confidence depends critically on authenticity and consistency in narrative. Real-life narrative not only builds initial credibility but also is rather important for maintaining long-term partnerships between investors and entrepreneurs. Several interviewers who stressed their ability to spot

whether a tale was practiced or fake drew this conclusion: this might seriously damage the reputation of an entrepreneur. Interviewee 4 underlined the need of this authenticity: "authenticity in storytelling is key to building trust". This result implies that rather than just acting as a strategic tool, storytelling should really represent the entrepreneur's beliefs and vision to be successful.

Furthermore, the story must run continuously throughout the life of the investment. Those that regularly provide their investors with a story that develops with the company are more likely to keep investor confidence. This continuous narrative is not only important for informing investors but also for bolstering the confidence built at the first pitch. Interviewee 2 observed: "the initial personal story helps build trust, but maintaining that trust requires constant storytelling". This realization emphasizes the need of narrative as a dynamic process that changes to fit new events and problems, thus guaranteeing that investors stay involved and encouraging throughout time.

Finally, the studies demonstrate that the venture capital process cannot function without narrative. Not only is it important for getting initial money, but it also helps to keep investor involvement and build long-term alliances. But the sincerity, balance, and continuity of narrative determine its potency. These components are necessary for developing and maintaining confidence with investors so that the story fits the changing reality of the company as well as the ambition of the entrepreneur.

7.2 Interpretation of Findings in the Context of the Theoretical Framework

Examining narrative in the context of venture capital (VC) investment offers a complex knowledge of its importance and effectiveness. Based on the theoretical frameworks developed in previous parts of this thesis—especially narrative theory and entrepreneurial storytelling—the results of this research confirm the inherent existence of storytelling in corporate environments, primarily in the VC sector.

The initial theory put forth was that corporate environments abound with stories. The data gathered powerfully supports this claim. Many of the participants stressed the need of narrative in entrepreneurial presentations. Interviewee 2 said, for instance, "Storytelling is a crucial part of a pitch especially in the early stages where metrics may not yet be available". This attitude

is consistent with the basic ideas of story as proposed by Barthes and Duisit (1975), who underlined stories as basic means of efficient information organization and transmission.

Moreover, the interviews expose that the building and delivery of pitches depend on narrative rather than being a side effect. Interviewee 1 went further, "In the early stages, when there's little data, storytelling helps us understand the vision and potential". This is consistent with the view of Garud, Schildt, and Lant's (2014) that stories are crucial in organizing entrepreneurial activities in a way that fits investor expectations and market reality.

Beyond simple presentation, storytelling is important as it captures the entrepreneur's capacity to create an engaging narrative covering their vision, goal, and the issue they want to address. The observations of Interviewee 5, who said, "We tend to have much more interest after [a personal story], and even during a meeting with the founder, after he mentions and describes his life, how he ended up doing this, we... get more focused" show this quite well. This concentration indicates a closer involvement and implies that narrative acts as a means of attracting investor attention and interest.

One of the interview's main themes is the great value of authenticity for narrative. Although the framework and substance of stories are highly important, their effectiveness is often enhanced or reduced by their authenticity and delivery. Interviewee five underlined, "You cannot truly get financing with just storytelling... it's not enough. So, it's an aspect that is useful and creates some trust, but in the end, it's not everything" This emphasizes how important it is for businesses to strike a mix between narrative flair and solid, verified facts.

Moreover, the acceptance of the story depends much on its delivery. Interviewee 3 clarifies: "Effective storytelling is about being clear, concise, and authentic... [and] continuing the narrative beyond the initial pitch". This constant narrative participation implies that storytelling is not a one-off activity but rather a continuing process that maintains investor confidence and interest all through the investment lifetime.

These revelations complement the theoretical viewpoints covered in Chapter 2, in which the effectiveness of narrative depends on its authenticity and fit for the entrepreneur's activities and commercial reality (Fletcher, 2007). Here the confluence of theory and actual data supports the relevance of real storytelling in business success.

Extensively building on the existing presence of story in business, the second Research Question investigated how it affected resource acquisition among technology entrepreneurs.

The results answer the Research Question by offering compelling evidence that investing choices are much influenced by narrative.

Moreover, the quantification of storytelling's impact is evident in Interviewee 5's reflection: "In this [case], a lot... I would say 90% because... after this meeting, we became interested because of the storytelling part". The example provided emphasizes how powerfully narrative may accelerate knowledge acquisition and increase investor involvement.

Furthermore, clear evidence of the influence of storytelling comes from Interviewee 5's reflection: "In this [case], a lot... I would say 90% because... after this meeting, we became interested because of the storytelling part". This indicates a significant effect and implies that, especially in complicated or innovative corporate environments, narrative may pivotally change investor views and choices. These empirical findings fit the intellectual debate on the persuasive power of stories. As Martens, Jennings, and Jennings (2007) suggested, by establishing distinctive value propositions and visionary paths, great storytelling may set businesses in saturated marketplaces apart.

7.3 Balancing Storytelling with Data

Although the power of narrative is confirmed, the interviews also warn against depending too much on it at the price of important facts. "In the end, what matters also significantly is the numbers... even during a meeting with the founder... we would like to see and if a founder... starts to speak but there is no single point connection with the PPT that we see... it's really important," said interviewee five. This emphasizes the need of congruence between narrative and facts so that storytelling is grounded in corporate reality.

Interviewee 1, "As the startup matures, this balance shifts towards factual data and metrics," underlines even more this balance. Such observations fit the theoretical models covered in previous chapters, especially Benjamin's (2006) definition of the development of storytelling from emotional involvement to data-driven tales as businesses grow.

One recurring issue is how storytelling could help build confidence. Interviewee five said clearly, "When a founder is... trying to come up with actual reviews from the current user... it also creates some kind of trust within us". This suggests that stories anchored in actual validations—such as user quotes or market comments—increase trustworthiness.

Furthermore improving connection dynamics are the personal aspects of narrative, like entrepreneurs revealing their inspirations and paths of discovery. Second interviewee said, "A personal story can have a strong positive impact, especially if it demonstrates the founder's passion and commitment". This personal touch not only humanizes the presentation but also communicates resilience and dedication—qualities often sought for by investors.

These results align with the body of research on trust dynamics in entrepreneurial environments (Fletcher, 2007; Garud, Schildt, & Lant, 2014), therefore confirming that storytelling is a fundamental tool for trust-building and hence helps to acquire resources.

The interviews show that the significance of storytelling in pitches corresponds with Barthes and Duisit's (1975) claim of narratives as basic communication structures. The useful uses of story theory show themselves in the techniques used by companies to clearly and powerfully communicate difficult business concepts.

The interviews reflect the role narrative plays in creating legitimacy—as Garud, Schildt, and Lant (2014) describe. Entrepreneurs shape their businesses in line with market possibilities and investor expectations by using stories. The comment of Interviewee 4 on a complicated business strategy clarifies this: "With [the founder's] storytelling, it could make us understand [the business]... focus, so everything".

One clear contribution of this work is the focus on narrative authenticity. Although the body of current research emphasizes the framework and substance of stories, the interviews stress the delivery and authenticity as major factors influencing effectiveness. This point of view enhances the scholarly debate by implying that authenticity distinguishes a scene covered with perfected pitches.

One important factor becomes the subtle interaction between factual facts and emotional appeal. Although Zak (2014) underlined the need of emotional involvement, the interviews support a mixed strategy. "It's hard to find a unique startup, but if it's a unique startup, then we get extremely immediately connected... even we can skip phases from our procedure" the fifth interviewee said. This implies that even although emotional resonance might speed up procedures, it has to be supported by facts if one wants to maintain investor trust.

Still another factor that comes up is the idea of ongoing narrative participation. Emphasizing that storytelling is not limited to the first phases but is essential throughout the entrepreneurial journey, the advise of Interviewee 3 to keep narrating beyond the first pitch fits the literature on narrative continuity (Lounsbury & Glynn, 2001).

Overall, the results not only support current ideas but also provide fresh angles on authenticity, balance, and consistency in entrepreneurial narrative to the conversation.

8. Conclusions and Recommendations

8.1 Practical Implications for Entrepreneurs and Investors

The clarification of the multiple functions of storytelling in VC investment choices results in numerous pragmatic consequences for investors and entrepreneurs.

For Entrepreneurs

- **Authenticity is paramount:** Entrepreneurs should create stories that really represent their mission and the journey that they are taking. Interviewee five's observations show that genuineness builds confidence and sets the business apart in investor assessments.
- **Balance Narrative with Data:** Although gripping tales enthrall, they have to be rooted in reliable facts. As stated by Interviewee 1, entrepreneurs should make sure their proposals smoothly combine emotional appeal with factual support.
- **Clarity and brevity:** Define good narrative from all around. Too complicated or verbose stories could hide the main point of view. Interviewee five counsels, "Be brief, be decisive... let the VCs ask their questions". This guarantees effective communication of the important topics therefore enabling investors to concentrate on the most important features of the presentation.
- **Continuous Engagement:** Storytelling should go beyond the first pitch to keep investor confidence and interest all through the investment life. Long-term success depends on keeping a constant story that changes with the company, as Interviewee 3 noted. This strategy conforms with best standards in preserving investor relations as constant communication fosters confidence and keeps investors updated about the developments and difficulties of the business.

For Investors

- **Evaluate authenticity:** Investors should consider not just the story's substance but also its consistency with the entrepreneur's behavior and statistics. This awareness helps one to see real possibilities and stay away from proposals that could be polished but lack value. Understanding the dedication and potential of the entrepreneur depends on assessing their honesty and consistency, as Interviewee 4 underlined.
- **Encourage Balanced Pitches:** Investors may help businesses choose proposals that strike a mix of emotional appeal and data-driven insights thus guaranteeing thorough

reviews. This balance is especially crucial as it shows the entrepreneur's capacity to combine vision with pragmatic execution—a quality often sought for in good firms.

- **Foster Open Dialogue:** Establish environments where business owners may tell personal tales and reasons so that investors may better understand their vision and dedication. As Interviewee 2 pointed out, this strategy may highlight the entrepreneur's actual enthusiasm and drive—often markers of their long-term commitment to the company.
- **Monitor Narrative Continuity:** Investors should evaluate how businesses keep their narrative consistent during the engagement as consistency may show dependability and strategic coherence. Apart from showing openness, constant narrative involvement shows the entrepreneur's capacity to change and grow the company in reaction to new conditions.

The findings from this research provide support for the research questions that storytelling is present in business (RQ1) and has a positive impact on resource acquisition among SaaS technology startups (RQ2). The data collected from interviews with venture capitalists offer valuable insights into how storytelling functions within the investment process, highlighting its role in capturing attention, building trust, and facilitating long-term investor relationships.

The discussion also underscores the importance of authenticity, balance, and continuity in storytelling. Entrepreneurs who master these elements are better equipped to navigate the complexities of the venture capital landscape, securing investment and fostering successful, enduring partnerships with their investors.

For investors, understanding the nuances of storytelling can enhance their evaluation processes, enabling them to identify genuine opportunities and build stronger, more resilient partnerships with entrepreneurs. By focusing on the authenticity, balance, and continuity of the narratives they encounter, investors can make more informed decisions that contribute to the long-term success of their investments.

In sum, storytelling is not merely a tool of persuasion in the entrepreneurial world; it is a strategic asset that can shape the trajectory of a startup's success. By integrating the lessons from this research into their practices, both entrepreneurs and investors can optimize their approaches, leading to more effective pitches, better investment decisions, and ultimately, greater entrepreneurial success.

8.2 Limitations of the Study

Although this study offers significant new perspectives on the function of storytelling in venture capital, many limits have to be acknowledged. These restrictions not only influence the generalizability of the results but also indicate areas where further study is required to better grasp this difficult subject.

The fact that this research depends mostly on qualitative data gathered by means of interviews with a somewhat small sample of venture capitalists limits it greatly. Although useful for obtaining in-depth insights, the subjective character of qualitative interviews implies that the results are naturally shaped by the personal experiences and prejudices of the participants. This restriction implies that while very detailed, the findings could not be totally reflective of the larger venture capital community. For instance, the points of view expressed by the respondents could mirror certain investing philosophies or industry-specific policies not generally relevant. This restriction emphasizes the necessity of exercise in generalizing these results to a larger audience as it shows the requirement of prudence.

Expert interviews and content analysis have inherent limits even if they provide extensive and thorough data. The possible bias in the choice of participants is one major restriction that can influence the generalizability of the results. Purposive sampling is used in this study; while it helps to target informed people, it may cause selection bias. Participants could have views that deviate somewhat from the general community of entrepreneurs and venture investors. Ensuring a varied sample and using triangulation to evaluate results across many data sources would help to offset this restriction (Saunders et al., 2018).

Furthermore introduced by the subjective character of qualitative data analysis is researcher bias. The viewpoints and experiences of the researcher influence the way data is interpreted, therefore influencing the objectivity of the results. Triangulation, member verification, and keeping a reflective record all through the study process were used as techniques to handle this. These techniques assist to guarantee that the study is thorough and that the researcher's prejudices are admitted and controlled (Creswell & Poth, 2018).

Still additional restriction is depending on self-reported data. Social desirability bias—where participants depict themselves or their experiences in a more positive light—may affect their answers. Building relationships with people and guaranteeing secrecy can help to somewhat offset this restriction by motivating more honest and open answers.

The study's emphasis on SaaS technology businesses adds even another major constraint. Although this emphasis allowed for a thorough investigation of the particular difficulties and prospects within this industry, it also meant that the results may not be relevant in other sectors. The special qualities of SaaS companies, like as dependence on scalable software solutions and recurring revenue patterns, might affect how investors evaluate and use storytelling. Therefore, the results of this study might not be valid in sectors with distinct dynamics, including manufacturing or retail, where the kind of the product and client contacts vary greatly. This industry-specific emphasis emphasizes the necessity of research that investigates storytelling in many different fields and restricts the more general application of the results.

Furthermore lacking a quantitative component that would have given a more impartial assessment of how narrative influences investing results is the research. Although the qualitative data provide convincing proof that narrative influences investment choices, it does not give any objective statistics to measure this effect. The research did not, for example, track the variations in investor commitment or financing between firms that successfully use narrative and those that do not. This lack of quantitative evidence restricts our capacity to draw firm decisions on the efficiency of narrative in the procurement of resources. Future studies using quantitative techniques might help close this knowledge gap and provide a more complete awareness of how narrative influences financial choices.

Cultural elements provide even another restriction that this research neglected. The studies mostly show the viewpoints of venture capitalists working in a particular cultural and geographical setting, which may not be accurate of world investment patterns. Stories are told, absorbed, and understood somewhat differently depending on cultural background. For instance, what is seen as a good story in a Western setting might not appeal to investors in Asia or the Middle East, where differing cultural standards and expectations affect corporate communication. This restriction implies that the results of this study could not be totally relevant in a worldwide environment and so further research is required to investigate how storytelling is seen and used across many different cultures.

Moreover, the studies did not investigate carefully the probable harmful consequences of story. Though the research underscored the importance of balancing emotional appeal with logical knowledge, it did not extensively examine the risks of leaning only on storytelling. A fascinating story could, for example, obscure careful evaluation of a company's business roots, therefore affecting investment decisions. In saying, "an overly emotional pitch without enough substance can backfire," interviewee five hinted to this risk. The study may have, however,

focused more extensively on how investors navigate this risk and what strategies they use to ensure narrative benefits rather than undermines their process of decision-making.

At last, the cross-sectional character of the study restricts its capacity to portray the long-term consequences of narrative on company success and investor relationships. The research offers a glimpse of how storytelling shapes first investment choices; it does not follow these links over time to see how the stories change and if they still affect investor involvement. Longitudinal research might provide insightful analysis of how narrative affects the course of a firm after the first investment, including its implications on next fundraising rounds, investor satisfaction, and general business performance.

In summary, even although this research has provided significant new perspectives on the function of narrative in venture capital, its shortcomings should be recognized. These include the dependence on qualitative data, the emphasis on a particular sector, the absence of quantitative research, the possible effect of cultural elements, and the need of a more thorough investigation of the hazards related with narrative. Dealing with these constraints, in future studies might help to provide a more complete and sophisticated knowledge of how narrative influences the scene of venture capital.

8.3 Recommendations for Future Research

The results of this study provide a basis for further investigations, especially in overcoming the constraints encountered and investigating fresh angles of storytelling in the venture capitalist environment. Building on the knowledge acquired from this study, further studies should take a more all-encompassing and multifarious approach, hence increasing the breadth and depth of inquiry.

Expanding the sample size and variety of venture capitalists investigated is among the most important suggestions for further studies. Although this study yielded significant qualitative insights, its findings draw on a quite small and maybe homogeneous set of subjects. Larger and more varied samples of venture capitalists from several geographical areas, cultural backgrounds, and investment industries should be sought for future research. This more general method would let scientists determine if the results

This more general method would enable researchers to determine if the results of this study apply in other sectors or whether other trends show in other areas or sectors. Venture investors

in developing countries, for example, could give different elements of storytelling more priority than those in developed markets, or cultural quirks might shape the way stories are created and perceived. A bigger and more varied sample would provide a more complete knowledge of the function of narrative worldwide and more generally relevant findings.

Investigating narrative across other sectors beyond SaaS technology companies is another important subject of future study. Although this research focused on the SaaS industry, where narrative is essential for clarifying difficult technological ideas, other sectors may make unusual but equally vital use of storytelling. In the consumer goods sector, the focus can be on brand identification and client loyalty; in the healthcare sector, on patient outcomes and the ethical consequences of new technology. Examining a variety of sectors helps academics identify industry-specific storytelling techniques and ascertain if the SaaS context's results can be used generally or require adaptation for another sector.

Future studies should also include quantitative approaches to support the qualitative findings of this work. To gauge the direct influence of storytelling on important investment outcomes as the amount of money obtained, the speed of financing acquisition, or the lifetime of investor relationships, researchers could, for instance, use surveys or experiments. This quantitative research might contrast companies that use storytelling with those that do not, therefore offering real data to either support or refute the qualitative conclusions of this study. Quantifying the impact of storytelling will help future studies to provide investors and entrepreneurs practical insights as well as more clear results on its efficiency.

The function of cultural and contextual elements in storytelling is another crucial field for further research. This research concentrated mostly on a certain cultural and geographical context, hence, it is important to find out how storytelling is seen and used in other cultural environments. For instance, how can Western and Eastern venture capital markets vary in their narrative methods? How much do cultural background shape the tales investors find appealing and the narratives entrepreneurs create? Investigating these issues might help future studies to clarify the worldwide relevance of narrative techniques and give direction for businesses trying to attract foreign investment.

Future studies should also explore further the possible negative effects of narrative. Although this research focused on the requirement of striking a balance between emotional appeal and logical substance, more thorough investigation of how too much dependence on narrative could have bad results is needed. Future research might look at instances where engaging tales resulted in bad investment choices or when storytelling dominated rigorous examination of the

business foundations of a firm. Knowing these dangers would let investors and business owners create more balanced approaches to narrative, therefore guaranteeing that stories improve rather than impede decision-making procedures.

Additionally offering insightful analysis on the long-term consequences of narrative on investor relationships and company performance are longitudinal research. Tracking businesses over multiple years allows academics to investigate how stories change, how they impact corporate results, and how they shape the continuous dynamics between investors and entrepreneurs. Such research might show if the initial effect of storytelling lasts over time or whether its influence decreases as the company grows and other variables take the front stage. The longitudinal study might also look at how continuous storytelling helps control investor expectations, negotiate obstacles, and preserve trust, therefore providing a more dynamic picture of the function of storytelling in the entrepreneurial path.

At last, future studies may look at how the venture capital process incorporates digital and multimedia storytelling. Entrepreneurs are progressively adopting digital tools to create and share their stories as technology develops. In terms of efficacy, how do these modern forms of narrative—such as video pitches, interactive presentations, or social media campaigns—compare to conventional storytelling techniques? How can one effectively use these instruments to improve the narrative experience and engage investors? Investigating these issues might help future studies reveal how digital innovation is changing the way the venture capital ecosystem tells and absorbs stories.

In conclusion, even though this study offers important new perspectives on the function of storytelling in venture capital, future studies have a great possibility to build on these conclusions. Future research can offer a more complete and complex knowledge of how stories shape the entrepreneurial and investment environment by extending the scope of the study, including quantitative methods, investigating cultural variations, analyzing the possible hazards of storytelling, and looking at new storytelling media. These initiatives not only enrich scholarly understanding but also provide useful advice for investors and entrepreneurs negotiating the complicated and often changing terrain of venture capital.

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Appendices

Appendix A – Interview Guideline

Interview Guideline for Venture Capitalists on the Effect of Storytelling in Deal Sourcing and Selecting Investments

Introduction

Hello [Interviewee's Name],

Thank you for joining me today. My name is Gergely, and I am working on my master's thesis about the role of storytelling in the venture capital investment process. The purpose of my research is to understand how storytelling techniques impact deal sourcing and investment decisions.

This interview will take about 30 minutes to 40 minutes. Your insights will be invaluable to my research, and I assure you that all information shared will be anonymous, kept confidential and used only for academic purposes.

Do you have any questions before we start?

1. Role of Storytelling in Deal Sourcing

How do entrepreneurs typically present their business ideas to you? (Pitch decks, Personal meetings, Videos)

What do you mostly invest in? (Industry, form of startup etc)

What percentage of your investments are associated with SaaS tech startups?

How do you define storytelling? What does it mean to you?

H1: Storytelling is present in business.

How important is the storytelling aspect in these presentations?

- Why do you think storytelling is/isn't important?
- What aspects do you pay the most amount besides metrics?
- Could you please put it on a scale of 1-10?

Can you recall a pitch where the storytelling particularly stood out?

- What made the storytelling effective?
- How did it influence your perception of the deal?
- Can you quantify the percentage of your decision that is influenced by the storytelling aspect compared to other factors?

H2: The use of storytelling has a positive impact on resource acquisition (among SaaS technology startups).

2. Emotional vs. Rational Content

When evaluating a pitch, how do you balance emotional appeal with factual data?

- What elements of a story make it emotionally appealing to you?
- How important are facts and figures compared to the narrative?
- When evaluating a pitch, how do you balance emotional appeal with factual data? (Please provide a ratio, e.g., 60% factual, 40% emotional)

What was the craziest story they came up with – if there were any?

Can you provide an example where an emotional or rational approach significantly influenced your investment decision?

- Describe the pitch
- Explain the outcome and how the storytelling impacted your decision

3. Personal Stories and Trust formation

How does an entrepreneur's personal story affect your evaluation of their pitch?

- Importance of the founder's background and personal journey
- Impact of authenticity and relatability

What factors contribute most to building trust in an entrepreneurial pitch?

- Role of storytelling in establishing credibility
- Importance of transparency and honesty

How important is the first impression in your decision to consider an investment, and what role does storytelling play in this?

- Key elements that form a strong first impression
- Impact of storytelling on initial perceptions

4. Conclusion

Do you have any additional thoughts on the role of storytelling in venture capital investment decisions?

- Any best practices you've observed or heard of
- Suggestions for entrepreneurs to improve their storytelling
- Suggestions for entrepreneurs to improve their storytelling (Could you quantify the potential impact of improved storytelling on investment decisions, e.g., increase in successful pitches by X%)