

The Magical Language of Un-realistic Venture Ideas in Social Entrepreneurship

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We need to ask social entrepreneurs, “Are you pitching a social business opportunity or are you pitching social change?” Because pitching for social change is tricky! Further, it may compromise funding. We know social entrepreneurs are motivated to change the world for the better. For social entrepreneurs, the zeal for social change may surpass their need for money, affecting how they communicate their missions, and how they’re perceived by investors. While social investors are sympathetic to social missions, they find zealotry a turn off. Without funding, many social mission ventures would fail to launch. This is concerning because social ventures failing to launch would mean fewer social ventures to help address the world’s unmet social needs and a worsening social crisis.

Language is critical in communicating business plans and critical in affecting judges’ “feelings, thoughts, and actions.” Therefore, we looked at how social entrepreneurs used language in their social business plans. Wanting social ventures to succeed in securing funding for their missions, we analyzed language that negatively impacted social venture funding to help improve future missions. Using plans submitted to a funding competition hosted by a social incubator in the northeastern USA, we analyzed 312-pages of feedback reports written by 75 judges critiquing 160-pages of business plans. To understand language that negatively impacts social venture funding, we focused on the language triggering judges’ disbelief where judges said variations of, “Based on what I have read so far, this is not realistic.” While judges also held similar social values, their mandate was to find investable social ventures. Matching judges’ critical feedback with the business plan claims and promises, section by section, we identified the categories triggering judges’ disbelief.

Typical of most entrepreneurs, social entrepreneurs made claims of innovation, effectiveness, and readiness to act on an opportunity. However, many passages also used unconventional language and logic and read more like sermons, doctrines, and manifestos of social change than as opportunities for social return on investment. Instead of relying on conventional business language social entrepreneurs made claims and promises to deliver “peace of mind,” employ “happiness gurus” and give “75% of revenues” to social change missions. Language expressing values of interconnectedness, feelings of righteousness, and ideological stances especially triggered judges’ disbelief. While value-based language expresses noble intent, it does not move judges to invest.

Yet, using the value-based, unconventional language of interconnectedness, righteousness and ideology in business plans also has positive attributes. We find that social entrepreneurs are not only seeking resources and legitimacy through their documents but are also provoking social action and proselytizing their missions to judges. Unconventional language also works to critique social reality and advance social change, making social venture plans a form of social protest. The use of language may be especially unconventional and charged with social critique during times of crisis, such as during financial crises, pandemics, war, and climate change. The language of social change is an important element differentiating social entrepreneurship from commercial entrepreneurship.

In sum, the use of values-based, unconventional language has negative and positive aspects. To avoid a loss of funding, social entrepreneurs should consider not only their greater social change goals but also their immediate resource needs. Social entrepreneurs would benefit from strategically considering judges’ needs to feel confident in a plan’s viability. It may also benefit incubators to prepare judges to anticipate and tolerate unconventional language advocating social change and that

perhaps social change language should not necessarily trigger disbelief and discredit a plan as long as a plan includes sound business metrics in addition to social change provocation.

The world needs social ventures; therefore, when pitching for social change, social entrepreneurs must consider the following tips:

1. Do not assume that sharing social mission values with judges means they share a vision of how to implement social change.
2. Consider judges' egos when painting a picture of a dystopian market and make sure not to implicate your audience members, hence judges, as possible contributors to social demise when establishing the need for your solution.
3. If funding is required, then strategically consider the needs of judges to identify investable social ventures and weigh the use of quantifiable evidence versus social change language.

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