

Should We Take Route A Or Route B? How Start-Up Teams Navigate Contradictory Feedback

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“You should sell your vegan burger patty chilled as the customer looks for it in the refrigerated shelf.” – Innovation Manager of a supermarket chain and potential customer

“Your burger patty should be sold in frozen form as the shelf life will be longer.” – Mentor and potential investor

Situations like this happen to start-up teams every day. Seeking feedback from many and diverse sources, they frequently receive contradictory feedback – that means feedback, that shows them two or more completely different development directions for their venture.

When interviewing start-up team members and their coaches in our study, we found that the decisions based on contradictory feedback were momentous for them. For example, the consequences for the team that received the feedback described at the beginning of this article were the following: placed on the wrong shelf, the customer might not find the product. The cost of a chilled or frozen value chain affects the final price of the product. Not all contract manufacturers offer both options for production. For the frozen form, the product characteristics must be suitable for defrosting. For the refrigerated form, the shelf life is shorter, which means if the product is not sold off quickly enough, it ends up in the trash.

As this example shows, contradictory feedback can put start-up teams in quite a difficult situation, because they rely on the feedback they get to further develop their ideas. But still, working alone in your basement rarely brings ideas to the market. Therefore, receiving feedback is key to the success of start-up teams as it helps them to develop products, which solve real customer problems, work technically, and can ultimately be turned into viable businesses.

During their entrepreneurial journey, start-up teams collect countless feedback from different feedback providers such as (potential) customers, investors, mentors or coaches. In entrepreneurship courses, incubation or acceleration programs start-up teams are even actively motivated to collect as much feedback as possible to validate their ideas and develop their opportunities further.

As we have seen, contradictory feedback can be overwhelming and lead teams to not know what they should do. Although this topic is fundamental for start-up teams, it has been ignored in entrepreneurship so far. We fill this gap with our research by showing that there are two ways start-up teams process contradictory feedback:

First, start-up teams can handle contradictory feedback together as a team. They can use their shared knowledge and opinions to put themselves in the shoes of the feedback providers and take their perspective. This can help them better understand why they received contradictory feedback. Our research shows that teams taking this approach gather more information to create a holistic picture as a base for decision making. Based on all the information collected, the teams try to understand the implications of each decision option for the future of their start-up. This ultimately helps them make a decision to accelerate the progress of their start-up.

The second option is that one team member, who is the specialist for the topic in question in the team, e.g., the team member responsible for product development, takes care of the feedback. The specialist can best judge the contradictory feedback and try to understand how each decision alternative might be implemented. To do this, s/he gathers information from easily accessible sources such as roommates, family or friends. Our research shows that start-up teams following this approach try to avoid making a decision or, if a decision must be made, they try to remain as flexible as possible. Flexibility in this context means that the teams try to keep all available development options for their start-up open.

Looking back to our example team from the beginning of this article, the team decided to sell the product in frozen form, as the longer shelf life turned out to be a crucial point and the first pilot customers were already used to the frozen form from other products.

What we can recommend not only to start-up teams but also to management teams in general, is, that it can be very helpful to take the perspective of the feedback giver in order to better understand the situation and to be able to better deal with contradictory feedback. Also, even if it seems at first that more information in an already complicated situation can further complicate it (by getting even more opinions), this can help to make a well-informed decision despite contradictory feedback. And lastly, when receiving contradictory feedback, it can help to process it together as a team to better cope with the uncertainty created by it.

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