



## **Composure Helps Founders Win Investors' Hearts**

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### **Tension in Founders' Hearts: Pride v.s. Persuasion**

Many entrepreneurs dream of partnering with prudent professional investors like Charlie Munger-investors who not only provide resources but also respect founders' values and autonomy. This desire is particularly strong among experienced entrepreneurs who are deeply emotionally invested in their ventures. As Munger observed, "By and large... people in the business world doing the work... don't feel they (venture capitalists) are a partner trying to help the company" (Acquired, 2023). When pitching their ideas, experienced entrepreneurs may therefore hesitate to appear overly eager to please or excessively attention-seeking, motivated by a sense of self-respect and pride in their autonomy.

However, respect from prudent investors is not freely given. It must be earned, as Munger also noted, "I didn't get to where I am by going after mediocre opportunities" (Acquired, 2023). Beyond assessing polished presentations, discerning investors probe entrepreneurs through question-and-answer (Q&A) sessions, during which entrepreneurs' emotional cues become more spontaneous and revealing of their underlying strengths and weaknesses.

Thus, entrepreneurs face a critical challenge: they must reconcile their desire for autonomy with the need to persuade investors that the information they emphasize truly matters. This psychological balancing act can stir intense emotions: anger when feeling misunderstood, and fear when sensing that their venture may be undervalued. Such emotional intensity is especially pronounced among experienced entrepreneurs, who often have high expectations grounded in years of expertise.

### **Voice in Founders' Hearts: Age is Just a Number**

Beyond emotional tension, experienced entrepreneurs, who may appear as older, must also navigate the persistent challenge of ageism in fundraising. While age brings valuable intangible assets such as experience and networks, research by Azoulay et al. (2020) shows that the average founder age among the fastest-growing startups (top 0.1%) is 45. Nevertheless, investors often prioritize adaptability and perceived potential for innovation, favoring younger entrepreneurs in a fast-moving, youth-driven startup ecosystem. As Paul Graham, venture capitalist and cofounder of Y Combinator, candidly stated, "the cutoff in investors' heads is 32" (Rich, 2013). Faced with these biases, older entrepreneurs confront a dilemma: should they mimic the high-energy emotional displays common among younger founders?

### **Reconciling Tension and Making Voices Heard: How Composure Matters**

Our research, based on deep learning analysis of 652 entrepreneurial pitch videos, reveals an answer to this dilemma: entrepreneurs benefit from maintaining a composure-focused emotional communication style throughout their presentations and Q&A sessions.

Importantly, the composure-focused style does not mean appear as neutral. The critical factor is low to moderately high emotional energy and consistency across interactions, signaling control and stability while remaining engaging. The psychological safety and interest triggered by a composure-focused style can broaden investors' attention to the positive aspect of information while reducing defensiveness. Facial expressions of happiness, sadness, and disgust support this composed self-presentation style. By contrast, consistent displays of high emotional energy through voice tones of anger, fear, and surprise may initially captivate investors, but often lead to diminished effectiveness over time for triggering defensiveness.

Specifically, we find that sustaining a composure-focused arousal style is more beneficial for entrepreneurs who appear older. It allows senior entrepreneurs to mitigate the skepticism and defensiveness in the investors' perceptions while preserving a sense of dignity and self-control under the pressure of external scrutiny.

**Key Takeaway:**

Entrepreneurs who maintain a composure-focused emotional style are more likely to gain investor trust, especially during high-stakes Q&A interactions. This style is particularly effective for older entrepreneurs, helping them counteract age-related bias while preserving credibility and self-respect.

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