

How Entrepreneurs Can Turn Anxiety into Fuel of Success

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Feeling nervous before pitching to potential investors? You are not alone. Raising funds is one of the most critical challenges early ventures face. Failure to raise funds could be devastating after you have been working on an idea for years. Ideally, entrepreneurs should feel upbeat and look forward to pitching to potential investors. However, as we have found in a survey of entrepreneurs in the US and the UK, raising funds is hardly an enjoyable experience. Entrepreneurs are often frustrated by how discouraging and difficult the funding process is and feel overwhelmingly anxious before making their pitches. As our survey respondents described:

“I have a hard time thinking about anything other than what is making me anxious.”

“It was hard to stay calm as I really wanted the opportunity.”

“You are at the mercy of someone who either has the power to make or break you, at least that's how it feels.”

Many entrepreneurs report being unsuccessful in their attempt to calm down before their pitches. Understandably, entrepreneurial pitches are high-stake moments that are critical for venture survival and growth, which inevitably trigger anxiety. Furthermore, people tend to worry that their anxiety will hurt their performance, which paradoxically further lowers confidence and escalates anxiety.

However, our study suggests that anxiety could be seen as the flip side of entrepreneurial passion. After all, we feel anxious only because we care. As an entrepreneur mentioned in our survey:

“You are passionate about something that you want to see it succeed...when you need help from someone else...they may not financially support you, which means you may not be able to bring your vision to life.”

“[I worry about] people not liking what I was passionate about. It was personal.”

Inspired by this link between anxiety and passion, we instigated a new way to manage pitch anxiety: rather than trying to calm down, entrepreneurs can turn their anxiety into entrepreneurial passion. That is, they can think about their anxiety as a reflection of their commitment to and passion for their venture. By doing this, the experience of anxiety becomes a reminder of one's passion, facilitates a positive mindset, and contributes to pitch success.

Most Entrepreneurs Manage Anxiety Ineffectively

Nearly half of the entrepreneurs in our survey reported distracting themselves from the anxiety and ignoring the butterflies in the stomach. For example, some distracted themselves by focusing on what to say in the pitch. Turning attention away is simple and

may offer temporary relief. However, it does not fundamentally resolve the source of the anxiety: fear of not attracting enough funds. As entrepreneurs continue to engage in and prepare for their upcoming pitches, the anxiety could easily be triggered and roar back.

Why would entrepreneurs resort to distraction if it is not optimal? As psychologist Dr. Gal Sheppes and colleagues found, people spontaneously cope with their emotions in ways that are simple and familiar, even though such ways may not be the most effective in reducing unwanted emotions.

Channeling Anxiety into Passion

What would be a more effective way to manage pitch anxiety? Inspired by the insight that anxiety can be seen as a flip side of passion, our ongoing project investigated whether brief instructions to channel anxiety into passion can induce passionate feelings and eventually improve pitch performance. We studied business students during their preparation to deliver a pitch to solicit investment to an organization. We gave them different instructions about how to manage anxiety. In one group, speakers were asked to channel their anxiety into passion. In the other group, speakers were asked to distract from the anxiety and ignore their feelings—as entrepreneurs reported doing the most often. The key finding from the study is that those who channeled anxiety into passion actually ended up experiencing more passion, and they were more convincing in their pitches too! They were rated by independent judges as more passionate and more persuasive than speakers who ignored their anxiety.

The enhanced passionate display may potentially boost funding performance in real pitch settings. Research shows that when investors perceive passion in early-stage entrepreneurs they are more willing to fund them. However, little research to date offers specific tips on how entrepreneurs can reconnect with their passion in overwhelmingly stressful moments. Our study sheds light on how entrepreneurs can actively manage their emotions to achieve more desirable funding outcomes.

Interestingly, the positive effect of channeling anxiety into passion was stronger for more prepared speakers. In other words, the hard work upfront in familiarizing oneself with pitch materials helps entrepreneurs to best reap the benefits of this anxiety management technique.

Takeaways for Entrepreneurs

This technique can enrich entrepreneurs' toolkit to improve their pitch performance and wellbeing. Existing training programs tend to heavily focus on the content and style of delivery, whereas entrepreneurs are left on their own to handle the emotional rollercoaster in the funding process. However, it would be unfortunate if someone with a great idea missed funding opportunities just because they could not effectively manage their anxiety.

Next time before you step into the pitch meeting, try to tell yourself that the anxiety you are feeling is driven by how much you care about and are passionate about

your idea: “Yes I am anxious, but that’s only because I’m passionate about my idea—and it’s a good thing!” By treating your anxiety as a friend rather than a foe, you will harness the emotional energy, learn to enjoy the emotional rollercoaster, and deliver more successful pitches.

Of course, come well-prepared. Know your material so well that you don’t need to pause and think about what’s coming next. That’s when you’ll benefit the most from this anxiety management technique!

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