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Key Finding  
People evaluate pitched opportunities more favourably when they see at least some negative emotion in the entrepreneurs pitching them.

Business Application  
The advice given to budding entrepreneurs about being positive and enthusiastic in their pitch needs to be qualified.

The fundraising landscape for entrepreneurs has recently witnessed exponential growth in pitch events. Favorable reactions to brief pitches at such events can lead to several positive dynamics for budding entrepreneurs, such as word-of-mouth promotion, introductions to potential investors and attention from influencers on social media platforms.

The flipside is that pitches made at pitch events are bids for attention within a limited amount of time and in a very crowded marketplace. Previous research has suggested that the expression of positive emotions in pitches can lead to more favorable evaluations by audiences via the transfer of positive emotion. This is also echoed by influential organizations in the startup community: Virgin Startup advises nascent entrepreneurs to “be positive” because potential investors favor those who they have “chemistry” with; similarly, 500 Startups suggests that a key ingredient of successful pitches is to “create positive emotion”.

However, research also indicates that observers of pitches may interpret entrepreneurs’ affective qualities as a signal about the quality of the entrepreneur. Both positive and negative emotional states are linked to distinct processing modes well suited to entrepreneurial activity: whereas positive emotions facilitate creative exploration, negative emotions facilitate systematic implementation. My research shows that this holds from an observational perspective: people prefer to see both positive and negative emotion in an entrepreneur. They believe the presence of both emotional states indicates that the entrepreneur is better equipped to master the dual challenges of the turbulent entrepreneurial process. I further find that in founding teams impressions are most favorable when the co-founder focused on creativity (e.g. Chief Creative Officer) exhibits positive emotion and the co-founder focused on implementation (e.g. Chief Financial Officer) exhibits negative emotion. The advice given to budding entrepreneurs on expressing solely or primarily positive emotions in pitches is therefore over-simplistic and may even backfire.

Melanie Milovac is tenure-track Professor of Entrepreneurship at INSEAD. She is an expert on social perception of entrepreneurs and emotional dynamics in the entrepreneurial process. To know more, visit her website.

**Research interests:** social psychology of entrepreneurship; entrepreneurship and emotion; emotional cues in forecasts and perceptions of entrepreneurs.