

CALL FOR PAPER No. 46

The dark side of entrepreneurial finance

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Theme of the special issue

Whether we are talking about start-ups, more recently "grow up" or more broadly about company creation-takeover, entrepreneurial finance attracts a lot of attention, from the entrepreneurs' side and from the side of private and public financing organisations and the media. Entrepreneurial finance includes Founder's equity, Love Money, Business Angel, Venture Capital, LBO Funds, banks, IPOs and various alternative financing treated as shadow banking: micro-credit, loan sharking, leasing, crowdfunding, Initial Coin Offerings, among others (Block, Colombo, Cumming, & Vismara, 2018; Wright, Lumpkin, Zott, & Agarwal, 2016).

Financing is considered as an inherent dimension of the entrepreneurial development process (Panda, 2016; Yunus, 2003). Without financing, there is no investment and, therefore, little chance of starting a business with adequate production tools and an organization capable of absorbing the trials and tribulations of starting and developing entrepreneurial activities. Without funding, the risk of lack of legitimacy is also high: what does it mean in the entrepreneurial ecosystem not to have the support of one or more funding agencies? More so in the start-up world! Is that conceivable? Finally, can the entrepreneur now free himself from financial support, even if he does not really need it to start his business? If the reasoning is pursued further, does the entrepreneur have a choice? In other words, is it possible to create and develop your company without mobilizing the financial resources of the territory? Without entering into a financial system and ecosystem that regulates the creation and takeover of companies in a territory? Or a system that pushes the entrepreneur to finance so much that the system itself collapses by bringing forth a financial crisis (Boddy, 2011; Diamond & Rajan, 2009; Donaldson, 2012; Guérin, Labie, & Servet, 2015; Mishkin, 2011).

Applying for funding today is often considered as a difficult adventure: is it really a fighter's path given the particularly numerous mechanisms in France? But are they also numerous in Europe? In the world? Is the cost of financing transparent or hidden (Attuel-Mendes & Ashta, 2013)? In any case, to adventure is to walk and remove obstacles while following a guide... often at the funder's request... which is often called coaching or mentoring. Or following the guide, sometimes - or often, depending on the reader's appreciation - results in respecting rules, imposed steps, in short, to adopt a good conduct... to such an extent that the entrepreneur can lose track of his North Star, or at least part of his project, modified by "pitching" and integrating the comments, suggestions, strong suggestions of potential funders... In other words, if we push the reflection further, the accompanying logic proposed in the form of good intentions by the funders of an ecosystem, are they not likely, by force, to respond to external constraints, to generate effects opposite to expectations: inhibited entrepreneurs, whose project has lost its originality, vitality and excellence through the coaching or mentoring of initially imagined value creation (Collewaert, 2009)? Isn't the finance injected into the support systems finally a Dr Jekyll and Mr Hyde of entrepreneurship? In other words, if it constitutes an unprecedented measure of support for entrepreneurial growth in the world, does it not at the same time generate "antipreneurial" effects? Normative and highly biased, do financial actors deserve such a place in the creative process? What is it that basically legitimizes their central place? (Bateman, 2010; Sinclair, 2012) What is the hidden face of entrepreneurial finance (Henderson & Pearson, 2011; Krohmer, Lauterbach, & Calanog, 2009; Toe, Hollandts, & Valiorgue, 2017)?

The purpose of this issue is to extract itself from the normative fields and discourses that highlight, in the vast majority of cases, the important role of finance in the development of entrepreneurship, whether purely economic, social or environmental. In other words, we are asking ourselves here about the secondary, even hidden, effects of finance on the emergence and development of new companies in France and around the world.

The proposals will address, among other things, the following topics:

- What place does finance occupy today in the feeling of success and accomplishment of an entrepreneurial activity?
- How do entrepreneurs interact with potential funders?
- How do funders dialogue with each other?
- How do funders make their investment decisions? Rationality, Short termism, information asymmetry....
- How do entrepreneurs and funders negotiate? On which elements of the project or company? Are there any losers? What is lost in the process?
- How does the relationship between entrepreneurs and funders change over time?
- Can finance harm the value creation produced by entrepreneurial activity? Can it affect entrepreneurial freedom?
- Is it possible to free oneself from financing circuits? How?

Finally, what is the dark side of entrepreneurial finance?

Timeline:

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Editorial line

The *Entreprendre et Innover* review is a high-level popularization journal in the field of entrepreneurship and innovation published by De Boeck University. Its ambition is to provide a readership of executives, entrepreneurs, and professionals in business creation networks and business leaders with original articles that are scientifically sound or innovative in terms of the ideas expressed, without taking the time required for academic publications. The journal is open to ALL disciplines and ALL perspectives that are interested in entrepreneurship and innovation.

As this review is primarily addressed to practitioners, we remain attentive to ensuring that the contributions have a concern for practical applications, entrepreneurial implications and/or policy recommendations. In this spirit, the contributions should:

- **have a section explicitly referring to these concerns:** the reader should always be able to say to him/herself at the end of the reading: and then? how does this article help me to act or to prepare my future actions more efficiently?
- **adopt a more concrete and operational language than that used in academic journals:** theory should not be absent but popularized, i.e. translated into simple terms. Abstract concepts must be explained and/or illustrated with practical examples.
- **not accumulate scientific references:** the aim is to choose a few useful reference authors to understand the subject, rather than highlighting the exhaustiveness of the academic literature on the subject. Scientific references should be cited exclusively through footnotes.

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