

# Aotearoa Centre for Enterprising Women research snapshots

Unlocking the entrepreneurial potential  
of women in Aotearoa New Zealand  
through research and education.

No. 2

## Endure, escape or engage: How women and other “misfit” entrepreneurs shape NZ ecosystems

Like the proverbial village raising a child, it takes an “entrepreneurial ecosystem” (EE), including investors, to grow a start-up. EEs themselves grow and mature, too. New research\* categorises responses by – notably female – entrepreneurs in New Zealand (NZ) EEs to angel investors and venture capitalists who fell short of their expectations. Responses carried power: the power to either help local EEs mature or entrench dysfunctional institutions by not challenging investors.

The researchers interviewed 26 women founders, in ventures from deep-tech tackling big scientific or engineering problems, to fintech and life sciences; and 12 male science-based entrepreneurs in industries like biotech, med tech and diagnostics. Women made up just 21% of NZ founders in 2017. Scientists are also a minority. Together these 38 entrepreneurial “misfits” were greatly disappointed by the amounts and terms of finance investors offered; investors’ capabilities to bring expertise (“smart money”) or new networks; and/or their values, attitudes and behaviours.

Three responses emerged from entrepreneurs: endure, escape or engage. Endurers were mostly tied down by local bonds like family or lacked links to other EEs. Interestingly, if finance or capabilities were the issue, endurers often adapted. But those who found their identities or values disrespected saw not even that much room for complementarity, only insuperable conflict. Using their power to shun investors and self-fund on a smaller scale, or give up, hurt both themselves and EEs.

Escapers had fewer ties and more options, but a similar complementarity/conflict split occurred. It was enough of an escape from finance/capabilities limits to keep some NZ operations while also bridging to funders or advisors overseas. This cross-fertilised local and overseas EEs. In contrast, entrepreneurs facing incompatible values or identities, like investors questioning women’s sexual orientation, relationship status, dress sense or business acumen, exercised their power to go offshore. Some women copped a double or triple whammy by also being scientists, who investors often branded as naive, and foreigners unable to talk Kiwi traditions like rugby with investors.

Engagers were the smallest group. Often experienced internationally but also keen to enhance the local EE, they exerted their power most positively: by upskilling investors on more systematic, mature approaches, like how to perform proper due diligence.

The interviewees found NZ investors institutionally unreceptive to ventures outside Kiwi agri-tech and software and to women founders; and frequently unprofessional, unprepared and uninquiring. These impressions were admittedly one-sided and the sample, skewed. In fact archival evidence finds NZ attitudes to female-led (and life science) ventures have progressed. But by focusing on “misfits”, this study reveals how growth can come not only from policy but from difference, especially if entrepreneurs and investors interact directly to bridge a gap. The least bridgeable gap to women keeping their ventures, and profits, onshore was conflicting attitudes, values and identities. While institutional “misfits” here, these women were not unusual internationally. NZ investors must therefore shed remaining parochial and patriarchal habits or risk losing valuable investees.

\* The full original is available as a chapter authored by Stefan Korber, Janine Swail and Rishi Krishanasamy: “Endure, escape or engage: how and when misaligned institutional logics and entrepreneurial agency contribute to the maturing of entrepreneurial ecosystems”. *Entrepreneurship & Regional Development*, 34:1-2, 158-178, 2022. <https://doi.org/10.1080/08985626.2022.2045633>