

# Early-Stage Entrepreneurial Investment decision making: Challenges and Dynamics

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## Abstract

This study investigates the decision-making challenges that funders in the United Arab Emirates (UAE) face in selecting the best start-ups to receive high returns and ensure the sustainability of the business ecosystem. Further, it examines the funders' risks while investing in early-stage innovative businesses. Applying a qualitative methodology, in-depth interviews were conducted with ten funders and were analyzed using Nvivo software for deeper insights. The analysis permits understanding the dynamics of the key factors that funders consider to make better decisions on the perfect business to invest in with a higher probability of success. Further, the study highlights the challenges faced while investing in innovative early-stage businesses. Specific issues were explored, including the UAE business environment and the orientation in terms of growth and innovation. This research contributes to building up an ecosystem that supports start-up financing, providing lessons and implications to strengthen investors' decision-making process, and developing a framework for financing policies, schemes, and programs for those seeking to encourage start-ups and foster entrepreneurship and economic growth in the UAE.

**Keywords:** Funders, Start-ups, Innovative Businesses, Financing.