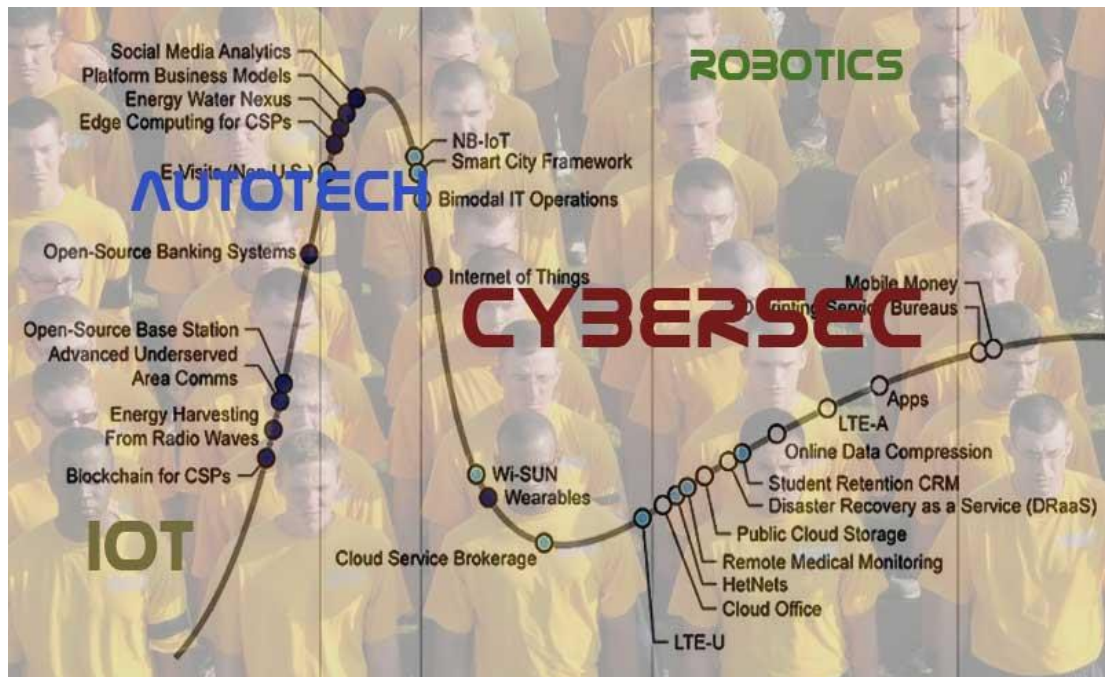


If you are more of the same, than you don't have a say



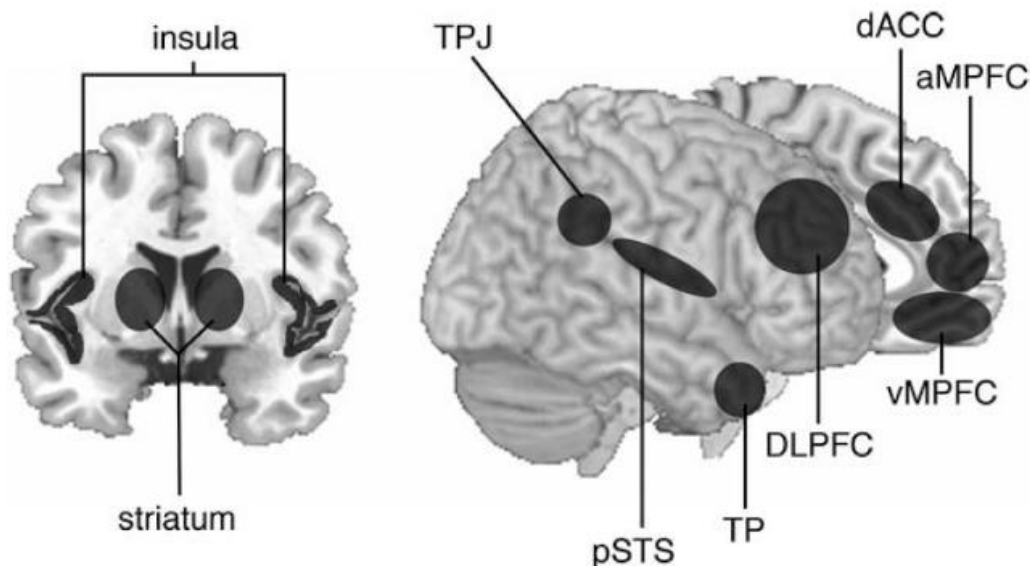
The Venture capital herd. The Gartner hype cycle is a perception management control method by the one's who hold the "master switch" as Fred Friendly coined.

The risks that venture capital funds refuse to take turns technology into no more than cosmetics. As an influential cognitive ecology architects they direct the desired choices, narrowing the scope of innovation into faux innovation as Kelly and Hess described.

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"Only about 480 of the 10,000 start-ups that were established in Israel between 1999-2014 were defined as successful" (The Marker), this given that less than one percent of the initiatives are indeed financed by venture capital funds (TechCrunch). In this article I will argue that the "economy of funds", which dictates which initiatives to invest in, diminishes in advance the range of innovation and dictates which ideas will come to fore or will be thought of as possible at all. In light of this, we are concerned that those talented and experienced entrepreneurs will prefer to work on areas that will be easier to succeed in and to receive support, financing and paying customers, instead of struggling for innovative solutions in the areas of social planning, aimed at improving the quality of life in human communities such as education, housing, transportation, etc.

"Most people are other people. Their thoughts are someone else's opinions, their lives a mimicry, their passions a quotation" Oscar Wilde has diagnosed, and the famous sociologist Leonard Broom wrote that "the individual's need for group support is well known and is often used as a powerful tool of social denial". The fear inherent in humans from social and economic ostracism motivates them to stay within the boundaries of identity politics, out of need for religious, ethnic, socio-economic, gender or national affiliation (Cikara). Every culture is, to a great extent, a means of masking the basic and irrational hardships and insecurities of humans in their attempt to make the future predictable and understandable. The same rational ignorance, according to the public choice theory, influences decision making among venture capital funds, especially in initiatives that are related to public systems such as education or housing, contributing to the perpetuation of the dominant paradigm, as Thomas Kuhn claimed in his influential book "The Structure of Scientific Revolutions". Kuhn argued that the paradigm defines for the society what questions, perceptions and attitudes will be perceived as correct and appropriate, and accordingly, which technology or scientific development, will be adopted.



The right temporoparietal junction is the area which is responsible for the human social interaction as it enables people to understand and predict others. High functioning autistic people tend to be more creative due to lesser activity in the region (Pantelis, 2015)

Behavioral Economy since the days of Bernays, Freud's nephew, saw people as consumers of their irrational desires, but Israel Aumann, Nobel Prize laureate, argued that this field of economic research is fraught with cognitive biases and that under routine conditions devoid of the agent's sense of experiment (neutralizing the Hawthorne effect), he does respond to the incentives that advance his interests according to his interpretation of reward, and therefore is indeed rational. Students,

for example, will tend to adopt personal goals that reflect conformity to Social Constructionism in judgment based on their achievements compared to others, and the human tendency towards big and impressive things such as stores, even though the decision on a product out of the abundance will be conformist to the majority choice (Mochon). This phenomenon is known as compliance level type of conformity in which the person thinks and behaves according to the norms of the group, even if he does not necessarily feel internal consent to that (DiMaggio), accompanied by "Collective conservatism" as an organizational group's tendency to adhere to the same "lexical glossary", even if it is no longer relevant to the environmental-survival conditions in which it exists.

Reviewing a representative sample of the educational projects that received funding from leading foundations (CB Insights, 2016) reveals the overlap between them on the conceptual level and, in particular, the clustering of the funds around the same start-ups:



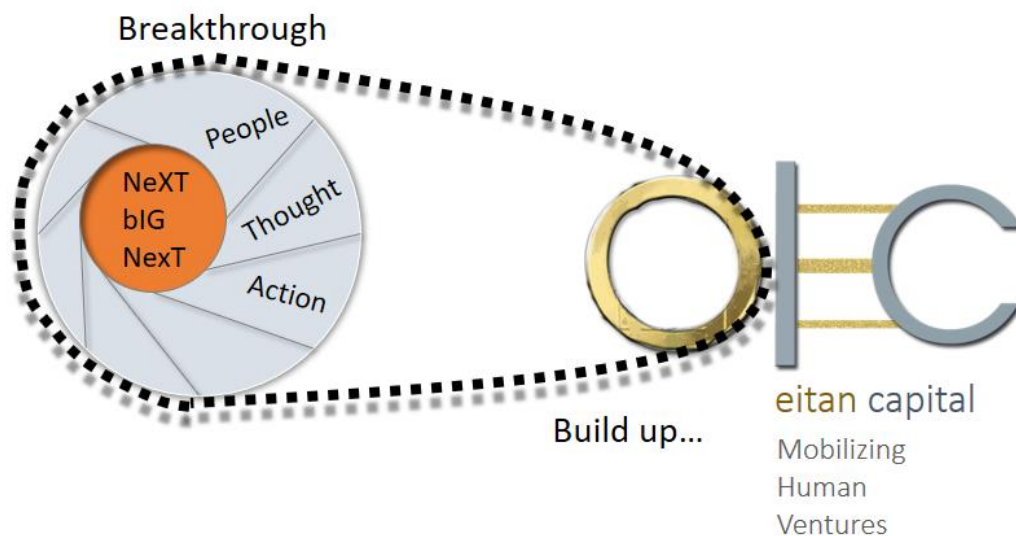
The Status Quo Bias leads VC into maintaining their existing and familiar investment areas

The paradox that entrepreneurs encounter while facing investment funds whose sole purpose is profit and therefore dictate what can be described as self-censorship, ensures that only initiatives that will initially gain customers, will even be conceived or come before them. Various models of risk assessment have been adopted by investors

with an emphasis on product, team and business model but they are not more than cognitive dissonance in disguise. Tversky and Kahneman contributed greatly to understanding how cognitive biases are unconsciously involved when making decisions about investments, especially in conditions of uncertainty. Among them is the phenomenon of the fundamental attribution error in which investors attribute success as stemming from their actions and failure to external factors. The relative social status where the perception of those who have succeeded in their investments or among the wealthy, influence their decisions to be perceived as better, and confirmation biases, as there is a tendency to focus on information supporting preexisting beliefs or hypotheses while ignoring alternatives, such as expecting that what is already working will continue to work by favoring current trends. When everyone talks about innovation, no one talks about innovation.

We nurture the braves who have a say

“Any intelligent fool can make things bigger, more complex, and more violent. It takes a touch of genius and a lot of courage to move in the opposite direction”, wrote the famous economist Ernst Friedrich Schumacher.



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