ENTREPRENEURS' LEARNING FROM BUSINESS FAILURES: AN EMERGING-MARKET PERSPECTIVE

Joseph Amankwah-Amoah
Kent Business School
University of Kent, Kent ME4 4TE
E-mail: **J.Amankwah-Amoah@kent.ac.uk**
TEL: +44 (0) 1634 (88)8870

Zaheer Khan*
University of Aberdeen Business School
University of Aberdeen
King's College, Aberdeen, AB24 3FX, UK
Email: **zaheer.khan@abdn.ac.uk**

Simeon Emezana Ifere
Department of Business Administration
University of Lagos, Akoka – Lagos, Nigeria
Tel: +234 – 803-314-4937
Email: **sifere@unilag.edu.ng**

Richard B. Nyuur
Newcastle Business School
City Campus East 1, Newcastle Upon Tyne
NE1 8ST, United Kingdom
Tel: +44 (0) 191 227 3336
Email: richard.nyuur@northumbria.ac.uk

Huda Khan
University of Aberdeen Business School
University of Aberdeen
King's College, Aberdeen, AB24 3FX, UK
Email: **huda.khan@abdn.ac.uk**

***Corresponding author**

Note: This is a post-review, pre-print accepted version, please cite:

Amankwah-Amoah, J., Khan, Z., Ifere, S. E., Nyuur, R.B., & Khan, H. (2021). ENTREPRENEURS' LEARNING FROM BUSINESS FAILURES: AN EMERGING-MARKET PERSPECTIVE. ***British Journal of Management***, in press.

ABSTRACT

This article extends prior scholarly works on entrepreneurial failure, entrepreneurial resilience, and learning from failure by examining how the effects of prior experiences of entrepreneurial business failure (EBF) manifest in the entrepreneurial process of subsequent venture formation. We elucidate the pre-founding and post-founding effects of prior entrepreneurial business failure via insights drawn from 25 serial entrepreneurs in Nigeria. The findings demonstrate that entrepreneurs were often motivated to start another venture as a result of the economic hardship and social stigmatization that occurs after business closure. We identified a three-stage fine-grained process perspective of successive entrepreneurial engagement (e.g., pre-founding, formation and development, and post-founding conditions and effects on subsequent entrepreneurial ventures. These stages shed light on entrepreneurial fragility, entrepreneurial resiliency, and development of anti-fragility capabilities that are conducive to subsequent venture formation and survival. We shed light on how individual-level factors shape how prior failure experiences can shift from liability immediately after business collapse and at pre-founding to become an asset during and after new-venture formation. Such learning from past failure is vital in adapting to dynamic environmental changes, especially those observed in emerging-market settings. Taken together, we demonstrate how entrepreneurs bounce back from errors, failures, and setbacks.

Keywords: learning from failure; entrepreneurial failure; resilience; entrepreneurship; start-ups; stigma; emerging markets; Africa

1 INTRODUCTION

For much of the last three decades, numerous streams of research on entrepreneurship have emerged which have sought to explain the effects of prior career experiences on the entrepreneurial process (Hogarth and Karelaia, 2012; Le Mens et al., 2014; Rocha and Van Praag, 2020). Indeed, it has been demonstrated that prior experience can equip entrepreneurs in integrating technologies that facilitate creativity and innovativeness (Weinberger et al., 2018; Mooradian et al., 2016), identifying and exploiting untapped market opportunities (Jones and Wadhwani, 2006; Shane and Khurana, 2003; Voss and Voss, 2013), and developing greater international engagement (Lafuente et al., 2019). Across an array of sectors and industries, new business start-ups by novices have often emerged only to enjoy a temporary period of success before eventual exit (Fisch and Block, 2021) and at times precipitated by global downturns, disasters, and global pandemics such as COVID-19 (Amankwah-Amoah et al., 2021; Williams and Shepherd, 2016). Many subsequently re-emerge as serial and resilient entrepreneurs to enjoy more prolonged successes after leveraging their past entrepreneurial experience (Nahata, 2019; Fisch and Block, 2021; Westhead and Wright, 1998). At founding and in the early years that follow, newly established ventures are shaped by history and past experiences of the entrepreneur, but our understanding of how the "past" of the entrepreneur and its influences on subsequent venture formation and success, remains limited and yet to be systematically addressed.

Much of the existing body of research portrays "the past" and past experiences as constraining forces that curtail strategic alignments and reduce flexibility in the wake of new environmental threats (Argyres et al., 2017; see also Nutt, 1992). Indeed, prior experience of entrepreneurial failure can be severely discrediting to the reputation of the entrepreneur and his or her social standing, culminating in impression management activities (Neu and Wright, 1992; Shepherd and Haynie, 2011). Another line of research argued that "the past" experience can be an enabling force in fostering learning, nurturing resilience, and diffusing positive knowledge from one failed venture to another (Cope, 2011; Hogarth and Karelaia, 2012). Interestingly enough, although entrepreneurial resilience can be cultivated through crisis (Korber and McNaughton, 2018; Williams, Vorley, and Ketikidis, 2013; Doern, Williams, and Vorley, 2019) or past experience of entrepreneurial failure (Lafuente, Vaillant, Vendrell-Herrero and Gomes, 2019), very little research attention has been directed towards examining the mechanisms through which such resilience capabilities are developed after business failure. This is surprising given that entrepreneurial resilience is essential for success (Doern et al., 2019; Williams et al., 2013; see also Liu, Cooper, and Tarba, 2019) and has potential to enrich scholarly understanding of the effects of prior experience of entrepreneurial failure. Specifically, little is known as to how the prior experience of entrepreneurial failure emerges over time in the entrepreneurial process (Wadhwani et al., 2016).

Entrepreneurship and organizational scholars have accepted the effects of prior entrepreneurial engagement (Hessels et al., 2011; Lafuente et al., 2019), however, there is relatively limited research that has explored the underlying process through which prior experience of entrepreneurial failure can become assets or liabilities for the subsequent venture. Such process-based research has much to offer in understanding the temporal how and why aspects of the phenomenon rather than explaining the variance-type relationships, which is a dominant approach for much of the current research on entrepreneurial new-venture failure (e.g., Langley, 1999; Langley et al., 2013; Hogarth and Karelaia, 2012).

Against this backdrop, the main purpose of this study is to examine how the effects of prior experiences of entrepreneurial business failure (EBF) manifest in the entrepreneurial process of subsequent venture formation. We depart from much of the existing entrepreneurship research

(Murnieks, Klotz, and Shepherd, 2019) by developing a unified framework which articulates the effects of prior EBF on serial and resilient entrepreneurs. We utilized insights drawn from 25 serial entrepreneurs originating from Nigeria to illustrate our theoretical analysis. Nigeria offers an interesting context to examine this topic, given that it is one of the important economies of Africa with strong influence and roles of the state, and fragile institutional environments. Start-ups receive limited institutional support, and the chance of failure is much higher in such contexts compared to developed markets, thus understanding learning from prior experience and the subsequent venture formation offers important insights to extant literature.

In addition, the paper makes several contributions to the EBF and strategy streams of literature. First, we integrate the literature on the entrepreneurship process (Bygrave, 2006; Murnieks et al., 2019), EBF (Byrne and Shepherd, 2015), and entrepreneurial resilience (Korber and McNaughton, 2018; Santoro, Bertoldi, Giachino, and Candelo, 2020; Williams, Vorley, and Ketikidis, 2013) to provide a much more fine-grained understanding about learning from prior experience in the subsequent formation of new ventures. The study also enriches our understanding of how and why resilient serial entrepreneurs in institutionally weak and fragile contexts, such as those witnessed across emerging-market settings, adjust to adverse experiences of entrepreneurial failure, in order to relaunch subsequent ventures while others fail to do so (Williams and Shepherd, 2016).

Furthermore, in spite of some attempts by scholars to explore learning from failure (LFF) (e.g., Lafuente et al., 2019), their works offer little insight into the more micro-level decision-making processes and actions that unfold after the experience of business failure. Capitalizing on unique data drawn from 25 serial entrepreneurs in Nigeria, we rectify this lacuna by offering a three-stage fine-grained process perspective of successive entrepreneurial engagement (e.g., pre-founding, formation and development, and post-founding conditions and effects), demonstrating the value of generative experiential learning from the past. Such a process perspective is rare in understanding how entrepreneurs bounce back from failure and launch successful ventures, despite the acknowledgement by some entrepreneurship scholars to of the need to offer a robust explanation when exploring such phenomenon (Bygrave, 2006; Moroz and Hindle, 2011; Weinberger et al., 2018; Moorradian et al., 2016).

The paper also builds on the research by offering a granular view of LFF and helps in setting the right type of policies for the development of successful entrepreneurship and management of entrepreneurial firms, especially in transforming economies, which are going through rapid transformation with limited institutional support mechanisms in place for start-ups. Learning and unlearning from prior experience, particularly in the context of serial entrepreneurs operating in emerging markets, are underexplored, thus the findings of this study provide useful insights into the emerging literature on learning and unlearning from past success and failure (cf. Martignoni and Keil, 2021).

Moreover, many of the existing studies have focused on the organizational level of analysis rather than understanding individual entrepreneur's behavior and how such behavior shapes the formation of future ventures. Accordingly, past studies offer only a limited insight into career transition of entrepreneurs after business failures (cf. Tolentino et al., 2014). By conceptualizing the literature on the effects of business failure, we advance a framework which helps to explain the underlying processes (e.g., Langley, 1999; Langley et al., 2013) and how the experience of the past can help explain decisions and actions for the subsequent formation of a new venture. Thus, the study further explicates how prior experience of entrepreneurs can shift from assets at the pre-founding stage to become liabilities during the later stages of new ventures. Moreover, the study adds to the emerging stream of research which has suggested a need to integrate pre-founding features of entrepreneurial ventures to explain how competitive advantage is won and lost in the post-founding phase (see Barringer and Ireland, 2016; Covin and Miles, 1999). In this direction, we chart the mechanisms through which feeble resources and expertise can precipitate business failure whilst hampering entrepreneurial resilience after failure. Indeed, the framework that we proffer in this paper has a wider implication for the extant literature on organizational failure, as previous research lacked a unified and integrated process-based view with strong empirical support.

The rest of the paper proceeds in the following manner. After reviewing the literature on the effects of the "past", we will turn our attention to the research method. The findings are then set out. The penultimate section outlines the features of the framework using a phased model. The final section sets out the implications of this conceptualization.

2 ENTREPRENEURSHIP, BUSINESS FAILURE, AND LEARNING: CONCEPTUAL DEVELOPMENT

For analytical clarity, business failure refers to firms that experience a period of performance decline and fail in their attempt to generate a turnaround which concludes with the closure of the business (Byrne and Shepherd, 2015; Ucbasaran et al., 2013), thus representing prior entrepreneurial failure experience.

The concept of entrepreneurial process is contentious and clouded by a lack of clarity about the specific stages and processes of venture formation, decline, and exit (Moroz and Hindle, 2011). The theoretical contention here is that during the life course of new ventures, prior experiences of the entrepreneur can become an asset or a liability. Essentially, the prior entrepreneurial failure experience can play a pivotal role in determining subsequent venture failure and success, particularly in the changing environments of emerging markets. Existing research highlights that learning and unlearning from success and failure can be crucial for adaptations, and unlearning from failure beliefs is extremely valuable for organizations in dynamic environments (cf. Martignoni and Keil, 2021).

The "past as an asset" perspective contends that prior to founding a venture, the entrepreneurs accumulate an array of useful resources, capabilities, established client bases, and experiences, which are then brought to bear in the newly established firms (Le Mens et al., 2011; Sørensen and Stuart, 2000). Scholars have suggested that such routines and capabilities can underpin the venture's ability to survive, weather the initial storm, and achieve competitive advantage (Sørensen and Stuart, 2000). Some entrepreneurs start new businesses with knowledge and prior experience including prior business failure, which enables them to adapt and effectively respond to market conditions (Cope, 2011). As Gerstrøm and Isabella (2015, p. 230) put it "*when organizations die, people do not die with them … Organizational members live on*".

A nascent body of scholarly work has demonstrated that prior experience of business failure provides a source of learning and incentives for successive entrepreneurial engagements (Amankwah-Amoah et al., 2018; Cope, 2011; see also Fisch and Block, 2021). Entrepreneurial learning is taken here to mean where the experience and lessons from business failure are "transformed into knowledge, which in turn can be used to guide the choice of new experiences" (Politis, 2005, p. 407). Accordingly, the relevant knowledge and capabilities required in launching a successful business are predominantly acquired through experiential learning (Lafuente et al., 2019; Simmons et al., 2016). Serial entrepreneurial venturing generates learning and positive economic spillover effects to local economies (Parker, 2013). Similarly, Holcomb et al. (2009, p. 172) noted that such learning entails witnessing the behaviors and actions, assimilating new knowledge, and organizing assimilated knowledge by connecting it with pre-existing frameworks. Such learning is crucial for the development of resilience and absorptive capacity which can facilitate the new ventures' survival as well as adaptation to dynamic environmental conditions (Zahra and George, 2002; Martignoni and Keil, 2021).

Moreover, serial entrepreneurs develop the capabilities in building and sustaining valuable network relationships, as well as recognizing and better understanding essential patterns through such experiential learning (Lafuente et al., 2019). In addition, entrepreneurs and their firms over time also accumulate an array of experiences and knowledge stock across functional areas which equip them to better deal with new and old circumstances (Chung and Beamish, 2005; Keith et al., 2016). When confronted by competitive pressures, such firms' prior experience and expertise of dealing with similar rivals' pressure can help them to respond efficiently (Barnett and McKendrick, 2004). It has also been suggested that prior experience enables serial entrepreneurs to identify more and better business opportunities (Ucbasaran et al., 2009), which can then mitigate the chances of subsequent ventures' failure. Entrepreneurs who relaunch into business despite their past negative entrepreneurial experiences of failure are referred to as resilient entrepreneurs.

Parallel to the growing body of research on business failure, another relevant strand of research is entrepreneurial resilience (Doern et al., 2019; Williams et al., 2013; Liu et al., 2019). By resiliency, we are referring to the capacity to bounce back from past failures or adversity and progressively pursue entrepreneurial activities (Cooper, Liu, and Tarba, 2014; Luthans, 2002; Liu et al., 2019). Resiliency capability is extremely important for entrepreneurs to bounce back from failure and crisis, which in turn can be vital for venture success (cf. Ayala and Manzano, 2014; Markman and Baron, 2003). Through generative experiential learning from their past negative experience of failure, resilient serial entrepreneurs benefit from enriched cognitive schema which enables them to perform better in their subsequent ventures (Lafuente et al., 2019). Such resilient serial entrepreneurs leverage their past experiences in enhancing their subsequent performance in terms of innovativeness, creativity, economic value, and employment creation (Weinberger et al., 2018; Moorradian et al., 2016). Moreover, resilience enables serial entrepreneurs to develop emotional and mental competencies such as confidence, hope, and optimism (Stephan, 2018; Weinberger et al., 2018), as well as other relevant entrepreneurial competencies such as technological capabilities, international flexibility, and ambidexterity (Bustinza et al., 2019; Junni et al., 2013), which can be vital for the success of the new venture and its growth. Ucbasaran et al. (2009) note that resilient entrepreneurs tend to be more realistic in their own skills and expectations about subsequent entrepreneurial activities. The resilient serial entrepreneurs are keener in exploring new business opportunities and demonstrate preparedness of what to expect in the subsequent venture. These together enable resilient serial entrepreneurs to grasp the interrelations of complex external and internal systems, and help them bounce back from the past negative experience of failure and pursue subsequent business ventures (Lafuente et al., 2019).

In sharp contrast to the notion of "past as an asset", the "past as a liability" hypothesis contends that these prior experiences alluded to above can become a liability in curtailing the scope and activities of new ventures. The past can create conditions for misalignment, thereby increasing the chance of organizational morbidity and mortality (Silverman et al., 1997). Indeed, the experience of business failure can lead to loss of self-confidence, grief, and guilt, curtailing the entrepreneur's latitude and ability to act, as well as the potential for entrepreneurial re-entry (Cardon et al., 2011; Shepherd and Cardon, 2009). Especially, when the adverse experience of failure is appraised as more stressful with a greater feeling of grief, harm, or loss, this can impede lessons (see Jenkins et al., 2014; Lafuente et al., 2019). An entrepreneur's prior experience can therefore inject fear and despair (Cacciotti, Hayton, Mitchell, and Allen, 2020), curtail risk-taking behavior, and influence ability to trust others or willingness to delegate decisions to others (see Hessels et al., 2011; Shepherd et al., 2016). Over time, these become a "liability" in relation to the entrepreneur's ability to move on and succeed in a new venture. Thus, such entrepreneurs are less likely to overcome their past negative experience and re-initiate their entrepreneurial career (Lafuente et al., 2019; Weinberger et al., 2018). As some new ventures mature, their capabilities and ability to adapt and respond to changing environmental conditions is eroded, largely attributed to inertia tendencies (Stinchcombe, 1965). Over time, old firms can develop and hone their routines and processes which can restrict their ability to respond to new changes in their business environment (Barnett, 1990), and stifle fast decision-making and innovation activities (Gilbert, 2005; Le Mens et al., 2014).

Nevertheless, lack of established routines and processes in the early life of newly founded firms can hamper their ability to compete effectively against established rival firms, thereby jeopardizing their survival chances (Kale and Arditi, 1999, p. 494). In addition, founders of the newly launched firms may be required to learn new roles and acquire new sets of skills, which can be time consuming, thereby adding to the inefficiency (Shane and Khurana, 2003). Unlike serial entrepreneurs with prior experience of business failure, novice entrepreneurs might not carry the burden of business failure or experience of LFF. As such, they might not be able to navigate early warning signals of business failure and adapt to changing business conditions (Westhead and Wright, 1998).

2.1 Entrepreneurship Failure: An "Open System" Approach

Research has shown that open systems "interact with their environment in a specific way in which they accept inputs from the environment in order to produce outputs that return to the environment" (Driscoll, 2011, p. 36). The open system perspective starts with the premise that just like a system which consists of inputs and outputs, entrepreneurial ventures' performance, decline, exit, and subsequent engagement can be explained in the same way. Moroz and Hindle (2011, p. 812) further emphasized the importance of the "open system" approach to entrepreneurship research by noting a need for a better understanding of "what goes in, what comes out, and how the transformation takes place". The inputs of distinctive resources and expertise (i.e., social capital and human capital) can then be transformed effectively and efficiently to deliver fruitful and profitable outcomes (product or service). This also entails operational capability (Winter, 2000, p. 983) which can help to maintain survival, success, and failure of new ventures (Kale and Arditi, 1998).

Viewing entrepreneurial failure as an input into a system (see Kale and Arditi, 1998) may encompass the injection of faulty routines, processes, resources, and prior cognitions of individuals which subsequently constrained their actions and strategies (Ferriani et al., 2012). Past studies have demonstrated that it is rather the "inadequacy of these internal and external processes" at the nascent stage (Kale and Arditi, 1998, p. 458), as well as the post-founding (later life experiences) which interact to bring about failure ultimately (Agarwal et al., 2002). These stages encapsulate the key components, decision processes, and different levels of firm–environment interactions which ultimately shape the business life cycle (e.g., Langley, 1999; Langley et al., 2013). It can be deduced that these liabilities/assets unfold at different stages in the life cycle of a focal firm. Therefore, entrepreneurs can take mitigating actions to buffer them from the adverse effects. The activities occurring at the early stage have more to do with preparation and formation of the venture and late activities include running the business and managing stages such as growth, decline, and exit.

It is further contended that assets becoming liabilities and vice versa stems from the human capital obsolescence hypothesis (Rothman and Perrucci, 1970), where there is a mismatch between the quality of knowledge held by the entrepreneur and quality of knowledge required to handle changes which occur after the founding of a venture (Amankwah-Amoah, 2016). This often stems from the founder's inability to update and upgrade his or her knowledge in the face of a change in the environment. As demonstrated in Figure 1, prior experience of business failure would manifest in the new venture. Accordingly, social capital and human capital of the individual plays a pivotal role in determining whether failure experiences lead to positive or negative outcomes. Having set out the framework, the next section outlines the research setting and methodology.

Insert Figure 1 about here
----

3 RESEARCH METHODOLOGY

3.1 The Business Environment in Nigeria

Nigeria is one of the leading emerging markets in sub-Saharan Africa (SSA) with promising potential for growth (Nakpodia et al., 2016). The country has the largest natural gas reserves and is the largest oil exporter on the African continent. In April 2014, the country's economy was rebased, and the GDhhP numbers revised up by 90% which made it the largest economy in Africa (The Economist, 2014). There are estimates that Nigeria could become the 14th leading economy by 2050 (PWC, 2017). Nigeria has a young, ambitious, and increasingly well-educated population that constitutes roughly over one-quarter of the sub-Saharan African population (The Economist, 2014). Furthermore, the country's population is growing at a rate of 2–3% per annum and is projected to surpass the population of the USA by 2045 (Elumelu, 2014).

These factors, coupled with successes of other firms in the country and good returns on investments, have further positioned the country as an attractive destination for foreign investment in the sub-Saharan African region (Nakpodia et al., 2016; UNCTAD, 2016). Global firms such as Unilever, Nestlé, Procter & Gamble, and SABMiller, in addition to the dominant oil companies such as Royal Dutch Shell, have been operating in the country for decades. In addition, the prospects in the country serve as a good context for its ambitious, well-educated, and young population to venture into business start-ups. However, a recent faltering local currency precipitated by lower global commodity prices and the incidence of COVID-19 have impacted the economy significantly. Arguably, the shortage of electricity is one of the most significant challenges facing local Nigerian businesses.

Furthermore, insecurity in parts of the country (Boko Haram in the north, Herdsman in the middle-belt and Militancy in the Niger Delta) is negatively impacting entrepreneurs, especially those located in the affected areas. Uncertainty in the Nigerian business environment has led to the collapse of many small-scale businesses and industries as well as the relocation of large and multinational firms to other stable regional countries (Ogunro, 2014). These together also contributed negatively to a significant fall in foreign direct investment into Nigeria from $4.7 billion in 2014 to $3.1 billion in 2015 (UNCTAD, 2016). Furthermore, market confidence in the quality of corporate governance mechanisms, particularly with regard to regulations, is quite low (Osemeke and Adegbite, 2016). In addition, the formal institutional and regulatory weaknesses have a significant knock-on effect on the business environment and the ease of doing business in Nigeria. The Economist Intelligence Unit further ranks Nigeria's business environment 79th out of 82 countries, citing systemic infrastructural problems (The Economist, 2016). Accordingly, the ongoing problem of corruption, slow pace of structural reforms, and weak institutions are likely to fester, thus creating additional obstacles for existing and new ventures. Such institutional constraints are pervasive in emerging economies which provide important context to examine how entrepreneurs learn from the past failures.

Current efforts towards creating an improved and more attractive business environment are likely to produce modest results and the economy could quickly deteriorate if political instability increases (The Economist, 2016). Most of the entrepreneurs cannot meet the collateral and other conditions required to secure credit facilities. This is a major challenge to entrepreneurs who need loans to do their business. The government requirement that banks dedicate 10% of their profit to funding SMEs is not effective. This increases the cost of entrepreneurship with negative implications, especially for those involved in the "real" sector. This implies that entrepreneurs, who are involved in some agricultural businesses such as cocoa farming, may not be able to operate profitably. There are local, state, and federal taxes which entrepreneurs are subjected to, and these taxes sometimes overlap, thereby hampering the motivation for new business formation. The recent economic recession has led to significant devaluation of the naira and high levels of inflation.

Nonetheless, Nigeria is a major player in SSA, particularly in the area of business operations. According to Lafuente et al. (2019) resilient entrepreneurial capabilities are essential in developing-country contexts characterized by high levels of uncertainty, weak institutions, and weak economic conditions. Thus, the Nigerian business context provides an ideal setting to explore and provide insights into the phenomenon of business failure and LFFs in emerging markets, particularly in the under-researched African context.

3.2 Method (Qualitative Exploratory)

3.2.1 Research protocol

Scholars have established that there remains limited knowledge on how the prior experience of entrepreneurial failure influences entrepreneurs in their new ventures (Marquis and Tilcsik, 2013). In the past few years, there has been increased scholarly interest in business failure, yet much of the research has largely overlooked the issue in developing countries in general and Africa, in particular. This dearth of scholarly works on business failure and effects of business failure on successive entrepreneurial engagement led us to adopt the exploratory approach based on grounded theory (Glaser and Strauss, 2006). We adopted a qualitative exploratory approach to provide more in-depth analysis of the various dynamics and mechanisms through which prior experience of business failure are manifested and persisted in the formation of subsequent new ventures (Yin, 2014). We explore these issues through the spectacle of serial entrepreneurs. By serial entrepreneurs, we are specifically referring to those with prior experience of business failure. By focusing on such individuals, we are able to offer much granular insight into multiple entrepreneurs in relation to how they learn from failure, thrive from failure, and utilize lessons from failure for the subsequent formation of new ventures.

3.2.2 Case selection and description

The study sample was obtained from serial entrepreneurs based in Nigeria. Given that business failure is highly stigmatized in the African context and individuals with prior experience of business failure are often automatically perceived to have poor judgement and be incompetent, we employed multiple methods to not only overcome many failed entrepreneurs' unwillingness to share their experiences but also societal attitudes to such individuals. We employed a range of methods such as a direct approach, social networks, and the snowballing approach for in-depth data collection. We used small-business associations in Nigeria and local interest groups such as trade unions, universities, students, and local churches to identify individuals who have prior experience of starting a new business following the collapse of a previous business. One of the co-authors also utilized family ties, friends, business associates, and former university colleagues to help identify individuals who fitted within the study sampling framework. In the first stage of the study, we identified 67 potential informants, but only 25 were willing to share their experiences with us due to the reasons noted above. Of the 25 entrepreneurs studied, five of them had at least two prior experiences of failed businesses.

3.2.3 Instrument Development (i.e., Semi-Structured Interviews)

In order to assemble the data, we conducted semi-structured interviews to help achieve a degree of comparability as well as ensuring an unobstructed flow of different story lines from the entrepreneurs (Davis and Eisenhardt, 2011; Saunders et al., 2016). The interview questions focused firstly on how their previous business was started, how they obtained finance, experiences in running the business, and the triumphs and tribulations during the course of the failed business, before moving on to explore why their previous business failed.

In addition, the informants were asked about what lessons they had learnt at the time and since the formation of the new venture. In the next phase of questions, we focused on the new venture established after the previous failure. Here the informants were asked about the shift and motivation for starting another business after the collapse. We explored how the failure affected their ability to obtain resources, social support, and capital for the new business. We then explored how the experience of failure influenced how they started the business, sources of capital, running the business, routines and processes adopted after founding, and how that impacted the experience of failure on the new organizations. The aim of these exploratory process-focused questions was to pay greater attention to events, meanings, and discourses instead of focusing on things (e.g., Rasche and Chia, 2009).

3.2.4 Interview and secondary data collection

All the interviews were conducted by one of the co-authors and were recorded. The data were then transcribed and coded for subsequent analysis. The interviews were conducted in Lagos in 2016. They lasted about an hour-and-a-half accompanied by follow-up interviews and multiple telephone calls to clarify issues that emerged during the initial round of interviews. In the next step, secondary sources such as press articles, business plans, and posters were collected and examined to inform our analysis. Over the course of the data collection, we also assembled secondary data such as newsletters, newspaper cuttings, and web postings on small-business formation and failed entrepreneurs in the country. In all, our data sources were the in-depth semi-structured interviews, documents, and observations of some of the businesses. Appendix 1 provides details of the semi-structured interview questions used. As demonstrated in Table 1, the informants are from diverse backgrounds including age, industry, and prior experience. The multiple informants allowed us to leverage individual experiences and identify sources of commonality and difference (Yin, 2014). Our approach is particularly effective in developing theory that is more grounded rather than relying on a single individual story.

Insert Table 1 about here

3.2.5 Data analysis and data triangulation

In order to analyze our data in a systematic manner that also allows possible replication, we identified multiple categories from our data in line with Gioia, Corley, and Hamilton (2013), thus establishing our first-order categories. Here, we deduced insights from our report on each individual entrepreneur reflecting on experiences in the failed business, processes leading to failure, reasons for failure, and lessons learnt. We also created a summary section reflecting on each individual's experiences in the new venture and how they have utilized lessons from failure. In adherence with Strauss and Corbin's (1998) procedures, we filtered down the categories to allow for better understanding of the emerging phenomenon, thus forming the second-order coding. In the second-order analysis, we began by comparing individuals' stories to help identify thematic commonalities and differences (e.g., Strauss and Corbin, 1998) in terms of the nature of learning, how they utilized experiences of the past, and effects of failure on starting and managing the new venture. We then examined the connections between the categories identified to synthesize the insights leading to specific themes (Corley, 2004). Our research team then explored the data insights to derive connections and linkage culminating in the aggregate dimensions (Corley, 2004; Gioia, Corley, and Hamilton, 2013; see also Sminia, 2009, 2014) as depicted in our process framework (see Figure 2). This step not only created conditions to identify patterns in terms of the entrepreneurial experiences but also allowed us to articulate different levels of learning and areas where sources of learning and experience diverge.

Taken together, this approach is very much in line with the best practice in business and management research (see Gioia et al., 2013) in demonstrating the transitions from raw data/quotes and secondary materials (first-order insights) to the second-order synthesis and insights, and then the aggregated/main findings (illustrating the shifts from Phases 1–3). One of the co-authors conducted all the interviews and others helped in coding, transcribing and making sense of the data. Throughout these processes, some of the co-authors acted as critical reviewers and interrogators to help ensure that there was internal and external validity of the emerging themes (Salvato and Corbetta, 2013).

4FINDINGS: THE EFFECTS OF BUSINESS FAILURE ON SUBSEQUENT VENTURE FORMATION

The findings indicate three stages in the evolution of the effects of prior experience of business failure: *pre-founding*, *formation and development*, and *post-founding conditions and effects*, as demonstrated in Figure 2. The pre-founding effects are where the entrepreneurs' previous experiences shape their decisions and actions towards formation of another venture. This stage is also characterized by entrepreneurial fragility as the previous adverse experience of failure will discourage some from reinitiating their entrepreneurial career. The founding and post-founding effects are where the experiences of business failure influence their decisions and actions during and after the formation of the venture. At these stages, entrepreneurial resiliency and anti-fragility capabilities respectively manifest. Below we discuss these stages with illustrative quotes.

Insert Figure 2 about here

4.1 Phase 1: Pre-founding stage

The data indicate that despite the experience of failure, the entrepreneurs were willing to continue their entrepreneurial practice. Among the reasons given for the desire to continue are lack of alternatives and societal pressure. On the other hand, factors such as business environment, lack of infrastructure, difficulty in accessing funds, high interest rates, and corruption in Nigeria acted as pull factors in their decisions. These factors played a pivotal role in shaping the pre-founding decisions and actions. The pre-founding stage is a somewhat fragile "cultivation" period where ideas are conceived and formulated with the aim of bringing them to fruition. It is a fragile stage because the negative experiences of the entrepreneur may discourage them from relaunching even when bright ideas are conceived. These findings suggest that entrepreneurs operating in emerging markets face significant barriers given the weak and fragile institutional environments observed across such markets. Access to finance and support from formal institutions is relatively weak in emerging markets compared to developed markets and it is in such a context that scholars suggest that institutions shape firms' behavior and strategic choices (e.g., Peng, 2003; Peng and Heath, 1996).

As a cultivation period, human capital and social capital accumulations were particularly important during this phase. Human capital refers to entrepreneurially held knowledge and expertise which can equip the firm for future challenges (Becker, 1964). These include industry-specific know-how and management know-how. The findings suggest that new-venture formation may also be motivated by an individual's ability to recognize patterns and connections between apparently isolated events such as technological breakthroughs and changes in markets. Indeed, superior capabilities such as alertness to sudden changes in the business environment have been found to equip aspiring entrepreneurs during this phase.

The pre-founding stage activities may entail mobilizing resources to exploit market opportunity, obtaining financial backers, identifying potentially valuable customers, and obtaining other relevant stakeholders' support for the venture. Such pre-founding activities are extremely important in institutional contexts such as Nigeria which are witnessing dynamic changes in the external business environment. These resources and capabilities might sustain the firm for a period after formation. The data indicate that prior experience in business dealings helps potential entrepreneurs to develop trustworthy relationships which can then ease access and provide access to key resources, as the following quote suggests:

> *"When starting a business, do invest in partnership if you do not have time to carry out the due diligence."* [Nlagos-2]

Prior to the founding stage, knowledge and expertise are accumulated based on the career experiences of the founder or acquired from external sources through government agencies, from other entrepreneurs or by bringing on board another partner.

4.1.1 Buffering effects

The findings indicate that the experience of business failure can also have a "buffering effect" in preparing the serial entrepreneurs for dealing with sudden declines in firm performance, i.e., business ups and downs. The experience of seeing the "worse" makes them more determined to see through sudden declines in customer numbers, new sources of competition, and new government regulations. Resilience capabilities begin to be nurtured as the perseverance provides them with the tools or experiences for dealing with such events. In the immediate failure period they reflect and then devise new means of succeeding in the new environment. Such perseverance may be important in markets which are going through rapid transformation and have institutional voids. One of the serial entrepreneurs (Nlagos-22) noted such perseverance in the following way:

> *"We saw the dark side and became more determined to succeed."* [Nlagos-22]

4.1.2 The imprint of past experiences

Our data indicate that prior experience of starting a business tends to have a lasting implication on the prospects of the new business. The prior experience of business failure can leave a lasting mark on the fragile entrepreneur and his or her ability to move on. After business failure, entrepreneurs become more sensitive to the environmental influences and as such develop unique routines, norms, and processes in the new venture. The social relationships, including family ties, also emerge to have two divergent effects on their ability to move on. When an individual has prior experience of starting a business, this equips them to assemble the right set of skills and resources, and institutional support to help reduce risk of failure relative to novice entrepreneurs. As one serial entrepreneur asserted:

> "*No. Everyone […] saw the effort made to save the business […] I did not approach any family member for financial assistance because I reverted to another paid employment. I have learnt my lesson […]I think financial backers and family support is needed.*"
> [Nlagos-1].

Interestingly enough, this entrepreneur appears to assemble human capital (knowledge, experiences, and lessons from failure to deal with environmental turbulence and new competitive moves by rivals) as well as social capital such as networks of relationships formed after the collapse and access to quality information, which are then employed to isolate the effects of sudden changes in the business environment and unfavorable local regulations. The experience also often means assembling more than adequate resources prior to the founding and opening of doors to the business. Given that formal institutions in emerging markets are in a state of flux, this human and social capital role can be vital for venture survival and growth.

During this stage, prior experience can prove beneficial in marshalling resources to overcome a legitimacy vacuum in the eyes of potential investors and customers. Therefore, assembling relevant knowledge and expertise during the pre-founding stage either through teams or training can help firms to improve their survival chances. The pre-founding stage also serves as a period of leveraging the past experiences in nurturing resilience capabilities required for the actual relaunch. After assessing the pre-founding conditions, the aspiring entrepreneurs then marshal all the available resources and formulate their strategy. Given the focus on only failed entrepreneurs, a possible interpretation is that failed entrepreneurs who decide to start afresh are temperamentally more optimistic, resilient, cognitively enriched, and prepared to reframe their failure experience as a positive learning experience. However, those fragile entrepreneurs who opt out of starting another venture may tend to frame their failure experience as a negative learning experience. In order to illuminate further our understanding of these issues in the wider context of emerging markets, the following proposition is offered:

> **Proposition 1:** *Prior experience of start-up and business failure serves as an asset that is more likely to motivate an entrepreneur to re-start another venture and adapt to changing environmental conditions.*

4.2 Phase 2: Formation and development

The findings suggest that successive entrepreneurial engagements (starting another business after failure) stem from factors such as personal motivation and financial pressure on the failed entrepreneurs. These are also referred to as resilient entrepreneurs. Rather than being overcome by fear of failure, some failed entrepreneurs were willing to start afresh by drawing on the reasons for the previous business exit and lessons learned from the past. They also marshal the post-exit resources and expertise to provide a basis to their human and social capital for new-business development. For these resilient entrepreneurs, prior failure is seen as a learning experience which then forces them to engage in a new venture, drawing on the prior lessons. The resilient serial entrepreneurs become financially and knowledgeably better equipped during the transition period to identify niche markets and unexplored territories. Here most of the entrepreneurs pondered whether to "go it alone" or co-found a venture. Indeed, of the 25 entrepreneurs, 11 subsequently established the new businesses through co-founding. In most cases, these were largely to mitigate the risk of subsequent failure due to inherent limitations associated with self-funded business and lack of support from the government. As Nlagos-12 puts it, the new business needed a "bigger war chest" to fend off rivals. In other cases, the ability to spread the risk of any subsequent business failure also motivated them to shift from self-founding in the past to co-founding in the subsequent venture.

By bringing in another partner, they also often had to iron out the "cultural mismatches" or "different learning experiences". This is important given that at least half of those in the new venture have experienced business failure, and they were more careful in terms of routines and who to employ. The co-founding of a new venture can also provide much needed access to both human and social capital which are vital in the context of emerging and transforming economies. Other notable features of this stage include managing the business, acquiring know-how about the potential industry, and responding to new and emerging threats. These challenges and the dynamic nature of the business environment was summed up by one of the serial entrepreneurs in the following manner:

> *"Because of the very complex and unpredictable business environment in Nigeria, it is always advisable to acquire good knowledge of the target industry and business prior to going into it – start small and minimize borrowing."* [Nlagos-1]

Another serial entrepreneur who co-founded his business at the young age of 26, but had to close the business within two years, asserted:

> "*For me, competitors with larger war chests came into the market with far lower prices … and drove us out … if you want to succeed then you need big financial backers at the beginning.*" [Nlagos-12].

4.2.1 Driver of faster transition

One of the main drivers for making a fast transition from unemployment after business failure to employment by establishing another business was the financial hardship which demanded formulation of a more detailed business plan, learning from the failure, and identifying and exploiting new opportunities. A number of resilient serial entrepreneurs highlighted the importance of bouncing back from failure and the role of learning that they have gained from failure which played an enabling role for the formation of a new venture. Nlagos-23 noted:

> "*After the business closed, I still had to feed my family … This is why I had to start again. I was so determined to start again.*" [Nlagos-23]

Another (Nlagos-16) exclaimed:

> "*I have no fear of starting another business; I have learnt positive lessons (from the failed business)."* [Nlagos-16]

These findings indicate that resilient entrepreneurs wanted to bounce back from failure as the learning they have accumulated could be utilized effectively in the formation of a new venture. Moreover, it is common for failed entrepreneurs in such developing-countries' contexts to be seen as lacking legitimacy and being untrustworthy on money matters. These lead to a negative perception of the individuals. Many of the entrepreneurs started again to help overcome the stigma. It is also worth noting that in the haste to start another venture after failure, an entrepreneur might not have had the space and time to reflect and learn the lessons from failure, and therefore set him/herself on course for another failure. Nevertheless, for fragile entrepreneurs, negative interpretations of prior failure experience can not only curtail their future actions but also make them reluctant to start a new venture. Another entrepreneur captured it in these terms:

> *"I was reluctant to go back into transportation of petroleum products because of drivers' dishonesty and lack of government support for entrepreneurs."* [Nlagos-7]

The picture emerging is one in which failure lessons can be utilized to inform subsequent venture formation and management. A number of observations were made about the barriers such as lack of government support to promote their ability to move on. Based on the above analysis, the following proposition is put forward:

> **Proposition 2:** *Entrepreneurs with prior business failure experience are more likely to co-found the subsequent venture as a mechanism for mitigating against the risk of subsequent failure.*

4.3 Phase 3: Post-founding stage and cementing the future

The findings suggest that the entrepreneurs have developed key mechanisms to facilitate the transfer of knowledge and lessons from the failure experience into a new venture. Entrepreneurs at this stage are characterized as anti-fragile as they have transitioned through the processes to the point that the reasons that impeded some of the failed entrepreneurs cannot negatively impact their entrepreneurial careers. Besides acquiring knowledge from co-founders and family, they also utilize the past experience to make quality decisions for the management of their new venture. Below we tease out the findings related to the post-founding stage.

4.3.1 Bridging knowledge gaps

Once the entrepreneurs have been successful in turning their post-failure ideas into new-business formation, Phase 3 ushers in an anti-fragile period where they begin a process of applying prior experiences in cementing the future of the new venture. The findings indicate that measures taken during this phase included designing service delivery strategy and defining target markets, anchored in learning from the past. During this stage, the start-up firm begins to launch its new products or services and "open its doors" to the target market. The newly established firm then becomes a prime vehicle for bringing the ideas and products to market. After formation of the business, a new set of skills is required to manage the business and deliver success. As Nlagos-13 asserted:

> "*Yes, because when businesses are built around family and relatives, it is most likely to fail based on my experience … sentiments set in. This makes one incapacitated.*" [Nlagos-13

Prior experience of business failure shapes how the entrepreneurs perceive their relationship with others and the direction of new ventures. Interestingly, in the cases of co-founding, a direct failure experience was missing from other partners' profiles and, as such, the imprinting of failure experiences was minimal. As Nlagos-23 noted:

> *"It is not like I just make all the decisions; the partner also has an influence."* [Nlagos-23]

The expertise accumulated at this stage can play a pivotal role in determining future success or failure of the venture. The entrepreneurs highlighted that one of the reasons for business failure was due to recruiting management based on family ties and loyalty rather than expertise. As Nlagos-5 noted:

> "*Yes, there was a member of staff who lacked the competence … I preferred to mentor him rather than sack him so that he could take care of his family.*" [Nlagos-5]

Organizational performance requires availability of resources and expertise. Through family networks and ties, individuals were put in positions of trust despite lacking the expertise to perform. Over time, these became events and contributed to the abysmal performance of the businesses and loss-making culminated in the closure. Not long after the collapse, many quickly came to the realization that family can also become a liability. One informant (Nlagos-2) puts it this way:

> "*When starting a business in this climate, do not employ staff out of pity … no family member should be hired. You don't employ somebody you can't fire. I guessed my partners employed their cronies in the management of the business … they kill the business*." [Nlagos-2]

Although after the collapse many steered assiduously clear of blaming family members for the failure, they recognized that the lack of expertise from the members hampered their chances of success**.** These findings suggest that sometimes family-based ties can become liabilities in emerging economies and can cause business failure. Our analysis indicates that whilst lack of old routines associated with new ventures is beneficial, the inability to mobilize necessary resources and application of knowledge to buffer the firm against early threats could lead to premature exit, thereby triggering early exit. On cementing the future of the business, many of the lessons and much of the drive revolves around perseverance. One of the serial entrepreneurs suggested:

> *"Five years ago, I faced a similar situation and started the last business … I think I knew the people needed to succeed."* [Nlagos-22]

Insert Table 2 about here

Given that newly created firms have no prior track records relating to profitability and customer bases, they are often fragile and lack legitimacy which can also constrain their ability to survive and thrive immediately after founding. Although luck might have played a part in a new venture's premature demise or early success, as Colletti and Chonko (1997, p. 4) observed over a decade ago, “a lucky organization does not deliver great products year in and year out in the face of changing markets and technologies”. Rather, sustainable competitive advantage is partly rooted in entrepreneurs’ ability to develop unique processes and routines that allow them to outwit incumbents and other new entrants (Barney and Clark, 2007). Table 2 summarizes these issues and the effects of past experiences of business failure. The preceding analysis suggests the following proposition:

Proposition 3: *Serial entrepreneurs’ decisions and measures in the subsequent venture tend to be more strategic than in the previous failed venture.*

5 DISCUSSION AND IMPLICATIONS

The aim of this paper was to explore how the effects of prior experiences of entrepreneurial business failure (EBF) manifest in the entrepreneurial process of subsequent venture formation. Such studies on learning from failure and developing resiliency capabilities by serial entrepreneurs are relatively limited in adverse conditions such as those observed across emerging markets (cf. Branzei and Abdelnour 2010; Bullough et al. 2014). We utilized insights from 25 serial entrepreneurs in Nigeria and identified three phases in this process: *pre-founding*, *formation and development,* and *post-founding conditions and effects*. In this direction, we elucidate the pre-founding and post-founding effects of prior EBF. Perhaps most importantly, we elucidate how individual-level factors shape how prior failure experiences can shift from liability immediately after business to become an asset. We uncovered that the entrepreneurs were often motivated to start another venture as a result of the economic hardship and social stigmatization that occur after business closure.

The present study also demonstrated that the actions and inactions of entrepreneurs play an influential role in turning prior experience of entrepreneurial failure into a liability or an asset. One most striking observation is that, over time, the advantages at the founding stage can shift to become liabilities. Over time, the inability to update the knowledge base can turn an asset at the outset into a barrier to growth and even sow the seeds of underperformance. Our findings corroborate prior scholarly works on business failure (Hessels et al., 2011) by demonstrating how the past can influence the present.

Given the characteristics of the Nigerian economy, and quite similar to other emerging markets such as high incidence of corruption, weak institutional facilities to support formation, and scaling-up of new ventures coupled with government bureaucracy and red tape, it may be that these institutional pressures may have had a more positive impact, instilling greater levels of resilience in the serial entrepreneurs in motivating them to learn from failure and re-enter entrepreneurship. Taken together, we demonstrate how entrepreneurs bounce back from errors, failures, and setbacks while operating in extreme and adverse conditions of emerging markets (cf. Branzei and Abdelnour 2010; Bullough et al. 2014).

5.1 Contributions to theory

The study offers several contributions to entrepreneurship and strategy research. First, in spite of the call for a better understanding of the "fundamental process issues of entrepreneurship—what goes in, what comes out, and how the transformation takes place" (Moroz and Hindle, 2011, p. 812), past studies have largely failed to explicate how the underlying processes through founding conditions and experiences prior to founding can change to become a liability during the life course of a new venture. The study advances the burgeoning streams of research on entrepreneurial process (Bygrave, 2010) and entrepreneurial resilience (Korber and McNaughton, 2018; Kossek and Perrigino, 2016; Liu, Cooper, and Tarba, 2019; Renko, Bullough, and Saeed, 2021; Tarba et al., 2019; Xing, Liu, Boojihawon, and Tarba, 2020) by developing staged-based micro-level explanations for the effects of the “past” on subsequent venture formation and growth. Such a process-based approach (e.g., Langley et al., 2013) provides a much-needed granular view of learning from failure and how individual experiences can shape the formation of new ventures in dynamic environments such as those observed in emerging markets (cf. Martignoni and Keil, 2021), thus culminating in the development of a unified model of the buffering effects of experiences of business failure and learning from the past. The findings of this study resonate with the emerging scholarship on microfoundations of strategic management processes, indicating the need to examine micro-level factors since actions and routines are, as Foss (2011, p.1414) puts it, “rooted in individual action and interaction”.

Second, although entrepreneurial learning occurs at different stages in different ways (see Cope, 2011; Kale and Arditi, 1999), it remains to be adequately explained and conceptualized by the existing streams of research. We address this issue by combining the literature on business failure (Fisch and Block, 2021) and entrepreneurial learning (Cope, 2011) to demonstrate how the experiences of failure shape successive entrepreneurial engagement in a developing economy can be harnessed to foster resilience amongst entrepreneurs. In so doing, the work deepens our understanding of how prior cognitions and conditions at founding influence the life course of the organization. Furthermore, this research lends additional support to the growing stream of research in explaining the role and effect of individual experiences and actions in the pre-founding stage in influencing the survival chance of emerging entrepreneurial firms (Shane and Khurana, 2003).

Third, our study sheds important light on the concept of resilient serial entrepreneurs by explicating the process and stages through which the past negative experiences discourage fragile entrepreneurs from relaunching, while nurturing positive cognitive schemas for resilient entrepreneurs to pursue subsequent ventures. In this regard, the study fulfils the recent call from

Lafuente et al. (2019) for a more in-depth process to enrich understanding of how resiliency manifests in entrepreneurial decision making and behavior. By explaining failure as a springboard to successive new-business formation by resilient serial entrepreneurs, the study adds to the growing body of research which suggests that organizational life cycle extends beyond exit to include successive entrepreneurial engagements (see Ucbasaran et al., 2013). Moreover, the study demonstrates why and how resilient serial entrepreneurs in this complex and institutionally weak context adjust to adverse experiences of entrepreneurial failure, in order to relaunch subsequent ventures while others fail to do so (Williams and Shepherd, 2016).

5.2 Contributions to practice

The study has a number of important implications for entrepreneurs seeking to start new businesses. Although entrepreneurial activities vary across the nation and others in the developing world, failed entrepreneurs incur a range of costs including tarnished reputation, diminished expertise, and curtailed ability to access affordable financing. These potential costs might hamper individuals' confidence and willingness to re-enter entrepreneurship. Also, given that failure is commonly stigmatized in many countries in the Global South, this inhibits risk taking and might even force entrepreneurs to persist with an underperforming venture rather than start a new venture in a more promising sector. From this observation, the stigmatization of failure may be a more potent force, where the individuals lacking the family financial support and resources would find other ways to bounce back by relying more on their personal experience and capabilities. One of the possible implications is that the conceptualization helps to counter the perceptions in some societies, where failure is stigmatized, and business closure is seen as the end of the life cycle. Thus, there is a need for the government to deploy resources towards re-training entrepreneurs and to motivate them to re-engage. Additionally, the findings also highlight the need for decision-makers to revisit continuously their prior assumptions and cognition at the formation stage with the aim of updating, upgrading, and discarding obsolete knowledge and tools (Covin and Miles, 1999). Such strategic renewal attempts have the potential to halt the process of any assets turning into a liability.

Moreover, by demonstrating how assets at various stages can shift to become a liability as the firm ages, our study sheds light on how competitive advantages are lost or gained during the life course of an organization. This helps to bring additional knowledge to help founders to design structures to learn from others and mitigate underperformance leading to exit. The experience of failure can provide a source of learning for failed entrepreneurs to re-emerge to a greater success. The analysis indicates that entrepreneurs could build knowledge reservoirs by capturing lessons from failure. Our findings and consequent theory building are grounded in practice and therefore, particularly, provide insight for practitioners that reliance on past experience can lead to counterintuitive results. The analysis of ageing affects mainly the broad categories of stages, which limited the generalizability of our conceptualization. Given that, many firms may transition from one stage to another and then reverse on multiple occasions before eventually collapsing. Future study could employ such organizations as an empirical illustrative case to illuminate our understanding of the driving forces behind such strategic renewals and effects on successive entrepreneurial engagement activities.

5.3 Limitations and Future Research

The findings of this paper offer opportunities for further research. First, it is worth noting that our study only offers one level of analysis in terms of examining business failure in one of the leading emerging markets of Africa. There is often an institutional level of analysis where failure might be the outcome of the institutional impediments such as corruption, political system, instability of the political system, and lack of effective enforcement of the legal system in countries such as

Nigeria. Besides these, there are factors such as competition and demand for the firms' products/services which might have played a vital role in leading to the failures and affecting the source of learning. Although we offer deeper insights on the individuals and their organizations, this is insufficient in offering a more comprehensive analysis of the issues explored in this study. These vital limitations then present opportunities for future research to broaden our horizons and understanding by examining the perspective of industry figures and institutional actors, such as government officials and policymakers, to enhance our understanding of this important subject.

Regarding future research, there is scope to do comparative studies on serial entrepreneurs to identify the factors that facilitate or hinder the new venture's survival and growth across different emerging markets. Second, it would be interesting to understand the role of social and family ties and how such ties can become potential assets as well liabilities in the survival of new ventures in emerging economies. Third, future studies could conduct large-scale surveys and test the propositions of this article across similar emerging markets. Fourth, future studies could build onto this study and longitudinally examine the underlying mechanisms and factors, and the influence of the environment on venture failure and subsequent formation of a venture. Fifth, perseverance was indicated to be important for serial entrepreneurs, thus there is a need to examine this particular factor across different sets of entrepreneurs. Sixth, failure can also have a long-term psychological effect on entrepreneurs especially in emerging markets where formal institutional support is quite weak, therefore, examining the impact of psychological burnout on venture formation and survival can be a potentially interesting topic for future studies.

Lastly, future studies need to examine the individual-level psychological, emotional, and social factors, and how such factors shape the survival and failure of a venture over the lifetime of the venture, by taking a more micro-level approach (e.g., Abell et al., 2008; Felin et al., 2012). The historical analysis can be further integrated with micro-level factors in understanding the individual actions and how such actions interact with wider external factors in enhancing learning from the past. In addition, we could not discount the possibility that our findings could be explained by the size of the businesses and region in which they were set. As such, future studies could examine the regional effects on firm and location-specific factors to help assess the generalizability of the findings. Future studies could pay more attention to success and failure-related experience and whether new ventures benefit more from learning from success or failure in dynamic environments like emerging markets (cf. Madsen and Desai, 2010; Denrell and March, 2001).

REFERENCES

Agarwal, R., Sarkar, M.B.., & Echambadi, R. (2002). 'The conditioning effect of time on firm survival: a life cycle approach'. *Academy of Management Journal* 45(5), 971–994.

Amankwah-Amoah, J. (2016). 'An integrative process model of organisational failure', *Journal of Business Research* 69(9), 3388–3397.

Amankwah-Amoah, J., Boso, N., & Antwi-Agyei, I. (2018). 'The effects of business failure experience on successive entrepreneurial engagements: An evolutionary phase model', *Group & Organization Management*, *43*, 648-682.

Amankwah-Amoah, J., Khan, Z., & Wood, G. (2021). 'COVID-19 and business failures: The paradoxes of experience, scale, and scope for theory and practice', *European Management Journal*, *39*(2), 179-184.

Amaral, M., Baptista, R., & Lima, F. (2011). 'Serial entrepreneurship: impact of human capital on time to re-entry', *Small Business Economics*, 37, 1-21.

Argyres, N.S., De Massis, A., Foss, N.J. Frattini, F., Jones, G., & Silverman, B.S. (2017). 'Call for Papers: History and strategy research: Opening up the black box', *Strategic Management Journal* 1–3.

Ayala, J. C., & G. Manzano (2010). 'Established business owners' success: Influencing factors', *Journal of Developmental Entrepreneurship*, 15(3), 263-286.

Barnett, W.P. (1990). 'The organizational ecology of a technological system', *Administrative Science Quarterly* 35(1), 31–60.

Barnett, W.P., & McKendrick, D. (2004). 'Why are some organizations more competitive than others? Evidence from a changing global market', *Administrative Science Quarterly* 49(4), 535–571.

Barney, J.B., & Clark, D.N. (2007). *Resource-based theory: Creating and sustaining competitive advantage*. Oxford, UK: Oxford University Press.

Barringer, B.R., & Ireland, R.D. (2016). *Entrepreneurship: Successfully launching new ventures* (5^{th} Eds.). New York: Pearson.

Becker, G. (1964). *Human Capital*. Chicago: The University of Chicago Press.

Branzei, O., & S. Abdelnour (2010). 'Another day, another dollar: Enterprise resilience under terrorism in developing countries', *Journal of International Business Studies*, 41(5), 804–825.

Brueller, D., Brueller, N. N., Brueller, R., & Carmeli, A. (2019). Interorganisational relationships in times of decline: Implications for organisational resilience. Applied Psychology, 68(4), 719-758.

Bullough, A., M. Renko, & T. Myatt (2014). ‘Danger zone entrepreneurs: The importance of resilience and self-efficacy for entrepreneurial intentions’, *Entrepreneurship Theory and Practice*, 38(3), 473–499.

Bustinza, O.F., Vendrell-Herrero, F., Perez-Arostegui, M., & Parry, G. (2019). ‘Technological capabilities, resilience capabilities and organizational effectiveness’, *International Journal of Human Resource Management*, *30*(8), 1370-1392.

Bygrave, W. (2006). The entrepreneurship paradigm (I) revisited. in *Handbook of qualitative research methods in entrepreneurship.* Eds. H. Neergard, and J. Parm Ulhoi. Cheltenham: Edward Elgar Publishing, 17–48.

Bygrave, W. (2010). The entrepreneurial process. in *The portable MBA in entrepreneurship*. Eds. W. Bygrave, and A. E. Zacharkis. Hoboken, NJ: John Wiley & Sons, 1–26.

Byrne, O., & Shepherd, D. (2015). ‘Different strokes for different folks: entrepreneurial narratives of emotion, cognition, and making sense of business failure’, *Entrepreneurship Theory and Practice* 39, 375–405.

Cacciotti, G., Hayton, J.C., Mitchell, J. R., & Allen, D. G. (2020). ‘Entrepreneurial fear of failure: Scale development and validation’, *Journal of Business Venturing*, *35*(5), 106041.

Cardon, M.S., Stevens, C.E., & Potter, D.R. (2011). ‘Misfortunes or mistakes? Cultural sensemaking of entrepreneurial failure’, *Journal of Business Venturing* 26(1), 79–92.

Chung, C.C., & Beamish, P.W. (2005). ‘The impact of institutional reforms on characteristics and survival of foreign subsidiaries in emerging economies’, *Journal of Management Studies*, 42(1), 35–62.

Colletti, J.A., & Chonko, L.B. (1997). ‘Change management initiatives: Moving sales organizations from obsolescence to high performance’, *Journal of Personal Selling & Sales Management*, 17(2), 1–30.

Cooper, C.L., Liu, Y., & Tarba, S.Y. (2014). ‘Resilience, HRM practices and impact on organizational performance and employee well-being’, *International Journal of Human Resource Management*, 25(17), 2466-2471.

Cope, J. (2011). ‘Entrepreneurial learning from failure: An interpretative phenomenological analysis’, *Journal of Business Venturing*, 26(6), 604–623.

Corley, K. (2004).’Defined by our strategy or our culture? Hierarchical differences in perceptions of organizational identity and change’ *Human Relations*, 57(9), 1145-78.

Covin, J.G., & Miles, M.P. (1999). ‘Corporate entrepreneurship and the pursuit of competitive advantage’, *Entrepreneurship Theory and Practice*, 23(3), 47–63.

D’Aveni, D.A., Dagnino, G.B. & Smith, K.G. (2010). ‘The age of temporary advantage’, *Strategic Management Journal* 31(13), 1371–1385.

Davis, JP, Eisenhardt, KM (2011) Rotating leadership and collaborative innovation: Recombination processes in symbiotic relationships. Administrative Science Quarterly 56(2): 159–201.

Denrell, J., & March, J. G. (2001). ‘Adaptation as information restriction: The hot stove effect’, *Organization Science*, 12(5), 523-538.

Doern, R., Williams, N., & Vorley, T. (2019). ‘Special issue on entrepreneurship and crises: business as usual? An introduction and review of the literature’, *Entrepreneurship & Regional Development*, 31(5-6), 400-412.

Driscoll, P.J (2011). Systems thinking. G.S. Parnell, P.J. Driscoll, and D.L. Henderson. Eds. *Decision Making in Systems Engineering and Management.* Hoboken, New Jersey: John Wiley & Sons, 27–64.

Eisenhardt, K.M. (1989). ‘Building theories from case study research’, *Academy of Management Review*. 14(4), 532–550.

Elumelu, T.O. (2015). The rise of Africapitalism. The World in 2015." Accessed March 20, 2017, from https://www.economist.com/news/21631956-entrepreneurs-will-transform-africa-says-tony-elumelu-chairman-heirs-holdings-and.
Ferriani, S., Garnsey, E., & Lorenzoni, G. (2012). 'Continuity and change in a spin-off venture: The process of reimprinting', *Industrial and Corporate Change*, 21(4), 1011–1048.
Fisch, C., & Block, J. H. (2021). 'How does entrepreneurial failure change an entrepreneur's digital identity? Evidence from Twitter data', *Journal of Business Venturing*. *36*(1), 106015.
Fisher, D. M., Ragsdale, J. M., & Fisher, E. C. (2019). 'The importance of definitional and temporal issues in the study of resilience', *Applied psychology,* 68(4), 583-620.
Foss, N.J. (2011). 'Why micro-foundations for resource-based theory are needed and what they may look like', *Journal of Management,* 37, 1413–1428.
Gerstrøm, A., & Isabella, L.A. (2015). 'Understanding bankruptcy: how members of a bankrupted bank construe organizational death', *Illness, Crisis & Loss*, 23(2), 129-174.
Gilbert, C. (2005). 'Unbundling the structure of inertia: Resource versus routine rigidity', *Academy of Management Journa,l* 48(5), 741–763.
Gioia DA, Price KP, Hamilton AL, Thomas JB. (2010). 'Forging an Identity: An insider-outsider study of processes involved in organizational identity formation', *Administrative Science Quarterly*, 55: 1–46.
Gioia, D. (2021). 'A Systematic Methodology for Doing Qualitative Research', *The Journal of Applied Behavioral Science*, 57(1) 20–29.
Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). 'Seeking qualitative rigor in inductive research: Notes on the Gioia methodology', *Organizational Research Methods*, 16(1), 15–31.
Gioia, D.A., Thomas, J.B., (1996). 'Identity, image, and issue interpretation: Sensemaking during strategic change in academia', *Administrative Science Quarterly,* 41, 370–403.
Glaser, B.G., & Strauss, A.L. (2006). *The discovery of grounded theory: Strategies for qualitative research*. New Brunswick: Transaction.
Hessels, J., Grilo, I., Thurik. R., & van der Zwan, P. (2011). 'Entrepreneurial exit and entrepreneurial engagement', *Journal of Evolutionary Economics,* 21(3), 447–471.
Hogarth, R.M., & Karelaia, N. (2012). 'Entrepreneurial success and failure: Confidence and fallible judgment', *Organization Science,* 23(6), 1733-1747.
Holcomb, T.R., Ireland, R.D., Holmes Jr, R.M., & Hitt, M.A. (2009). 'Architecture of entrepreneurial learning: Exploring the link among heuristics, knowledge, and action', *Entrepreneurship theory and practice*, *33*, 167-192.
Jenkins, A.S., Wiklund, J., & Brundin, E. (2014). 'Individual responses to firm failure: Appraisals, grief, and the influence of prior failure experience', *Journal of Business Venturing*, *29*(1), 17-33.
Jones, G., & Wadhwani, R.D. (2006). '*Entrepreneurship and business history: renewing the research agenda*', Working Paper No. 07-007, Harvard Business School, Boston, MA.
Junni, P., Sarala, R. M., Taras, V. A. S., & Tarba, S. Y. (2013). 'Organizational ambidexterity and performance: A meta-analysis', *Academy of Management Perspectives*, *27*(4), 299-312.
Kale, S., & Arditi, D. (1998). 'Business failures: Liabilities of newness, adolescence, and smallness', *Journal of Construction Engineering and Management* 124(6), 458–464.
Kale, S., & Arditi, D. (1999). 'Age-dependent business failures in the US construction industry', *Construction Management & Economics,* 17(4), 493–503.
Keith, N., Unger, J. M., Rauch, A., & Frese, M. (2016). 'Informal learning and entrepreneurial success: A longitudinal study of deliberate practice among small business owners', *Applied Psychology*, *65*(3), 515-540.
Korber, S., & McNaughton, R. B. (2018). 'Resilience and entrepreneurship: a systematic literature review', *International Journal of Entrepreneurial Behavior & Research*, 24(7), 1129-1154.

Korber, S., & McNaughton, R.B. (2018). Resilience and entrepreneurship: a systematic literature review. *International Journal of Entrepreneurial Behavior & Research*. 24 (7), 1129-1154

Kossek, E.E., & Perrigino, M.B. (2016). 'Resilience: A Review Using a Grounded Integrated Occupational Approach', *Academy of Management Annals*, 10(1), 729-797.

Lafuente, E., Vaillant, Y., Vendrell-Herrero, F., & Gomes, E. (2019). 'Bouncing back from failure: Entrepreneurial resilience and the internationalisation of subsequent ventures created by serial entrepreneurs', *Applied Psychology*, 68(4), 658-694.

Langley, A. (1999). 'Strategies for theorizing from process data', *Academy of Management Review*, 24(4), 691-710.

Langley, A., & Tsoukas, H. (2017). *The SAGE handbook of process organization studies*. Thousand Oaks, CA: Sage.

Langley, A.N.N., Smallman, C., Tsoukas, H., & Van de Ven, A.H. (2013). 'Process studies of change in organization and management: Unveiling temporality, activity, and flow', *Academy of management journal*, *56*(1), 1-13.

Le Mens, G., Hannan, M.T. & Polos, L. (2014). 'Organizational obsolescence, drifting tastes, and age dependence in organizational life chances', *Organization Science*, 26(2), 550–570.

Le Mens, G., Hannan, M.T., & Polos, L. (2011). 'Founding conditions, learning, and organizational life chances: Age dependence revisited', *Administrative Science Quarterly*, 56(1), 95–126.

Leke, A., Fiorini, R., Dobbs, R., Thompson, F. Suleiman, A. & Wright, D. (2014). 'Nigeria's renewal: Delivering inclusive growth in Africa's largest economy', *McKinsey Global Institute: McKinsey & Company*.

Liu, Y., L. Cooper, C., & Y. Tarba, S. (2019). 'Resilience, wellbeing and HRM: A multidisciplinary perspective', *International Journal of Human Resource Management*, 30(8), 1227-1238.

Luthans, F. (2002). The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior*, *23*(6), 695-706.

Madsen, P.M., & Desai, V. (2010). 'Failing to learn? The effects of failure and success on organizational learning in the global orbital launch vehicle industry', *Academy of Management Journal*, 53(3), 451-476.

Markman, G. D., & R.A. Baron (2003). 'Person-entrepreneurship fit: Why some people are more successful as entrepreneurs than others', *Human Resource Management Review*, 13(2), 281-301.

Marquis, C., & A. Tilcsik (2013). 'Imprinting: Toward a multilevel theory', *Academy of Management Annals*, 7(1), 195–245.

Martignoni, D., & Keil, T. (2021). 'It did not work? Unlearn and try again–Unlearning success and failure beliefs in changing environments', *Strategic Management Journal*, 42(6), 1057-1082.

Mooradian, T., Matzler, K., Uzelac, B., & Bauer, F. (2016). 'Perspiration and inspiration: Grit and innovativeness as antecedents of entrepreneurial success', *Journal of Economic Psychology*, *56*, 232-243.

Moroz, P.W., & K. Hindle (2011). 'Entrepreneurship as a process: Toward harmonizing multiple perspectives', *Entrepreneurship Theory and Practice*, 36(4), 781–818.

Murnieks, C.Y., Klotz, A.C., & Shepherd, D.A. (2019). 'Entrepreneurial motivation: A review of the literature and agenda for future research', *Journal of Organizational Behavior*, 41(2), 115-143.

Nahata, R. (2019). 'Success is good but failure is not so bad either: Serial entrepreneurs and venture capital contracting'. *Journal of Corporate Finance*, 58, 624-649.

Nakpodia, F., E. Adegbite, K. Amaeshi., & A. Owolabi (2016). 'Neither principles nor rules: Making corporate governance work in Sub-Saharan Africa'. *Journal of Business Ethics, 151 (2018),* 1–18.

Neu, D., & Wright, M. (1992). 'Bank failures, stigma management and the accounting establishment', *Accounting, Organizations and Society*, *17*, 645-665.

Nutt, P.C. (1992). ‘Helping top management avoid failure during planned change’, *Human Resource Management*, *31*(4), 319-344.
Ogunro, V.O. (2014). ‘Nigeria’s business environment: Issues, challenges and prospects’, *International Journal of Academic Research in Business and Social Sciences,* 4(4), 132–138.
Parker, S.C. (2013). ‘Do serial entrepreneurs run successively better-performing businesses?’, *Journal of Business Venturing*, *28*(5), 652-666.
Peng, M.W. (2003). 'Institutional transitions and strategic choices', *Academy of management review*, *28*(2), 275-296.
Peng, M.W., & P.S. Heath (1996). 'The growth of the firm in planned economies in transition: Institutions, organizations, and strategic choice', *Academy of management review*, *21*(2), 492-528.
Politis, D. (2005). ‘The process of entrepreneurial learning: A conceptual framework’, *Entrepreneurship Theory and Practice* 29(4), 399–424.
PWC (2017). ‘The long view how will the global economic model change by 2050?’, *The world in 2050. Available at:* pwc-the-world-in-2050-full-report-feb-2017.pdf
Rasche, A., & R. Chia (2009). ‘Researching strategy practices: A genealogical social theory perspective’, *Organization studies,* 30(7), 713-734.
Renko, M., Bullough, A., & Saeed, S. (2021), ‘How do resilience and self-efficacy relate to entrepreneurial intentions in countries with varying degrees of fragility? A six-country study’, *International Small Business Journal*, *39*(2), 130-156.
Rocha, V., & Van Praag, M. (2020). ‘Mind the Gap: The Role of Gender in Entrepreneurial Career Choice and Social Influence by Founders’, *Strategic Management Journal,* 41(5), 841-866.
Rothman, R.A., & Perrucci, R. (1970). ‘Organizational careers and professional expertise’, *Administrative Science Quarterly,* 15(3), 282-293.
Salvato, C., & Corbetta, G. (2013). ‘Transitional leadership of advisors as a facilitator of successors’ leadership construction’, *Family Business Review,* 26(3), 235-255.
Santoro, G., Bertoldi, B., Giachino, C., & Candelo, E. (2020), ‘Exploring the relationship between entrepreneurial resilience and success: The moderating role of stakeholders' engagement’, *Journal of Business Research*, *119*, 142-150.
Saunders, M.N.K., P. Lewis., & A. Thornhill (2016). *Research methods for business students,* 7th edn. Harlow, England: Pearson Education.
Shane, S., & Khurana, R. (2003). ‘Bringing individuals back in: The effects of career experience on new firm founding’, *Industrial and Corporate Change,* 12(3), 519–543.
Shepherd, D.A., & Haynie, J.M. (2011). ‘Venture failure, stigma, and impression management: A self-verification, self-determination view’, *Strategic Entrepreneurship Journal*, *5*, 178-197.
Shepherd, D.A., & M.S. Cardon (2009). ‘Negative emotional reactions to project failure and the self-compassion to learn from the experience’, *Journal of Management Studies* 46(6), 923–949.
Shepherd, D.A., T. Williams, M. Wolfe., & H. Patzelt (2016). *Learning from entrepreneurial failure: emotions, cognitions, and actions*. Cambridge: Cambridge University Press.
Silverman, B.S., Nickerson, J.A., & J. Freeman (1997). ‘Profitability, transactional alignment, and organizational mortality in the U.S. trucking industry’, *Strategic Management Journal* 18, 31–52.
Simmons, S.A., Carr, J. C., Hsu, D.K., & Shu, C. (2016). ‘The regulatory fit of serial entrepreneurship intentions’, *Applied Psychology*, *65*(3), 605-627.
Sminia, H. (2009). ‘Process Research in Strategy Formation: Theory, Methodology and Relevance’, *International Journal of Management Reviews,* 11(1), pp.97-115.
Sminia, H. (2014). Contextualism in strategic management research. In: G. Dagnini and C. Cincini (eds.), Research Methods for Strategic Management. Abingdon: Routledge, in press.
Sørensen, J.B., & Stuart, T.E. (2000). ‘Aging, obsolescence, and organizational innovation’, *Administrative Science Quarterly,* 45(1), 81–112.

Stephan, U. (2018). ‘Entrepreneurs’ mental health and well-being: A review and research agenda’, *Academy of Management Perspectives*, *32*(3), 290-322.
Stinchcombe, A.L (1965). Social structure and organizations. in *The Handbook of Organizations.* Ed. J.G. March. Chicago, IL: Rand McNally, 142–193.
Tarba, S. Y., Cooper, S. C. L., Ahammad, M. F., Khan, Z., & Rao-Nicholson, R. (2019), ‘Resilience in organizations: An editorial’, *Applied Psychology*, *68*(4), 579-582.
The Economist (2014). Business in Nigeria: Africa’s testing ground”. 412(8901), n/a
The Economist (2015). It's all go - Entrepreneurship and technology”. 416(8955), SS8-SS9
The Economist (2016). *Nigeria: Rankings overview*. London: The Economist Intelligence Unit.
Ucbasaran, D., Shepherd, D.A. Lockett, A., & Lyon, S.J. (2013). ‘Life after business failure the process and consequences of business failure for entrepreneurs’. *Journal of Management,* 39, 163–202.
Ucbasaran, D., Westhead, P., & Wright, M. (2009). ‘The extent and nature of opportunity identification by experienced entrepreneurs’, *Journal of business venturing*, *24*(2), 99-115.
UNCTAD (2016). Investor Nationality: Policy Challenges. World Investment Report. United Nations Conference on Trade and Development. Accessed March 20, 2017, from www.worldinvestmentreport.org/wir2016/.
Voss, G.B., & Z.G. Voss (2013). ‘Strategic ambidexterity in small and medium-sized enterprises: Implementing exploration and exploitation in product and market domains’, *Organization Science* 24(5), 1459-1477.
Wadhwani, R.D., D.A. Kirsch, W.B. Gartner, F. Welter., & Jones, G. (2016). ‘Call for paper: Historical approaches to entrepreneurship research: investigating context, time, and change in entrepreneurial processes’, *Strategic Entrepreneurship Journal*, 1–3.
Weinberger, E., Wach, D., Stephan, U., & Wegge, J. (2018). ‘Having a creative day: Understanding entrepreneurs' daily idea generation through a recovery lens’, *Journal of Business Venturing*, *33*(1), 1-19.
Westhead, P., & Wright M. (1998). ‘Novice, portfolio and serial founders: are they different?’, *Journal of Business Venturing* 13(3), 173–204.
Williams, N., Vorley, T., & Ketikidis, P. H. (2013). ‘Economic resilience and entrepreneurship: A case study of the Thessaloniki City Region’, *Local Economy*, 28(4), 399-415.
Williams, T. A., & Shepherd, D. A. (2016). ‘Building resilience or providing sustenance: Different paths of emergent ventures in the aftermath of the Haiti earthquake’, *Academy of Management Journal*, *59*(6), 2069-2102.
Winter, S.G (2000). ‘The satisficing principle in capability learning’, *Strategic Management Journal* 21(10/11), 981–996.
World Bank (2017). Ease of doing business in Nigeria. Available at http://www.doingbusiness.org/data/exploreeconomies/nigeria/
Wright, M., Robbie. K., & C. Ennew (1997). ‘Serial entrepreneurs’, *British Journal of Management*, 8(3), 251–268.
Xing, Y., Liu, Y., Boojihawon, D.K., & Tarba, S. (2020). ‘Entrepreneurial team and strategic agility: A conceptual framework and research agenda’, *Human Resource Management Review*, *30*(1), 100696.
Yin, R.K (2014). *Case study research: Design and methods,* 5th ed. Thousand Oaks, CA: Sage.
Zahra, S.A., & George, G. (2002). ‘Absorptive capacity: A review, reconceptualization, and extension’, *Academy of Management Review,* 27(2), 185–203.

Figure 1: An open system approach to successive entrepreneurial engagement

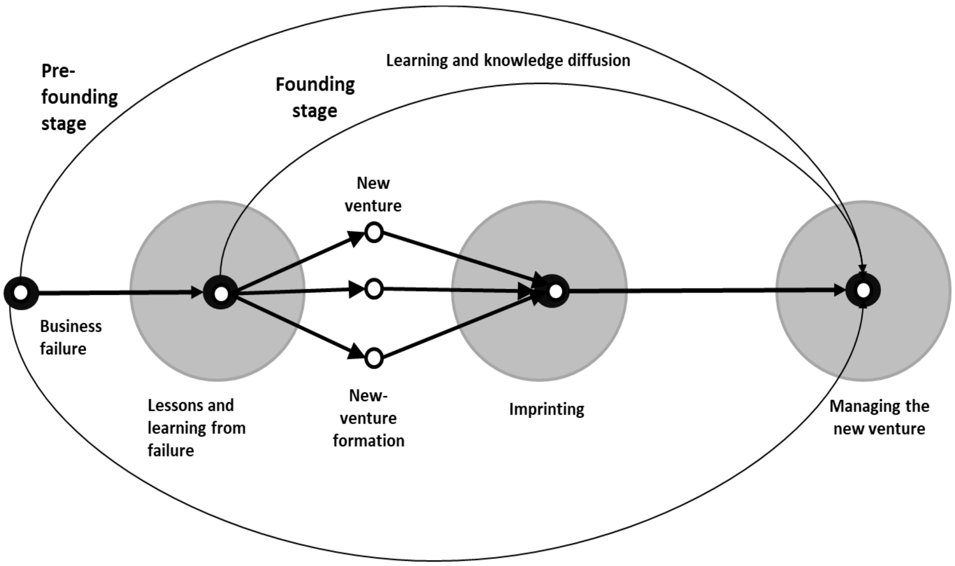

Figure 2: Evolutionary processes and stages

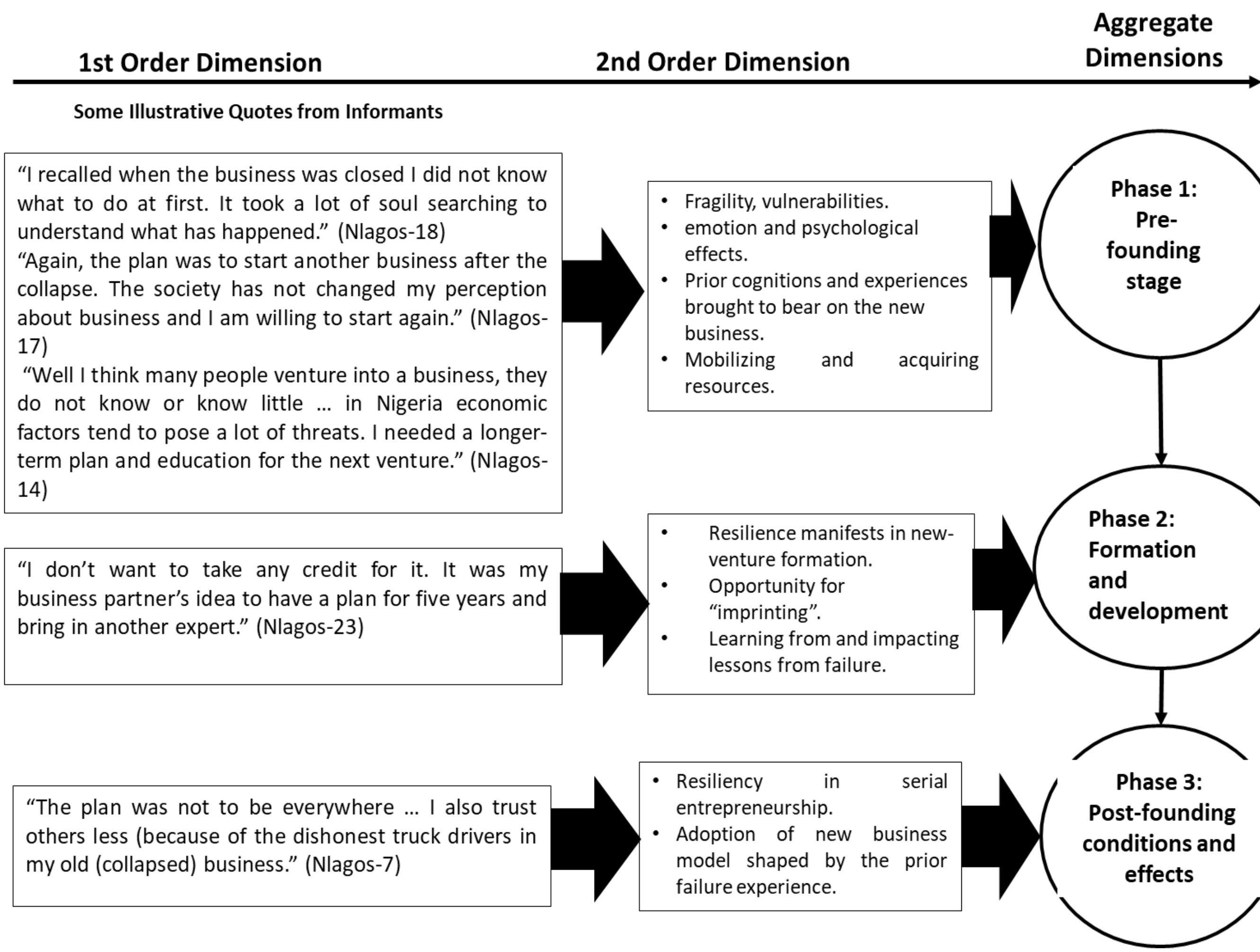

Table 1: The list of the informants

Informants	Source of funding and educations	Age at founding	Age of firm at the time of failure	Number of employees of the failed business	Prior experiences before starting the business	Source of advice prior to starting the business
Nlagos 1	Self-funded	40	5 years	10	Worked in a privately-owned organization for about 10 years. MSC degree.	Others and own experiences and knowledge.
Nlagos 2	Co-funded	34	4 years	8	4 years in banking and Ba degree.	Friends' advice and information obtained from environmental scanning.
Nlagos 3	Co-funded		20 years	100	BSC Elect Eng and 8 years Company experience in Telecoms.	Family.
Nlagos 4	Self-funded	37	14 years	10	Msc degree.	Bakery and Confectionery Association.
Nlagos 5	Self-funded	31	5 years	2	Advanced Diploma in Management and 3 years work experience in an Oil company.	Friends.
Nlagos 6	Self-funded	62	3 years	5	Doctorate degree Professional: Chartered Institute of Personnel Management and Institute of Directors	Over 30 years work experience in banking, manufacturing and Oil industries. Consultation with professionals in the area of the business.
Nlagos 7	Co-funded	42	5 years	6	Master's degree. -Worked for a multinational oil company. -Professional affiliation (Institute of Chartered Accountants).	Entrepreneurs in similar businesses.
Nlagos 8	Co-funded	46	6 months	10	Degree and worked for MNEs in the oil and gas industry for 10 years.	Industry experience.
Nlagos 9	Co-funded	26	2 years	4	Prior experiences of supporting other businesses in the family.	Co-founder, family and friends.
Nlagos 10	Co-funded textile making business	25	6 years	14	Trading experience.	Co-founder.
Nlagos 11	Female-Self-funded	24	2 years	4-5	Worked with a private firm as a treasury officer.	Family and friends.

Nlagos 12	Co-funded	26	2 years	4	None.	Family and friends, some with business knowledge.
Nlagos 13	Co-funded	32	5 years	12	Higher National Diploma, Retailing.	None.
Nlagos 14	Co-funded	28	3 years	3	None, but had a National Diploma.	Family and friends.
Nlagos 15	Self-funded (17D)	41	4 years	4	Engineering training.	Industry and personal.
Nlagos 16	f- Co-funded	35	20 years	100	8years experience in a telecom company.	Family members.
Nlagos 17	Self-funded	20	Under 1 year	1	None but had a BSc degree.	Relevant industry persons.
Nlagos 18	Co-founded family	25	3 years	4	Basic education.	Family and friends.
Nlagos 19	Self-funded	40	5 years	10	A member of a professional organization.	Consulted with others who were in similar business and also relied on my own experience/ knowledge.
Nlagos 20	M- Self-funded	30	2 years	4	Basic education.	Industry and personal experiences.
Nlagos 21	Self-funded	27	30 months	2	Managed a business center.	Family members, industry and personal experiences.
Nlagos 22	self-funded	45	2 years	20	1 year of relevant experience.	Industry and personal experiences.
Nlagos 23	Co-funded	35	6 months	2	Civil engineering employee.	Industry and personal experiences.
Nlagos 24	Self-funded	26	8 months	4	None but had a BSc degree.	Family members, industry and personal experiences.
Nlagos 25	Self-funded	40+	2 years	4	Good patronage.	Industry and personal experiences.

Appendix 1: SEMI-STRUCTURED INTERVIEW QUESTIONS

SEMI-STRUCTURED INTERVIEW

- Before we start talking about the talent, would it be useful for us to know something about the organization?
- Could you briefly tell me about the history of the organization? [Prompt for age of organization, age of parent organization, number of employees, and changes in leadership.]

Section A: Characteristics and Your Former Business

- Nature of founding; [prompts: Co-funded or Self-funded]
- Age at founding
- Number of employees of the former business
- What was the age of your firm at the time of collapse?
- Did you change the name or address of the firm during its existence? Why?
- What was your educational qualification before starting the business? [prompts: no education; higher education; further education]
- What was your affiliation prior to starting the business? [prompts: Government; A member of professional organization; No affiliation]
- What were your prior experiences before starting the business? Tell us a story on this.
- What was your source of advice prior to starting the business?

Section A: The following questions focus on early warning signals before the business failure

- Prior to the businesses demise, what kind of support did you have within the local community?
- Prior to the collapse, were government agencies interested in your problems or helping to solve them?
- Before the collapse, did your main business partner or family member withdraw their support/funds? Why?
- In a desperate search for solutions to save the business, did you turn to God or attend prayer vigil? Was this the main strategy?
- Were you reluctant to fire less competent employees in order not to deprive them of their livelihood? Can you provide some examples/stories here?
- Do you think the actions during the decline period of the business were curtailed by your religious beliefs?
- Why did the business eventually fail and how?

The following questions focus on your experiences and others' views of your identity after the business failure.

- After the business collapsed, did more people come to view your reputation as tainted? Why? How?
- After the business failure, did you find out that people frequently questioned your expertise and knowledge on business matters? Can you provide some stories/experiences here?
- Are family members now extremely reluctant to lend you money or enter into any partnership?
- Can you say after the business failed, local businesses were unwilling to enter into any partnership or collaboration with you? Why? Any stories?
- Has the way you have been treated by society changed your perception of starting another business? And why?

Additional information/comments

- What comments would you like to make about your experiences of starting a business and the failure in Nigeria?