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Different Strokes for Different Folks:

Entrepreneurial Narratives of Emotion, Cognition, and Making Sense of Business Failure

Abstract

This multiple case study of eight entrepreneurial narratives of failed businesses examines how narratives that express different emotional states (folks) reflect different efforts to make sense of failure experiences (strokes). Our comparisons of the narratives' emotional content (describing emotional states at the time of business failure and presently) revealed some new insights. First, high negative emotions motivate making sense of a loss, while high positive emotions provide cognitive resources to facilitate and motivate making sense of the failure event. Second, emotion-focused coping helped deal with negative emotions. Finally, sensemaking was also facilitated by cognitive strategies that focused attention on the failure event and promoted self-reflection.

INTRODUCTION

Business failure occurs when “a fall in revenues and/or a rise in expenses are of such a magnitude that the firm becomes insolvent and is unable to attract new debt or equity funding; consequently, it cannot continue to operate under the current ownership and management” (Shepherd, 2003, p. 318). Such failure reveals what does not work, which in turn informs subsequent entrepreneurial actions (McGrath, 1999). Indeed, given the high uncertainty associated with the pursuit of opportunity (Knight, 1992; McMullen & Shepherd, 2006), failure is a frequent occurrence (Brüderl, Preisendörfer, & Ziegler, 1992; Shane, 2009; Wiklund, Baker, & Shepherd, 2010). Failure is also believed to be a trigger for sensemaking efforts and a rich information source for learning. Indeed, we define *learning from failure* as “the sense that one is acquiring, and can apply, knowledge and skills” (Spreitzer, Sutcliffe, Dutton, Sonenshein, & Grant, 2005) from their failure experiences. Consistent with a sensemaking perspective, this definition emphasizes individuals' subjective interpretation of learning (Huy, 1999; Kim, 1993; Shepherd, Patzelt, & Wolfe, 2011; Weick, 1979). As entrepreneurs take risks, learn from failures, and act on their new knowledge, economies advance (Hoetker & Agarwal, 2007; Knott & Posen, 2005; Mason & Harrison, 2006).

Although recent theorizing acknowledges the potential benefits of failure (for the economic system), it explores the negative emotional reaction (i.e., grief) individual entrepreneurs experience when

their businesses fail (Shepherd, 2003; 2009; Shepherd, Wiklund, & Haynie, 2009). For example, Shepherd (2003) described how grief—the negative emotional reaction to the loss of a business—can obstruct an entrepreneur’s ability to learn from the experience and, thus, proposed a mode of coping with grief to maximize learning (namely, oscillating between loss and restoration orientations). In a recent study on research scientists’ negative emotional reactions to the failure of their projects, Shepherd and colleagues (2011) found considerable heterogeneity in these individuals’ emotional states (Barsade, 2002; Lazarus, 1991) over and above the time since project failure. If there are differences in individuals’ emotional reactions to business failure, are there also differences in their efforts to make sense of such experiences?

The purpose of this paper is to explore how different emotional states—“transient reaction[s] to specific encounters with the environment, one that comes and goes depending on particular conditions” (Lazarus, 1991: 47)—reflected in entrepreneurs’ narratives impact their efforts to make sense of failure experiences. Narratives reflect (and give) meaning to events (Orr, 1995), and thereby play a critical role in the process of sensemaking (Brown, Stacey, & Nandhakumar, 2008). In this study, we use a multiple case study approach to generate new insights from field-based data. We chose this approach because it is particularly appropriate for exploring phenomena for which data are rare or “sensitive” and extant theories do not appear useful for exploring the research question. Indeed, under such circumstances, a multiple case study approach is more likely to create original and precise accounts of phenomena than approaches using previous existing work or laboratory-based experiments (Eisenhardt, 1989). The setting is the failure of small businesses. This setting is highly appropriate for the current study because of (1) the “tight” relationship between an entrepreneur and his/her small business (Bird, 1992; Cardon, Zietsma, Saporito, Matherne, & Davis, 2005; Florin, Lubatkin, & Schulze, 2003; Gartner, 1988) (e.g., the identity of the entrepreneur and their business are often tightly intertwined) (Cardon, Wincent, Singh, & Drnovsek, 2009; Murnieks & Mosakowski, 2006), (2) the heterogeneity among entrepreneurs of small businesses (Cardon et

al., 2009; Westhead & Wright, 1998), and (3) the prevalence of both small businesses (Acs & Audretsch, 1990) and small business failure (Aldrich & Auster, 1986) in most economies.

A crucial function of this paper is to present the emotional landscape of entrepreneurial failures and entrepreneurs' efforts to make sense of these failure experiences. This perspective contrasts with theories of learning from failure that ignore the role of emotions (e.g., Baumard & Starbuck, 2005; Cannon & Edmondson, 2001; Sitkin, 1992) or emphasize negative emotions at the expense of positive emotions (e.g., Shepherd, 2003; 2009). Entrepreneurs, their businesses, and their failures differ in substantial ways, and these differences are likely reflected in the emotional content of entrepreneurs' narratives, which impact their efforts to make sense of business failure. This study offers theoretical, empirically grounded insights from narratives concerning the types of emotional reactions entrepreneurs express in response to business failure and how these reactions impact their ability to make sense of such experiences.

In doing so, we make three primary contributions to the literature. First, the learning from failure literature has highlighted the obstructive role of negative emotions on the sensemaking process (Ashforth & Kreiner, 2002; Shepherd, 2003; Sitkin, 1992). We found evidence that negative emotions motivated sensemaking efforts. That is, entrepreneurs' narratives that reflected little negative emotional reaction to business failure demonstrated little sensemaking about the loss. Second, whereas the learning from failure literature has focused on negative emotions (e.g., Shepherd, 2003; 2009), the resilience literature has focused on the role of positive emotions in dealing with adversity (Fredrickson, Tugade, Waugh, & Larkin, 2003; Tugade & Fredrickson, 2007), including how positive emotions "undo" negative emotions (Fredrickson, 1998; Fredrickson, 2001). We found evidence that negative and positive emotions act in concert to facilitate sensemaking—high negative emotions *motivate*, and high positive emotions *inform*, sensemaking efforts. Finally, the stress literature (Folkman, 1984) highlights the ineffectiveness and even the detrimental impact of emotion focused coping in relieving stress, especially in the long run (Austenfeld

& Stanton, 2004; Coyne & Racioppo, 2000). We found that, at least in terms of making sense of a stressful event—business failure—the entrepreneurs’ narratives demonstrated that emotion-focused coping provided the opportunity to generate positive emotions that facilitated their cognitive processing of failure experiences for sensemaking purposes.

Consistent with the multiple case study approach, we begin by detailing our method and then discuss our findings in terms of the emotional and sensemaking content of entrepreneurial narratives. Contrasting entrepreneurs’ narratives across emotional and sensemaking content provides new insights into efforts to make sense of failure experiences. On the whole, this study expands theorizing on “learning from failure” and “entrepreneurial grief” to elucidate the real feelings, thoughts, and behaviours of entrepreneurs attempting to make sense of their business failure experiences. This work also provides insights into the nature of entrepreneurs’ narratives and the role of positive emotions in explaining how negative emotions and emotion-focused coping enable cognitions for making sense of business failure.

METHODS

Research Design

Consistent with Yin (2003a, 2003b) and Eisenhardt (1989), we used the multiple case study method to build theory from field-based data. As indicated in Table 1, we sampled 13 failed businesses in the United Kingdom, all of which were privately held and small. The purpose of our sampling was to ensure that these were small businesses—because, as detailed above, there is a tight relationship between an entrepreneur and his/her small business, the prevalence of both small businesses and small business failure in most economies, and the considerable heterogeneity amongst small businesses (e.g., industry [Covin & Slevin, 2006], and firm size [Brüderl & Preisendörfer, 1998]), amongst entrepreneurs (e.g., age [Levesque & Minniti, 2006] and gender [De Bruin, Brush & Welter, 2007]), and amongst failures (Shepherd & Cardon, 2009). To ensure that we captured some of this heterogeneity among entrepreneurs of small businesses we ensured that the sampled entrepreneurs’ businesses varied in terms of *industry*—included

retail, engineering, consulting, publishing, information technology (IT), recruitment, agriculture, and confectionary, and *size*—companies employed from one to 45 employees; the entrepreneurs varied in terms of *age*—the entrepreneurs ranged in age from 30 years to 62 years, and *gender*—two entrepreneurs were female and 11 were male; varied in the *nature of the failures*—two businesses were liquidated involuntarily, eight businesses had liquidated voluntarily, and three businesses had limited assets to liquidate and were instead dissolved by the owners in adherence with guidelines from the registrar of companies, and *time since closure*—the businesses failed from 1 year to 20 years prior to the research taking place. In all cases, the ultimate demise of the business was undesirable for the entrepreneur.¹

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Insert Table 1 about here
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Data Collection

We used interviews, observations, and archival records to collect the data. We relied most heavily on semi-structured interviews with the individual entrepreneurs who had experienced business failure. We conducted in-person interviews with the entrepreneurs, often at a coffee shop or a public space (given that some no longer had dedicated office space and also because of the sensitive nature of the interviews we wanted them to choose a location in which they felt most comfortable). The 13 interviews were conducted over a period of six months and were taped and later transcribed. The mean time for the interviews was 60 minutes with one interview lasting as long as two hours. We also kept personal notes made before, during, and after the interview, which included informal observations and discussions not recorded as part of the formal interviews. We created an interview protocol to guide the semi-structured interviews and typically referenced the protocol to start a new line of discussion after the previous point had run its course. The

¹ There were two cases included in the final analysis in which the failures occurred quite some time ago—2000 in the case of Geoff and 2002 for David. Although there were some similarities between the two cases, there were substantial differences. Indeed, the differences were so great that they were more familiar with a “more recent failure” (with which it was categorized) than they were to each other.

questions were designed to prompt the entrepreneurs for more details, combining both open-ended and probing questions to capture experiences and clarify details. We also made sure to tentatively ask questions in recognition of the sensitivity of the topic and to establish rapport.

The interview structure consisted of three primary sections. The first section asked for a description and background of the business and the events leading up to its demise and eventual closure. Once sufficient trust had been established between the participant and interviewer (i.e., once the participant started to speak more freely and “open up” about his or her experiences), the second part of the interview explored the emotional impact and loss associated with the closure. The focus here was on the significant events, exchanges, thoughts, feelings, decisions, and motivations the entrepreneur experienced upon closure. Finally, the interview concluded with a discussion of events after the closure, what the entrepreneur had learned, how he/she applied or still applies that learning, and how he/she feels about it now. We used this consistent structure for the interviews but allowed flexibility to go with the flow of the conversation. The transcribed interviews amounted to 390 pages of single-spaced text. Addressing concerns of recall bias or hindsight bias (Fischhoff, 1975), we collected additional secondary data about the entrepreneurs, their firms, and the firms’ failure from public records, such as the registrar of companies, professional networks, press releases, media reports, and social networking sites (e.g., LinkedIn and Twitter). This secondary data, along with detailed field notes, amounted to an additional 598 pages of single-spaced text and was used to supplement and triangulate the interview data.

Data Analysis

Following the multiple case study method, we first built a case around each entrepreneur and then compared groups of cases to allow a conceptual framework to emerge (Eisenhardt, 1989; Yin, 2003a, 2003b). Specifically, we allocated all data into case files. We then coded the data in each case based on categories (or nodes) that appeared to be important to the entrepreneurs. Throughout the coding (and recoding) process, we added categories until the cases’ content was well presented by the set of nodes

(i.e., saturation was reached). Although we began to notice similarities and differences across cases, we withheld any judgments or inferences until we completed the coding process. We then focused on cross-case analyses to allow insights to emerge from the data (Eisenhardt, 1989; Miles & Huberman, 1984). This process began by creating a detailed matrix where all data chunks for a particular node could be compared across cases (this was done for all nodes). To further facilitate cross-case analysis, we made assessments on the level for each construct (node).

The first author and a doctoral candidate (raters) determined the assessment levels for each construct (node). After a training session, the raters independently assessed the levels for all nodes of interest, which resulted in 96% agreement. The few inconsistencies typically appeared on the margin of the rating categories (e.g., one rater assessing a “low” level but on the high end of the category and the other rater assessing a “moderate” level but on the low end of this category). On the rare occasion there was disagreement, the raters discussed the specific cell and came to agreement. At times, the raters even went back to the audio recordings to ensure they were capturing the “spirit” of the interviews. Once this summary (i.e., the assessment table) was complete, both first and second authors oscillated between the summary and the detailed table as relationships began to emerge.

Emotional Content of Entrepreneurs’ Narratives of Business Failure

The entrepreneurs of the sampled businesses are ideal for investigating the emotional content of the narratives of individuals attempting to make sense of their failure experiences. That is, the entrepreneur’s narrative is the unit of analysis because we are interested in the emotions and cognitions associated with making sense of a business failure experience. We set out to create two groups of entrepreneurs’ narratives for comparison upon which to build new insights. Following Haynie and Shepherd (2011), we selected cases of those “doing well” and those “not doing well” based on the levels of negative and positive emotions expressed in their narratives. In categorizing and then assessing the levels of these emotions, we had in mind that negative emotions refer to “the extent to which a person reports feeling

upset or unpleasantly aroused” (Watson & Tellegen, 1985, p. 221). These emotions were portrayed in the feelings of regret, anger, disappointment, frustration, or loneliness which participants expressed when describing events, exchanges, and transactions. Positive emotions refer to “the extent to which a person avows a zest for life” (Watson & Tellegen, 1985, p. 221). This was revealed through the underlying feelings of pride, happiness, hope, excitement, achievement, confidence, and enthusiasm which participants expressed when describing events, activities, and exchanges. However, we did not force the entrepreneurs to adopt our definitions; rather, they spoke freely in response to questions about, for example, how they felt today and how they felt in the past when their businesses failed.

Table 2 presents the results of this analysis. We found that some entrepreneurs’ narratives reported “doing well” with low negative and high positive emotions and some “not doing well” with high negative and low positive emotions. Of those that reported “doing well”, two individuals’ narratives reported emotional states that remained consistent over time whereas two individuals’ narratives reported an emergence of positive emotions. We labeled as the “Feel Good” group, the two entrepreneurs whose narratives indicated that after business failure, they felt good and had low negative emotions and high positive emotions and these emotional states were consistent across time throughout the narrative (Graham and Geoff)². For example, when describing his feelings, Graham remarked *“I’m obviously disappointed with what’s happened. I’m not telling the story of making millions. In fact, it’s my lost million, but I don’t find myself getting upset about that”* (low negative emotion) and *“You’re facing somebody who’s actually quite happy. I am very proud of what we achieved, but the bottom line more importantly, I am very proud of what we achieved for our clients”* (high positive emotion).

We labeled as the “Now Feel Good” group, the two entrepreneurs whose narratives reported high negative emotions and low positive emotions around the time of the failure, but low negative and high

² We use fictitious names to protect the anonymity of the entrepreneurs who participated in the study.

positive emotions (similar to the Feeling Good group) as time passed after the business failure (Nancy and Nick). For example, Nancy's narrative at the time of business failure told of high negative emotions "*You kind of have [...] an embarrassing grief about it that, you know, it's not a very nice feeling really. And you have a lot of regret and a lot of guilt about it*" and low positive emotions "*People thought that if I had not tried this, I would have always regretted it, so, I had to take some solace in the fact that I gave it a go.*" This contrasts with current feelings of low negative emotions and niggling doubts about what people think—e.g., "*It's hard to know what people think of it, externally. I mean, I know what my loved ones think of it, but people that know you generally, whether I should be embarrassed about it*"—which are beside accounts of high positive emotions of pride and self-fulfillment—e.g., "*All I can say is that, I'd rather be someone who did it than, someone that just talks a good game and then never tries these things in their life.*" Elsewhere she described that she "*Couldn't really be happier or ask for more.*" This represented a substantial change in emotional state from one extreme to the other on both dimensions (i.e., positive and negative emotions). A discussion of this change is offered in the next section.

Of the narratives that reported entrepreneurs "not doing well", two consistently maintained this emotional state, and we labeled them "Suffering." They (Sam and Sarah) had high negative emotions and low positive emotions. For example, when her business failed Sara tried to make light of the fact that she was facing bankruptcy and *Tweeted "[My business partner] and I are drinking large glasses of wine to celebrate the fact that we're worth way much more dead"* while later she described how "*It was very emotional; it was horrible. There was lot of just pain*" (high negative emotion). She also explained how the closing of her business left her "*Grateful to be out of it to an extent, [as] you've lived with that fear of losing everything for four or five years, the whole time of having a business*" (low positive emotion).

We labeled as the "Delayed Suffering" group, the two entrepreneurs' narratives that reported low negative emotions and low positive emotions around the time of the failure, but showed high negative emotions well after the failure event—at the time of the interview (David and Drew). Similar to the Suffering

group, their positive emotions remained low. Their narratives suggest that while David and Drew were able to initially maintain low negative emotions, they were not able to do so for an extended period. A potential explanation for this reaction could be that they were in temporary denial over what had happened. Denial refers to the set of processes that “blot” out threatening information from the conscious mind (Baumeister, Dale & Sommer, 1998; Carver & Scheier, 1994; Janis, 1983), which can keep negative emotions in check but can also diminish positive emotions as the individual struggles to deal with the new reality (Baumeister et al., 1998; Goldberger, 1983; Janoff-Bulman, 1992). While denial is indeed a useful defense mechanism in the short term (Levine et al., 1987; Mullen & Suls, 1982; Suls & Fletcher, 1985), it is an unlikely explanation for the Delayed Suffering group in this study because the entrepreneurs in that group recognized from the outset that their businesses had failed and had produced negative consequences. Instead, the emergence of negative emotions in a narrative is more consistent with the grief literature suggesting that suppressing grief is difficult to maintain over an extended period (Ekman & Friesen, 1969; Horowitz, 1976; Stroebe & Stroebe, 1991) as negative emotions will eventually surface (Deutsch, 1937; Parkes & Weiss, 1983; Sanders, 1993; Worden, 1991).

For this study, we eliminated the 5 “moderate” cases (Middle-of-the-Road group) so we could specifically focus on the most important constructs and present them in an efficient manner. Indeed, more extreme cases are more useful for building theory (Eisenhardt, 1989; Yin, 2003a, 2003b). Therefore, of the 13 entrepreneurs of failed businesses from which we collected data, we used eight cases for this study. The entrepreneurs and the groups are outlined in Figure 1.

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Insert Table 2 and Figure 1 about here
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ENTREPRENEURS' NARRATIVES OF BUSINESS FAILURE

Emotions and Making Sense of Business Failure

Psychology research has found that although some negative emotions are necessary to signal the need for sensemaking, negative emotions obstruct learning (Bower, 1992; Dweck, 1986; Kumar, 1997), which we believe is the case for entrepreneurs learning from business failure (Shepherd, 2003, 2009). Negative emotions have been found to narrow attention and obstruct information processing (Ellis & Ashbrook, 1988; Forgas, 2003; Gladstein & Reilly, 1985; Sutton & D'Aunno, 1989; Wells & Matthews, 1994), which adversely impact sensemaking activities—such as scanning, processing and learning (Daft & Weick, 1984; Shepherd, 2009).

Reported in Table 3, our findings offer an alternate answer to the question of why some entrepreneurs make sense of their failure experiences and others struggle to do so. We coded “making sense of failure” based on what the entrepreneurs learned about themselves, business, the environment, small business management, and the nature and management of relationships (Cope, 2005) and how this has changed their lives post failure. We assessed as high entrepreneurs who discussed sensemaking across many of the dimensions detailed above and how they have changed their views, practices and perspectives as a result of the failure experience. We assessed as low those cases where sensemaking was limited to one dimension, where entrepreneurs claimed ‘Yes, I have learned’ but could not indicate what they have learned or how they have changed as a result. The group of entrepreneurs’ narratives that reported making the most sense of the failure experiences was the Now Feeling Good group. This group reported high negative emotions (and low positive) when the businesses failed and then high positive emotions as time passed. The group of entrepreneurs’ narratives that reported having made the least sense of the failure experience was the Delayed Suffering group. These narratives also reported high negative emotions around the time the business failed, but their positive emotions remained low throughout the time covered by the narrative. It is not that negative emotions are required to trigger sensemaking efforts (for instance, all entrepreneurs’ narratives expressed some negative emotions although it was low for the Feeling Good group and Delayed Suffering group at the time of the failure); rather, our findings,

based on entrepreneurs' narratives, suggest that higher levels of negative emotions can provide greater motivation to make sense of failure experiences, provided they eventually dissipate.

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Insert Table 3 about here
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The generation of cognitive resources from positive emotions is consistent with Fredrickson's (1998; 2001) "broaden-and-build" role of positive emotion. Therefore, our addition to the "broadening" role of positive emotions (Fredrickson, 1998) is the "motivation" role of negative emotions. For example, negative emotions prompt an adaptive response to improve an aversive state, which triggers vigilant and effortful processing (Clark & Isen, 1982; Forgas, 2003; Isen, 1984; Isen, 1987). In contrast to the other emotional states, low negative emotions and low positive emotions produce little sensemaking about the failure experience. However, while negative emotions should signal something is wrong and the need for sensemaking, the entrepreneurs' narratives in the Delayed Suffering group reflect entrepreneurs not sufficiently "motivated" to explore the events of their past to make sense of their experiences. Furthermore, they did not have the positive emotions to expand the thinking and reflection (Fredrickson & Branigan, 2003; Isen, 1987; 2000) needed to facilitate sensemaking (Huy, 1999; Maitlis & Sonenshein, 2010; Weick, Sutcliffe & Obstfeld, 2005). For example, when speaking about how he was affected by the experience of his business failing, Drew explained that *"Stress isn't really something I notice until everything's done and dusted, and then you want to shake down, I'm kind of, eh, fatalistic about things. Worrying about something isn't going to change it, there's no point in worrying about it."* Drew has made little sense from his failure experience.

Emotion-Focused Coping and Making Sense of Business Failure

Building on stress theory (Folkman, 1984), previous research has focused on two primary forms of coping mechanisms (Endler & Parker, 1990; Folkman & Lazarus, 1980; Stanton, Danoff-Burg, Cameron &

Ellis, 1994)—problem-focused and emotion-focused coping. Problem-focused coping refers to directing thoughts and efforts toward the problem causing distress with the intention of modifying the troubled person-environment transaction (Carver, Scheier & Weintraub, 1989; Lazarus & Folkman, 1984; Stanton et al., 1994). Emotion-focused coping refers to processing emotion during a stressful experience (Lazarus & Folkman, 1984; Stanton et al., 1994) and involves reducing, regulating, and/or managing the emotional distress associated with the situation (Carver et al., 1989).

A considerable body of empirical research has highlighted the benefits of problem-focused coping for problem solving, decision making, and direct action (Folkman, 1984; Lazarus & Folkman, 1984; Moskowitz, Folkman, Collette & Vittinghoff, 1996). Problem-focused coping strategies can be aimed at the environment and/or oneself and can trigger a greater sense of control. Through creating new goals and commitment, the individual can prevent (or reduce) feelings of helplessness and instead generate feelings of challenge and hope (Carver et al., 1989; Folkman & Stein, 1996; Klinger, 1998; Taylor, Helgeson, Reed & Skokan, 1991). For example, a disagreement between an employee and manager over a particular goal can be resolved by the employee trying to encourage the manager to change his/her goal and/or by changing his/her own behavior to reach a satisfactory result (Folkman, 1984). In contrast, emotion-focused coping is generally believed to trigger negative outcomes, such as distress and reduced morale. It can interfere with problem-focused coping and can lead individuals to appraise situations and events as uncontrollable, which is more likely to result in harm and/or a sense of loss to the individual (Folkman, 1984; Folkman & Moskowitz, 2004; Stanton et al., 2000; Stanton et al., 1994; Stanton, Danoff-Burg, & Huggins, 2002). As such, perhaps those entrepreneurs' narratives that report problem-focused coping more and emotion-focused coping less reflect greater sensemaking of the failure experience.

Although we found little variance across the entrepreneurs' narratives in terms of problem-focused coping (only one, Geoff, reported low problem-focused coping [see Table 4]), all the others reported high or moderate levels of problem-focused coping. However, we did find that those with different levels of

emotion-focused coping reflected different levels of progress in making sense of the business failure. Specifically, we found that those narratives that reflected considerable progress in making sense of the failure experience (Now Feeling Good) reported reliance on emotion-focused coping, and those that reflected making little sense of the failure experience (Delayed Suffering) hardly reported emotion-focused coping at all. The Feeling Good group was moderate in its use of emotion-focused coping, and the Suffering group was mixed. For the Now Feeling Good group, our analysis of the entrepreneurs' narratives suggested that emotion-focused coping facilitated the generation of positive emotions as it "broadened and built" (Fredrickson, 1998; 2001) the entrepreneurs' cognitive abilities to make sense of their failure experiences. For example, a year after the closure, Nancy recalls moving to Sydney with her new job:

"It was actually really good for me to have, like real, physical distance. The business for me as well, was on my doorstep, so it was quite nice to just, be away, completely at the other side of the world. [During these three months] I had also a bit of time to myself rather than, you know, being around friends and family all the time. [This distance meant that] I was able to kind of just, give myself some time to cope with it, and think about it; time to reflect on how lucky I was then."

Taking some time out was also important to Nick, who refers to "A period of reflection when I first got out of the business." When probed about his plans during this time he pauses for a long time before admitting "I didn't have any plan, at all". He continues saying this was a "Horrible, horrible time. There was still disappointment, there was still a lot of bitterness and anger in the way that I had been dealt with, personally" yet it was in confronting these emotions he made sense of what had happened. He continues that "Having had longer to reflect on the whole experience," he now sees the failure in a different light and explains "In hindsight, even if we'd chosen wonderful people, the economic situation has been so grim these last couple of years, so who knows how it would have gone."

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Insert Table 4 about here
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Indeed, our findings related to the positive role of emotion-focused coping in entrepreneurs' narratives are consistent with findings suggesting that when faced with a trauma, individuals need to use emotion-focused coping to provide the "space" to rebuild their shattered assumptions of the world and themselves (Austenfeld & Stanton, 2004; Coyne & Racioppo, 2000; Haynie & Shepherd, 2011; Stanton et al., 2000). However, we add to this literature by suggesting that the "space" created by emotion-focused coping also provides the opportunity to generate positive emotions. For example, at the time her business failed, Nancy (Now Feeling Good) reported that she felt like *"A crippled wreck, I was very stressed and worried, I was grieving."* This time spent grieving and reflecting on what she had been through helped dissipate negative emotions and created space for positive emotions to emerge. Instead of feeling stressed and worried about the failure, at the time of the interview, Nancy felt proud of her achievements: *"I'm really happy. I couldn't ask for more. [Starting a business] is something that so many people think about, and I just think if you're somebody who can be brave enough to try it and if you've got the resources and the support of people around you, then it's a great thing to try."*

However, emotions (and coping with them) are not the only factors that contribute to making sense of failure; cognitions also play a role. In the next section, we introduce a cognitive aspect to our emerging emotion-cognition narrative of making sense of business failure.

(Meta)Cognitively Processing Business Failure

Some people have the cognitive capacity for sensemaking more than others. For example, superior learning outcomes arise for those with metacognitive abilities (Aleven & Koedinger, 2002; Flavell, 1979; Ford, Smith, Weissbein, Gully & Salas, 1998), analogical thinking (Hill & Levenhagen, 1995; Holyoak, 1985; Loewenstein, Thompson & Gentner, 1999), and cognitive complexity (Bird, 1988; Scott, 1962). Metacognition refers to "one's knowledge concerning one's own cognitive processes or anything related to them" (Flavell, 1979, p. 232). In simple terms, metacognition describes the awareness, control, and process of "thinking about thinking." Individuals with greater metacognitive skills learn more as they consciously

observe their development and adjust thinking when problems arise (Ford et al., 1998, p. 220). Next, analogical thinking (Hill & Levenhagen, 1995; Holyoak, 1985; Loewenstein et al., 1999) refers to the process of comparing between cases, focusing more on relational similarities than superficial differences. This process allows one to separate relational knowledge and transfer it from one case or experience to the next (Loewenstein et al., 1999). Finally, cognitive complexity is defined as “the number of independent dimensions-worth of concepts the individual brings to bear in describing a particular domain of phenomena” (Scott, 1962, p. 405). Individuals with a greater ability to perceive complex differences in the environment are better able to “assimilate contradictory cues” (Larson & Rowland, 1974, p. 38) than those who have more black-and-white perceptions of their environment (Bird, 1988; Larson & Rowland, 1974; Shackley, Wynne & Waterton, 1996). The implication here (implied and sometimes empirically tested) is that through training that enhances metacognitive awareness, analogical thinking, and cognitive complexity, individuals are better positioned to make sense of their experiences (Aleven & Koedinger, 2002; Bird, 1988; Flavell, 1979; Ford et al., 1998; Hill & Levenhagen, 1995; Holyoak, 1985) and presumably more from their experiences with business failure.

Along these lines, our findings offer new insights into how these cognitive abilities are deployed. We found (see Table 5) that only the Now Feeling Good entrepreneurs’ narratives reflected a high deployment of cognitive strategies and that only the Suffering group reported low deployment. For example, Nick (Now Feeling Good) used an analogical thinking approach in describing how uncertain his future was when his business closed. Rather than explicitly describing the lack of control and uncertainty he felt, which may have been difficult to articulate, he made sense of this experience by relating and comparing business failure to a similar event in the past (i.e., when he left employment to start the business). Comparing experiences in this way, Nick could transfer knowledge from one context to another and explain why he felt and reacted differently (Hill & Levenhagen, 1995; Holyoak, 1985; Loewenstein et al., 1999):

“When I first set up my business, in what is now, 14 years ago, I obviously had a plan. So that the day that I left my employer, I resigned, I knew I’d be out the door. So I literally had the new company car sitting in the car park, sitting next to my old company car, knowing that I would be handing over the keys of one and stepping into the new company car and driving home. And so there was very much a plan, in terms of, I’m leaving employment to self-employment, but, in the latter case [the failure of his business], there was no plan. The simple plan was just to, get out, and end it, and let it be over.”

Likewise, Nancy (Now Feeling Good) also reported analogical thinking when discussing business failure. She had to personally dissolve her business, a process involving many challenging legal and administrative duties with which she had no prior experience and found quite daunting. Contextualizing her experience, she compared winding up a business with other difficult and challenging tasks in life: *“When you’ve got a whole bunch of to-do lists, it’s always the horrible thing you leave to the bottom of the list, and this was like a list of really horrible things, you know. They are all horrible things to do ‘cause they’re all reminding you of something that, you know, is a bit heartbreaking to think about.”* This type of reflection and comparison (i.e., analogical thinking) helped Nick and Nancy make sense of their failure experiences. That is, recalling the cognitive skills and resources used in past situations while identifying similarities and differences with the current situation, triggers individuals to deploy cognitive resources to process new experiences (Loewenstein et al., 1999).

However, cognitive strategies for making sense of their failure experiences were largely absent from the narratives of entrepreneurs in the Suffering group. Reflecting on the failure experience did not trigger such deep cognitive analysis for Sam whose practical black-and-white approach to setbacks prevented reflexivity: *“I don’t see it as a failure at all. We started off with nothing. We never took any debts apart from the software, hardware leases, which we’ve paid off. We didn’t take any bank funds; we didn’t take any investments. We did it, from scratch with nothing in the bank balance.”* Sarah’s description of her failure event was also somewhat problem focused and showed preoccupation with the activities, tasks, and challenges she faced: *“I don’t know what I wanted to do, I wanted to start another company, but I wanted to let the dust settle, see what was going to happen. Then I had to decide if I was going to try and get work or,*

just do some temporary work and then start a new company.” The Feeling Good and Delayed Suffering groups of entrepreneurs’ narratives had mixed and moderate levels of cognitive awareness (and also displayed mixed and moderate levels of sensemaking).

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Insert Table 5 about here
.....

We found in entrepreneurs’ narratives that while negative emotions may trigger sensemaking efforts, the presence of positive emotions provided an emotional context in which cognitive strategies could be used. We also found in entrepreneurs’ narratives that emotion-focused coping played a key role in the emergence of these positive emotions. While the Now Feeling Good group reported these effects firsthand, the entrepreneurs’ narratives in the Delayed Suffering group did not because the negative emotions reportedly increased after the business failure event while their positive emotions remained low. As these results suggest, the use of cognitive strategies represents a link between the “broaden-and-build” role of positive emotions (Fredrickson, 1998; 2001) and making sense of one’s failure experience. We found in entrepreneurs’ narratives that simply experiencing negative emotions does not trigger greater cognitive processing (otherwise the Delayed Suffering group would have displayed greater sensemaking), nor does a reduction of negative emotions “free” entrepreneurs to use cognitive strategies to make sense of their failure experiences (otherwise the Feeling Good group would be superior sensemakers). Rather, we found that in entrepreneurs’ narratives making more sense of one’s failure experiences resulted from experiencing high negative emotions followed by high positive emotions.

In contrast with the “broaden-and-build” hypothesis of positive emotions (Fredrickson, 1998; 2001), our findings in entrepreneurs’ narratives suggest that making sense of business failure is based on more than the availability of cognitive resources through positive emotions. Rather, these cognitive resources need to be assessed and used. That is, the trigger for deploying these cognitive resources may be diffused and not easily recognized. Although negative emotions are considered the antithesis of engaging cognitive

strategies, our findings indicate they play an important role. In the entrepreneurs' narratives, it is moving from high negative (and low positive) emotions at the time of the failure event to high positive (and low negative) emotions and the processing of these emotions through emotion-focused coping strategies that contribute to a high magnitude of "building" and "broadening," thereby triggering the cognitive strategies necessary for sensemaking.

DISCUSSION

With the high rate of business failure in most economies (Brüderl et al., 1992; Wiklund et al., 2010), there is an urgent need for "a deeper conceptualization of the process and content dimensions of learning from venture failure" (Cope, 2011, p. 604). We build on the growing corpus of work on learning from failure that has focused on emotional barriers to making sense of one's failure experiences (Shepherd, 2003; Shepherd et al., 2011), learning outcomes (Singh, Corner, & Pavlovich, 2007), and the content and nature of learning tasks and timeframes (Cope, 2011). However, the actual sensemaking process—as well as individual differences in that process—is still largely unknown. In this paper, we investigated entrepreneurs' narratives and identified variance in their emotional reactions to business failure and theorized how different emotional states trigger different coping strategies and influence how entrepreneurs (meta)cognitively process business failure to make sense of their experiences.

Implications for Research on the Emotional Reactions to Business Failure

Business failure is an emotional event for entrepreneurs, and research on this topic to date has focused on the negative emotions generated by this negative event (Shepherd, 2003; Shepherd, Covin & Kuratko, 2009; Shepherd et al., 2009). We found three emotional states emerged in entrepreneurs' narratives following business failure ([1] low negative emotions and low positive emotions, [2] high negative emotions and low positive emotions, and [3] low negative emotions and high positive emotions). Additionally, we found that positive emotions play an important role in the process of making sense of business failure. Future research could explore if entrepreneurs' narratives reflect other emotional states

during business failure. In particular, our study had no cases of ambivalent entrepreneurs—namely, those simultaneously experiencing high negative and high positive emotions (Fong, 2006; Larsen, McGraw & Cacioppo, 2001; Williams & Aaker, 2002) (albeit the Now Feeling Good group’s narratives reflected high negative and high positive emotions consecutively). It would be interesting to explore the notion of ambivalence and the extent to which entrepreneurs with this combination of emotions make sense of their failure experiences.

Additionally, in positive psychology, recovery from negative experiences is explained in terms of psychological resilience—namely, the ability to “bounce back” from adversity (Fredrickson, 1998). The “broaden-and-build” framework (Fredrickson, 1998; 2001) is used to explain how resilient individuals with high positive emotions (and an ability to manage negative emotions) find meaning in stressful situations (Tugade & Fredrickson, 2004). Our study indicates that positive emotions are also important in making sense of business failure. We found that in entrepreneurs’ narratives high negative emotions followed by high positive emotions resulted in a cognitive process that facilitated sensemaking. For example, entrepreneurs’ narratives from the Now Feeling Good group, that reported making the most sense from their failure experiences, initially experienced high negative emotions and low positive emotions before progressing to low negative emotions and high positive emotions. However, individuals’ narratives that consistently reported low negative emotions and high positive emotions (Feeling Good group)—those which displayed the greatest resilience—reported little sensemaking about their failure experiences. We propose future research could further consider this relationship between positive and negative emotions. We recommend additional attention on the practice of limiting negative emotions to stimulate greater positive thinking, especially if negative emotions can potentially aid in sensemaking. Furthermore, we advise revisiting the meaning of “bouncing back” from adversity and suggest considering a more holistic impression of “recovery” to consider how and what constitutes an individual’s sensemaking of his or her failure experiences.

Recovery from business failure is “a complex sense-making process . . . that involves both avoidance and confrontation” coping styles (Cope, 2011, p. 611). Shepherd (2003) suggests that this dichotomous relationship can best be managed to facilitate learning by oscillating between a loss (i.e., confrontation) orientation and a restoration (i.e., avoidance) orientation. However, our study showed this oscillation did not occur for all entrepreneurs. Also, while all entrepreneurs’ narratives displayed signs of problem-focused coping, only some narratives also displayed emotion-focused coping. Those who experienced both (Now Feeling Good) actually progressed the most in making sense of their failure experiences, as a dual process model of grief recovery from business failure (Shepherd, 2003) would suggest. Focusing on the failure event and its associated emotions produced greater cognitive analysis and reflexivity, which presented a stable platform from which the entrepreneurs could progress. This finding raises an important question for how entrepreneurs cope with business failure. Future research could explore why entrepreneurs do not engage in emotion-focused coping and how they may be trained and encouraged to take a more balanced approach to coping with failure to facilitate sensemaking.

Furthermore, research on entrepreneurial learning has focused on the cognitive and mental processes of how entrepreneurs learn (Corbett, Neck & DeTienne, 2007; Mitchell et al., 2002). However, despite the learning potential of business failure (Chuang & Baum, 2003; Knott & Posen, 2005; McGrath, 1999; Sitkin, 1992), the “distinctive learning processes” following business failure are largely unknown (Cope, 2011, p. 604). Our study contributes to the understanding of these learning processes. We suggest learning from business failure is a sensemaking process that requires an interplay of higher-order thinking, including metacognition (Flavell, 1979; Ford et al., 1998), analogous thinking (Hill & Levenhagen, 1995; Holyoak, 1985; Loewenstein et al., 1999), and complex thinking (Bird, 1988; Larson & Rowland, 1974; Scott, 1962; Shackley et al., 1996). From our data, we inducted that those narratives that represented higher-level learning (Fiol & Lyles, 1985), demonstrated heightened attention, and questioned beliefs and assumptions (Argyris & Schon, 1978; Cope, 2003; Schön, 1983) displayed advanced cognitive processing

skills while those which displayed superficial levels of learning and reflection learned less. This demonstrates that in situations of stress and adversity (of which business failure is a good example), those with greater cognitive capacity can progress more in their sensemaking efforts because they adjust their sensemaking by monitoring progress and keeping their problems more in check (Ford et al., 1998). Future research could further explore learning from a sensemaking perspective and how this learning is influenced by entrepreneurs' emotional states.

Additionally, adopting a sensemaking perspective to learning from failure requires continuously evolving plausible reflective accounts that inform current action (Shepherd et al., 2011; Weick et al., 2005). Therefore, the entrepreneur needs time to scan for relevant information, process it, and learn from it (Daft & Weick, 1984; Gioia & Chittipeddi, 1991; Thomas, Clark, & DA, 1993; Weick, 1979), thus making time an important variable in the recovery process. Our study introduced two time periods in the generative of a narrative: the period immediately surrounding the business failure and the post-failure period. Two groups reported significant changes in emotional states across these two timeframes covered by the narratives: the Now Feeling Good group moved from low positive/high negative emotions at the time of failure to high positive/low negative emotions sometime after failure, and the Delayed Suffering group (low negative/low positive emotions) showed an increase in negative emotions as time passed, showing that business failure is indeed a dynamic experience (at least for some entrepreneurs). Future research can explore how entrepreneurs' changing emotional states impact their coping, sensemaking, and entrepreneurial processes.

Research Limitations

As with all studies, this study has a number of limitations. First, like much of the research on trauma and loss, our study largely depends on the accuracy of participants' accounts. To ensure the precision of these self-reports, we attempted to corroborate interviews with field notes, media,

administrative, and public legal material to create robust cases for analysis. Furthermore, it was clear from our interviews that the entrepreneurs had little problem remembering the details surrounding this personal, highly impactful event. Second, although our findings allude to the importance of time in the recovery process, this study is primarily based on retrospective interviews to capture the entrepreneurs' narratives. Capturing the emotional transition as it unfolds over time could perhaps generate more fine-grained findings including how the narrative may change over time. However, it is notoriously difficult to identify, contact, and locate entrepreneurs of failed businesses at the time of failure. This difficulty arises due to the cessation of business records and business contact details as well as changes in personal contact details due to the loss of homes in the wake of bankruptcy. Additionally, it is understandable that entrepreneurs tend to be reluctant to share (what is often) intensely painful events as they experience them. Therefore, despite the value that could be gained from a longitudinal real-time study, there are many challenges in doing so.

CONCLUSION

This paper presents an overview of the emotional landscape of business failure. By examining different emotional states, we explore how entrepreneurs' narratives reflect sensemaking of their failure experiences. We build on existing research identifying that business failure generates negative emotions and suggest that despite the difficulties negative emotions present for entrepreneurs, together with emotion-focused coping, they play a valuable role in prompting reflection and analysis after failure events. However, making sense of these internal explorations also demands greater cognitive resources (for attention and processing). In entrepreneurs' narratives, cognitive resources become available by the onset of positive emotions, which, through expanding cognitive structures, thoughts, and actions (Fredrickson, 2001), create a positive cognitive context. In this study, entrepreneurs' narratives that expressed higher levels of negative emotions and also expressed higher levels of emotion-focused coping, positive emotions, and cognitive analysis exhibited higher levels of sensemaking of their business failure experiences.

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Table 1. Profile of Participant Entrepreneurs

	Name & Age	Nature of Business	Failure Event	Age of Bus. at Failure (Yrs)	Size at Failure (Employees)	Year of Failure
1.	Graham, 62	Management Consulting	Voluntary Liquidation	18	15	2010
2.	Geoff, 44	Publishing	Voluntary Liquidation	3	2	2000
3.	Sarah, 32	Retail (Ladies Boutique)	Involuntary Liquidation	5	15	2010
4.	Sam, 40	Games Development	Dissolved Business	5	25	2011
5.	Nancy, 30	Retail (Book Store)	Dissolved Business	1	1	2009
6.	Nick, 46	Recruitment	Voluntary Liquidation & Trade Sale	12	10	2009
7.	David, 49	Agriculture (Vegetable Farm)	Voluntary Liquidation	3 Generations	45	2002
8.	Drew, 44	Electronic Manufacturing	Voluntary Liquidation & Trade Sale	4	5	2010
9.	Mark, 62	Wholesale (Industrial Clothing)	Voluntary Liquidation	33	10	2009
10.	Matthew, 35	Confectionary	Involuntary Liquidation	9	25	2010
11.	Martin, 35	Manufacturing (Board Games)	Dissolved Business	2	3	1992
12.	Malcolm, 45	Electronic Manufacturing	Voluntary Liquidation & Trade Sale	4	4	2010
13.	Mike, 46	Electronic Engineering	Voluntary Liquidation	5	5	2010

Table 2. Emotional States Around and After Failure Event (Feeling Good)

	Around the Failure Event		After the Failure Event	
	Negative Emotions	Positive Emotions	Negative Emotions	Positive Emotions
Feeling Good	Low	Moderate-High	Low	High
Graham	Low Example 1: <i>"I was kinda worried about publicity and, you know 'Strategy consultancy goes belly up.' Never happened thankfully. There was a relatively small amount of publicity."</i> Example, 2: As the business closed and Graham considered his future, he admits life could have been worse: <i>"One of my colleagues said, you know, I want to become an associate. We kind of talked it through and thought, that's actually quite a good idea, so you know I was able to, to move on. And so I never felt in the depths of despair."</i>	Moderate-High Example 1: <i>"We managed to gather in virtually all our debtors, apart from one, and you know, that was a major achievement so we wound up paying the creditors, something."</i> Example 2: <i>"I was very proud of what we had all achieved, growing it from scratch; you've created employment."</i>	Moderate-Low Example 1: Graham presents a largely positive account of business failure and when asked to consider any outstanding negative feelings he takes a moment to think before replying tentatively: <i>"I guess there's this <u>element</u> of, a fear of <u>stigma</u>?"</i> Example 2: <i>"I'm obviously disappointed with what's happened. I'm not telling the story of making millions. In fact, it's my lost million, but I don't find myself getting upset about that. I'm happy doing what I'm doing."</i>	Moderate-High Example 1: <i>"You're facing somebody who's actually quite happy. I am a leader, and hopefully I've led the process of administration (chuckles)."</i> Example 2: Twitter Dec 2010: <i>"Just appointed to help [a client] develop their strategy for the next 4 years. Board and exec working together. New beginning, here we go etc."</i>
Geoff	Moderate-Low Example 1: Geoff recalls as "difficult" the realization that efforts to save the business were not going to happen: <i>"Thinking that you were right, and [efforts to save the business] are going to happen. When it became apparent that they weren't, it's difficult."</i> Example 2: <i>"It was tough you know, to get through all that."</i> However, the offer of work immediately after the business closed helped to offset some of the distress caused by the business failing: <i>"But, being able to wrap it up and move straight into something else was a nice break and that made things, a lot easier."</i>	Moderate Example 1: <i>"I've got a really nice photo of us all sitting in the garden that day the business closed, with a bottle of champagne, and it was a beautiful sunny day, I remember gobbling champagne thinking 'Phew! We don't have to worry about this anymore.'" He leans back in his chair and seems more relaxed. His mood lifts and he jokes and laughs as he remembers.</i> Example 2: Geoff was very grateful to <i>"That person who offered us the job – to say well here's some consultancy work, it's like a halfway house, you'll get well paid, to do, it will allow you to do what you need to do to wind the business up, and sort things out. So yeah, that was a <u>big</u> thing."</i>	Moderate-Low Example 1: Despite having lead a successful career and set up another company, when asked if he still thought of the business Geoff replies with an air of guilt: <i>"Oh yeah, <u>all</u> the time. Just thinking, <u>What if?</u> What if we'd done this? What if we'd done that?"</i> Example 2: Geoff becomes animated speaking about the perception of business failure: <i>"There's a huge stigma as well. I find that, [long pause], failure's not an option. You know. Nobody wants to talk about it. It's the elephant in the room."</i> He seems annoyed, but becomes more composed and smiles as he admits <i>"Maybe there's a touch of paranoia as well? Where you maybe perhaps <u>think</u> people are like that."</i>	High Example 1: <i>"There's still a sense of pride that you've produced something that you sold, an awful lot of!"</i> He smiles as he says this. 10 years later he is still proud of their achievements. Example 2: <i>"This is a vindication of what I saw ten years ago – can we make it work now? There is an element of 'I told you so' that I won't deny that is there. It is quite scary, but I'm really looking forward to it. For the first time, I'm excited about something. Can't wait to get stuck into it."</i>

Suffering	Moderate-High	Low	High	Low
Sam	Moderate Example 1: <i>"We did get to the stage where, we would've got some money out of it [had we sold earlier], you know, we invested all, you know, half a million pounds of profit just to keep the company going for another year. It didn't work out. It's one of the risks you take, and we just couldn't see a way out."</i> Example 2: Scottish Star, April 23, 2011 Saturday: "Chief executive Sam said he "had been left with no alternative" but to pull the plug. He added: "Making all the employees redundant is genuinely heart breaking.""	Low Example 1: Sam describes the closure with little positivity, yet indirectly refers to the relief he felt once they decided to close: <i>"I got stressed, yeah, actually, when we made the discussion to close the company down, that's when the stress levels were reduced."</i> Example 2: Despite his disappointment at having to close the business, Sam is glad they managed the closure well and took care of their staff: <i>"We told people why, and told people how we are going to close down. And I think that, not so much forced sort of journalists and writers but, sort of, it took them into a sort of positive direction. These guys are closing down but, they are doing it this way."</i>	High Example 1: <i>"All sorts of things you set up when you're in a company. Trying to close them down, people just ignore you. Sometimes I just shudder at how these people are; they're the bane of my life!"</i> Example 2: This is something he wants to talk about for a while. Even as I go to ask another question, he comes back again to talk about other regulatory bodies and service providers: <i>"GOD!!! You can tell I get frustrated with them!"</i> He sounds totally exasperated, puts his hands up to his face and shakes his head while a moment later he throws his eyes to heaven and says <i>"Grrrrr!!!"</i> as the annoyance gets to him.	Low Example 1: He speaks proudly about his staff. <i>"We treated people well. Actually, we were the second [company in our industry] to get the Investors in People accreditation, which I'm very proud of."</i> Example 2: <i>"The company was based on the talent of those guys and girls so, I'm going to try and do right for people when, you know, losing their jobs. It's only fair, isn't it? I would expect that to be just a minimum but yeah, obviously some employers don't really give a toss."</i>
Sarah	High Example 1: <i>"We just decided in the end, the stress wasn't worth it. We'd done as much as we could, and then I just decided, well, let's put it down; let's walk away together. It was very emotional; it was horrible. There was lot of just pain."</i> Example 2: Scotsman, June 2010: <i>"Yesterday afternoon, a message was posted on the store's blog page by the two founders, announcing the decision and stating that they had taken the step "with deepest frustration and sadness". It concluded: "For now, we need to say goodbye from Sarah and Annie, and the amazing team that created something we still believe was, and is very special. With deepest sadness, love, Sarah and Annie xxx."</i>	Low Example 1: <i>"The best advice we got was from other people in retail that have had businesses that have gone down and come back out of it— much bigger retail people, I got some sound advice and reassurance from them—you're not doing anything wrong, you're not doing anything illegal, you're not going to jail, just keep your head calm, keep doing what you're doing."</i> Example 2: Recalling how the staff helped out she says: <i>"It was very emotional, it was horrible but, ehm, then the nicest thing was that the staff were very supportive."</i> And <i>"So even the staff knowing that that was business potentially done and, they'd lost their jobs and it was going down, they were still doing anything they could to help."</i>	High Example 1: <i>It's almost as if, it's hard to describe it's almost like, it's almost like losing, I've not had any children myself but must be like losing a family or losing, because you don't just lose, it's your, life, you're doing it every day so".</i> Example 2: <i>I've done bits of work, but I haven't got a business to focus on. I think it's getting to the stage now, I'm getting really frustrated. I want to have a business, I want to have something else, but it's just finding an idea of what to do."</i> When describing starting and running the business, she gives much detail, gives long answers and speaks quickly – but then when speaking about how she is now and about her plans for the future, she has less to say, is more hesitant and sounds exhausted.	Low Example 1: Sarah speaks steadily and seriously throughout the interview. Where there are signs of positive emotions they are associated with how well the business did in its early years. There are few positive emotions evident in her narrative of life after the business. She infers contentment that <i>"I don't regret starting it or doing it and I know we did what we could to make it, but I don't have any regrets."</i> Example 2: Elsewhere she admits a certain peace of mind <i>"It's made me, I don't know, I think I'm a bit wiser, so I wouldn't get myself into that situation again. I think it's made me, probably more calmer in that I was so stressed for five years, well not five years, coming towards the end, probably the last two years."</i>

Now Feeling Good	High	Low	Low	High
Nancy	High Example 1: <i>"It's quite emotionally messy to be honest. It was horrendous just working out the legalities of it all. The real fear, I don't want to be taken to court, so I do need to kind of resolve this and do it the right way."</i> Example 2: <i>"I was just really upset. At that time, I was still very, raw about it, and you kind of have this, this instinct to, kind of an embarrassing grief about it that, you know, it's not a very nice feeling really. And you have a lot of regret and a lot of guilt about it."</i>	Low Example 1: <i>"I did feel relieved. It was just nice to, you know, at least have a bit of an action plan as to how to do this [wind down the business]."</i> Example 2: <i>"People thought that if I had not tried this I would have always regretted, it, so, I had to take some solace in the fact that I gave it a go."</i>	Low Example 1: When reflecting on the experience as a whole, the only outstanding negativity Nancy expresses is towards the bank: <i>"I do think that they [the bank] were just incredibly quick to just give us the money to begin with. Maybe they could have added some value too to the business plan, and then, you know, they were not very supportive at all."</i> Example 2: When reflecting on recent media attention about her closed business she becomes more serious and sighs as she says: <i>"I just cringed a bit, you know, I kinda think, ugh, people will see it and, you know."</i>	High Example 1: <i>"I'm proud of myself, do you know what I mean? Like I just think, it's good that I gave it a go. I learned from it, I came out the other end of it. All I can say is that, I'd rather be someone who did it than, someone, that just talks a good game and then never tries these things in their life."</i> Example 2: <i>"I couldn't really be happier or ask for more".</i> She smiles as she says this and looks relaxed and happy. She speaks fluidly about what and how well she is doing now, in contrast to earlier when describing the closure.
Nick	High Example 1: <i>"I was disappointed that we chose the wrong people. It left a bad taste in our mouth at the end because of the way that they, they dealt with the whole thing. There were times it got very stressful, and very, very unpleasant."</i> Example 2: He says with gritted teeth: <i>"It was a traumatic experience and in the end it's hard to forget."</i>	Low Example 1: <i>"The first feeling was one of relief, because it had been so torturous from about, November, mid-November through to mid-January."</i> Example 2: Looking at the positive side he says: <i>"I think it was quite fortunate that it didn't turn me into a basket case".</i> He smiles and gives a nervous laugh.	Low Example 1: <i>"There wasn't really anything worked out that great about it. I am disappointed by it all."</i> Example 2: Nick looks slightly embarrassed as he describes how the bank refused to extend credit for his new business, saying: <i>"This kind of thing does nothing for your confidence and leaves it quite stressful."</i>	High Example 1: <i>"I'm actually far more excited by what I do now, than I almost ever was in my old business."</i> Example 2: Throughout the interview Nick was eager to discuss his <i>"rebirth"</i>. He is proud of the way he has re-invented himself saying it is a <i>"liberating time"</i> and he enjoys <i>"Doing things in new and different way, in a new industry."</i> He confirms this with the Tweet: <i>"Waking up early to crack on with the new business plan-vive la revolution!"</i> (Twitter July 2009).

Delayed Suffering	Low	Low	Moderate-High	Low
David	Low Example 1: David was disappointed at the lack of innovation within his family: <i>“There was no appetite amongst the family to invest in another business, to branch out, to lock in the market.”</i> Example 2: He became impatient with poor management and: <i>“3 generations of cousins and uncles and aunts and everybody pulling my strings.”</i> He made the final decision to close the business as <i>“I had enough, of all this nonsense.”</i>	Low Example 1: While the decision to close was difficult, it also brought some relief: <i>“It was a conclusion, ehm, because it, lanced the boil, stopped the rot and allowed us to move on. I think everybody was glad it was over.”</i> Example 2: David showed some pride in how he managed staff redundancies: <i>“You have to do it with humility, and deal with people on a one-to-one basis, because they’re part of a team. I was determined that I had to give people the dignity.”</i>	Moderate-High Example 1: David reflects with sadness: <i>“Families do so much damage to each other.”</i> He explains while the business closed many years earlier there is still <i>“The emotional context of well, we’ve been in business here and it’s what we know how to do.”</i> Example 2: David admits he can now be deeply <i>“defensive”</i> and has significant <i>“trust issues.”</i> He describes how events with his family, bank and advisors have led him to believe: <i>“I don’t want to be beholden to anybody, so they can sod off.”</i>	Low Example 1: Speaking about relations with his family now, David says: <i>“Probably it’s easier to talk to each other now, than it was before. We can almost ignore it now.”</i> Example 2: David is confident in his commercial acumen and gives examples of his track record of improving and growing his business. This experience has paid off as he says proudly: <i>“This is my third recession; I know what to do in recessions.”</i>
Drew	Low Example 1: <i>“We were bought over by another company who offered to keep our employment going, but at this stage, I didn’t know whether I wanted to work for them.”</i> Example 2: He was frustrated at the investment company because they <i>“Had tied, everything down in fine detail with all the investment agreements and things (sniff).”</i> When they did find a buyer <i>“The actual amount of money that was on the table halved (sniff).”</i> He pauses after saying this to let that point sink in. Every time he seems annoyed he sniffs in disdain.	Low Example 1: <i>“Very early in the process we knew that we had, secured employment. It was, never as bleak as it could be.”</i> Example 2: Raising finance was a highly technical process and Drew was grateful for the advice he received: <i>“Without the – the legal people we’d probably been - screwed completely.”</i>	Moderate-High Example 1: He criticizes the process of closing the business as a <i>“Slow and unyielding process”</i> and complains: <i>“We’ve put the company into liquidation, July 2010, and the process still isn’t finished. Every day it drags on—the liquidator spends more and more of the money, so there’s less and less. Their focus seems to be on trying to find things that you did wrong rather than just getting the process over and done with.”</i> Example 2: The risk of being reported as an unfit director hangs over Drew: <i>“You can be looking for a job and then suddenly you get this bit of paper from the [officials] telling you, you can’t be a company director. So that, the whole vagueness and uncertainty over that bit is, ahhh”</i>. He does not finish this sentence, he just makes an annoyed sound and shakes his head.	Low Example 1: In response to being declared an unfit director, Drew later follows up with: <i>“The liquidator only mentioned it in passing to us recently, that everybody had received complimentary reports.”</i> He looks pleased and relieved that everything is OK. Example 2: <i>“It’s, you know, the sad geek inside me that quite enjoys the technological challenge, so I don’t regret it from that side of things.”</i> He sounds more positive saying this. He uses the term “geek” but smiles as he says it.

Table 3: Making Sense of Business Failure*

Now Feeling Good		Delayed Suffering	
Nick	High Sensemaking	David	Low Sensemaking
Example 1: <i>"The big lesson that I learned, when we were looking around for another buyer, we didn't shop around, <u>at all</u>."</i> He says "at all" with a degree of surprise, as if it is obvious now but at the time he never thought of it. As the interview continues he reviews this comment and reflects more holistically about their chances of survival: <i>"But in hindsight, even if we'd chosen wonderful people, the economic situation has been so grim these last couple of years, so who knows how it would have gone."</i> Example 2: The experience has made Nick more resilient and he finishes the interview with an air of confidence saying: <i>"It has made me more determined and hardened to resolve."</i>		Example 1: <i>The family business was, strangled by having too many, potential decision makers. It was very difficult to have clarity of direction. Management by committee, a horse becomes a camel."</i> Example 2: Reflecting on family business he says: <i>"It can be pretty acrimonious. It's very difficult. You can walk away from a business partner, but you can't get rid of family. They remain blood. They remain family, even if you don't particularly like them."</i>	
Nancy	High Sensemaking	Drew	Low Sensemaking
Example 1: Nancy has formed a new understanding of her needs, wants and motivations. She explains how in the past she was dismissive about money and her job. However, going back to employment after her business failed made her rethink: <i>"Before I thought, ugh, you know, that's just a really nice salary and it's only money and you can earn money again and stuff, it's now, I see that completely differently cause I think, you know I've got, a lovely healthcare plan, a pension, and shares in the company – and you know, I've got a lovely salary, but the salary means that I can go out for dinner on a Saturday night, and I can go away on nice holidays and you know, do all these things that I really value now because, I never had it for a year."</i> Example 2: <i>"I think I'm probably suited to doing it again, but I think it would be totally different type of thing. I think I would go in with my eyes wide open and I'd ask lots more questions before I started. And I think I would <u>really</u> think <u>carefully</u> about <u>giving</u> my life <u>totally</u> over to it <u>again</u>."</i> She chooses her words carefully, speaking slowly as if to emphasise what she is saying. She continues that she would also be cautious <i>"About the work that I was taking on and the effects it was having on my friends and family around me. That is the one thing that I underestimated completely when I was starting my own business, the toll it would take on those around me – my husband and my parents, and my sisters and the friends that come and support so much and pay the money to buy books that they don't need. You just really underestimate how much heart and soul of everyone else that is around you goes into it as well."</i>		Example 1: <i>"When everything's about to collapse, it either brings out the best or worst in people."</i> Example 2: His "main" learning from the experience is that: <i>"My stereotypes have probably strengthened. Venture capitalists, academics, you know – liquidators".</i> He lists off his stereotypes, tutting and raising his eyebrows.	

* In this table we do not report the non-revelatory groups (i.e., mixed levels of sensemaking), namely, the Suffering and the Feeling Good Groups.

Table 4: Problem- and Emotion- Focused Coping

	Problem-Focused Coping	Emotion-Focused Coping
Suffering Sam High Example 1: <i>"For the whole of March and April, our cash flow forecasts were updated at least twice a day, including all the staff costs we would incur if we had to make staff redundant on that date."</i> Example 2: Twitter June 2011: <i>"How wrong would it be to promote my life after [the business]? If anyone is interested, feel free to follow my new blog."</i>		Low Example 1: While Sam suggests he had <i>"No problems sleeping at night"</i> elsewhere he admits <i>"There was a <u>few</u> times during [the decline of the business], there was a <u>few</u>, rough nights, just, worrying about this, that and the other."</i> There is contrast in his tone of voice from saying, no problems sleeping and then saying there were sleepless nights when the business was in decline. Example 2: He continues and laughs as he says <i>"I just <u>smoked</u> about 20 ciggies a day. Pretty much!"</i>
Sarah High Example 1: Sarah's business partner says: <i>"Sarah is a workaholic and it's hard to get her to turn off her laptop at the end of the day. She is good at negotiating and getting what she wants. She's not scared to say what she thinks and won't take no for an answer."</i> (The Sunday Times (London) December, 2006). Example 2: In an interview, Sarah admits: <i>"I was up until 3am last night looking into our website and where all the traffic goes," says the 30-year-old, groaning. "So I'm feeling a bit knackered today. I just couldn't go to bed, though. I kept telling myself to, but I wanted to get things sorted."</i> (The Herald (Glasgow), September, 2009).		High Example 1: <i>"I think, ehm, I took, I think the most important thing I did was take some proper time out though actually and do nothing or a bit, ehmmm just got my head straight ehm, ehmmmm, [long pause]. I think the only thing motivating me was to get some, a different change a change of scene and just get away, from it."</i> Example 2: Sarah explains one of the reasons for wanting to get away: <i>"When you're surrounded by people who are just going to keep asking you 'What <u>happened</u>?' You know, 'How is it?' 'What you doing?' Ehm, you just can't get time out from it so, the easiest thing for me to do is try and spend some time somewhere else."</i>
Now Feeling Good Nick Moderate Example 1: Two years before Nick's business closed, he identified that: <i>"It could be run in a more intelligent way and needed additional resources to get back on its feet"</i>. Subsequently he approached what he thought was a <i>"Fast dynamic company that wanted to diversify into other professional areas."</i> Example 2: Nick's approach to dealing with the events of the closure was <i>"Push forward and tomorrow things will be better."</i> It is almost like a mantra as he says this frequently throughout the interview.		High Example 1: When asked what his plans were after he left the business, Nick pauses for a long time before answering, almost in disbelief, <i>"I didn't have any plan, <u>at all</u>."</i> Instead he explains how he needed <i>"A period of reflection when I first got out of the business"</i> to process his distress and resentment as <i>"There was still a lot of disappointment. There was still a lot of bitterness and anger, with the way I had been dealt with, personally."</i> Example 2: During this time he actively avoided thinking about, and talking about the failing business: <i>"It's not something I spoke to my family about. In terms of stigma, it's not something you're going to say to your family, 'Oh by the way, my business failed'."</i>
Nancy Moderate Example 1: <i>"The last three months, before the business closed, you know we - put everything in to it, you know that I could think of".</i> She lists all the efforts they went through, contacting schools, increasing marketing efforts, and working long hours. Example 2: <i>"I was doing some temporary work afterwards, but I've gone back into the field I was working in before, I started the business. I sort of started to look around. I just sort of applied for a few jobs, got offered a few different things, but then I got a call out of the blue, a couple of phone calls from head hunters. This one came up, looked really interesting, went to speak to the directors and, got offered this job. So I took it really."</i>		High Nancy tried to avoid negative emotions by not leaving the house: <i>"If I, left the house, I would be really really tempted to wear a brown paper bag on my head you know because I thought everybody that I've, that I would meet on the subway or, on the road where her business was, would have been a customer, or someone who knew something about the business, or knew something about me and, you know, you feel very paranoid and, really anxious about it."</i> Example 2: Nancy started a new job which required her to spend 3 months in Sydney: <i>"It was actually really good for me to have a bit of a distance [...] It's quite nice to just be away completely on the other side of the world, have some thinking time. I was able to kind of just, give myself some time to cope with it, and think about it; time to reflect on how lucky I was."</i>

Delayed Suffering David	High <i>Example 1: "I've always found that when you're stuck in, when you've got a sticky place that you don't want to be, break it down into its component parts, because you can deal with those on an unemotional level. If you're trying to deal with this big, cloud, it's almost impossible to deal with it on an unemotional level. And you won't make a good decision, because you're coward by the fear of this unknown."</i> <i>Example 2: When asked if he was as logical at the time of closure he pauses for a full 10 seconds before answering: "I think so. My head's always worked that way. I've always wanted to understand, ehm, what it is I'm making a decision about. I always looked at it and said, well, if you let your emotions run away with you, then you can't make clear decisions. When there's something you know you have to do, but you don't want to, and the longer you let it fester in your mind, the bigger a molehill, becomes into a mountain."</i>	Low <i>Example 1: "Half the folks around here who've been with us for long enough to remember all that stuff going on, yeah, they would have heard me shouting at [family relations]."</i> <i>Example 2: "I tend to deal with things internally, I don't, tend to, spout a lot about them."</i>
Drew	High <i>Example 1: "Sixty percent of my time, if not more, was involved in trying to find fresh money to come into the company so, you know, preparing realistic business plans compared to the ones that were there before, and then to find possible investors and going round and doing the whole [pitching] bit with them."</i> <i>Example 2: "I've got this – may be a useful thing – drives my wife crazy – but if, worrying about something doesn't do any good, then don't. Sleep does me more good than lying up worrying." An ex-colleague of Drew's confirmed this on LinkedIn saying: "Drew is very pragmatic and a straight-shooter."</i>	Low <i>Example 1: Drew displays hardly any emotion-focused coping. This is highlighted when asked if the event was stressful and how he dealt with it. He pauses for a while and sighs: "I suppose it must have been. Stress isn't really something I notice until, everything's done and dusted."</i> <i>Example 2: He later elaborates on his worries. "I suppose it's change – change worries everybody. You're fitting into a new structure and maybe a different way of doing things to some extent, and there's always the worry that, you know, it's not gonna work out, it's gonna be worse for you than going away and looking for another job, kind of thing."</i> Despite discussing these personally, his use of the 3rd person could be considered a self-defence mechanism, where he distances himself from these concerns.
Feeling Good Graham	Moderate <i>Example 1: "We were kind of doing okay, but we thought we really have to make a move because we're on the road of potentially being struck off. I suppose when I saw the inevitability, of what was happening, I probably said 'well, what am I going to do?'"</i> <i>Example 2: Graham describes his approach as one of rationally assessing his options: "So I had my lessons learned, I had my rationale for what had happened, I had a context and a scale of what was happening, and I thought well, ok, it's not the ending I would have liked but eh, gotta move on. You know, I'm young enough, I'm 62 but I can, you know, I can do something. I've got my portfolio of work, I've got energy".</i>	Moderate <i>Example 1: After his business closed Graham experienced an "Element of, a, fear of stigma" yet his confidence was boosted through the cajoling of his professional peers: "I think if I hadn't had that support and that encouragement to, you know, 'Don't beat your breast' and 'Don't cast stones at yourself —just, we want you to, regroup, start again'."</i> <i>Example 2: When things got too much for Graham: "There may have been the odd bit of MacCallan [whiskey] to help me out along the way" while on Twitter he says: "Right, kilt's on, Macallan 18 in hand. Off for a grand New Year's dinner to see out this lousy year and here's to a good year 2011, for all" (Dec, 2010).</i>
Geoff	Low <i>Example 1: Instead of directly facing the problem, Geoff explains his reluctance to close the business: "We were struggling to make any money on the books that we'd produced because of the margins, we were selling them but we weren't actually making any money on them, ehm, and eh, just going through that whole, process, of realizing that the business needed to be wound up but, you sometimes need a trigger."</i> <i>Example 2: He elaborates: "I think that's the thing, it's difficult when you've, been through something – you've built something up and you've been in it for x amount of years. And then, what you need to do is close it, that's incredibly difficult."</i> He struggles saying this; he pauses, speaks in the third person, shakes his head and rubs his forehead. He started by saying this a period of his life that he does not recall much about, yet he describes it in a lot of detail.	Moderate <i>Example 1: "It's one of those points of your life where things are just not so good, so you try and blank out, you know?"</i> <i>Example 2: Geoff needed time and space away. For him: "One of the good things of being able to wrap up the business and move straight into something else—that was good fun actually, like helping other people start businesses—it was a nice break, and that made things, a lot easier. And just, in fact, just getting away from it was very good actually."</i>

Table 5. Contrasting Types of Emotional States and Cognitive Strategies*

High Cognitive Strategies	Low Cognitive Strategies
Now Feeling Good	Suffering
Nick	Sam
Example 1: Metacognition Nick reflects on his thought process at the time of the take-over and identifies a problem which he now sees as being critical to how things worked out: <i>"I hadn't really been an employee for about 12 years, to be an employee, I eh, probably underestimated that aspect. You know I still thought that I would be, very much, you know the main man kinda running this business. I mean it no longer became <u>my</u>, business. In fact I'm, the apparent view was that I didn't own <u>any</u> of the business. From <u>Day 1</u>. And they also didn't want me to be director from Day 1 which, I mean, that should have had the alarm bells ringing straight away. I mean it sounds a bit naive to be saying that now."</i>	Example 1: Superficial Thinking While Sam seems to have a sense of self-awareness and says <i>"It's not worth <u>worrying</u>, is it? It's not like, I was always one of these people that, knows that shit happens!"</i> He does not portray an interest in exploring why <i>"shit happens"</i> or what he thinks when it happens. He follows up with: <i>"Most of the time there's nothing you can do about it so, just, just, cope with it, and come out the other <u>end</u>."</i> By assuming there is nothing that can be done, Sam prevents a deeper cognitive analysis that might come if greater attention was given to exploring the issue.
Example 2: Analogical Thinking Nick struggles to make sense of where things went wrong, and turns to an active comparison between his situation and that of another company that was taken over by the same holding group. Comparing and contrasting both situations helps to contextualise his experience. <i>"The thing that surprised me and confused me a little bit was that [the holding company] acquired another company that has been pretty successful because the person that originally owned that was left still very much running it themselves. So, you know, it was a better run business because of the involvement of the [holding company], but they were still ultimately left to manage their people and customers and all the rest of it. Whereas straight away, the management interfered with how we ran our business, and really didn't let me do <u>anything</u>. I had <u>zero</u> authority, <u>zero</u> autonomy, and it was a <u>horrible</u> position to be in."</i> Press releases at the time concur with the success of the other take-over and also suggest Nick's buyout <i>"Would be a great fit."</i> (http://www.business7.co.uk). Nick seems to have reflected deeply on why it did not work out but the lack of answers leaves him looking hurt and confused.	Example 2: Superficial Thinking Sam mentions how things could have worked out: <i>"We would've got some money out of it you know, we invested all, you know, half a million pound of profit just to keep the company going for another year"</i> but resists any rigorous comparison or wishful or regretful thinking. <i>"It didn't work out. It's one of the risks you take. Just, no use getting too stressed about it."</i> An alternative way of saying "it didn't work out" is "it could have worked out", both of which accredit fate with the cause of failure or success and could prevent deeper diagnosis of the event. Instead Sam prefers to focus on how he could get out of the situation <i>"I will always have a job. Even if I've to work in a supermarket again, I can always get a job doing something."</i>
Example 3: Complex Thinking Nick describes the challenge in balancing his family's needs with his own. <i>"Although the business is doing quite well, it's still very short of cash. You know, inevitably you're going to be thinking 'I've got kids, and would it not make more sense if I get a job'. But I think that kind of thought lasts for about 30 seconds. Maybe it's been influenced by the fact that I went into a scenario where I did become an employee again, and it turned out to be a <u>complete nightmare</u>. Maybe, I've had my own business for so long now that maybe I am, <u>unemployable</u>, to an extent. I didn't think I would be, but maybe I <u>am</u>, and maybe I should face up to the reality that that is the case."</i> While later he comes back to how <i>"Strapped for cash"</i> his business is and how demanding this is for him.	Example 3: Superficial Thinking Sam describes his pragmatic, almost black-and-white approach to dealing with stress and set-backs. <i>"It just happens, doesn't it? I see you've got two routes to take when that happens. One you just sort of say, well, we gave it our best shot; let's try again with something else. Or, you get all, <u>frustrated</u>, <u>annoyed</u>, and <u>depressed</u> about it."</i> He says <i>"One – we gave it our best shot"</i> in a rational, logical tone and says <i>"Two – get all frustrated, annoyed and depressed about it"</i> in a more flippant, irrational way, emphasising and dragging out the words <i>"frustrated," "annoyed" and "depressed"</i> – emphasising a futility in thinking that way.

* In this table we do not report the non-revelatory groups (i.e., mixed levels of cognitive strategies), namely, the Delayed Suffering and the Feeling Good groups.

Nancy High	Sarah Low
Example 1: Metacognition Nancy reflected on her thinking at the time she started the business: <i>"I regretted just even starting, you know, I felt I'd a lot of responsibility for it. I regretted the decision in the first place really. It did seem like sort of a waste of money and energy. And then the mistakes that I made, that kind of, finished it off."</i> She looks away as she says this, speaking slowly with little energy and underlying emotions of regret, disappointment, sadness and frustration. She continues with a stronger voice: <i>"But I am a lot less sensitive to it than I was maybe a year or a few months ago. I think it's probably just a combination of time and you know, regaining your confidence as well as getting a new job. If I put my mind to it, I'm capable of doing anything. I've always been that way about doing stuff. Maybe I've bounced back pretty quickly. I feel that I probably have."</i> This determination is confirmed in press releases documenting her academic and professional achievements throughout her career.	Example 1: Superficial Thinking While Sarah explains how important it is for her to get away and <i>"Do nothing for a bit,"</i> she does not elaborate on what this process involves or how she has reflected on her thoughts. Instead, many of her recollections are focused on the activity of doing rather than thinking, in particular around the time of closure <i>"You've so many directional fears—you've got to do this, you can't do that. You've got responsibilities you have to do the right thing, and then you have to do the right thing by the staff and the creditors and everybody. We also had the other pressure that we had signed personal guarantees to the directors for the bank loan. You're terrified to do anything illegal or not right as it would come back and bite you."</i> Sarah seems to preserve some distance by speaking in the third person. This can create a generalizable affect making the experience transferrable to all individuals rather than specific and personal to her.
Example 2: Analogical Thinking When explaining the challenges Nancy faced in managing her financial accounts, she actually uses the analogy of <i>"Being hit by a train."</i> She explains how with the passing of time, she can see things <i>"More clearly, yeah, absolutely. You can see what happened and stuff. But I think, it is a little bit like being hit by a train, because you like, you kinda run out of money so quickly. I know that sounds a bit silly because, you're managing your accounts every month and stuff, but forecasting especially looks completely different to actually what's coming into the till and what your outgoings are and the you've got an unexpected bill or you get this or that and it changes so much that - it's hard, it's really hard to clearly forecast really what the business is going to do financially and then, having to put a handle on it so, ehm, I don't think, even now I really understand our balance sheet really and how it works. Even though I've had to sit and try and work it all out."</i>	Example 2: Superficial Thinking Sarah: <i>"Your time was full between keeping all the stakeholders happy and trying to juggle all these things that were getting thrown out by the council of creditors for stretching payment terms. We didn't have the cash to pay people on time and then trying to juggle staff to keep them in the loop, still deliver to monthly board meetings, and everything kinda crushed together at once."</i> When listing each of these things, Sarah recreates the frenzy. She emphasises each challenge, then remembers another. A few times it seemed like she had finished, but then she remembers another obstacle.
Example 3: Complex Thinking <i>"I didn't really know what I wanted to do with my career or my job. It's such a complicated thing. You learn so much from it; ... I've a bit more confidence that I never had a year ago."</i> She described herself a year earlier as a <i>"Crippled wreck"</i> but sounds strong and confident now. She laughs again as she contextualises what happened.	Example 3: Superficial Thinking <i>"I don't regret anything. When you've got less to lose, it's almost like, what's the worst that can happen. It's made me, I dunno, weight off my shoulders, grateful to be out of it to an extent."</i> Her voice is controlled saying this and she's speaking more slowly here, more measured, choosing her words carefully. She seems more tired and flat than when she was talking about setting up the business.

Figure 1: Entrepreneurial Narratives' Expression of Emotional States Following Business Failure

		Negative Emotions		
		High	Moderate	Low
Positive Emotions	Low	Suffering Sarah Sam Delayed Suffering David Drew		
	Moderate		Middle-of-the-Road Mark Matthew Martin Malcolm Mike	
	High			Feeling Good Graham Geoff Now Feeling Good Nancy Nick