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Boosted by failure? Entrepreneurial internationalisation as a cyclical learning process

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Abstract: How do entrepreneurs learn from failure, and how is this reflected in the internationalisation of their ventures? This study proposes that non-linear internationalisation and experiential learning are tightly intertwined processes in entrepreneurial firms. The reciprocal transfer, analysis and internalisation of experiential knowledge result in a cyclical process wherein internationalisation and learning continuously feed each other. In this process, failures trigger the need to learn and thus fuel the process. This research also highlights the role of the entrepreneur as an important gatekeeper of experiential learning. The entrepreneur's ability to absorb, digest and transfer the experiential knowledge within an organisation promotes the positive impacts of learning from failure. We further emphasise that entrepreneurs themselves do not have to experience failure; failures experienced by a peer, a firm in the same field or a fellow entrepreneur can be a source for long-term learning.

Keywords: entrepreneurial internationalisation; SME internationalisation; learning; experience; experiential learning; non-linear internationalisation; failure; near-failure; process.

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1 Introduction

‘All roads lead to Rome – successes have been the enabling factors. Without them, we would have not survived; we would not have had the resources, the team or the competences. We would have not had the courage to make this. On the other hand, failures have taught us many things, which have allowed me to build the current business as resilient: it can also take times of low sales, and we have plan B and plan C. ... I would say that the failures have had more impact than the successes’.

Serial entrepreneur

Small and Medium-sized Enterprises (SMEs) are an elementary part of the world economy. Nevertheless, their contribution to international trade is limited; for example, in the European Union, their share of international operations is considerably less than that of larger companies (Eurostat, 2022). To boost the internationalisation of entrepreneurial firms, we need to better understand how they learn, as their internationalisation significantly depends on their different forms of learning (Lee et al., 2020). Accordingly, here we dig deeper into a question intrigued by a serial entrepreneur’s comment during an interview: Do internationally operating entrepreneurial firms need to fail to learn?

The majority of International Business literature considers failure and success dichotomously and pays much less attention to the ‘grey area’ in between. However, this research reframes the concept of failure and provides a more nuanced view on its role in the internationalisation of entrepreneurial firms. Here, failure is considered a broad, ‘umbrella concept’ covering different degrees of failure – ranging from misfortunes and mistakes to the irreversible closure of business – and is studied in the context of the internationalisation of firms.

We understand internationalisation of the firm as a process of predominantly discontinuous change: a sequence of events between which the firm experiences periods of stability and instability (cf. Kriz and Welch, 2018; Casillas and Acedo, 2013). Change is an empirical observation of differences in international activities over time (Hurmerinta et al., 2016), and this research develops the internationalisation process theory towards an explanation of how and why discontinuities emerge and what are their roles in entrepreneurial internationalisation. Here, discontinuity in internationalisation refers to an irregularity or a break of a sequence or a pattern. Note that discontinuity is a matter of degree, ranging from minor revisions of a strategy to complete turnarounds.

Prior research on discontinuous, non-linear internationalisation has focused on describing the process through critical events, such as foreign market entries (Andersen et al, 2014; Vissak and Francioni, 2013), withdrawals and re-entries and by providing evidence of the antecedents and consequences of these events (Crick et al., 2023; Niittymies et al., 2022; Dominguez and Mayrhofer, 2017). However, this research provides a theory-based explanation to entrepreneurial non-linear internationalisation. With the notable exception of the article by Welch and Welch (2009), such approaches to the phenomenon are rare. Our research is also a response to the calls claiming that International Business research is biased towards success stories (e.g., Lee et al., 2020).

We chose to investigate non-linear internationalisation as a process of experiential learning (Kolb et al., 2014) after reviewing alternative learning theories and mirroring them with our focus. Experiential learning has been a prevalent element in research on the internationalisation of firms since the seminal Uppsala internationalisation process model (Johanson and Vahlne, 1977; Fletcher et al., 2021). Early works understood internationalisation as a process during which the firm gradually gains experience and accumulates knowledge of international business opportunities and transactions by engaging in such activities. In line with prior research, we define experiential knowledge as the information obtained through experience and later transformed through learning into useful knowledge (Eriksson et al., 1997).

Extant research by default depicts a cycle where positive experiences encourage firms to increase their international exposure or where less positive experiences result in smaller forward steps. Most prior models lack the perspectives of disruption, introduced by failures that could turn the cycle into a development spiral, upgrading it into a new level by acknowledging problem-based learning (Schwartz, 2013). They also overlook the individual level – that is, how entrepreneurs operate as gatekeepers within the intersection of internationalisation and learning processes (Schweizer and Vahlne, 2022; Johanson and Vahlne, 2003; Voudouris et al., 2011).

This study addresses learning and failure in entrepreneurial internationalisation and focuses on the individual decision-maker, often the entrepreneur. To understand *how entrepreneurs learn from failure and how this is reflected in the internationalisation of their ventures*, we conduct an integrated, reflective literature review. In this review, we deconstruct the concept of failure in internationalisation to provide a more refined view on the phenomenon and present an alternative framework of reference for future research.

We propose that non-linear internationalisation and experiential learning are tightly intertwined processes in entrepreneurial firms. The reciprocal transfer, reflection, analysis, synthesis and internalisation of experiential knowledge result in a cyclical, dynamic process in which internationalisation and learning continuously feed each other. In this process, particularly failures that result in discontinuities are important: they trigger the need to learn, consequently fuelling the process. This research also underscores the role of the entrepreneur as an important gatekeeper of experiential learning, whose ability to absorb, digest and transfer the experiential knowledge within the organisation enhances the positive impacts of learning from failure. In addition, the research highlights that entrepreneurs themselves do not have to experience failures and that failures experienced by a peer, a firm in the same field or a fellow entrepreneur can be a source for long-term learning.

2 Overview of prior knowledge

2.1 *Learning and non-linear internationalisation*

International Business scholars have addressed the internationalisation process of firms since the late 1960s. The first influential publications date back to the 1970s; these studies focused on how firms internationalise and concluded that during internationalisation, firms undergo a process that can be divided into identifiable phases or stages (e.g., Bilkey and Tesar, 1977; Cavusgil, 1984). The underlying theories explaining the increasing involvement of firms in international operations included organisational learning, innovation adoption and decision-making (Johanson and Vahlne, 1977; Reid, 1981; Cavusgil and Godiwalla, 1982). During the early years of internationalisation process research, the proposed stage models were typically tested with empirical data. However, these models suffered from a ‘success bias’: they considered internationalisation as a forward-moving, non-reversible and internationalisation-outcome-oriented process without any disruptions or discontinuities. Later, scholars recognised that this was not always the case, in fact, discontinuities are quite common in firm internationalisation (e.g., Bernini et al., 2016).

More recent research has demonstrated that a firm’s internationalisation process comprises alternating epochs of de- and re-internationalisation (Niittymies et al., 2022; Aguzzoli et al., 2020; Welch and Welch, 2009), and the periods of increasing and decreasing international commitment are visible in the internationalisation of SMEs (Crick et al., 2023; Vissak et al., 2020; Dominguez and Mayrhofer, 2017; Vissak and Francioni, 2013). These alternating epochs are accompanied by changes in speed: the acceleration and deceleration of the internationalisation process are linked to a firm’s absorptive capacity and its ability to recognise and exploit international opportunities (Johanson and Kalinic, 2016) and to integrate gained knowledge (Johanson and Johanson, 2021).

Furthermore, prior research indicates that non-linear internationalisation might be more common among smaller and less experienced firms than larger organisations (Bernini et al., 2016). Although limited studies have focused on non-linear internationalisation, they highlight that the process is more complex than the proposed theories indicate. The process comprises fragmented moves, which link foreign market exits and re-entries tightly together (Chen et al., 2019). The ‘glue’ in the process seems to be experiential learning, which connects the international experience of the firm, organisational memory and the individual perceptions of key decision-makers (Welch and Welch, 2009). Empirical studies have confirmed this link both in Multinational Enterprises (MNEs) (Niittymies et al., 2022; Aguzzoli et al., 2020; Surdu et al., 2019) and SMEs (Vissak et al., 2020; Dominguez and Mayrhofer, 2017). However, particularly in the context of SMEs, the process seems to be very complex and non-linear internationalisation can continue for years (Nummela et al., 2022; Vissak and Francioni, 2013).

Studies on non-linear internationalisation highlight that firms’ experiential learning should not be uncritically treated as only a positive feature of the process. Although firms possibly do not repeat unsuccessful strategies owing to experiential learning (Surdu et al., 2019), these experiences may create international knowledge myopia, which disturbs later decision-making (Aguzzoli et al., 2020). Furthermore, knowledge accumulation via experience may lead to routines and behaviour that may later need to be unlearned as

well as to a knowledge base that later may become obsolete in other contexts (Surdu and Narula, 2021). Therefore, when investigating learning in non-linear internationalisation, the different types of learning and the complex process of how experience is accumulated need to be considered (Surdu et al., 2019, 2018).

In the internationalisation process, the capability of firms to learn from their mistakes and overcome past failures is decisive (Dominguez and Mayrhofer, 2017; Welch and Welch, 2009). Neither de-internationalisation (Tang et al., 2021; Trąpczyński, 2016; Benito and Welch, 1997) nor non-linear internationalisation (Vissak and Francioni, 2013) as an act is a sign of failure, both can be strategic choices. Furthermore, re-internationalising MNEs tend to learn more from their failures than from their successes (Surdu and Narula, 2020; Surdu et al., 2019, 2018), which indicates the importance of failure experiences also in the non-linear internationalisation of SMEs.

2.2 *Experiential learning in entrepreneurial internationalisation*

Organisational and individual-level learning have been employed as theoretical lenses for understanding SME internationalisation since the 1970s. Early works have suggested that a firm incrementally gains experience and accumulates knowledge of international business opportunities and transactions by engaging in such activities. This is usually perceived as a rational process wherein economic, managerial and organisational resources are increasingly committed to international activities (e.g., Johanson and Vahlne, 1977). In this process, the acquisition and absorption of experiential knowledge is central (Majkgård, 1998). It decreases the experienced uncertainty related to internationalisation, thus boosting willingness to engage in international activities. Firms keep learning from experience and accordingly adapting their operations during their internationalisation (Fletcher et al., 2021; Bunz et al., 2017) – learning never stops.

In the context of entrepreneurial organisations, experiential learning is related to the individual – the entrepreneur – and the activities they participate in. Individuals differ in how they accumulate and absorb knowledge (Holcomb et al., 2009). From the cognitive perspective, individuals learn as they change their perceptions after surveying and evaluating the outcomes of their actions (Vlačić et al., 2023). We learn the most from new, diverse situations and when the object of learning is related to what is already known to us (Cohen and Levinthal, 1990). Diversity of knowledge enables individuals to make novel associations and linkages, but learning is slow in novel domains. In contrast, an individual's expertise – what they know well – changes only incrementally; that is, in-depth previous knowledge may inhibit the absorptivity of radically new information, such as radical innovations (Cohen and Levinthal, 1990). Further, the repetition of the same task soon becomes a routine, which inhibits learning owing to the strong expectations one might have. Thus, prior experience may also slow down and inhibit learning, and an entrepreneur with fixed routines becomes a prisoner of their past (Cooper et al., 1995; Nummela et al., 2016). A routine may provide an automated response to a problem that may not even be recognised as a problem 'since its 'solution' is at hand' (Cohen et al., 1996). However, learning does not occur only on the individual level; in fact, multiple learning processes simultaneously go on (Vissak et al., 2020).

In entrepreneurial firms, experiential knowledge can be considered as a company resource that becomes useful through not only extension and reasoning (Jones and Casulli, 2014) but also sharing. The heritage that the firm carries from previous international activities is an important link in non-linear internationalisation (Welch and

Welch, 2009). Experiential knowledge is not only gained through lived experience; individuals and organisations can also learn from others (Eriksson et al., 1997; Ucbasaran et al., 2013) – that is, the source of knowledge can be external to the firms. Part of the learning can be based on ‘congenital knowledge’ (Huber, 1991): it is acquired before internationalisation takes place and typically accelerates the firm’s internationalisation process (Bruneel et al., 2010). Similarly, vicarious learning – learning from other firms – is known to boost internationalisation (Casillas et al., 2015; Fletcher and Harris, 2012). However, only few studies have focused on the individual-level *processes* related to learning in entrepreneurial internationalisation, with the notable exceptions of the studies by Fletcher et al. (2021) and Pellegrino and McNaughton (2017).

Interestingly, Lee et al.’s (2020) study links learning, SME internationalisation and failure. They suggest that academic literature has a significant ‘success bias’, as learning is commonly considered as learning from successful experiences, whereas learning from failures has been more or less ignored. Given that learning from failure has been identified as a significant element in non-linear internationalisation, it deserves our attention.

2.3 *The role of failure in entrepreneurial internationalisation*

In line with Nummela et al. (2016), this research adopts a broad and relative view to failure – referring to underperformance or an organisation not achieving the expected objectives. Instead of viewing failure as the opposite of success, we acknowledge that the degree of failure varies, ranging from misfortunes and mistakes to the complete and irreversible closure of business. In this study, we are also interested in ‘near-failures’ – events or epochs during which the organisation is threatened by failure but closely avoids it and manages to recover (Kim et al., 2009; Kim and Miner, 2007) – a concept similar to turnaround that refers to a situation in which a company has survived a threat to survival in a sustainable way (Liang et al., 2023). These events may not only be important triggers for organisational development and renewal but also an important source for organisational learning (Lee et al., 2020; Madsen and Desai, 2010).

Besides acknowledging the different degrees of failure, we recognise that failure is a relative, subjective concept. Decision-makers respond differently to success and failure: what one judges as a failure, another may consider as a minor setback (Dattner and Hogan, 2011). Thus, significant variations exist in the responses to firm failure (Castelló et al., 2023; Jenkins et al., 2014). The subjectivity of failure is highlighted by the fact that there is no ‘typical’ failing entrepreneur (Khelil, 2016). Conversely, note that success is not a unified, objective concept.

Sitkin (1992, p.231) argued: ‘failure is an essential prerequisite for learning and adaptation’. In entrepreneurship literature, failure is commonly considered an elementary part of the entrepreneurial process, a temporary state, which provides valuable learning opportunities for entrepreneurs (Cardon et al., 2011; Cope, 2011). However, the potential learning advantages of failure have also been questioned (Love et al., 2023; Yamakawa and Cardon, 2015; Ucbasaran et al., 2013), especially when compared with the related emotional and financial costs (Jenkins et al., 2014). Furthermore, the link between entrepreneurial failure and learning has been debated upon, and learning from failure is far from self-evident (Love et al., 2023; Shepherd, 2003). Learning from failure seems to be a dynamic phenomenon during which entrepreneurs enhance their ability to learn from

experienced failures and their alertness to new entrepreneurial opportunities (Boso et al., 2019). Note also that learning from failure does not always take place.

Then, how does learning from failure occur? The answer does not seem straightforward, as the body of knowledge about the effects of entrepreneurial failure is scarce and fragmented (Klimas et al., 2021). Entrepreneurship literature distinguishes both internal and external sources of failure – that is, whether the triggers of failure lie within the company and the strategic actions of the entrepreneur or outside the control of the entrepreneur, including misfortunes owing to unexpected external changes (Cardon et al., 2011). Learning from failure takes place when entrepreneurs utilise the information on the causes of failure to revise their knowledge base and change their future behaviour (Klimas et al., 2021). This seems to be an emergent process and not a planned effect of the failure experience (Lin et al., 2019). As in all learning, the absorptive capacity of the entrepreneur sets boundaries to the learning (Cohen and Levinthal, 1990). This is a mentally and emotionally straining exercise: it involves critical reflection; learning about oneself, the venture and its management; and actions to move on and pursue new opportunities (Cope, 2011). Interestingly, prior failure experience may provide the entrepreneur better coping resources and psychological capital to deal with new failure experiences (Jenkins et al., 2014).

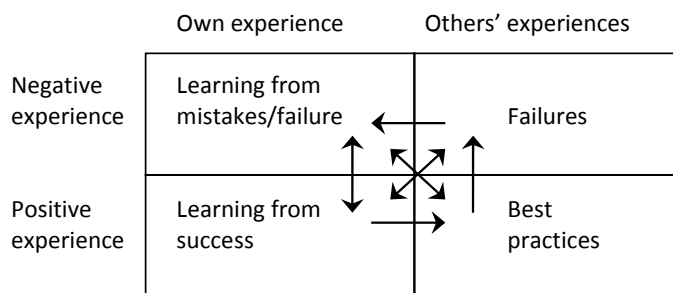
2.4 *Synthesis*

This research seeks to explore *how entrepreneurs learn from failure and how this is reflected in the internationalisation of their ventures*. During internationalisation, SMEs need to overcome various setbacks by anticipating, effectively handling and bouncing back from unexpected events, thus creating a metacapability to deal with near-failures (Eriksson et al., 2022). Previous research indicates that non-linear internationalisation and entrepreneurial failure are interlinked, but this linkage remains a ‘black box’. This research thus focuses on identifying the linkage and providing a conceptual, theory-based explanation for it. Here, we acknowledge the degrees of failure and the existence of *near-failures*, both being events that lead to the irregularity or disruption of the internationalisation process. A recent literature review by Kafouros et al. (2022) indicated that both the process of how entrepreneurs learn from failure and how they balance their related experiences remain less understood.

3 Discussion

3.1 *Learning from failure – what is learned and from whom?*

Extant literature demonstrates that experiential learning from failure is important for entrepreneurial internationalisation. Entrepreneurs may possess some congenital knowledge, but the amount of internationalisation knowledge they possess is likely to considerably vary. Literature also points to vicarious learning from the experiences of other firms and learning from both positive and negative experiences. Consequently, the sources of experiential learning can be classified into four main types (see Figure 1).

Figure 1 Sources and types of experiences in experiential learning

The type of collective experience does matter. From the internationalisation viewpoint, negative experiences, such as failures and particularly ‘near-failures’, are more powerful than positive experiences, as they trigger a need to learn and refresh operations and routines (cf. Bledow et al., 2017). This finding is in line with that of Levinthal and March (1981), who highlight the importance of ‘motivation to alter knowledge’. Positive experiences seldom have such an effect. In fact, positive experiences may have negative implications, as they may lead to tunnel vision – fear of not changing the ‘winning solution’ – decreasing the push for renewal and increasing risk aversion. In the long run, however, experiential learning in entrepreneurial internationalisation is a combination of positive and negative experiences.

Lorentz (2014) found that learning from one’s own and others’ near-failures can create a two-cycle simultaneous learning process. In the first learning process, the firm observes, interprets and derives the lessons learnt; based on evaluations, the firm may change its strategy. The second learning process builds on other firms’ near-failure events: ‘Assuming that the focal firm is able to derive *correct* lessons learnt from the near-failure of others’ it will most likely change its current trajectory to avoid similar failure events in the long-run’ (Lorentz, 2014, p.37). This two-cycle learning process can have a greater impact than learning from only one’s own or only others’ near-failures (Lorentz, 2014).

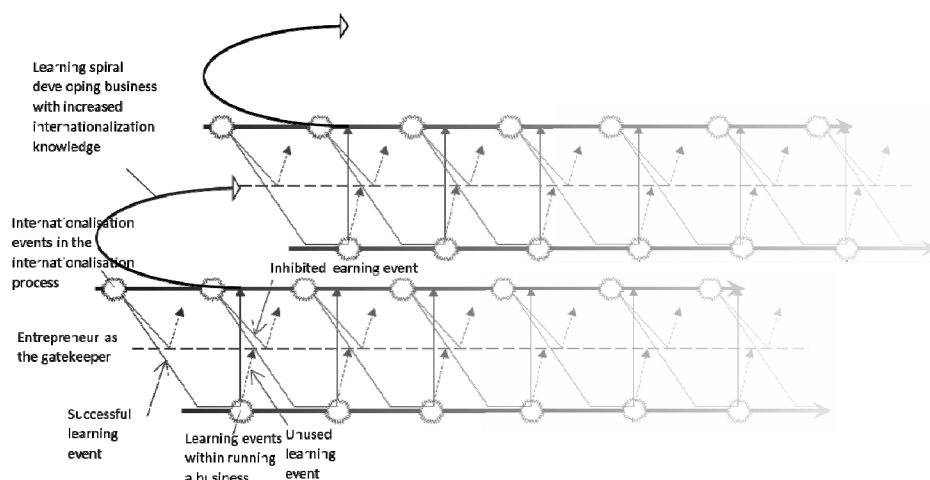
Furthermore, experiential learning is a cyclical process wherein different types of experiences are combined. One type of experience leads to an opportunity to learn, which can boost another type of experience and learning. Thus, learning from near-failures can result in positive experiences, success and, finally, the creation of best practices. These best practices may be imitated by others, but more in-depth learning requires the analysis of, absorption of and reflection on the lessons learned, in most cases leading to refreshed operations. Overall, the joint effect of failures and near-failures determines their impact on company performance.

3.2 Learning from failure – how does it happen?

Non-linear internationalisation and entrepreneurial failure are interconnected, with the critical link being ‘learning events’. Figure 2 illustrates how experiences from internationalisation events, such as successes or failures, can influence later firm behaviour. As illustrated, both types of experiences can lead to different consequences depending on how the entrepreneurs in the firms are inclined to learn from them and can

internalise the learned content. If learning takes place and the consequences of experiential learning are internalised to the firm, its internationalisation knowledge base expands and business development is facilitated, thus leading to a learning spiral that supports the firm to progress towards internationalisation. However, if learning is inhibited – e.g., by denial of the need to learn or dismissal of the event – or the learned content is not internalised and thus remains unused, the learning spiral is not fuelled and the internationalisation experience does not lead to further internationalisation.

Figure 2 Learning from failure during entrepreneurial internationalisation



The figure also presents the entrepreneurs as gatekeepers of learning; they determine whether learning influences the internationalisation of the firm. Learning from failure is a two-level process. First, the entrepreneur needs to recognise the value of the experiential knowledge – whether self-learned or based on vicarious learning – and assess its value for the firm. If the knowledge is considered valuable, the entrepreneur needs to act – decide to exploit the knowledge. Second, the learning needs to be internalised within the organisation. The selection and evaluation of experiential knowledge also takes place on the team or organisational level. In other words, the key decision-makers of the entrepreneurial firm evaluate the value of experiential knowledge, making the process highly subjective and vulnerable to mistakes and cognitive biases (Vlačić et al., 2023). For example, the entrepreneur may possibly misinterpret the successful experiences of others, leading to a failure.

The evaluation of experiential knowledge and consequent learning also depend on the decision-makers' personal capabilities, including their absorptive capacity and prior knowledge (cf. Crick et al., 2023; Schweizer and Vahlne, 2022). If the entrepreneur has prior related knowledge on international operations, then absorbing new knowledge is easier for them. Note that firms led by a single decision-maker and those led by an entrepreneurial team differ, as the former lack 'a reflective bouncing board' for their learning experiences. Further, in the case of a single decision-maker, developing organisational myopia – that is, the inability to recognise opportunities and potential risks as well as to predict their consequences – is easier (cf. Catino, 2013), making SMEs with limited resources quite vulnerable.

The processual nature of Figure 2 also highlights the interconnectedness of the events and the temporal dimension of the process. Learning does not necessarily occur at the time of a critical event; it may occur later, when a new event occurs and the gained experience is challenged and re-evaluated. Consequently, learning from failure can be later evaluated based on its impact on the internationalisation process.

4 Conclusions

'One should always have on board decision-makers who already have made some mistakes so that we do not have to make them again. We should have access to accumulated experience so that challenges are brought forward. Nobody warned us that this can fail. ... We learned a lot. Our people gained the ability to operate internationally, although in another context, and improved their language skills, routines became more efficient, and this increased our self-esteem – even if we had to return with our tail between our legs'.

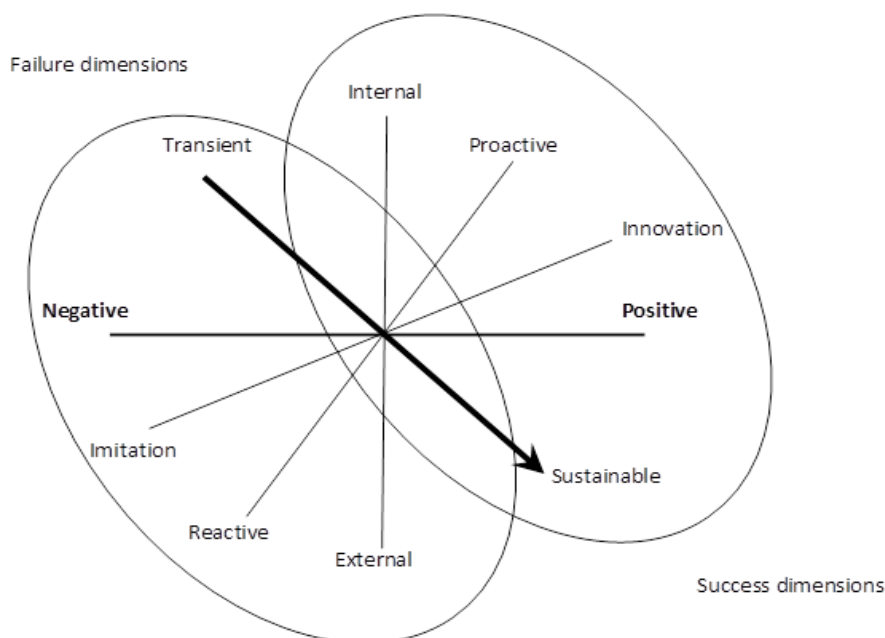
CEO and co-founder of a software firm

This research develops the theory on entrepreneurial internationalisation by providing a theory-based conceptual explanation of how entrepreneurs learn from failure and how this is reflected in the internationalisation process of their ventures.

We first offer *a more nuanced view of learning from failure in the context of non-linear entrepreneurial internationalisation*. Learning is a relative concept that can be described via different dimensions – whether the learning is based on positive or negative experiences (see Figure 3). When the experience originates from failure, the entrepreneur may blame external events for the setback and quickly react to ensure the survival and performance of the firm. Such activities often have only short-term effects on learning. The same phenomenon may occur when entrepreneurs 'blindly' imitate other firms and their 'best practice' strategies without analysing their suitability for their firm or when they copy their own earlier success recipe in other contexts without any updates or modifications, such as localisation.

The timing of learning is of importance. If it takes place too late, even if the entrepreneur has understood the need for learning, there are no longer available resources to dedicate to it. This leads to reactive, fast decisions with minor analytical thinking while focusing on recovery or survival. In the optimal case, the entrepreneur (and the firm) learn from failures in a way that leads to sustainable changes in the firm (the arrow in Figure 3). In contrast, success does not self-evidently result in positive and sustainable changes in firm behaviour but may boost false optimism and overconfidence. Further, when the business is doing seemingly well, entrepreneurs do not necessarily see any need for learning. Roots of success are mistakenly seen to originate solely from the firm, although they may originate from a good match of internal and external factors. Thus, entrepreneurial businesses should strive for a learning culture wherein failures are seen as sources of continuous learning for future success.

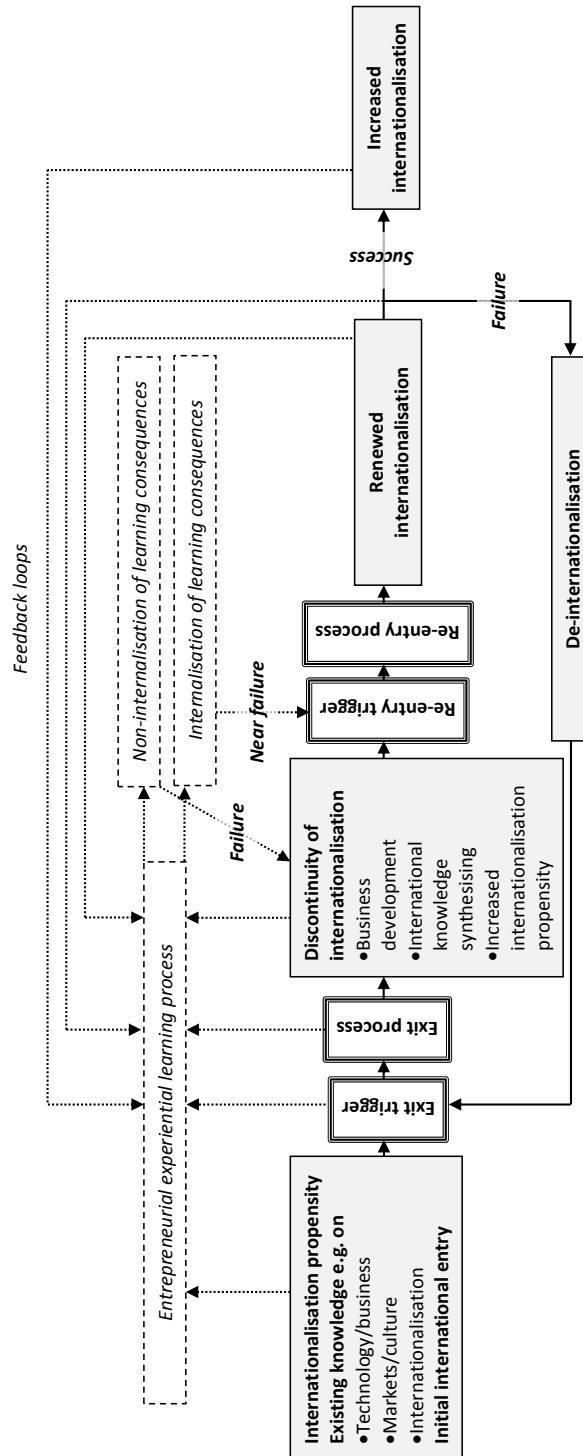
Figure 3 Learning-related dimensions of failure in non-linear internationalisation



A failure may be a shock for an entrepreneur, and the rational analysis of the causes and consequences of such an event may be a gradual process. Therefore, learning from failures requires an extended time frame and may continue long after the event. The smaller the enterprise, the more the mistakes are personalised for the entrepreneur. Moreover, the benefit from the failure experience may sometimes not be transferable to re-entry but may be used when entering some other market or establishing another business.

Based on our review, we propose a *cyclical, dynamic model on the interaction between non-linear internationalisation and experiential learning*, building on the re-internationalisation process model by Welch and Welch (2009) and the de- and re-internationalisation cycles model by Kafouros et al. (2022). In Figure 4, the internationalisation propensity and the discontinuity of internationalisation represent epochs, and the exit and re-entry triggers and processes represent the events within the internationalisation process that operate as the sources and bases of learning. The entrepreneurial experiential learning process that progresses alongside the non-linear internationalisation process can support the transformation of near-failure experiences into lessons learned and the internalisation of knowledge inputs, thus furthering internationalisation. However, if learning is inhibited by entrepreneurs, discontinuity remains the status quo of internationalisation. The model depicts alternative internationalisation pathways and offers different dynamics for explaining them. The model also illustrates the feedback loops of experiential learning with features either fuelling or inhibiting the process.

Figure 4 Dynamic model of learning in non-linear entrepreneurial internationalisation (inspired by Welch and Welch (2009) and Kafouros et al. (2022))



Our research makes multiple contributions to literature. First, it offers a more nuanced view on failure in the context of entrepreneurial non-linear internationalisation. Next, it highlights the significance of ‘near-failures’ for experiential learning in non-linear internationalisation. Finally, building on prior research on experiential learning in internationalisation, this study proposes a conceptual, theory-based cyclical model of entrepreneurial non-linear internationalisation, which highlights the role of learning from failures. In conclusion, our study provides several novel insights to International Entrepreneurship and International Business literature (see Table 1).

Table 1 Contributions of this research

	<i>Extant literature</i>	<i>Insights from our research</i>
<i>Non-linear internationalisation</i>	Describes the process mainly as event-based and treats de-internationalisation and re-internationalisation as separate concepts. Existing process models often depict linear progression.	We aim at ‘connecting the dots’ or linking the epochs of de- and re-internationalisation with a conceptual, theory-based explanation. Our proposed model depicts a cyclical, dynamic process with feedback loops.
<i>Failure in entrepreneurial internationalisation</i>	Understands that failure is categorical; the outcome of a process is either failure or success. Failure is typically considered as an exit (end of a story).	We propose that instead of a dichotomy, failure is a continuum, where different degrees of failure exist. Moreover, we highlight the importance of near-failures in the process of non-linear internationalisation.
<i>Learning in entrepreneurial internationalisation</i>	Identifies different sources of experiential learning and types of experiential knowledge. Less attention has been paid to the learning process – how learning happens.	We suggest that learning in entrepreneurial internationalisation is a cyclical, longitudinal process, which is deeply embedded in its context. During this process, entrepreneurs learn from different types of experiences, both positive and negative experiences of their own and of others. Entrepreneurs act as gatekeepers of learning: they determine whether learning influences the internationalisation of the firm. Entrepreneurial capabilities, timing and the context determine the impact of failure on entrepreneurial internationalisation.

Our reflective, integrative literature review provides a theory-based explanation to entrepreneurial non-linear internationalisation. The insights of our conceptual review invite further research in two main ways. First, we encourage scholars to revisit extant research on entrepreneurial internationalisation and find new research avenues by problematising it. Next, further empirical research may focus on the role of failure in entrepreneurial internationalisation and perhaps in challenging our thoughts.

Note that this study takes the viewpoint of a single decision-maker, which can be considered a study limitation. Future research can broaden the discussion by including studies that take into account entrepreneurial teams and the multiple levels of the firm, as decision-making is not focused around the entrepreneur in all SMEs. In particular, studies could investigate experiential learning as a cumulative process and the formation

of organisational memory during internationalisation. Studies focused on a single decision-maker could dig deeper into the capabilities of entrepreneurs; e.g., we may assume that the alertness to failure varies among entrepreneurs.

Given that both failure and success are subjective and highly context-dependent, more research on this topic is needed. In this study, we have given room to different interpretations of failure, brought forward the complexity of the topic and hopefully provided interesting insights for future research.

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