



FIN-URB-ACT

ACCESS TO FINANCE FOR SMALL AND SOCIAL BUSINESSES
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16/06/2010

Integrated urban actions
for fostering and financing
innovative economies and SMEs



European Union
European Regional Development Fund

Connecting cities
Building successes



AN URBACT II PROJECT

Work-group : access to finance for small and social businesses

- › This survey was realized in April 2010 about a database of 179 firms. These firms were founded by project holders who had attended training courses in the VTC of AFPA REIMS or was accompanied by one member of CREAREIMS.
- › Only 49 survey questionnaires could be analysed, because the questionnaire was too long, and the interviewees weren't available during working-time



European Union
European Regional Development Fund

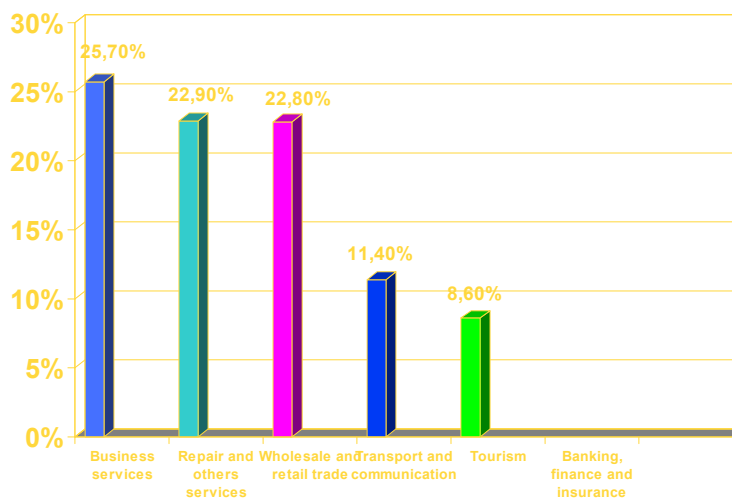
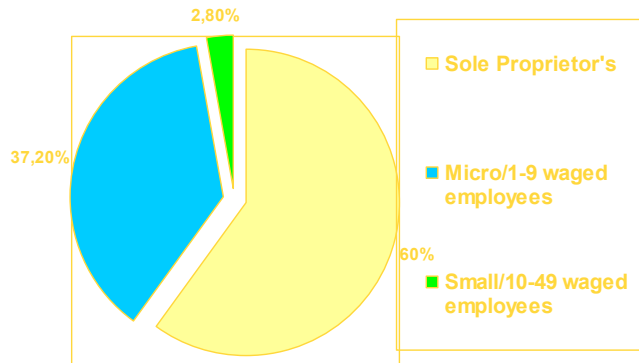
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1-Type of business

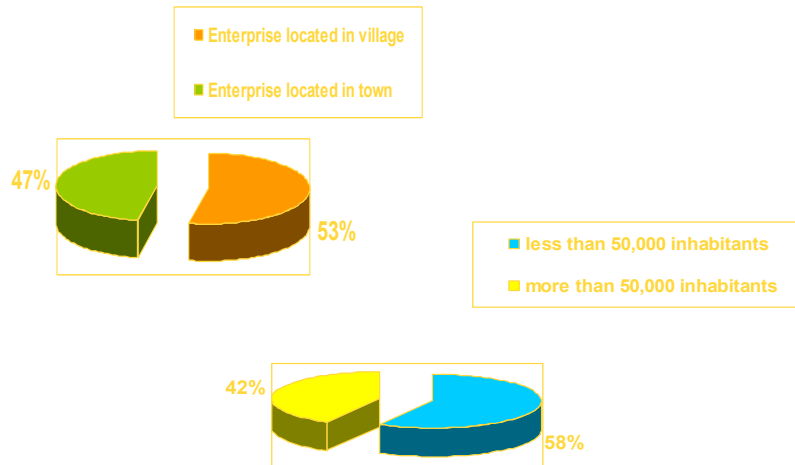


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2- Information about the firm



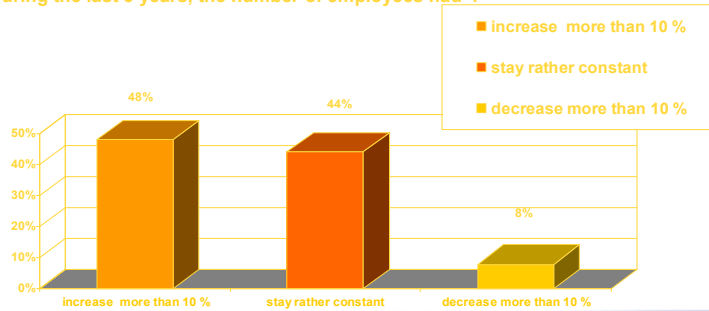
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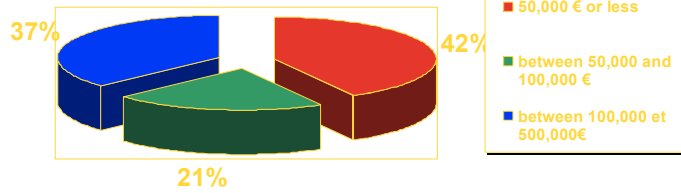
In the year 2009,
 -39 self employed people and
 - 75 (salaried or) waged employees
 are employed on part or full time basis in these firms

During the last 3 years, the number of employees had :

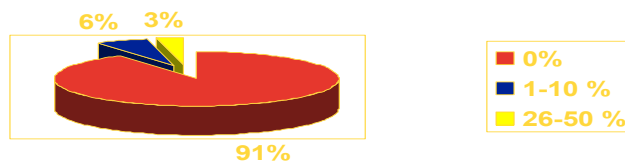




In the year 2009, the turnover in these firms was :



In the year 2009, the percentage of exports to total turnover in these firms was :

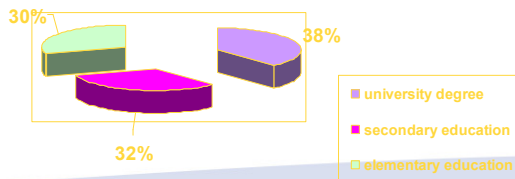


3- Information on the entrepreneur :

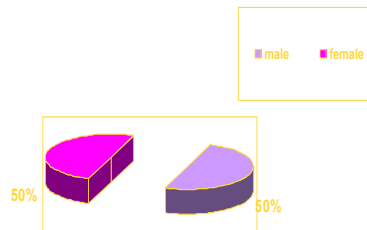
position of the interviewee



educational background of interviewee

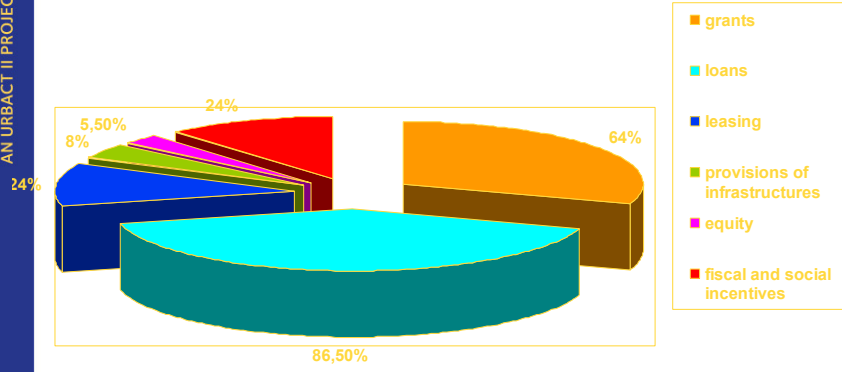


gender of the interviewee





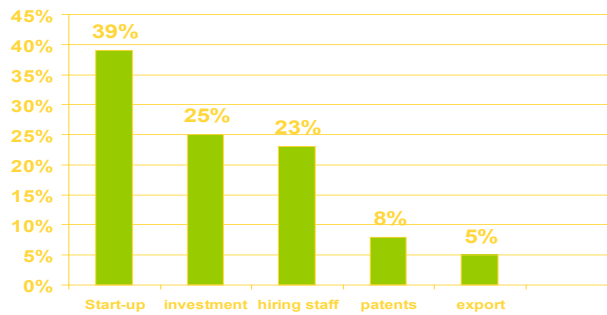
4- Access to finance : definition



4-1 Grants :

For 95 % of the interviewees, grants are a good source of funding because they reinforce, consolidate the float or fund for investment

During business life, grants should be available for :



Under conditions of training and support, they consider reasonable that a grant should be associated with a bank loan if the total of needs is high. So, the bank that gives the loan, should be processed application for the grant.



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4-2 Loans :

92 % of the interviewees agree that loans are the traditional way for businesses to have access to finance, they work with one bank only at 83 % but only 58 % are satisfied with the current situation to access to loans.

They think that, during the last year, the situation has remained the same on :

- Availability of loans
- Interest rates
- Grace period
- Reimbursement period
- Guarantees/collaterals
- Complexity of application procedures

Only 40 % of the interviewees know that loan guarantee fund exists in their region and only 57 % report to have access to it



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4-3 Leasing :

Only 24 % use leasing, mainly for commercial vehicles.

They are satisfied with this source of funding because no need of guarantees

4-4 Provision of infrastructure (land, premises, incubators...)

70 % of the interviewees are ignorant of existence and only 25 % are interested in this type of support, they don't have other expectations

4-5 Equity

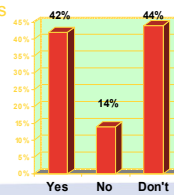
80 % of the interviewees don't accept financial partners, the reasons : autonomy – independence. For the other 20 %, they can only accept advice.

Mainly, they aren't interested in local investors, venture capital or business angels (77 to 88 %)

4-6 Fiscal and social incentives

For the question "is such kind incentives available in your region ?"

For them, the procedure is complex and they need more information





5- Support services related to access to finance

73 % of the interviewees have used **accountants and banks as advisers** and **82 %** are satisfied with their services.

They **know other advisers (40 %)** but **only 20 % had used their services** during the last 5 years. They were satisfied with their services in terms of :

- 1- the access to the service
- 2- the pricing policy of the service provider and the communication with this provider
- 3- the effect the use of the service had upon their enterprise

They consider that **support services are very useful (53 %) or rather useful (42 %)**

The main difficulty when using this kind of support services is, :

at first **finding out about the existence of respective support services (50 %)** or they said "**no problems encountered**" (50 %)

The main reason for their company not to use this kind of support services in the last 5 years was : **their firm did not have any need for any kind of external help (50 %)** or they were not aware of the existence of any support services (20 %)

They look for services at a local level (60 %) but they are not quite well informed (37 %) or not very well (34 %) on the availability of support services



They said that they have **strong need** for :

- **one-stop-shops** or similar facilities providing **general** information
- **professional information services**
- **advice or consultancy on specific business areas** with actual relevance to their firm such as management, marketing, production, accounting...
- **specific training courses**
- **financial services** like guarantees, loans, grants...

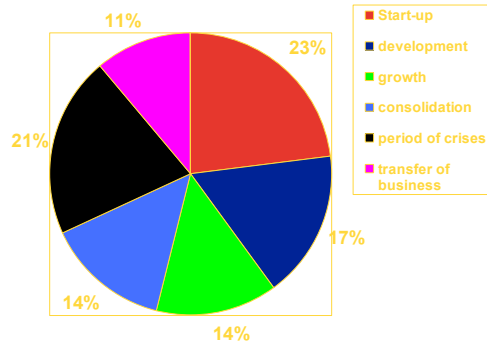
They need external support (but it's **not a strong need**) :

Marketing, sales and export, book keeping, accounting and tax return, management, financial and legal matters.





In their opinion the companies need more external support in the phase of :



Grazie Thanks
Danke **Merci** Gracias
Ευχαριστώ mulțumesc
Takk dziękuję dakujem hvala
Obrigado dziękować
tānan kiitos köszönöm aciu
Tack děkuji paldies
nižžik ħajr dank u wel

