

FINANCIAL STRATEGIES OF SMALL AND MEDIUM-SIZED ENTERPRISES IN POLAND

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Research methodology. The quantitative research was conducted in 2010 on the representatives of the Lower Silesian micro, small and medium-sized enterprises. The research was carried out on the quota-random sampling of the micro, small and medium-sized enterprises randomly chosen from the Eniro data base according to the quota criteria including size and location (by district). Maximum sampling error for a sample of $n=3210$ at confidence level of 95% (for a 50% figure) was 1,74%. The sampling error size for individual subsamples: for micro-companies ($n=3050$) = 1,77%, for small companies ($n=123$) = 8,84%, for medium-sized companies ($n= 37$) = 16,11%.

Results. The main results of the research conducted on the Lower Silesian enterprises can be summed up in the following observations:

- In the companies' declarations regarding their financing (especially the micro companies), there is a visible tendency towards relying on its own funds for development (71%) and avoiding outside financing. Every fifth SME would readily base its development on subsidies from EU funds (19%), almost as many on credit (18%), whereas fewer companies are willing to use leasing (10%). The micro-enterprises in general do not consider letting outside capital in – selling shares or stock market flotation. Among the rest of the SMEs, the highest percentage of the enterprises planning their development by the means of these instruments occurs in the medium-sized companies (in total 11%).

- The Lower Silesian SMEs use to a limited extent offers of the financial institutions– mostly banks (decisive majority), much less seldom leasing firms (6%), insurance firms (10%), consulting firms (2%) or warranties (1%).

- Three-quarters of the SMEs planning to finance their further development have financial needs relating to it.

- Almost $\frac{1}{4}$ of the SMEs declare that they spend money on research and development; yet on the level not exceeding 5% of their income.

- Almost $\frac{1}{3}$ of the SMEs – mostly micro and small enterprises – are not satisfied with the availability of the information regarding EU funds. A similar dissatisfaction – especially in the micro and small-sized companies – can be observed among the entrepreneurs with regard to the availability of the information pertaining to tender for co-financing ($\frac{2}{5}$ of the respondents).

- 89% of the SMEs have never applied for the co-financing from EU funds.

Novelty. An attempt to identify financial strategies of Polish small and medium enterprises and to define the role and effectiveness of using EU funds.

Practical value. Before defining directions of spending financial resources by Voivodeship authorities from the further budget perspective (for the years 2014-2020) the knowledge on methods and directions of using funds as well as barriers enterprise encounter when they want to access them will be a useful indication for rationalizing the decision.

Keywords: financing, investments, SMEs' financial strategy.

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