Editorial

Matteo Rossi*

DEMM Department,
University of Sannio,
Via delle puglie, 82, 82100 Benevento (BN), Italy
Email: mrossi@unisannio.it
*Corresponding author

Giuseppe Festa

Department of Economic and Statistical Sciences,
University of Salerno,
Via Giovanni Paolo II, 132,
84084 Fisciano (SA), Italy
Email: gfesta@unisa.it

Arturo Capasso

DEMM Department,
University of Sannio,
Via dellepuglie, 82, 82100 Benevento (BN), Italy
Email: capasso@unisannio.it

Gerardino Metallo

Department of Economic and Statistical Sciences,
University of Salerno,
Via Giovanni Paolo II, 132,
84084 Fisciano (SA), Italy
Email: gemetall@unisa.it

Biographical notes: Matteo Rossi is an Assistant Professor of Corporate Finance at the University of Sannio, Italy. His prime research interests are corporate finance, financial performances of SMEs, venture capital and corporate venture capital, and financial markets. He is the Director for International Relations of the EuroMed Research Business Institute. He is the Editor-in-Chief of the *International Journal of Managerial and Financial Accounting* (Inderscience). In 2014, he won the Highly Commended Paper Award of the *International Journal of Organisational Analysis* (Emerald) for the paper 'Mergers and acquisitions in the high-tech industry: a literature review' and in 2012, he won the Outstanding Paper Award of the *International Journal of Organisational Analysis* (Emerald) for the paper 'Italian wine firms: strategic branding and wine performance'.

Giuseppe Festa is an Assistant Professor of Management at the Department of Economic and Statistical Sciences of University of Salerno, Italy, EU. He holds a PhD in Economics and Management of Public Organisations from the University of Salerno, where he is the Scientific Director of the Postgraduate course in Wine Business and the Vice-Director of the Second Level Master's in Management of Healthcare Organisations – Daosan. He is also the Chairman of the Euromed Research Interest Committee on Wine Business. His research interests focus mainly on wine business, information systems, and healthcare management.

Arturo Capasso received his BA at the Università di Napoli in 1984, MBA at Columbia University, NY in 1988, and PhD at IUB, Cattolica Milano, Luiss Roma in 1990. He is a Full Professor of Corporate Governance, and the Director of the Graduate Program in Economics and Management at Università del Sannio. He is also Professor in Graduate Programs at Luiss Business School. He has published extensively on corporate governance, mergers and acquisitions, entrepreneurship and venture capital. His main research interests lie in the areas of corporate governance, private equity, venture capital, shipping companies. He is also an active consultant for many companies and institutions in Italy and abroad. He sits in the board of directors of Vertis SGR (Private Equity and Venture Capital Fund Management).

Gerardino Metallo is a Full Professor of Management and Corporate Finance at the Department of Economic and Statistical Sciences of University of Salerno. He is a member of several editorial committees of national and international journals. He has been awarded with the Best Paper Award at the GIKA Conference 2016. He has published in top journals, national and international, about: corporate finance, managerial issues, wine business, corporate and investment assessment. He conducts research, consultancy, and training to various organisations (both public and private) on finance, restructuring operations, business crises, and investment assessment.

The economic-financial crisis of 2007/2008 changed the relationship between small and medium enterprises (SMEs) and conventional investors (banks and other intermediaries). In this new scenario, SMEs must enlarge the channels to raise capital. Therefore, new investors and small companies are talking, and in this way, it is possible to assist a change in the relations with investors.

The new sources of finance for smaller enterprises include a variety of equity investors and a wide spectrum of public and private funding sources (Rossi, 2015). In recent years, the lion's share of studies and policy reports on the supply of risk capital has focused on venture capital (VC) (Lerner, 1995; Gompers and Lerner, 2001; Rossi, 2015, Rossi et al. 2017).

This trend requires specific studies to understand how SMEs finance their activities today. This call for papers, published at the beginning of the year 2019, wants to analyse the old and the new ways to raise capital for smaller companies.

The first paper of the special issue realises an examination of cross-national and national grants. In particular, the paper addresses the question of how grant-based subsidies can serve differently as quality certificates for new technology-based firms

(NTFs) when trying to raise VC. Based on 1,568 German NTBFs, Lins applies a non-parametric matching procedure to control for the endogenous nature of subsidy reception. The results show that cross-national grants have a strong certification effect, which reduces the information asymmetry between NTBFs and VC providers to the benefit of the new venture.

The next paper is entitled 'How did the global financial crisis impact the determinants of SMEs capital structure?'. D'Amato analyses how and to what extent various macroeconomic states influence the capital structure determinants of smaller firms. Based on a dataset of Italian SMEs during the 2006–2016 period, author uses a fixed effects panel approach to examine SMEs capital structure decisions before, during and after the financial crisis. The results show that the crisis negatively affected SMEs financial leverage, as the total debt ratio significantly declines in the period. However, the financial crisis has negatively influenced trade credit, given that it does not substitute for the reduction of credit from financial institutions.

The third paper studies the relationship between venture capitalists and value creation. The aim of the paper is to analyse the particular role of venture capitalists in the innovation system, with a specific focus on new, small, innovative firms in the European context. Rossi and Martini develop a secondary data-based research. In this paper, they show that the European VC market has shown that it is in good form. Returns on the European Investment Fund (EIF) grew at a 7% compound annual rate from 2011 to 2014, and money multiplier increased constantly (from 2011 to 2015), with strong growth in the last year. A preliminary finding of this research is that VC investments can create value for small firms, especially with regard to firm growth, beyond the start-up phase.

The next paper analyses the relation between smaller firms and public equity. It begins with the controversial origins of public equity corporations and the share as a financial instrument. It finds that developing other investment channels in a culture of direct investment in enterprise would be more beneficial to both SMEs and economies than the development of an equity culture with its associated unproductive trading. In this paper, Macaulay contests the conventional wisdom that persistently low levels of SME listing represents deficiencies of market design and presents publicly traded equity as fundamentally unsuitable for SMEs due to inherent structural flaws.

The last paper studied the crowdfunding in wine business. Festa et al. consider this tool as financing opportunity for smaller wineries. In particular, they develop an exploratory research, and they analyses specifically the possible mix of reward (how), together with the presumable expectations of the backers (why), for wine crowdfunding projects with non-equity finality. Prevalence of in-kind reward as return for the contribution, and no statistical evidence of connection between reward mix and financial success of the single project suggest that in this field, backers involvement is a key factor for financial coverage.

All the papers of the special issue confirm the growing attention to the new ways to raise capital for smaller firms. Therefore, these researches underline the need for a more in-depth study into new tools' impacts on SMEs.

References

Gompers, P. and Lerner, J. (2001) 'The venture capital revolution', *Journal of Economic Perspectives*, Vol. 15, No. 2, pp.145–168.

Lerner, J. (1995) 'Venture capitalists and the oversight of private firms', *Journal of Finance*, Vol. 50, No. 1, pp.301–318.

Rossi, M. (2015) 'The role of venture capital funds in financing innovation in Italy. Constraints and challenges for innovative small firms', *Int. J. Globalisation and Small Business*, Vol. 7, No. 2, pp.162–180.

Rossi, M., Festa, G., Solima, L. and Popa, S. (2017) 'Financing knowledge-intensive enterprises: evidence from CVCs in the US', *The Journal of Technology Transfer*, Vol. 42, No. 2, pp.338–353.