PICCOLA IMPRESA

SMALL BUSINESS

RIVISTA INTERNAZIONALE DI STUDI E RICERCHE

n. 3 - anno 2022

ASSOCIAZIONE PER LO STUDIO
DELLA PICCOLA E MEDIA IMPRESA

ASPI
Associazione per lo studio della Piccola e Media Impresa
Via Saffi, 42
61029 Urbino (PU)
www.rivistapiccolaimpresa.it

Redazione
Rivista Piccola Impresa/Small Business®
Via Saffi, 42
61029 Urbino (PU)
www.rivistapiccolaimpresa.it

Rivista accreditata AIDEA

Codice ISSN 0394-7947
ISSNe 2421-5724

®Registrazione del Tribunale di Urbino n. 204 del 16.6.2001 - Registro Periodici - Quadrimestrale - Contiene meno del 50% di pubblicita - Stampato presso lo stabilimento tipografico ROTOGRAF di Fermignano (PU).

Piccola Impresa/Small Business è una rivista quadrimestrale interamente dedicata alla pubblicazione di studi e ricerche sulla piccola e media impresa. È stata fondata nel 1987 dall' Associazione per lo Studio della Piccola e media Impresa (A.S.P.I.), Università degli Studi di Urbino "Carlo Bo", via Saffi 42, Urbino.

Piccola Impresa/Small Business is published every four months and is entirely devoted to the problems of small and medium-sized firms. lt was started in 1987 by the Associazione per lo studio della piccola e media impresa (Aspi), Università degli Studi di Urbino "Carlo Bo", via Saffi 42, Urbino.

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Sommario n. 3, 2022

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

EDITORIAL

DIGITAL TRANSITION: WHAT ARE THE CHALLENGES FACING SMALL AND MEDIUM-SIZED ENTERPRISES?

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Article info

Keywords: *Digital Trasformation and SMEs; Small Business; Digital Strategies; Strategic Ambidexerity; Leadership*

doi: *10.14596/pisb.3640*

Abstract

Purpose: *The aim of this editorial is to provide a contribution of analysis and reflection on the impact that the advent of Information and Communication Technologies (ICTs) and the digital transition have had and are having on small and medium sized enterprises (SMEs).*
Findings: *The editorial offers possible interpretative and normative guides to successfully understand and deal with the digital transformations of SMEs.*
Practical and Social implications: *The essay illustrates the threats and the opportunities deriving from the digital transition for SMEs, highlighting the need to adopt entrepreneurial behavior appropriate to the importance of the challenges..*
Originality of the study: *We highlight the importance of the leadership of the SMEs in tackling the challenges between preserving the old world and welcoming the new induced by digitization with strategic ambidexterity.*

1. The digital revolution, marketing 5.0, and the smart factory

In recent years, we have been witnessing a growing turbulence ascribable to the profound changes taking place in political, economic, social, environmental, technological, and legal contexts. Beyond the recent pandemic crisis and geopolitical upheavals (Pencarelli et al., 2022), which have caused a reframing of the optimistic vision that had accompanied the advent of globalization by shedding light on the risks associated with excessive interdependencies of the worldwide value chains, we are currently experiencing grave environmental discontinuity and uncertainty due to the digital revolution taking place with its plethora of unknowns regarding the present and the future of economic and social systems. In this editorial, space is given to reflecting on the question of whether this digital transition phase presents opportunities or conceals threats to the SME sector.

Digital transition began with the spread of the Internet, an intelligent infrastructure capable of connecting enterprises, machines, homes, people, and transportation means within a network that could be articulated in various ways, such as the Internet of communication, Internet of Energy (IoE), Internet of Logistics (IoL), Internet of Things (IoT) and Internet of Services (IoS). All of this is profoundly changing the way people and organizations operate. The number and type of available sensors is growing rapidly, thus making it possible for buildings to be fitted with intelligent meters and for technological devices to be connected to internet platforms, generating enormous quantities of data (Big data). The best-equipped enterprises will be able to utilize this data to gain better knowledge of production and consumption processes; they will also be able to create algorithms to both enhance their productive and logistical efficiency and their ability to segment the demand, as well as to create value propositions that are ever more personalized from a digital marketing standpoint.

The digital wave is manifesting revolutionary dynamics and bringing with it a phase of deep discontinuity in consolidated models (mental, social, cultural, educational, organizational, and managerial); this is requiring people and organizations to come up with new interpretative paradigms in order for them to comprehend and exploit new opportunities, neutralizing or limiting the potential risks associated with the new context. The health emergency has undoubtedly accelerated the spread and application of digital technologies on both sides of the consumption-production discourse; it has drastically modified the very structure of various sectors and, for SMEs in particular, has prompted a rapid revising of their competitive strategies and their organizational structures and processes. While consumers are using digital support more and more to obtain information, make comparisons, or buy and rate products, SMEs are enmeshed in deeply impacting competitive and organizational changes brought on by multiple phenom-

ena. In many sectors, alongside the eclipsing of certain traditional and/or "weak" actors in the value chain – often associated with commercial disintermediation processes – there also are appearing new actors and re-intermediation processes (online portals, sharing economy platforms, and electronic intermediaries and infomediaries). Moreover, the more innovative traditional actors are undergoing a gradual transformation as they begin to pursue strategies tied to innovations in business models and in marketing processes -whether information-based (Big data analysis), strategic (fine segmentation of markets), operational, or relational- by introducing ICT-guided practices having highly impactful effects on the competitive dynamics within the sector. As observed by Kartajaya et al. (2021), marketing has undergone a rapid evolution, over time, going from Marketing 1.0, where product orientation prevailed, to Marketing 2.0, client-orientated, to Marketing 3.0, value-orientated, followed by Marketing 4.0, where digital orientation, i.e., *Martech*, became the norm, and finally, to its latest configuration in Marketing 5.0, where technology serves humanity and where humans and machines collaborate. Worthy of note, Marketing 5.0 sees the application of technologies that imitate humans to create, communicate, offer, and augment value all along the customer journey.

In this new scenario, a series of advanced technologies, which include artificial intelligence (AI), augmented reality (AR), virtual reality (VR), the Internet of things (IoT), Blockchain, and natural language processing (NLP), are adopted to replicate human cognitive capabilities and learn from data in order to provide customers with better, personalized offers. There is widespread use of chatbots and intelligent robots for customer service, eye tracking and mouse tracking are used to understand customer behaviors in front of a computer or tablet screen, and facial coding works with a webcam to measure people's emotional responses based on their facial expressions. Marketing 5.0 adopts new technologies, called *next* technologies, to activate data-driven marketing (gathering and use of Big data to enhance marketing decisions), agile marketing (processes launched by decentralized and interfunctional teams to trigger rapid responses to problems that emerge in non-hierarchical, innovation-friendly contexts), predictive marketing (proactive marketing processes based on forecasting data and using machine learning to predict the outcome of marketing activities prior to the launch of a product or a campaign), contextual marketing (personalized, one-to-one real time marketing actions aimed at the appropriately profiled consumer in brick-and-mortar buying locations), and augmented marketing (actions that blend digital touchpoints, characterized by speed, with personal touchpoints, characterized by empathy, thereby augmenting the front line marketer's ability to create value).

Therefore, the umbrella term 'ICT' represents a conceptual container in continual evolution, one which consists of technological devices with

information capabilities that support decision-making and organizational process as well as information processing (Eller et al., 2020). Increasingly, we are seeing the fusion of physical and virtual worlds, along with the integration of physical and computational processes. Thanks to the IoT, interactions between and among goods and other physical objects are made possible, while the IoS allows sellers of intangible goods to offer value propositions to clients via the Internet. New payment systems based on digital technologies, i.e., *Fintech* services (Moreira-Santos et al., 2022), have brought about the most significant changes in the financial sector, accelerated by the restrictions and lockdowns imposed in the wake of the COVID-19 pandemic; e-commerce, the use of tools such as contactless payments, and financial services conducted remotely have increased exponentially, thus revolutionizing the sector and, indeed, the entire economy. In addition, a new factory model, the so-called *smart factory*, has emerged; thanks to integrated cybernetic and physical systems, people and machines can be assisted in the execution of tasks. In the smart factory, production activities achieve high levels of efficiency and flexibility, thereby saving time, also thanks to the fact that production processes can be controlled and coordinated via the IoT and the IoS.

The new digitalized world is based on six principles: a) *interoperability*, supported by the standardization of communication codes; b) *virtualization*, by which cybernetic systems can control physical processes; c) *decentralization*, where every computer or technological device has decisional autonomy, even in centralized control procedures; d) *real time data gathering and analysis* capacity; e) *orientation to service*, that is external as well as internal, toward clients outside and inside organizations; f) *modularity*, which allows a flexible adaptation to requested changes through the substitution and/or expansion of single modules (Pencarelli, 2020). In sum, there are two principal application fields for digital technologies: one projected toward the outside and one focused on the inside. The external processes can be geared toward formulating new value propositions for clients by reconfiguring the value chain and enhancing the experience and engagement of clients and of the other stakeholders, which can also include integrating and hybridizing the physical and the digital dimensions. The internal processes can foretell a greater use of data for an integrated management of production activities, a (better) understanding of clients, and a reconfigured organization, all geared toward the fuller involvement of employees leading to enhanced culture and digital competency (Balakrishnan and Das, 2020).

2. Digital transition and SMEs: risks vs opportunities

The technological revolution taking place, it must be noted, is having a destructive impact on many traditional businesses; those enterprises and nations that are not able to adjust to the changes by investing in digital infrastructure, equipment, and competencies are risking their very survival. As has been observed and highlighted by many, digitalization could also provoke devastating effects on employment levels, as AI and robotics will be able to replace human labor (especially in repetitive tasks not requiring creativity or empathy) in many management processes within businesses, including smaller enterprises. SMEs risk not being able to take advantage of all the potentialities of going digital, given that they are often still poorly connected to high-speed broad band internet and, compared to larger enterprises, they have a lesser chance of fully participating in a date-based economy or of exploiting cloud computing for data archiving and processing. SMEs are also less proactive in safeguarding their own data and are often reluctant to do so, even to counter security threats; thus, they are also at greater risk of becoming weak nodes in the hyperconnected infrastructure systems and supply chain (Kergroach, 2020).

Despite these challenges and dangers, digitalization will create new business and employment opportunities, increasing the demand for digitally competent personnel who can work in the new context generated by the digital revolution and by the new information and communication technologies. Ghobakhloo and Ching (2019) underscored how small and medium-sized enterprises can integrate modern digital technologies relative to intelligent production with traditional business operations in order to develop intelligent production processes using artificial intelligence. Park et al. (2020) highlighted how digitalization can foster, within an enterprise, organizational and strategic ambidexterity that allows it to operate with efficiency and flexibility as it balances the exploitation of existing resources and the exploration of innovative processes, without ever losing sight of its current management goals. Although the advantages are clearly different for SMEs than they are for large enterprises, given the significant digital divide that penalizes them, SMEs nevertheless have within their grasp unprecedented opportunities to optimize their business processes (Eller et al. 2020) and to come out stronger, post pandemic-induced crisis. Clearly, digitalization can bring significant advantages to SMEs by helping them to reduce costs and save both time and resources in their drive to better exploit not only their supply markets but also new markets located far from where the enterprise is based, even without having to commit an overly large amount of resources. In this vein, research conducted by Denicolai et al. (2021) has revealed a positive relationship between digitalization and internationalization of SMEs; more specifically, the authors un-

derscore how, in addition to investment in ICTs, entrepreneurs must have a full awareness of the potential value of digital resources in terms of the growth and competitiveness of the enterprises. Bettiol et al. (2021), in turn, point to the importance of historically accumulated knowledge by SMEs in the digital field, which helps them acquire the competencies, culture, and technological maturity necessary to optimize their competitive and economic performance.

Nevertheless, although Kergroach (2020) does recognize that some SMEs are on the leading edge of knowledge and technology – e.g. in Finland, Sweden, France, and the UK – he underscores the need for SMEs, in general, to be better prepared to grasp the opportunities that arise. The potential presented by digital technology seems all too often underexploited, particularly by traditional businesses located in rural areas with poor connectivity or little broad band access; such enterprises are less able to utilize cloud computing services, less proactive or careful concerning data protection, less aware of opportunities tied to digitalization, and less open to training their employees in the use of digital innovations. Eller et al. (2020) point out how the digitalization challenges that SMEs face can be overcome thanks to the widespread availability of technological resources, to their personnel's digital competencies, and to the adoption of clear strategies geared toward digitalization; they argue that small and medium-sized enterprises are therefore capable of grasping the opportunities to be had with ICTs without having to passively succumb to the digital revolution. In a similar vein, the contribution by Doerr et al., (2021) spotlights the importance of high quality, national digital infrastructure, which would facilitate SMEs' ability to take full advantage of digitalization and its inherent potentialities in order to pull out of the post COVID-19 crisis by activating e-commerce solutions and improving customer service, logistics processes, and operations management. Sun et al. (2021) also shed light on how, in China, the SMEs that were best able to respond to the crisis were those located in urban centers that were more or better equipped with digital infrastructure. Research on the role played by digital innovation in SMEs operating in the main 'Made in Italy' sectors (Matarazzo et al, 2021; Grosso et. al, 2021) reveals how the digitalization of management and marketing processes can represent an important means for improving company performance, both in terms of market performance and of financial bottom line. On this point, Matarazzo et al., (2021) show how digitalization allows even traditional SMEs to reformulate their business model in the aim of improving the consumer experience of online clientele by acting in the arena of cognitive, emotional, social, and sensorial information in all phases of the client relationship and of the customer journey. It bears noting that all over the world, for many SMEs, digitalization has most frequently and successfully offered the way out of the Covid-19 crisis. One research study

on 518 Chinese SMEs clearly shows that digitalization has allowed SMEs to effectively respond to the crisis and improve their performance thanks to the use of dynamic competencies (Guo, 2020). The study highlights how, besides activating short term actions needed to face the emergency caused by the slowing or stopping of production and to avoid becoming insolvent, SMEs turned to long term strategies, leveraging on digitalization to pivot and reinvent themselves, taking a new look at their value propositions, and broadening their strategic and market horizons.

Moreover, digitalization has presented the most significant opportunity for economic and social recovery because it has activated an emerging cybernetic form of entrepreneurship that is associated with the use of ICTs. In the wake of this conceptualization, the study conducted by Tajvidi and Tajvidi (2020) first examines the main differences between traditional entrepreneurship based on the physical dimension of processes and cyber entrepreneurship based on the partial or total digitalization of processes; it then delves into how cyber entrepreneurship is applied in the food sector, highlighting how ICT applications (social media, Apps, e-commerce websites) have helped numerous enterprises in the sector to resist and overcome the Covid-19 crisis and generate sustainable economic and social pathways.

3. An interpretative model and the role of leadership in managing change

In consideration of what has so far been revealed, there emerges a scenario where the figures that govern small enterprises, whether owner/entrepreneurs or managers, are facing a new phase of history characterized by profound changes and continual rapid evolution, in which many consolidated paradigms are being tested and are requiring new interpretative lenses capable of managing the digital transition. Essentially, a synthesis of the old and the new must be sought and found, overcoming the inevitable uncertainties tied to present upheaval and future unknowns, which can no longer be tamed by holding fast to a traditional managerial culture. There must be found a synthesis of the present dialectic, which derives from the past and the strata of previous strategic pathways, and the new dialectic, which looks to the future.

To this end, Rullani & Rullani (2018) have proposed an interpretative model that they have named "4x2R", designed to face the digital transition but also useful, in general, to comprehend the challenges posed by change. The term "4x2R" derives from the fact that the interpretative schema brings together two forces: that of conservation (thesis) and that of innovation (antithesis), along a pathway that consists of four phases: 1) a first phase in which enterprises strive for maintenance of what already exists and pose Resistance to the affirmation of the new; 2) a second phase in

which a break, or Rupture, occurs and enterprises are orientated toward processes of Restoration and conservative defense of the past, even in the face of an evident Revolution that fosters positive expectations regarding the emerging newness; 3) a third phase of Resilience in which enterprises begin to introduce some new elements in both strategies and processes, letting them coexist alongside what is established, fruit of a moment of Reflection on innovative dynamics that take into account the negative effects that they can generate; 4) a fourth phase in which enterprises begin to overcome the dichotomy between the old and the new and move toward a dialectic synthesis that favors a paradigm change in them, both in terms of strategic ideas (Redesign) and in terms of their practical adoption (Reorganization). This model allows enterprises to frame and analyze what has happened in, for example, areas like the restaurant industry and the retail industry; in these sectors, the advent of digitalization has represented a tool used by many organizations to successfully overcome the Covid-19 crisis, but other enterprises have not always been ready to grasp the opportunities offered by ICTs. While some SMEs managed the worldwide health emergency by innovating their business model, pivoting to e-commerce solutions, turning to collaborations on digital platforms, and introducing home delivery systems in order to satisfy old and new clients, other enterprises simply tried to outlast the crisis by counting heavily on financial support measures provided by the government. From the perspective of the Rullani model, it can be said that while the former were able to redesign and reorganize their strategic path and become part of the wave of creating new forms of value for consumers and organizations, the latter remained anchored to the tried-and-true, firmly entrenched in waiting for the Covid-19 crisis to end and for digitalization trends to be clarified, unwilling to embark on new paths and preferring to defend the old standbys in a conservationist or restorationist outlook.

Before the start of the pandemic, this conservation-innovation dialectic process had already begun with the advent of new enterprises with at their core digitalized business models that were having a destructive effect on numerous sectors where the most fragile actors were forced out (especially true in retail trade) or, in other cases, were provoking conservationist and restorationist responses from traditional businesses; in the most virtuous cases, initial resilience was followed by the redesign and reorganization of traditional business models to follow multichannel and omnichannel pathways. In sum, SME leadership has clearly played a critical role in such scenarios. In fact, Matarazzo et al. (2021) underscore the critical nature of a leader's dynamic capabilities, such as intuitiveness, ability to research, learn, and make choices. These capabilities are indispensable for using internal and external resources and digital competencies in an integrated way so as to formulate market-appropriate, innovative value propositions.

From a similar perspective, Charoensukmongkol (2021) identifies the ability to improvise as one of the gifts that successful entrepreneurs possess, one which helps them to carry out certain activities under the pressures of time constraints, to be innovative in seeing and grasping opportunities that arise, and to be tenacious and use their innate stick-to-itiveness, even in the face of seemingly insurmountable obstacles or failures, because they are self-confident and highly motivated. This is why the ability to improvise has proven to be so crucial in guiding the entrepreneurial behaviors of those smaller enterprises that have been capable of learning extemporaneously in order to pivot and have the flexibility enough to successfully face the health emergency in a rapidly changing context. Creativity is another of the notable competencies that have emerged as useful for SMEs if they are to respond to the pandemic with resilience, leveraging on digital innovation, also thanks to and supported by government policies (Thukral, 2021). Going a step further, Chhatwani et al. (2022) shed light on another facet of resilience, termed psychological resilience, which goes hand in hand with the ability to resist and face the SME depression in a positive way; this is a vital resource, one that can ensure the very survival of small enterprises during pandemic times. Today, leaders are required to possess a greater awareness of the fact that, for some time now, the only certainty that must guide the governance of an enterprise is that change will be a constant, manifesting itself ever more rapidly, characterized by uncertainty and unpredictability in contexts that are internal and external to the organization. In SMEs, leadership roles are those that, more than any others, are put to a rigorous test by the never-ending endogenous and exogenous changes taking place; therefore, the leadership figures must face the new challenges and align themselves with the updated competencies, strategic abilities, and values of small entrepreneurs and managers.

While this is always true, it is even more so in situations like the current one in which the uncertainties surrounding the future of the digital revolution must be faced by those at the helm of enterprises, those who will need to take the long view and possess optimism and determination if they are to comprehend and manage the changes proactively and not merely reactively. Leaders must find the courage and the fortitude to innovate, recognizing that not all of the conditions that had guaranteed levels of performance in the past can be replicated in the future. Thus, they must find allies inside and outside of the organization in order to bring about the change of culture that is necessary if they are to redesign and reorganize the new digital ecosystem's organizations; they will need to act with confidence, courage, optimism, and tenacity to neutralize any potential cultural resistance of people who lean toward conservationism. To meet the digital challenges that have emerged, SME leaders must adopt an approach consisting of constant strategic ambidexterity, indispensable for dealing with

continual change, and they must balance the requirements of day-to-day management with those of innovation. In addition, they must also adopt situational approaches and be able to adapt the organization's management processes according to evolving internal and external contexts, relative to the complexity of events determined by the new technologies and to the maturity of their employees' and colleagues' digital competencies. In sum, within context of growing digitalization, SME leaders must rely, not only on the entrepreneurial mindset, in the traditional sense, that is based on improvisation, flexibility, and intuition, but also on new digital knowledge and competence that are necessary to discern the direction of change and to formulate strategies suitable for taking up the opportunities therein. In support of this significant leadership innovation, the role played by public policies, by formation entities, and by universities will certainly be invaluable, in line with the *lifelong learning* perspective – useful for society as a whole, but indispensable for future leaders who are called to come to terms with the digital revolution. State-sponsored programs are just as important for relaunching the entire entrepreneurial system worldwide, post Covid-19 (Ratten, 2021) and for augmenting the digital culture of the general population and of enterprises. In SMEs, digital culture represents a foundational pillar for the adoption of new technologies along with appropriate technological and human resources, as well as new organizational structures capable of setting up digital smart factories and follow effective strategies to optimize managerial decisions and implement effective digital marketing strategies (Bettoni et al., 2021; Sidek et al., 2023).

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RESEARCH ARTICLES

PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

THE NEW DIGITAL SALES ENABLERS

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Article info

Date of receipt: *13/10/2021*
Acceptance date: *29/08/2022*

Keywords: *B2B Digital strategies; E-marketplace; Digital enabler; Omnichannel; Crisis driven innovation; Business model; SMEs*

doi: *10.14596/pisb.2975*

Abstract

Purpose: *The global health emergency situation in 2020 has asked some companies to review the business model in a context characterized by a strong digital transformation. On this innovative drive, new digital players able to support the digital transformation of companies have emerged. This process is particularly relevant in Italy, where SMEs operating in B2B are increasingly approaching these technological solutions. The aim of the paper is therefore to understand what the main characteristics of the business model of the new B2B digital players are and what have been the main changes considering the crisis driven innovation perspective.*
Design/methodology/approach: *The methodology used in this study is based on a constructive multiple case research design.*
Practical and Social implications: *New digital actors are relevant for SMEs as they support companies in developing a digital strategy, coordinating the use of different platforms including marketplaces, to identify new customers or strengthen relationships with acquired customers. The combination of all these solutions leads to an increase in the global presence of the players belonging to the network, providing an international showcase. The new solutions proposed by digital players are data driven and the potential of technology can only be fully utilized by adopting a holistic approach, considering the possibility of co-creating value.*
Originality of the study: *Through the research, new digital players identified in digital sales enablers emerge. These actors support the digital transformation process of a company and its activities in a national and international context, providing and implementing their digital strategy.*

1. Introduction

The pandemic that began in 2020 has led to the emergence of an unparalleled situation in health, economic and social terms. In this landscape, many critical issues and challenges have been faced by companies especially operating in the business-to-business context. In particular, the Covid-19 context led to the suspension of all face-to-face business meetings and trade fairs, leading to an increasing relevance of digital contents. This new trend in business context has required a better comprehension (Ritter and Pedersen, 2020).

A growing number of companies, adopting a forward-looking entrepreneurial vision (Bessant, 2020), have decided to respond to the new challenges by investing more in the new digital distribution and communication channels.

In this scenario, the main aim of this paper is to investigate the emerging of new players that support the process of channels' digitalization in B2B context and the evolution of their business model. A particular attention has been recognized to changes in innovative services provided by digital players to SMEs in order to sustain their digitalization strategy.

Digital innovation is now taking on a central role, not only in the B2C market but also in the business market, both for large corporations and for SMEs.

Taking into consideration the Italian business context characterized by the significant presence of SMEs, as evidenced by a NetComm research, "there are over 52% of Italian B2B companies, with a turnover of more than € 20 million, active in e-commerce sales with own website or with e-marketplaces, up 10% between January 2016 and September 2019. While there are about 75% of Italian business buyers, with turnover exceeding € 2 million, who use digital channels in some phases of the purchase, mainly to seek and evaluate new suppliers" (NetComm, 2020). The focus on digital in B2B market was strengthened in 2020, albeit with a slower path than B2C (Salesforce, 2021).

This evolution has also led to the emergence of new players, and their new services, that support companies in developing the digitalization of marketing channels. As highlighted by findings, the new digital sales enablers carry out strategic activities for client companies, allowing them to develop an effective digital strategy. The attention on Digital Sales has been also influenced by the development of digital servitization (Classen and Friedli, 2021) that has allowed client company to better understand what value digital services create (Hasselblatt et al., 2018). This allows a better identification of which is the most suitable support that can be provided by the digital sales enabler. In detail, digital enablers are those actors (i.e., web marketing agencies, technology business providers, etc.) who can provide different services to support commercial interaction between brand owners

and their customers. Digital sales enablers can support the interaction not only between the brand owners and their customers (through e-commerce platform) but also between the brand owners and e-marketplace. B2B e-marketplaces can be defined as those neutral internet-based places where it is possible to exchange information, products, services and payments between business buyers and suppliers virtually (Laudon and Laudon, 2000).

In order to better understand these dynamics and answer to the aim of this paper, the main research question is: *how can emerging new players support the process of channels' digitalization in a context of crisis –driven innovation?*

The article is organized as follows. The next section presents the theoretical background. Then, the methodology is presented followed by the analysis and discussion of two emblematic case studies. Finally, conclusion and managerial implications are provided.

2. Theoretical background

2.1 Crisis driven digital innovation

The extreme situations where there are urgent needs and limitations of available resources, lead to rethinking and recombining business activities in creative ways, by configuring a crucible for innovation trajectories (Dees, 2009). From this perspective crisis requires a turning point (Pedersen et al., 2020), a new way of doing business and extraordinary activities to handle the effects before a new "normal" stage.

In literature, the concept of "crisis driven innovation" (CDI) belongs to a broader field of research - i.e., the Crisis Management. When we talk about CDI, we generally mean the set of innovations that arise from new innovation trajectories and that potentially, in extreme cases, can become disruptive innovations, when they begin to challenge traditional dominant models (Christensen, 1997).

These innovations usually respond to new needs emerging in the market side and they could represent a simplification of an existing offer (Bessant et al., 2012).

In recent context, the crisis created by COVID-19 generated a broader impact of some business process with effects also in the new normal. Some research highlighted that most on CDIs related to the Covid-19 pandemic, originated in different industries, and covered a broad range of typologies (Dahlke et al., 2021), also considering the impact on business relationships.

In these years, business market has been mainly characterized by the acceleration of digital innovation related to marketing channels. In this vein, the innovative process of firm digitalization started before the pandemic period and has been pushed by the same. The pandemic period influenced

the value demonstration that concerns the ways in which organizations demonstrate customers the advantages of their value propositions. In traditional perspective value demonstrations mainly involve personal meetings, trade shows, face to face relationships (Anderson and Narus, 1998, Collis and Rukstad, 2008).

More specifically, the limitations due to pandemic period required firms to identify new channels in order to provide value to their customers. In B2B market, brand owner activated digital channels and more general digital touchpoints to maintain a long-term relationship with their customers.

In particular, the CDI shed light on the process related to the digitalization of touchpoints concerning the relationship between a firm and its customers and heterogeneous stakeholders. The combining of physical and digital touchpoints allowed the interaction between customer and company, with new direct and indirect contacts (Payne et al., 2017). Digitalization has also affected communication-related touchpoints, defined "an audience-driven business process of strategically managing stakeholders, content, channels, and results of brand communication programs" (Kliatchko, 2008, p. 140). The touchpoints are considered as episode of direct, or indirect, contact with the brand (Baxendale et al., 2015).

The digital innovation related to digital touchpoints very often require companies to activate relationships with digital players such as brokerage platforms - the so-called "e-marketplaces" - or new digital players that can support the activation of own digital touchpoints such as e-commerce.

These actors leveraged on the digital servitization process that influenced sales activities (Classen and Friedli, 2021). In fact, in recent years new companies (i.e., web marketing agencies, technology business providers, etc.) have introduced different services to support commercial interaction between brand owners, retailers/wholesalers and other intermediaries and their customers.

Over the last few years, also these players have innovated their business model to respond to the requests of companies increasingly attentive to developing a new digital strategy. In particular, numerous studies have considered the concept of business model with different interpretations. The business model has been associated with business activities (Ritter and Lettl, 2018), and with business process re-engineering. Other studies have investigated the archetypes of business models, defining the essential elements for developing the business (Osterwalder and Pigneur, 2010) and their interaction (Ritter and Pedersen, 2020). The business model describes "a rationale of how an organization creates, delivers and captures value" (Osterwalder and Pigneur, 2010, p. 14).

2.2 New digital players

The use of technology in B2B relationships is a topic that has been gaining increasing attention in recent years (Liu et al., 2020). This attention emerged both from the academic and the business world due to the evolution of customers' needs related to B2C and B2B market. In particular, digital marketing strategies (Salo, 2017) and the development of digital mediation have been analyzed, with a focus on the technologies used in marketing processes, as well as on how a technology influences processes and relationships (Yadav and Pavlou, 2017). Recently and especially following the 2020 pandemic, a series of players both traditional (such as B2B e-marketplaces) and new digital players are emerging. These latter emerge in support of companies by providing them with a series of activities in response to new needs that arises for companies forced to review their business strategies based on the constraints posed by the pandemic situation (Papagiannidis et al., 2020). The COVID-19 pandemic is probably one of the most significant crises that companies have experienced in the last 50 years, both in terms of its global reach and of its impact at numerous and different levels (Papagiannidis et al., 2020). Covid-19 has impacted how companies access services and how make use of activities from external suppliers (Soto-Acosta, 2020). Companies can take advantage of these actors as digital player can ensure internal flexibility managing creation and negotiation of contracts with stakeholders. In this way, companies can get on–demand access to external talent of digital players anywhere in the world without having to introduce specific internal skills from scratch. Digital players help brand owner and retailer to develop an omnichannel strategy by facilitating complex activities. Omnichannel was defined by Verhoef et al. (p. 176, 2015) as "the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized". Rigby (p. 9, 2011) defined omnichannel as "the perfect integration of the digital and the physical". Omnichannel requires companies to coordinate different communication and distribution channels to ensure the same customer experience, both in a B2C context and in a B2B context. This activity enhances the different points of contact with the customer (Picot-Coupey et al., 2016) to support buyer journey in B2B context. The decision between multi and omnichannel regarding which is the best strategy to be improved in companies has always been topic of discussion between both academic and practitioners (Ailawadi and Farris, 2017).

Omnichannel strategy differs from multichannel strategy (Berman and Thelen, 2018) even if both strategies enhance the presence of a multiplicity of channels. In fact, multichannel strategy is more focused on individual channels where each channel is managed separately with specific objec-

tives. Omnichannel strategy, instead, recognizes the centrality of the customer managing all channels in a coordinated manner and allowing customers to choose the channel according to specific needs and preferences.

In particular, digital servitization stressed the evolution of sales function (Classen and Friedli, 2021). For this reason, several new companies (i.e., web marketing agencies, technology business providers, etc.) affirm themselves as providers of different services to support commercial interaction between brand owners and their customers. The new digital players can therefore be considered as business partners for companies interested in developing an omnichannel strategy, facilitating interaction between buyers and sellers.

In this context, digital players provide specific support in terms of new activities and services to respond to a change that has emerged in the business environment in order to support the channels digitalization. This could be related to the launch of the own e-commerce platform and the creation of new relationship with e-marketplace. There are different types of digital players. Some may deal with specific service applications. These players integrate a series of additional services that can be used remotely in a private and secure way to a basic platform, such as a traditional B2B e-marketplace in a "pay-per-use" perspective. Other actors can make available e-sourcing activities, for examples tools to support the search for new suppliers, the definition of their status, online negotiation through electronic auctions, the request for proposals or the request for quotes (Balocco et al., 2010). There are actors who deal with e-catalogue activities, supporting the recursive purchasing process of products and services based on web catalogues when the commercial conditions have already been agreed. Other actors, on the other hand, guarantee supply chain execution, that is the cycle from order to payment including logistic and administrative activities, integrated and digitized (Petersen et al., 2007). Finally, some actors monitor and collaborate in the digital supply chain. This aspect refers to the collaboration activities between buyers and suppliers, including production and procurement planning, development of new products, monitoring and control of the supply chain (Kaplan and Sawhney, 2000). Attaran (2020), for example, provides a clear explanation of the impact of these new actors in the supply chain.

Focusing the attention on B2B e-marketplaces, we consider them as those neutral internet-based places, where it is possible to exchange information, products, services and payments between business buyers and suppliers virtually (Laudon and Laudon, 2000). B2B e-marketplaces are digital players that provides various "general" services to support commercial interaction between companies. They foster the relationship with different stakeholders, mainly suppliers and buyers (Albrecht et al., 2005; Kaplan and Sawhney, 2000; Swani et al., 2014). In particular, the advantag-

es of coming into contact with a B2B e-marketplace are different. Primarily, B2B e-marketplace can reduce unit cost by allowing buyers to aggregate demand and achieve better economies of scale, protect participating companies from the opportunistic behavior of others, reduce overall operating costs, reduce search costs by facilitating price comparison, products and services (Bakos, 1998; Kaplan and Sawhney, 2000), reduce marketing costs compared to traditional marketing channels and reduce the number of marketing personnel (Sculley and Woods, 2001). Secondly, B2B e-marketplaces can support interorganizational interaction and provide specific benefits to participating companies and their supply chains. Finally, B2B e-marketplaces increase the dissemination of knowledge. Buyers can access more information both on potential suppliers and on their products and services (Eng, 2004); while suppliers can make themselves known to a wider audience. They can be operational 24/7 and 365 days a year, facilitate their global presence by exploring new market segments, be interactive more effectively in terms of service marketing communication and improve relationships with customers. While the benefits are evident from one hand, on the other hand there are some critical issues that must be considered when talking about B2B e-marketplaces (Petersen et al., 2007). The critical mass of involved participants is a fundamental aspect for a B2B e-marketplace. In fact, the advantages realized by users increase as their number increases. However, as the number of participants increases, the e-marketplace is also in a better position to impose significant transfer costs, i.e., between the future price and the spot price of a good or service (Bakos, 1991). Digital players can be strategic especially for SMEs (Jiang et al., 2019). Indeed, while the main obstacles for SMEs are related to time/cost and limited skills, these actors provide a series of activities that fill the technological gaps that SMEs may have. Despite the benefits, the SMEs, predominant in Italy, are not fully aware of the opportunities that these actors can offer (Stockdale and Standing, 2004) and, alone, could have difficulty in activating an omnichannel strategy quickly (Chong et al., 2010). For these reasons, this research considers the Italian business context because characterized by significant presence of SMEs and the value network of e-commerce and digital retail that involve various players (NetComm, 2020). In fact, there are many different players as marketplaces, retailers and brand owners, online advertising platforms, companies specialized in offering customer care services and communication, marketing and digital consulting agencies. There are also web design and content management agencies, software houses, system integrators, and providers of innovative technological solutions for e-commerce. The other players involved include operators specialized in logistics, packaging and payment services. Marketplaces represent the sector characterized by the greatest growth both in terms of turnover (+ 26% average per year) and employees (+ 20.9% average per

year), followed by online retailers, brand owner and customer care activities. In this scenario, the important role of the new digital actors emerges, which are able to integrate some functions of the actors described above, supporting the digital strategy of SMEs (Jiang et al., 2019).

3. Research Methodology

The methodology used in this study is based on a constructive multiple case research design (Yin, 2018) for two main reasons. Firstly, it allows "an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; in which multiple sources of evidence are used" (Yin, 1984, p. 23). In fact, qualitative research method provides a deep understanding of a complex phenomenon (Narooz and Child, 2017). Secondly, this type of research allows to improve the solidity of a qualitative analysis (Herriott and Firestone, 1983), strengthen the validity of the discussion in terms of replicability (Yin, 2018) and is generally adopted to investigate the empirical implications of the literature of reference (Fawcett et al., 2014; Yin, 1989). The selected case studies, Brandon Group and Femar Consulting, respect some inclusion criteria, they are: a) characterized by a strong digital orientation; b) born to support the implementation of digital omnichannel strategies and activities of their customers; c) already existing in the pre-pandemic environment, these actors evolved their business model in order to answer to changes coming from their business clients; and d) working also on the Italian market through activities in support of Italian small and medium-sized enterprises.

Even if the two case studies present the previous common aspects, they are characterized by some divergences. Brandon is a Group, while Femar is a medium enterprise. In addition, Brandon provides a strategic consulting through a 360-degree analysis of its business clients, while Femar applied a more operating approach supplying specific products and services to its business clients.

The choice to focus attention on these case studies is given by the fact that, although SMEs operating in the B2B context do not generally recognize the implementation of omnichannel strategies, in recent years there has been an innovative push that has been consolidated and strengthened. following the Covid-19 health emergency. Furthermore, the selected cases are best practices that have continued to grow and develop in 2020, even in a crisis situation, proposing innovative solutions.

The data collection for this research was mainly conducted between May 2020 and October 2021 and consists of the integration of primary and secondary data. The secondary data consists of an in-depth desk analy-

sis through the study of scientific articles, specialized journals, conference proceedings, company presentations, organizational charts and market research in order to ensure the internal validity of the results. The primary data, on the other hand, consist of information collected through 5 interviews with the company representatives of the individual case studies analysed and 5 interviews developed with Industry specialists. In particular, the interviews focused on the business model of the new digital players and on the changes that occurred in the Covid period. From a crisis driven innovation perspective, the changes implemented in the business models of digital players were analysed. In addition, other topics involved the phygital perspective of marketing channels.

4. Case study

4.1 Brandon Group

4.1.1 Business Model

Brandon Group is an expert and online sales enabler for brands and retailers. Customers are mainly brands, whose catalogues are uploaded to a proprietary platform. Brandon supports companies in the digital sales process and optimizes their visibility on multi-brand e-commerce platforms.

The main activity of the group consists of end-to-end services for managing the online sales and post-sales process, thanks to the combination of intelligent software and strategic services for analysing data generated by online sales and traffic. In particular, the services concern the digitization of catalogues, the SEO description of the products, the definition of the online sales strategy. There are also services relating to logistics, dynamic pricing and feed management and big data analysis, customer care and the management of returns and after-sales.

Brandon's proprietary technology platforms automate the sales process and create a direct, real-time link between customer brand warehouses and e-commerce platforms. Through the analysis of internal Big Data, Brandon carries out the planning of the digital strategy of customers according to the emerging trends and the optimization of the positioning of the products offered in the online market.

In particular, the company focuses its business on the fashion, sport, home & living and beauty sectors. In 2019 Brandon achieved a strong increase in revenues, thanks to the activation of relationships with new business partners and the numerous references offered, on over 50 e-commerce platforms, in 35 countries. Most of the companies that turn to Brandon are companies interested in selling products in Italy and in an international context.

Over the years Brandon has also developed a B2B2C perspective, considering sales through active stores in the various marketplaces, management of brand-owned stores, and the management of a vertical site for cosmetics

4.1.2 Changes in 2020

Between January and May 2020, Brandon recorded a relevant growth in the B2B channel compared to 2019, especially considering the parapharmaceutical sector (which grew by more than 12 times compared to the same period last year). An increase was also recorded for the beauty & cosmetics sector.

In 2020 Brandon activated an eProcurement channel dedicated almost entirely to the parapharmaceutical sector, for the procurement of Covid-related products. The company has thus responded to a specific market need, considering that large Italian groups have taken steps to search for personal safety products by finding closed suppliers.

In the commercial sphere, various categories were also considered that required a reallocation of resources.

In this way, the platform has become an enabler of relationships that concern the entire value chain, starting from the relationship with customers (brand), up to the distribution platforms downstream of the supply chain, also considering the various business partners. Such relationships are important to facilitate the growth of SMEs, for example, by supporting international online sales.

In 2020, Brandon's diversification strategy was further strengthened, considering new markets and new channels.

The optimization of the sale takes place with proprietary tools integrated with the platform. The developed algorithms allow to optimize the pricing, the single shipment and the probability of return to guarantee sales and margins. The order, payment, logistics and return management are handled by Brandon.

In particular, Brandon supports client brands in reaching consumers through full price and discount sales channels. The distribution of the full price catalogue on the main generalist and vertical e-tailers is developed through dedicated online stores on marketplace platforms, uploading the catalogue to Brandon's proprietary online stores, wholesale sales with the main international e-commerce sites. The discount product catalogues are instead sold through flash sales campaigns on the main online private sales sites, in online stores, temporarily or until exhaustion and wholesale with the main international e-commerce sites.

4.2 Femar Consulting

4.2.1 Business Model

Femar Consulting supports the definition and development of its clients' omnichannel strategy. Since 2010, the company has focused its activities on iCatalogue, the Mobile Enterprise Catalog Management platform. iCatalogue is a service offered in cloud computing with a PaaS (Platform as a service) model. Femar as a service provider offers cloud-based access, where users can develop and manage applications while suppliers can provide the infrastructure. Users can also use a suite to develop, customize and test their applications. Businesses sign a contract to use the service.

The technological solution allows customers to make order management processes more efficient. The service is complemented by consultancy activities dedicated to the integration of the various systems and their use. A complementary service consists of consultancy for the launch and use of the platform.

Femar's main goal is to develop a digital system based on Made in Italy, through the offer of an omnichannel order management system.

Femar's customers belong to three main sectors: food & beverage, retail goods, fashion and clothing.

4.2.2 Changes in 2020

During 2020, and following the health emergency situation, the demand for the use of the platform to develop an omnichannel strategy has increased significantly, consolidating the growth seen in 2019.

Regarding the changes that the company's network of relationships has undergone, the indirect distribution and sales channel is developing. In fact, the difference compared to past years lies above all in the demand expressed by system integrators interested in adopting omnichannel integration solutions. System integrators come into contact with Femar indirectly (word of mouth from their customers) or directly (spontaneous searches).

The platform requires a medium level of access to its use and this discriminating factor leads to include above all SMEs structured from an IT point of view. Before 2020, these projects tended to be developed primarily by marketing, while now the two main players are IT and Sales. This change has also improved the integration dynamics that are at the basis of the emergence of this type of solution. The platform allows for integration with the customer's warehouse by knowing the available products in real time. The management of returns and customer care must also consider the language of the purchases. The platform guarantees the management of data integrated with data lake (a platform that puts different data into a system) and

allows for sophisticated analyses to be carried out with control and monitoring dashboards, generating inputs to improve the catalogue itself.

The platform makes it possible to manage sales by centralizing customer and product data while also maintaining constant alignment with sales agents who take orders and bid on the go, leading to significant savings in terms of time and resources.

The digital potential that the company sees mainly concern Italian companies that need innovative solutions accompanied by up-to-date skills in order to contain development costs on new markets and, at the same time, accelerate time to market by seizing business opportunities. The company intends to develop an internationalization strategy.

The image of the customer brand is optimized, based on the requirements of each marketplace. Each marketplace has its own rules, consider for example that in the Middle East area images cannot predict the presence of the human figure. Brandon also carries out the SEO optimization of the descriptions (language of the market-country of the client brand and SEO optimization previously not considered).

5. Analysis and Discussion

The main aim of this paper is to investigate the emerging of new players that can support the process of marketing channels' digitalization. In particular, the attention has been focused on digital business model of new sales enablers considering the key services provided to SMEs for their digitalization strategy.

As highlighted by the cases analysed, the emergency situation generated by the Covid-19 pandemic has led to the emergence of new digital players that facilitate the digitization process of client companies, especially brand owners improving the digital sales strategy.

5.1 New actors

Digital sales enablers are digital players that support business customers in the development of an omnichannel strategy. The new digital players support an omnichannel go to market model of brand owner, especially considering the centrality of the digital channel. The emergency context has limited physical touchpoints, interaction with customers, and the traditional sales process.

In particular, in B2B perspective, the digitalization of marketing channels improved the demand of business services from SMEs, in order to launch the e-commerce platform, or to activate a relationship with the marketplace. The demand for services is also generated by a greater awareness

of the importance of digital in B2B relations (also due to the cancellation of trade fairs, essential for creating contacts in the B2B context) and the need to access specialized players characterized by strategic digital skills. The new digital players carry out consultancy activities to support companies, especially SMEs, in the process of optimizing the digital offer (text management, images, functions to be considered, etc.). In addition to this, the demand for solutions provided by digital sales enablers has also increased, which support companies in accessing the marketplace and managing various types of sales channels in a coordinated manner.

From a B2B2C perspective, the use of the digital channel proves to be necessary to meet the new needs of business customers determined by the inherent changes in the consumer market and in the face of a crisis situation. In fact, on the one hand, the new habits of consumers, more likely to search for information online and to use e-commerce, are requiring B2B and B2C companies to enhance the digital channel, both in terms of integrated marketing communication and on the front of sales and distribution. On the other hand, the Covid-19 pandemic has led to a growing demand for digital services by companies that are interesting to enhance their omnichannel offer, from a Crisis Driven Innovation perspective.

5.2 A new digital sales support

The digital sales enablers, in turn, have modified the business model considering various changes faced in 2020. These latter have required brand owners to improve the sales digitalization.

These changes have determined the emergence of new services and activities offered by digital actors, more oriented to a digital sales strategy. Femar Consulting has created a new version of its platform containing several updates. Brandon has activated a new e-procurement service considering the products. These positive changes that have characterized the new digital players have emerged in the face of an adaptation of their business model nowadays more oriented to a holistic digitalization process.

In particular, digital sales enablers support the interaction between brands and marketplaces, the integration of systems and platforms, the optimization of the sales process and related business processes.

The business model of the new digital players therefore presents several key activities, including the consultancy provided to allow business customers to use the potential of the digital platform. Femar Consulting, for example, supports the process of introducing the "technological solution within business processes, promoting their dynamics and making the internal order management flow more efficient" (Chief Operating Officer, Femar Consulting).

Brandon offers a digital export management service that covers all stag-

es of the value chain from the definition of the sales plan by country and by channel to the digitization of catalogues, order management, payment, logistics and product delivery to the customer. These services are particularly useful for SMEs, often characterized by limitated resources both in terms of investments in marketing and in the implementation of their presence abroad.

Other activities carried out by digital sales enablers concern support for marketing and sales activities. Considering the significant impact of the pandemic on traditional sales activities (face to face meetings, trade fairs, etc.), companies have started a process of reviewing the more digital-oriented business models. This allows, and at the same time requires, a data driven approach. Companies have therefore requested a service from new digital players who are able to optimize sales data and facilitate their integration in omnichannel logic. Femar iCatalogue, for example, "offers its customers a value-added service functional to the definition of the new omnichannel order management strategy, guaranteeing a high degree of openness to dialogue through microservices (Service Bridge)" (Chief Operating Officer, Femar Consulting).

In addition, Brandon allows customer brands to increase local traffic to their site.

Brandon has established relationships with various national and international marketplaces to allow client brands to identify new business opportunities

5.3 A new digital sales consulting

The new digital players make various resources available to customers. The innovative solution consists of the technological platform and the reference technological support. Furthermore, considering the digital sales enablers, electronic catalogues for the e-commerce of the client brand can be provided or the same can be supported in accessing heterogeneous marketplaces.

The key activities of the business model of digital actors have changed over the Covid period. Digital sales enablers offer data driven value added services. In addition, business customers can also make use of the financial services, logistics services and information services that digital sales enablers can offer in partnership with other companies. Procurement and logistics operations are often made available by digital players, favoring a reduction in costs in terms of lead time and time to market.

Digital actors provide a holistic service for managing the sales process.

Brandon is characterized by a thoroughness of pre-sales, during and after-sales activities. Brandon carries out the potential assessment (in-depth analysis of the customer's positioning and catalogue), the sales plan by

channel, by marketplace and by country. Brandon directly digitizes or optimizes the catalogue.

Among the advantages there is also the possibility of providing a variable initial investment, the presence of a team of professionals able to devise and develop a strategy and a digital sales plan. This provides a single point of contact to manage all operational activities. "These are all particularly relevant activities. It is as if the brand was selling to the end customer. Brandon manages the marketing and advertising budget as if it were the brand" (Chief Executive Officer, Brandon). There is a learning curve effect for suspension management (e.g., legal issues). Small companies may encounter difficulties when entering large marketplaces, considering their exposure to a strong imbalance in bargaining power. "Before gaining an expertise on how to manage cases, it takes years, few companies have have the possibility to wait. The field is undergoing strong evolution, those who are experts today may not necessarily be experts tomorrow" (Chief Executive Officer, Brandon).

Femar focuses its activity "on the implementation of the omnichannel platform in order to achieve the goal of making it a 100% Made in Italy Unified Commerce system" (Chief Operating Officer, Femar Consulting). Alongside this core activity, it offers its customers a value-added service functional to the definition of the new omnichannel order management strategy, through a dedicated department.

Among the advantages of using the services provided by the sales enabler, in order to decrease the time to market and the lead time of its business clients, Femar supports "this main activity with consulting services dedicated to support and integration with the various third-party business systems parts and technology governance training. The last section of services provides consulting days to optimize the launch of the platform and its adoption thanks to targeted marketing strategies on the digital channel" (Chief Operating Officer, Femar Consulting).

5.4 A new network of value

The Brandon ecosystem network includes brands, B2B operators - wholesalers, distributors, logistics operators, full price operators, discount operators, vertical marketplaces, generalist marketplaces, marketplaces - organized by country.

"The network allows you to seize opportunities. In particular, consider the importance of a diversified offer. It is necessary strategically and tactically to have diversification. In 2020 Brandon entered other categories and other markets." (CEO, Brandon).

The network helps strengthen Brandon's positioning. Compared to Digital Agencies, Brandon manages the operational part and customer care,

compared to traditional distributors it presents a digital channel innovation. E-commerce service providers are focused by product category and are usually brand specialists. Brandon, on the other hand, is oriented towards different channels.

Femar has seen a change in its network of actors. "The difference compared to past years lies above all in the demand expressed by System Integrators who come into contact with our solution indirectly (through their customers who talk about iCatalogue) or directly (by doing spontaneous research because they understand that they must equip themselves of an adequate solution for omni/multichannel order management) to offer a complete spectrum of solutions to its customers, increasing their loyalty" (Chief Operating Officer, Femar Consulting). In addition, there has also been an evolution by the type of decision makers involved in the purchasing process, in fact the sales enabler has an average level of access in terms of skills and projects the company towards more structured companies from an IT point of view. "Before Covid, the trend was that even these projects were approached by marketing, while now the two main players are IT and Sales (in addition to ownership that is ultimately involved). This change in dynamics has led to a greater definition of the perimeter within which the project must move, also improving the integration dynamics that are the basis of the success of this type of project" (Chief Operating Officer, Femar Consulting).

6. Conclusions and managerial implications

Over the last few years, increasing attention has been paid by different organizations, towards the theme of digital innovation, considered mainly with reference to the role of digital technology in innovation development process. Digital innovation uses digital technology to develop innovative processes (Lyytinen et al., 2016) through which the components physical and digital come to be combined with each other (Lyytinen et al., 2016).

In the pandemic period digital technologies have proved remarkable potential to allow companies to adapt their business to new demands of the market, considering the constraints imposed by Covid-19.

From this perspective, crisis driven digital innovation has been developed in order to maintain a long-term relationship between a firm and its customers also in business market. In particular, the digitalization process has led to the transformation of the marketing channels related to distribution, communication and sales (Dimitrova et al., 2020). Considering the indirect channel, which traditionally sees presence of retailers (short indirect), wholesalers (long indirect) and other intermediaries, digitalization led to the emergence of marketplaces. In a different way the direct channel

considers the growth of the own e-commerce platform. In order to manage the changes related to the marketing channels, brand owners, mainly SMEs, required to access to external resources and capabilities.

New digital players support the process of digitalization. In addition, in the Covid period, digital players have changed the business model to respond to the needs of different customers in a timely manner. The business model of digital players influences, and is influenced by, the business model of customers. Especially in the Covid period, companies were forced to review their value demonstration defined by Anderson et al. (2006) as how a company demonstrates the advantages of the value proposition. The limits placed on face-to-face sales have led to growing attention to other channels in favor of digital sales. As highlighted by some scholars (Claussen and Halbinger, 2020; Srinivasan and Venkatraman, 2018), digital platforms are emerging today. The development of these platforms is influenced not only by the availability of new technologies and new communication tools (Baldwin and von Hippel, 2011), but also by the increase in demand for digital services.

In this scenario, this paper investigated the emerging of new players that can support the process of channels' digitalization.

Through the research, new digital players identified in digital sales enablers emerge. These actors support the digital transformation process of a company and its activities in a national and international context. Digital sales enablers support companies in developing a digital strategy, coordinating the use of different platforms including marketplaces, to identify new customers or strengthen relationships with acquired customers. The combination of all these solutions leads to an increase in the global presence of the players belonging to the network, facilitating international business relationships.

Digital sales enablers allow client brands to develop a customer oriented omnichannel strategy. In particular, the new digital actors are relevant for SMEs as they support the internationalization process and help the companies themselves to manage the effects of the economic crisis.

The new solutions proposed by digital players are data driven. Sellers, customer brands, can obtain information to improve their offer system and internal processes. The integration and coordination of platforms allows operating in a data management process perspective, supporting CRM activities. The latter generate benefits for sellers and brand owners including cost savings, improvement of the marketing process, improvement of the effectiveness and efficiency of the sales management process.

The new digital players sustain SMEs in improving the ability to present the offer system, considering the skills and competences related to the management of the digital offer.

The potential of technology can only be fully utilized by adopting a holistic approach, considering the possibility of co-creating value. The projects developed by digital actors involve not only IT managers but also marketing managers and sales managers.

In particular, this interaction is relevant considering the new sales approach more oriented to a pull perspective. Sales managers, marketing managers and IT managers cooperated among them in order to share relevant data related to customers, to take strategic decisions oriented to customer needs and to create a value solution. The optimization of services provided by digital sales enablers is founded on this internal interaction.

Research has limitations. Some emblematic cases are considered. Further research may identify other actors by considering the dynamics of interconnected relationships in a network perspective. The next developments of the research will concern the extension of the number of cases analysed and the deepening of their evolutionary trajectory from the point of view of the structure and dynamics of the activated and developed networks. Even the level of involvement of marketing and sales managers in project developed by digital actors can be further explored, with a consequent analysis of exchanged skills. In addition, the benefits received by Italian SMEs that have transformed their commercial strategy by making use of these new players will be investigated.

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business

n. 3, anno 2022

Codice ISSN 0394-7947 - ISSNe 2421-5724

EUROPEAN SMALL AND MEDIUM-SIZED ENTERPRISES IN THE PANDEMIC CONTEXT: NATIONAL RECOVERY AND RESILIENCE PLANS, SME CHALLENGES, AND BANKING SYSTEM ROLE

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Article info

Date of receipt: *31/03/2022*
Acceptance date: *30/11/2022*

Keywords: *Macroeconomic policy; SMEs; Europe; Recovery plan; Financial crisis; Digitalisation; Sustainability*

doi: *10.14596/pisb.3376*

Abstract

Purpose: *The main purpose of this paper is to highlight and analyse the measures directed to SMEs contained in the National Recovery and Resilience Plans of EU member states.*
Design/methodology/approach*: After a general overview of the SME sector in the EU and the impact caused by the pandemic, the work proceeds with the analysis of different factors related to the content of the texts of the recovery plans, respectively the weight of the SMEs topic, the keywords, and the collocations. The analysis also includes a picture of the resources allocated to SMEs challenges in the near future. Following the overview of the European context, the paper analyses at the micro-level how the SME scenario is changing due to the interventions of the recovery plan, taking Italy as example. Finally, it focuses on the role of the banking system in supporting the economy and SMEs during the crisis. The data for the analysis were mainly extracted from official documents of the European Commission, and regarding the textual factors, the analysis was performed through Python codes.*
Findings: *The main finding emerging from this work is the identification of the intervention fields for SMEs, e.g. digital transformation and green transition, and afterwards, it is also shown how the cooperation between the different components of the European production system works: enterprises, governments and banking system.*
Practical and Social implications: *This paper shows the lines of action that EU has decided to take on SMEs, providing a basis for discussion for further investigation and moreover enriches the literature on the pandemic and recovery plan, which is still quite limited at the moment given the recent age of these events.*
Originality of the study: *The paper offers a general view of a relevant topic such as the challenges of European SMEs during and after the pandemic, performing various types of analysis using different approaches.*

1. Introduction

The National Recovery and Resilience Plans (NRRPs) pay special attention to small and medium-sized enterprises, which account for almost all of the production units in each EU country. The public support measures taken by the member countries' governments, during the emergency, have been useful in safeguarding the production system, mitigating the effects of the crisis, and offering economic support; however, the member countries' recovery plans will play an even more crucial role. In fact, these plans will facilitate enactment of the programme for the near future of European SMEs. Moreover, this is an opportunity to relaunch the enterprise system, because the plans aim to profoundly change the operating context of economic activity. Successfully navigating the twin transitions, digital and green, represents the main challenge facing the EU as concerns its SMEs, requiring both investments and the adoption of measures scheduled in the NRRP of each member country. To implement these changes, business model innovations will be needed. During the lockdown period, many businesses reacted to the shock by introducing forms of remote working, offering new products and services, converting production, and adopting new forms of delivering products and services directly to consumers at home. In the post-Covid period, SMEs business models will need a structural and organisational redesign that will allow them to follow the updated parameters of the digital transformation and green transition, to adapt to the new consumer needs, and to offer newer-tooled digital solutions with a focus on environmental sustainability. In Italy, for example, over half of the SMEs have already introduced at least one new technology, that has brought an innovation in products, processes, or organisations (MarketWatch PMI[a], 2021).

In this context, the banking system also played a key role, continuing to ensure economic resources for businesses and households, even in the most acute phase of the emergency. Moreover, its support function is not limited to this aspect, but also entails helping with implementation of the recovery plans, cooperating with businesses, and giving them assistance in the process of change they have to face, by providing skills and additional resources.

The present paper, both descriptive and analytical, presents the overall scenario for European SMEs during the Covid period and analyses in depth, through text analysis of the recovery plans, the policies and interventions referred to SMEs. The paper is composed of six sections: the first contains the overview and the Covid impact analysis of SMEs, with an initial focus on financing, sustainability, and digitalisation; the second section addresses the intervention fields of the measures contained in the recovery plans; the third section provides an analysis of the relevance of the topic, of the language used, and of the allocated resources, with the related find-

ings; the fourth presents a micro-level analysis of the Italian context; the fifth focuses on the role of the banking system during the emergency and finally, the sixth section offers some brief conclusions and future research perspectives.

2. Overview and Covid impact analysis of SMEs

Small and medium-sized enterprises (SMEs) are the backbone of Europe's economy. They represent over 99% of all businesses in the EU. They employ around 83 million people, representing two out of every three employees and they create 85% of all new jobs. Moreover, SMEs generate about 53% of the EU's added value, accounting for more than half of Europe's GDP, and they play a key role in adding value in every sector of the economy. They are essential to Europe's competitiveness and prosperity. The European Commission defines SMEs as companies that have fewer than 250 employees and an annual turnover not exceeding 50 million euros, or a total annual balance sheet not exceeding 43 million euros. In Europe, there are more than 22 million SMEs.

Tab.1: European SMEs and large enterprises

	Number	%	**People employed**	%	**Value added (€ billion)**	%
SMEs	22,526,457	99.8 %	83,397,841	65.2 %	3,338	53 %
Large enterprises	40,843	0.2 %	44,591,655	34.8 %	2,957	47 %

Source: Our extrapolation of 2021 data published by the European Commission

In each of the 27 member states of the European Union, SMEs make up over 99% of the total number of enterprises. Italy has the most SMEs with over three and a half million, followed by France, Spain, and Germany, each with something over two and a half million. Smaller countries like Estonia, Cyprus, Malta, and Luxembourg have, by far, the fewest.

Tab.2: European SMEs and large enterprises per country

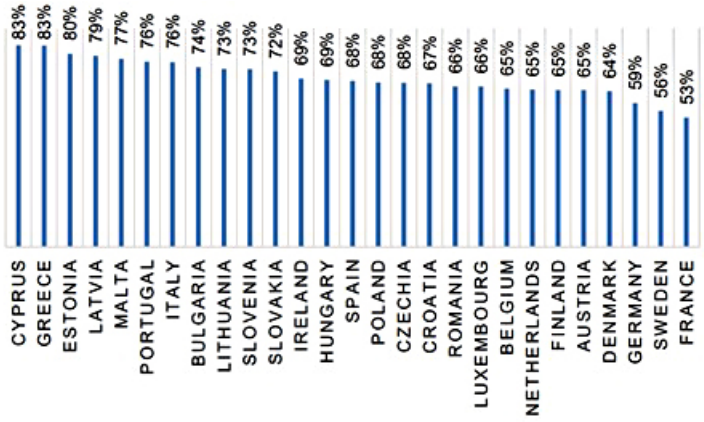
	SMEs	LARGE ENTERPRISES	% of SMEs
ITALY	3,610,877	3481	99.9%
FRANCE	2,838,671	3718	99.9%
SPAIN	2,587,121	3425	99.9%
GERMANY	2,573,946	11572	99.6%
POLAND	1,976,197	3110	99.8%
NETHERLANDS	1,241,703	1724	99.9%

CZECHIA	1,025,988	1497	99.9%
PORTUGAL	873,242	924	99.9%
GREECE	718,558	522	99.9%
BELGIUM	646,886	985	99.8%
SWEDEN	639,541	1383	99.8%
HUNGARY	602,895	883	99.9%
ROMANIA	519,203	1525	99.7%
SLOVAKIA	489,630	573	99.9%
BULGARIA	331,064	640	99.8%
AUSTRIA	312,049	1160	99.6%
IRELAND	264,215	614	99.8%
FINLAND	228,760	633	99.7%
DENMARK	225,908	744	99.7%
LITHUANIA	205,065	355	99.8%
CROATIA	153,477	457	99.7%
SLOVENIA	146,226	233	99.8%
LATVIA	108,531	198	99.8%
ESTONIA	76,768	158	99.8%
CYPRUS	57,015	78	99.9%
MALTA	36,594	79	99.8%
LUXEMBOURG	36,317	172	99.5%

Source: Our extrapolation of 2021 data published by the European Commission

In each member state, the number of people employed in SMEs accounts for at least half of the total number of people employed. In 11 of 27 countries, over 70% are employed in SMEs and in Cyprus and in Greece the figure is even higher: over 80%.

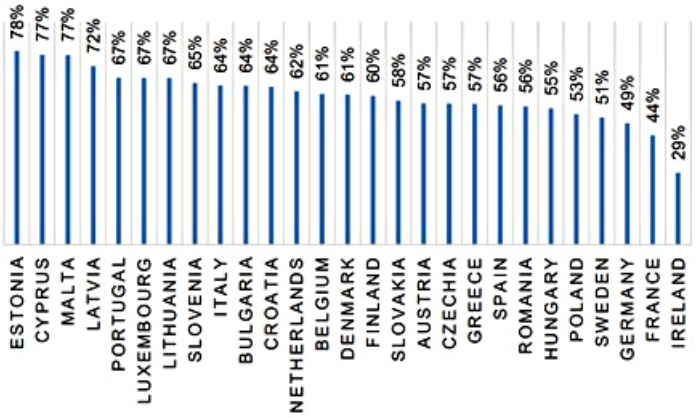
Fig.1: % of people employed in SMEs



Source: Our extrapolation of 2021 data published by the European Commission

SMEs generate the lion's share of the total added value in each member state. In 20 of the 27 countries, SME-generated value added is between the 50 and 70%, while in four countries (Estonia, Cyprus, Malta, and Latvia) it is over the 70%. Only in three countries (Germany, France, and Ireland) does it fall below 50%.

Fig.2: % of added value generated by SMEs



Source: Our extrapolation of 2021 data published by the European Commission

The global Covid-19 pandemic so significantly affected small and medium-sized enterprises in the European Union that the focus on these enterprises is meaningful for many reasons. Within the EU, SMEs are the largest source of employment and delivery of goods and services. Therefore, disruptions to this segment have relevant social and wellbeing implications for the population. In general, the pandemic has affected firms of all sizes, but SMEs are particularly vulnerable for several reasons. First, they are prevalent in countries and sectors that were more heavily affected by the crisis. Second, small and medium-sized enterprise sales fell more sharply and their liquidity ran out faster than for large firms in the same sector and country (World Bank Group, 2020). Finally, SMEs have fewer resources to help them respond to or be resilient in a crisis, and they generally reveal some managerial weaknesses, with special regard to financial management and to other support functions (the so-called "technostructure"). The turnover and profits of Euro area SMEs deteriorated, reflecting the sharp fall in economic activity. In particular, Euro area SMEs reported a dramatic drop in turnover (-46%), the lowest percentage decrease recorded since 2009. At the same time, SMEs saw reduced profits (-47%) in most countries and sectors. The decline in SMEs' economic activity and profits was also reflected in reductions in fixed investments (-10%), in inventories and working capital (-15%) and in number of employees (-10%) (European Commission[h],

2020). For SMEs, two of the most affected sectors were hospitality (hotels and accommodations) and food services, where value added dropped by 37.8% and employment by 11.1%, as well as transportation and storage, which experienced decreases of 16.1% and 0.7%, respectively (European Commission[d], 2021). According to OECD estimates, 50 to 70% of SMEs that remained opened from May to December in 2020, have seen their sales fall and a third to half of those saw a drop of more than 40% (OECD, 2021). Waves of layoffs and closures have occurred since the beginning of the pandemic. To face this situation, many governments have introduced exceptional support measures, such as guaranteed and soft loans, grants, and subsidies (Juergensen *et al.*, 2020), which have enabled many enterprises to cover at least part of their liquidity needs and capital losses.

The Italian context is an example of a single country where a number of such measures were introduced by the government. A moratorium on loans allowed SMEs to postpone the deadlines for principal and interest payments (Brighi *et al.*, 2022); in addition, there was a state guarantee on loans, full or partial, depending on the amount and non-repayable grants provided to businesses that had reported a drop in revenues of more than one third. Despite the significant drop in GDP, the number of failed enterprises in Italy was about one third lower in 2020 than in previous years, thanks to public support measures: around 7,400 enterprises undertook liquidation procedures in 2020, compared to almost 11,000 in 2019. According to Bank of Italy estimates, without government intervention, the number of bankruptcies in 2020 could have been more than 12,000, almost 4,800 more than those actually recorded (Orlando & Rodano, 2022). Furthermore, the total number of enterprises that left the market in 2020 decreased by about 27%, dropping from a high of 70,000 in 2019 to 50,000 the next year. This evidence shows the significant mitigating effect of public measures to provide economic support to enterprises during the pandemic.

Many businesses allowed their employees to work remotely, others tried something different, like offering a new product or service that might be in demand, and a significantly greater share of them started delivering products and services directly to consumers at home. These adjustments require investments that small businesses often cannot sustain. Compared to larger firms, SMEs have less liquidity from external financing or previous years' profits, which can prove useful when facing a shutdown or demand shock. SMEs are more likely to run into financial difficulties and insolvency situations, and they must seek help from private entities and/or rely on public support for financing and other management issues. SMEs have been hit hard by the pandemic also in terms of their access to finances, because they are generally considered riskier than larger enterprises. From April to September 2020, 35% of European SMEs applied for a bank loan (up from 24% in the previous year). Opening a line of credit remains the

most popular source of financing of SMEs (32%), but grants also increased considerably (24%, up from 8%) (European Commission[h], 2020).

The European Commission has also responded in support of small and medium-sized enterprises, by financing the already existing COSME programme and advancing several measures of the new SME strategy, to moderate the impact of the crisis. COSME is the EU programme for the Competitiveness of Enterprises and SMEs, running from 2014 to 2020, with a budget of €2.3billion. The COSME programme aims to improve access to financing for SMEs through two financial instruments that have been available since August 2014: the 'Loan Guarantee Facility' (LGF) and the 'Equity Facility for Growth' (EFG). COSME supports SMEs in the following areas, by:

- facilitating access to finance;
- supporting internationalisation and access to markets;
- creating an environment favourable to competitiveness;
- encouraging an entrepreneurial culture.

In particular, the existing 'Loan Guarantee Facility' (LGF) has been boosted with additional resources from the European Fund for Strategic Investments, to enable banks to offer bridge financing for SMEs. This includes long-term working capital loans (of 12 months or more), as well as credit holidays allowing for delayed repayments of existing loans. By 31st March 2021, more than 100,000 SMEs already received €7.7 billion in financing under the COSME LGF-Covid 19 measures (COSME financial instruments (europa.eu)[1].

The new SME strategy aims to support SMEs during the recovery phase, with the main goal to increase the number of SMEs engaging in sustainable business practices and the number of SMEs employing digital technologies. The strategy is based on the following three pillars:

- capacity-building and support for the transition to sustainability and digitalisation: this is one of the main goals of the strategy. Achieving a climate-neutral, resource-efficient, and agile digital economy requires the full mobilisation of SMEs;
- reducing regulatory burden and improving market access: the SME strategy aims actions to reduce regulatory and practical obstacles to doing business or scaling up within the EU Single Market and outside the EU;
- improving access to financing: access to financial resources is one of the most urgent issues for many small and medium-sized enterprises. The European Commission works on improving the financing environment for SMEs and providing information on funding (European Commission[a], 2020).

[1] https://ec.europa.eu/growth/access-finance-smes/cosme-financial-instruments_en).

Furthermore, all EU member states have adopted other targeted measures in their National Recovery and Resilience Plan that are directed to SMEs and aimed at mitigating the impacts of the Covid-19 pandemic and at helping to program the future of SMEs. More specifically, most of the measures are geared toward introducing or increasing the use of digital technologies, accelerating the green transition process, maintaining employment, and helping SMEs to address liquidity needs and get access to financing.

2. SMEs in National Recovery and Resiliency Plans (NRRPs)

The NRRPs outline precise guidelines concerning the interventions directed to SMEs (European Commission[f], 2021). Every Member State's plan follows a similar structure, in line with the European indications about the general intervention areas, valid for all member states. These areas make up six "pillars" of action:

1) green transition;
2) digital transformation;
3) smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs;
4) social and territorial cohesion;
5) health, and economic, social and institutional resilience with the aim of, inter alia, increasing crisis preparedness and crisis response capacity;
6) policies for the next generation, children and the youth, such as education and skills.

Then, the EU Regulation establishing the Recovery and Resilience Facility (RRF) goes into more detail to indicate the specific interventions envisaged for SMEs (European Commission[g], 2021). The field codes are shown below:

Tab.3: NRRPs' interventions envisaged for SMEs

002	Investment in fixed assets, including research infrastructure, in small and medium-sized enterprises (including private research centres) directly linked to research and innovation activities
005	Investment in intangible assets in SMEs (including private research centres) directly linked to research and innovation activities
008	Research and innovation activities in SMEs, including networking
010	Digitising SMEs (including e-commerce, e-business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)
010ter	Digitising SMEs or large enterprises (including e-commerce, e-business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B) compliant with GHG emissions reduction or energy efficiency criteria

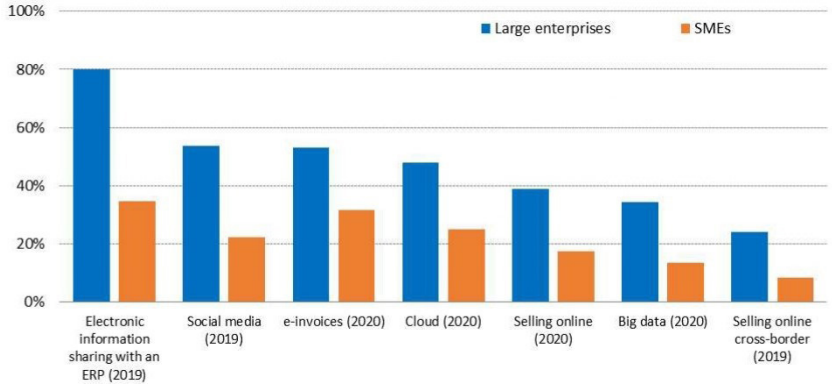
014	Business infrastructure for SMEs (including industrial parks and sites)
017	Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)
019	Support for Innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs
020	Innovation processes in SMEs (process, organisational, marketing, co-creation, user and demand driven innovation)
024	Energy efficiency and demonstration projects in SMEs and supporting measures
024ter	Energy efficiency and demonstration projects in SMEs or large enterprises and supporting measures compliant with energy efficiency criteria
047	Support to environmentally friendly production processes and resource efficiency in SMEs

Source: Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility

The main interventions most frequently sought are in the fields of digitalisation (010, 010ter, 017), innovation (002, 005, 008, 019, 020), and energy efficiency (024, 024ter, 047). Measures to promote the development of research, development and innovation competencies and to upgrade the digital skills of SMEs are among the most commonly adopted across the EU-27.

In sum, the main purpose of the investments and reforms pertaining to SMEs, contained in the recovery plans, is digitalisation (Pillar 2), followed by the green revolution (Pillar 1). Digital transformation leads the way because the digitalisation level of SMEs across European Union is still low, given that the smaller enterprises appear to be much less likely to adopt digital technologies than large enterprises are. This is quite evident from the examples, shown below, of digital technologies adopted by both SMEs and large enterprises, extracted from the 2021 Digital Economy and Society Index (DESI) report (European Commission[e], 2021).

Fig.3: digital technologies adopted by European enterprises, DESI 2021

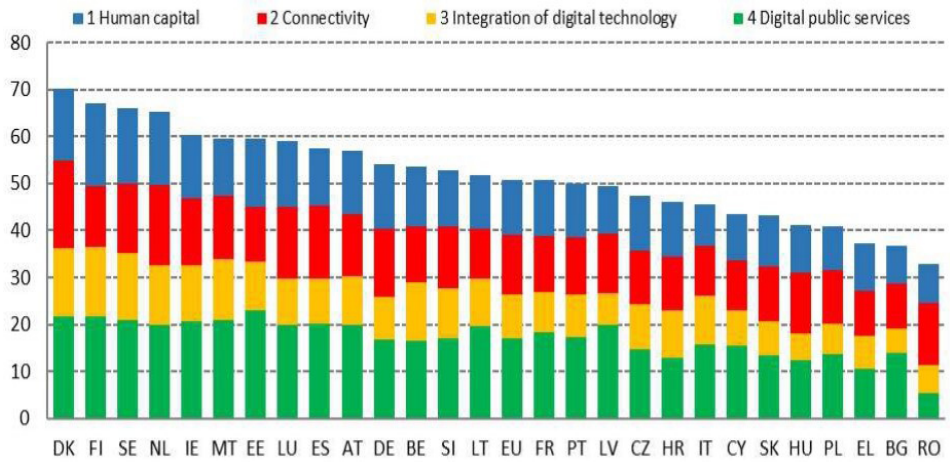


Source: European Commission, Digital Economy and Society Index (DESI) 2021 Thematic chapters

As the graph clearly illustrates, electronic information sharing through enterprise resource planning (ERP) software is much more common in large enterprises (80%) than in SMEs (35%). SMEs exploit e-commerce opportunities to a limited extent, as only 17% sell online (versus 39% of large enterprises) and only 8% sell cross-border online (24% for large enterprises). There are many other technological opportunities yet to be exploited by SMEs such as cloud services and big data.

The DESI expresses the level of digitalisation of each EU member state, categorised into four dimensions or "thematic chapters": Human capital, Connectivity, Integration of digital technology and Digital public services.

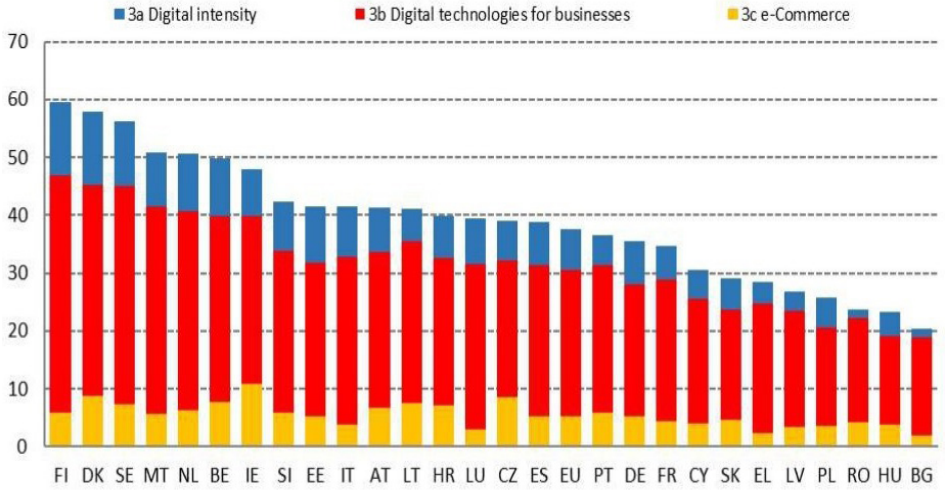
Fig.4: DESI 2021



Source: European Commission, Digital Economy and Society Index (DESI) 2021 Thematic chapters

In reference to enterprises, the third dimension "Integration of digital technology" expresses their level of digitalisation and use of technologies. As the yellow bars show above, the top performers in the integration of digital technologies are Finland, Denmark, and Sweden. While Bulgaria, Hungary, and Romania have the weakest performance in this area, the level of enterprise digitalisation is still quite low in many countries. This dimension measures the digitalisation of businesses in three areas: "Digital Intensity", "Digital technologies for businesses", and "e-commerce".

Fig.5: integration of digital technology, DESI 2021



Source: European Commission, Digital Economy and Society Index (DESI) 2021 Thematic chapters

The analysis of the "Digital Intensity" (DI) of the enterprises provides an interesting snapshot of one aspect of digital integration. The DI parameter measures the use of 12 different digital technologies at enterprise level and a DI score is given to an enterprise, based on how many out of the 12 selected technologies are used. The next figure presents the composition of the Digital Intensity, and the score differences between large enterprises and SMEs.

Fig.6: digital intensity, DESI 2021

	Large	SMEs
Have a website	94%	76%
The maximum contracted download speed of the fastest fixed line internet connection is at least 30 Mb/s	92%	76%
Website has at least one of : description of goods or services, price lists; possibility for visitors to customise or design online goods or services; tracking or status of orders placed; personalised content in the website for regular/ recurrent visitors	78%	62%
Enterprises where more than 50% of the persons employed used computers with access to the internet for business purposes	56%	46%
Provide more than 20% of the employed persons with a portable device that allows internet connection via mobile telephone networks, for business purposes	47%	39%
eInvoices sent, suitable for automated processing	53%	32%
Buy medium-high CC services	48%	25%
Employ ICT specialists	76%	18%
Enterprises with e-commerce sales of at least 1% turnover	39%	17%
Analyse big data internally from any data source or externally	34%	14%
Use industrial or service robots	28%	6%
Use 3D printing	17%	5%

Source: European Commission, Digital Economy and Society Index (DESI) 2021 Thematic chapters

The data clearly shows that large companies are more digitalised than SMEs. Therefore, the improvement of the level of digitalisation of European SMEs is a crucial goal of the recovery plans, because digital technologies enable businesses to gain competitive advantage, improve their services and products, and expand their markets. The digital transformation of businesses opens new opportunities and boosts the development of new technologies. For SMEs, digital transformation requires strong support, as they need help to develop wider and deeper managerial competences in many fields (e.g. finance, organization design, people management, technologies selection, marketing, internationalization, sustainability practices). Such strong support seems essential if SMEs are to take concrete steps in building all the pillars cited in the NRRPs.

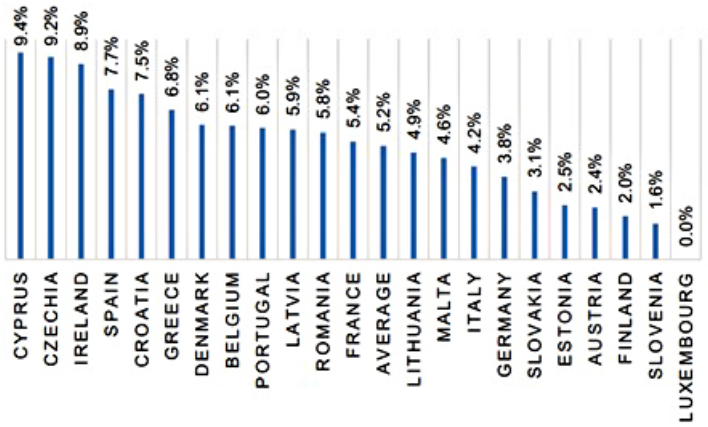
3. Analysis

For a better understanding of the interventions directed to the SME sector, and of the intentions of the EU member countries regarding the policies to adopt, it's useful to take different approaches to the analysis. Firstly, it is interesting to look at how much space is devoted to SMEs in every NRRP; it could be a significant indicator of the relevance of the topic for each country. Secondly and equally worth exploring, an analysis of keywords and collocations (multiple-word expressions that commonly occur regarding a specific topic) could prove useful in acquiring a deeper understanding, not only of this topic but of related ones, as well. Finally, it could also be important to gain a sense of how many resources European countries are going to allocate for the next challenges facing SMEs.

For the first two approaches to the analysis, i.e., weight or relevance of the topic and keywords and collocations, for each country the document of reference is the "Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan". It is a document published by the European Commission, after the approval of the recovery plan and is specific to each Member State; it contains the list and the detailed description of every reform and investment under the plan. The plans considered for the purposes of the present paper are the 22 plans approved by 31st October, 2021. The analyses were carried out using a Python code developed on the NLTK (Natural Language Toolkit) package.

3.1 Weight of the topic

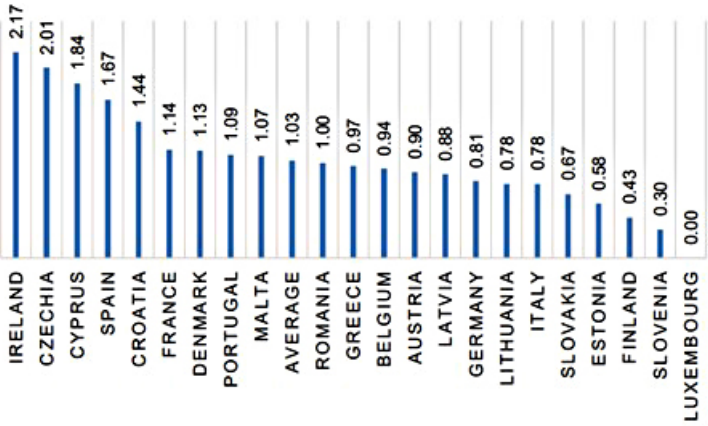
Fig.7: weight of SMEs text (%)



Source: our extrapolation

"SME/SMEs text" refers to the number of words contained in every sentence in which the expression "SME" or "SMEs" is mentioned. On average, SME text amounts to 5.2% of the document (Annex). In the top five positions the maximum weight is in Cyprus (9.4%), followed by Czechia, Ireland, Spain, and Croatia. In the broad middle band there are 12 nations and at the bottom of the list, Estonia, Austria, Finland, Slovenia, and Luxembourg. The weight is calculated by dividing the number of words of SME text into the total number of words in the entire document.

Fig.8: frequency of SME/SMEs every 1,000 words

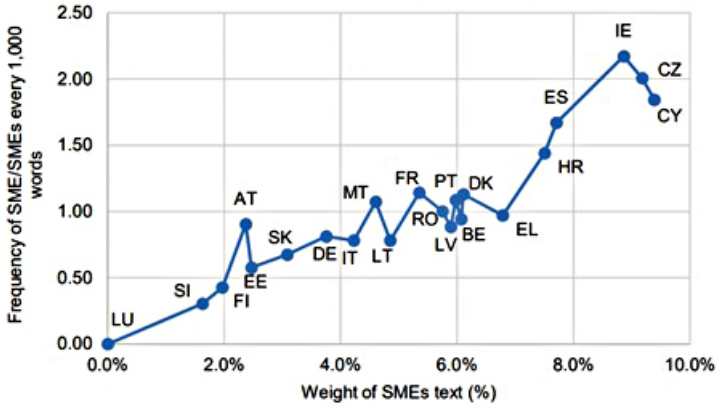


Source: our extrapolation

On average, the expression "SME" or "SMEs" appears approximately one time every 1000 words. It appears the most frequently in Ireland (2.17 times every 1000 words) and next most frequently in Czechia, Cyprus, Spain, and Croatia.

The two graphs (Fig. 7-8) are quite similar and by observing their overlap it emerges that the countries where the weight of the topic is higher are Ireland, Czechia, Cyprus, Spain, Croatia, Denmark, and Portugal. These are also the countries that are above the average in both graphs, for weight and frequency. The following graph shows this evidence relating the weight of SMEs text with the frequency of SME/SMEs every 1,000 words.

Fig.9: weight of the topic

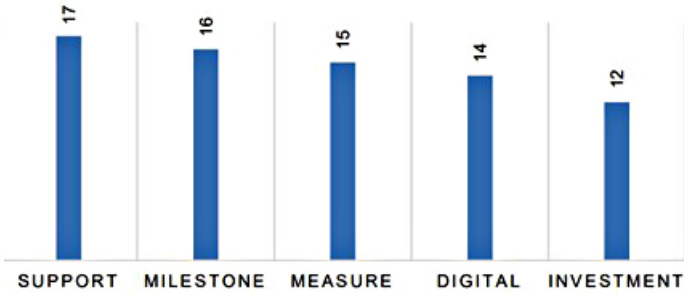


Source: our extrapolation

3.2 Keywords and collocations

Keywords and collocations analyses aim to identify the words and the multi-word expressions that most often appear close to the expression "SME" or "SMEs". This is important to understand several aspects of the topic, like trends, policies and connected topics. The documents considered are the same as for the previous analysis, i.e., the 22 approved plans.

Fig.10: top 5 keywords about SMEs

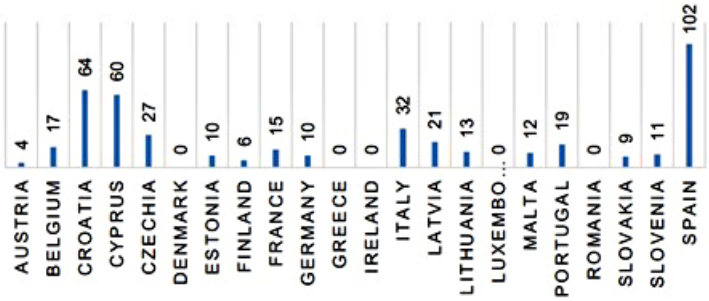


Source: our extrapolation

Talking about SMEs, also means to talk about:

support/ supporting/ supported: the word "support" appears in 17 of 22 documents. The SME sector was hit very hard by the pandemic and the European governments have shown their support to them through many interventions;

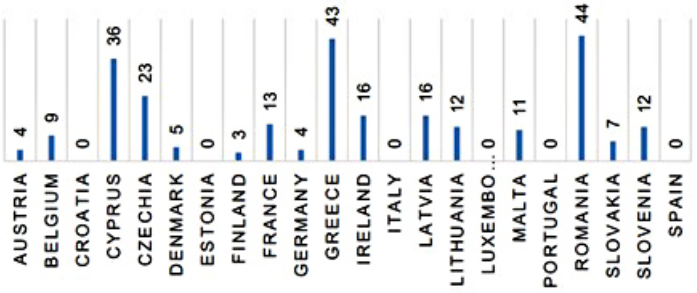
Fig.11: support/supporting/supported



Source: our extrapolation

- milestone/milestones: the word "milestone" appears in 16 of 22 documents. Support to SMEs is a milestone of recovery plans. They are mentioned in the third pillar: smart, sustainable, and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs;

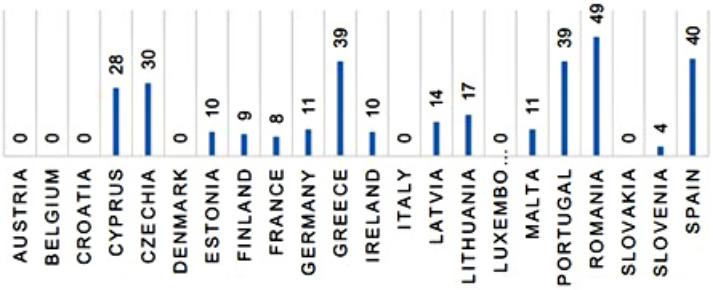
Fig.12: milestone/milestones



Source: our extrapolation

- measure/measures: the word "measure" appears in 15 of 22 documents. Recovery plans contain many measures directed to SMEs;

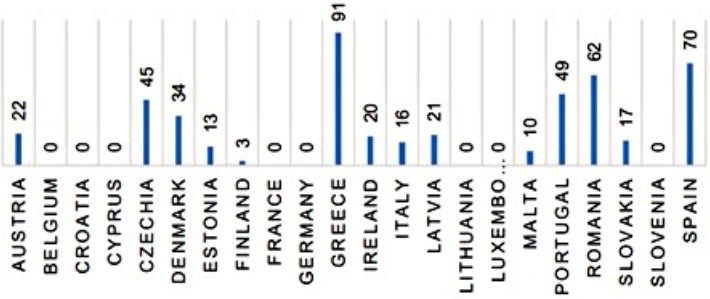
Fig.13: measure/measures



Source: our extrapolation

- digital /digitalisation/ digitalising/ digitalised: Digitalisation is the main intervention area for SMEs. The word "digital" appears in 14 of 22 documents, but overall, it's the word that appears most often close to the word SME/SMEs;

Fig.14: digital /digitalisation/ digitalising/ digitalised



Source: our extrapolation

- investment/ investments: "Investment" appears in 12 of 22 documents. A great number of investments in the recovery plans are directed to SMEs operating in a variety of sectors;

Fig.15: investment/ investments

Source: our extrapolation

In Tab.4, the top 10 collocations collected from the 22 plans examinated are listed for each country.

Tab.4: top 10 collocations in the 22 plans

AUSTRIA	**BELGIUM**	**CROATIA**	**CYPRUS**
relevant guidelines	cyber resilience	environmentally friendly	energy efficiency
milestone approval	quickly identify	action plan	wider public
certified consultants	identify areas	public procurement	public sector
cyber security	cybersecurity awareness	production processes	agricultural products
digital administration	targeted towards	medium-sized enterprises	promoting energy
digitalised market	public tenders	strategic planning	efficiency investments
external providers	campaign targeted	resource efficiency	consulting services
four topics	living labs	innovative companies	innovative companies
future digitalised	regulatory texts	funding programmes	funding programmes
help get	risks delivered	exclusion list	exclusion list
CZECHIA	**DENMARK**	**ESTONIA**	**FINLAND**
district heating	data-driven society	digital transformation	job search
digital transformation	received funding	ict specialists	least eur
creative vouchers	digital projects	financial support	low-carbon solutions
environmental impact	digital-ready regulatory	measure consists	built environment
directive 2000/60/ec	critical drugs	training activities	covid-19 crisis
pilot phase	health systems	different stages	government decision
river basin	promoting better	following strands	innovations often

water bodies	regulatory framework	four following	often requires
baseline goal	medium-sized enterprises	freight transport	peer countries
goal quarter	data infrastructures	growing importance	requires extra
FRANCE	**GERMANY**	**GREECE**	**IRELAND**
energy efficiency	evaluation report	digital transformation	reducing regulatory
wider public	educational institutions	significant harm	regulatory barriers
public sector	cet networks	cash registers	government departments
agricultural products	federal armed	name qualitative	anti-money laundering
promoting energy	training facilities	quarter year	innovation hubs
efficiency investments	climate protection	environmental impact	feasibility studies
consulting services	education platform	directive 2011/92/eu	company service
innovative companies	project contract	baseline goal	service providers
funding programmes	2050 targets	goal quarter	reform consists
exclusion list	additional apprenticeships	indicative timeline	digital transformation
ITALY	**LATVIA**	**LITHUANIA**	**LUXEMBOURG**
fund 394/81	innovation clusters	horizon europe	terrorist financing
december 2019	shadow economy	higher education	money laundering
official gazzette	capacity building	insurance contributions	financing milestone
industrial property	local government	social insurance	grand-ducal decree
exclusion list	socially responsible	advisory services	service providers
gender equality	digital skills	encouraging science	regime applicable
italian republic	energy efficiency	income inequality	company service
received support	cabinet regulations	offshore wind	income tax
guarantee fund	support measures	potential applicants	legal persons
environmental impact	strengthening analytics	innovation programme	amended act
MALTA	**PORTUGAL**	**ROMANIA**	**SLOVAKIA**
national risk	environmental impact	goal quarter	country-specific recommendation
unemployment benefits	fully incorporating	indicative timeline	high-quality long-term
digital solutions	updated design	name qualitative	long-term socio-health
energy performance	directive 2000/60/ec	quarter year	care needs
money laundering	directive 2011/92/eu	completion description	regulatory burden
post-intervention compared	digital commerce	target unit	innovation hubs
council directive	commerce accelerators	energy efficiency	digital technologies
directive 92/43/eec	technical guidance	qualitative indicators	public administration
comparing wellbeing	potentially likely	quantitative indicators	business environment
online publications	roads built	related measure	local level
SLOVENIA	**SPAIN**		
one-stop shop	value chain		
circular economy	exclusion list		

particular small	environmental legislation
medium-sized enterprises	national environmental
support businesses	public procurement
research organisations	milestones quantitative
baseline goal	name qualitative
creating systemic	time description
goal quarter	digital skills
indicative timeline	qualitative indicator

Source: our extrapolation

The topics that emerge from the results of the collocations analysis are very similar to the results of the keywords analysis. The five most frequent collocations related to SMEs are:

- digital transformation (4);
- environmental impact (4);
- energy efficiency (4);
- baseline goal (3);
- medium-sized enterprises (3).

These findings indicate that support to SMEs is a baseline goal for the recovery plans. Moreover, digital transformation stands out as the main goal of the intervention directed to SMEs, with particular attention to environmental impact and energy efficiency. Thus, the two leading goals in the recovery effort are digital transformation and green transition.

3.3 Resources

To complete this three-pronged analysis, it's interesting to have an idea of which countries have allocated the most resources in digital and green measures, specifically referred to SMEs and contained in the National Recovery and Resilience Plans. This data was extracted from the "Analysis of the recovery and resilience plan" document and related annexes published by the European Commission, after the approval of each plan (European Commission[b,c], 2021). These measures are listed in each document, in the "Climate and digital tracking table". Each measure contained in these tables where the expressions "SME", "SMEs", and/or "small and medium-sized companies/businesses/enterprises" were used, has been considered, and the amount of each measure has been aggregated. The plans consid-

ered are those approved by 31st October, 2021.

Tab.5: resources in digital and green measures taken from the "Climate and digital tracking tables"

	SME (€ million)	Tot (€ million)	%
Spain	11,297	53,128	21%
France	2,991	30,463	10%
Greece	1,890	20,290	9%
Italy	1,457	138,014	1%
Germany	807	25,048	3%
Romania	586	19,897	3%
Portugal	497	12,588	4%
Slovakia	409	4,407	9%
Croatia	225	4,226	5%
Slovenia	142	1,856	8%
Ireland	140	809	17%
Lithuania	106	1,555	7%
Belgium	95	5,184	2%
Denmark	76	1,305	6%
Czechia	74	5,504	1%
Estonia	68	621	11%
Latvia	59	1,084	5%
Austria	32	4,055	1%
Finland	30	4,024	1%
Cyprus	29	812	4%
Malta	15	269	6%
Luxembourg	0.9	91	1%

Source: our extrapolation of 2021 data published by the European Commission

In several cases, the amount of allocated resources reflects the weight that the topic of SMEs holds in that nation's plan. Comparing the data from the above table with the "Weight of SMEs text" graph (Fig.7), it emerges that Spain, France, Greece, Romania, and Portugal, which are in the top-ranking positions for allocated resources, are also positioned above the average in the "Weight of SMEs text" graph. Of these five, Spain, Greece, Romania, and Portugal are also the countries where the word "digital" in proximity to "SMEs" is most frequent.

In looking at these findings in the context of the number of SMEs in each country, it's possible to deduce that the countries with a comparatively larger number of SMEs (Italy, France, Spain, and Germany) are also the countries that have allocated most resources; Greece can also be considered part of that group. However, it's also possible to observe that several countries

(Italy, Greece, Romania, Portugal, and Slovakia), which are lower-ranking on the DESI, and in the "Integration of digital technology" area, have nevertheless mobilised a sizeable amount of resources for digital and green investments in SMEs. This means that for many countries there is the intention to strongly push forward to undertake and complete the digitalisation process.

Finally, comparing the amount of allocated resources in digital and green measures directed to SMEs with the total amount of the allocated resources in digital and green measures of the entire plans (3rd column), it emerges that a high amount of resources allocated to SMEs is not always matched with a high percentage of resources allocated to SMEs, probably due to the high cost of the plans for example for countries such as Italy, Germany, Romania, and Portugal.

4. Micro-level analysis of the challenges facing Italian SMEs

In order to have a more specific idea of what is happening at the micro level, the Italian context can be shown as an example of a single country in which the twin impacts of the pandemic-induced crisis and of development opportunities consequent to the NRRP can be observed. Italy has obviously not been immune to the consequences of the health and economic emergency linked to the forced closures of business activities, the reduction of people's mobility, and the implementation of social distancing rules. For SMEs, the impact of the lockdown has provoked a precipitous fall in revenues, a serious deterioration of payment deadlines, and a sharp drop in business births: in the first eight months of 2020, there were 20% fewer businesses born compared to the same period in 2019. Asymmetric in its impact on different sectors of the economy, the crisis has more heavily affected those activities most sensitive to lockdowns and restrictions. The sectors most affected in terms of turnover contraction are travel agencies (-51.3%), air transport (-50.8%), hotels (-47.1%), and restaurants (-33.8%) (CERVED, 2020).

It was in this scenario that the NRRP has intervened. It represents a ground-breaking opportunity to relaunch the enterprise system, because it aims to profoundly change the operating context of economic activity, orienting it towards digital and green transition while building resilience. The Italian plan provides resources amounting to €191 billion, of which 40 billion are earmarked for digitalisation and innovation and 60 billion for green transition. Moreover, 68% of the resources allocated to digital transformation and 55% of those allocated to green transition are targeted toward the enterprise system (Ricerca Avanzata - Italia Domani)[2].

[2] https://italiadomani.gov.it/it/Interventi/investimenti/ricerca-avanzata.html?be neficiaries=Imprese&orderby=%40jcr%3Acontent%2Fjcr%3Atitle&sort=a sc)

One of the main goals of the NRRP is to accelerate the modernisation processes of the production system in order to help businesses face the challenges of the future. The health emergency has highlighted the need for a greater use of digital tools. Since 2020 there has been a strong increase in the demand for digital services and, given the country's current technological infrastructure, it has underscored its limitations but, at the same time, this demand has provided a strong impetus to the digital transition process in all sectors of the economy. Italian enterprises' poor degree of digitalisation is one of the reasons underlying their low productivity and growth over the last decade. Moreover, as a result of the pandemic, the behaviour of consumers and investors has changed, and they are now more aware of and sensitive to the topic of sustainability. Therefore, SMEs need a structural and organisational adjustment that will allow them to pivot towards the new parameters of the digital transformation and green transition: business models need to be redesigned and innovated in order to adapt to consumer needs, offering new digital solutions with a focus on environmental sustainability. However, the question arises: how are these changes applied in practice?

On the digital front, innovations can be structural, affecting products, services and especially, processes. Examples include the creation of a website, an application, or a social profile; innovations in the production process; the introduction of remote working; or new ways of selling and delivering goods and services to customers, through the application of the various innovative tools of the fourth industrial revolution (the cloud, Internet of things (IoT), big data analytics, additive manufacturing, artificial intelligence, collaborative robotics, etc.) (Cesaroni *et al.*, 2020).

On the environmental front, for the green transition to be successful, the main challenge for enterprises to overcome is to remain competitive while maintaining a positive, or at least a neutral, environmental impact. To achieve this goal, it is necessary for enterprises to:

- increase efficiency in the use of resources;
- reduce (and eventually eliminate) greenhouse gases produced by energy consumption;
- move from a linear model of using resources to a circular model (Confindustria, 2020).

In this area, Italy can be seen in a position of advantage, considering that responsible approaches to the production and consumption of resources have been the norm for some time.

In terms of innovation, it is interesting to see how the adoption of digital technologies and interventions in the field of sustainability, after the global health emergency, has brought about innovations in the business models of SMEs. According to data taken from surveys conducted by MarketWatch PMI, the *Osservatorio* of *Il Sole 24 Ore*, and Banca Ifis, which analyse the

ecosystem of Italian SMEs by interviewing over 500 companies from different sectors every month, new strategic and organisational drivers are being used in the wake of the impact that the health and economic crisis had on the market to help generate new business models. The surveys show how Italian enterprises have tended to react to the shock, innovating production processes and making progress on the sustainability front. In the two-year period of 2020-21, 52% of the SMEs interviewed introduced at least one new technology, which brought an innovation in products, processes, or organisations. The most active sectors on this front were the chemical-pharmaceutical (76%), the home system (63%), and the technology (60%) sectors. Enterprises' investments in digital technologies were focused on different tools: digital signature (48%), SPID- service profile identification (41%), PEC- certified email (32%), digitalisation of payments (17%), use of the cloud (16%), acquisition of software for finance and accounting (16%), digitalisation of forms (11%), and use of big data and machine learning (8%). An important factor contributing to increased investments in digital technologies by SMEs has been the process of digitalisation of public administrations; in fact, half of all enterprises recognise it as a facilitating influence in their business relationships.

Another factor that has led to an increase in the use of digital technologies is the adoption of smart working. Before the lockdown it was practised by only 4.6% of Italian SMEs, while after the emergency the percentage increased to 37% (MarketWatch PMI[a], 2021). Smart working does not only mean the use of videoconference and communication platforms, but also using file and document sharing services, as well as supplying employees with individual productivity tools, such as laptops, tablets, and smartphones. The enterprises interviewed are confident that the increasing use of new technologies and digital tools will bring great benefits: not only an improvement in the quality of products, for 59% of the enterprises, but also increased productivity, minimisation of process mistakes, greater safety in the workplace, the ability to enter new markets, and the possibility to personalize their offer.

As regards sustainability, for many Italian SMEs it is not only perceived as a duty, but also as a competitive positioning strategy and a reputational factor. Overall, 38% of Italian SMEs have invested in sustainability over the last two years. More specifically, these investments concern different facets: 82% have invested in energy saving, 78% in waste cycle management, 68% in reducing the use of polluting chemicals, 24% in the use of innovative materials with low environmental impact, 20% in the use of renewable resources, and 18% in packaging reduction.

Finally, future forecasts confirm the rising trend of the last two years; the *Osservatorio* estimates that over the next two years, 6% more SMEs will invest in digitalisation of processes (34%), sustainability (32%), customer

relationship management (21%), research and development (21%), and reshoring of supply chains (12%) (MarketWatch PMI[a,c], 2021).

5. The role of the banking system during the emergency

In this context of crisis, the role of the European banking system has been crucial. It has acted as a cushion and has been essential in ensuring economic resources for businesses and households. It bears underscoring that it was thanks to the regulatory reforms passed after the great financial crisis of the last decade that banks were able to face this recent crisis from a position of greater stability and with a higher level of reserves. As the world faced the Covid-19 pandemic emergency, banks in the Euro area could rely on relatively strong capital ratios, which were further supported by extraordinary policy measures enacted throughout the pandemic. Thus, the banking system was able to offer support to the real economy, even during the most critical phases of the crisis.

As an initial support intervention, in March of 2020, the ECB launched the Pandemic Emergency Purchase Programme (PEPP), a temporary tool consisting of both public and private bonds purchases that aimed to mitigate the economic collapse of the Eurozone, with an initial value of €750 billion, an amount that has now grown to € 1,800 billion (Pandemic emergency purchase programme (PEPP) (europa.eu)[3].

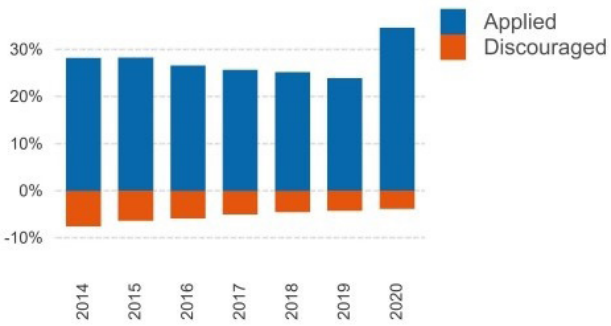
The local banks acted according to the instructions of governments and central banks. They were the vehicle through which public funds available from the extraordinary financial support measures were transmitted to individuals and businesses. One of the keywords associated with the banking activity at that time was "flexibility". In order to give a strong impulse to the economic recovery, banks were urged to act with flexibility in the credit granting and recovery phase. This was made possible thanks to the measures of public guarantees that cover, in whole or in part, new loans granted and those already granted before the beginning of the emergency. Interest rates were maintained at historic minimum levels to ensure that the cost of money remained low. Flexibility is also a guideline followed by supervisory authorities, which for the moment, are less strict about the amount of capital reserves that banks must hold to cope with these difficult times. The ECB has also asked banks to suspend, or at least limit, the payment of dividends for the time being, in order to concentrate resources and give priority to financing households and businesses in difficulty.

The combination of these measures and recommendations issued allowed Eurozone banks to concentrate on their essential function, i.e., lend-

[3] https://www.ecb.europa. eu/mopo/implement/pepp/html/index.en.html)

ing, in this extraordinary time period. The banking system has remained stable and has kept credit channels open to the real economy. Bank products have been the most important financing source for SMEs. Credit volumes increased by 3.1% after the regulatory capital relief measures, while interest rates on loans to firms eased by 7 basis points (European Central Bank, 2021). SMEs benefited the most from these measures. According to the European Commission's Annual Survey on the Access to Finance of Enterprises (SAFE), between April and September of 2020, in the most critical phase of the pandemic, 35% of SMEs in the European Union applied for a bank loan (a considerable increase from 24% in the previous year) with a success rate of 71%. Fear of rejection prevented 4% from applying.

Fig.16: bank loans' application in EU27, 2020



Source: European Commission, SAFE: Annual Survey on the Access to Finance of Enterprises, 2020

Similarly, 48% of large firms applied for a bank loan, with a comparable success rate (73%) to that of SMEs. European SMEs reported an improvement in the willingness of banks to provide credit. Within the EU27, 67% of all SMEs and 80% of all large enterprises felt confident about talking to banks for financing and obtaining the desired results. The countries in which SMEs reported the strongest improvement in the availability of bank loans were Spain, Italy, and France. Finally, for the first time since 2009, Euro area SMEs reported an improvement in access to public financial support, an indication of the willingness of governments to provide public guarantees for bank loans during the Covid-19 pandemic (European Commission[h], 2020). In sum, the Euro area banking system as a whole has been able to meet credit demand and withstand stress.

A banking system conversation is not only about traditional finance; this discussion also includes the fintech industry, which has helped broaden the financing opportunities for households and enterprises. Fintech has helped the traditional system to satisfy the growing credit demand, through deals and partnerships, and offering time, cost, and efficiency

advantages. In Italy for example, in 2020, the amount of fintech-provided credit to SMEs soared 450%, to reach the amount of €1.65 billion, compared to the €372 million in 2019. Related to this growth is the increase in the number of fintech customers that enterprises typically have; they rose from 1,092 in 2019 to 5,464 in 2020. (Ecco perché il credito alle Pmi delle fintech italiane è aumentato del 450% - Il Sole 24 ORE).[4]

Banks themselves are accelerating their digital transformation process, especially because of changes in customer relations; the pandemic has shown how important is to be able to use banking and financial services from remote locations. For example, 64% of Italian SMEs prefer a digital relationship with their bank, preferring to use online banking services, and 35% use digital platforms even for the most complex operations related to credit (Market Watch PMI[b], 2021).

The role of the banks, however, does not end only with a rescue role in emergency situations. The banking system will have to also play a supporting role in the implementation of the NRRPs and cooperate with businesses to achieve the goals of the twin transitions, both digital and green; they will need to support the strong increase in investments expected in the coming years, by providing additional resources. In 2021, 65% of EU27 SMEs indicated that they prefer bank loans to finance their future growth (European Commission[i], 2021). However, banks will also need to be selective; according to the new guidelines, projects that are coherent with the guidelines of the NRRPs (innovation, digitalisation, sustainability) should have priority for financing. A careful selection of borrowers becomes paramount, therefore, to ensure an efficient allocation of resources.

An example of an intervention of support to the investments planned by the NRRP is provided by the Intesa Sanpaolo group, which has granted €400 billion in medium-long term loans to businesses and individuals in support of the Italian NRRP. The interventions supported by Intesa Sanpaolo aim to implement innovative projects, mainly in areas closely related to the recovery plan such as green, circular economy, ecological transition, digitalisation, infrastructure, transport, and urban regeneration projects, through the offer of dedicated services with specific know-how in the field of digital technologies and sustainability (Messina, 2021).

UniCredit bank also has created a task force to pursue the objectives of the NRRP: digitalisation, innovation, competitiveness, culture and tourism, green revolution and ecological transition, infrastructure for sustainable mobility, education and research, inclusion and cohesion, and healthcare. The task force aims to provide the best possible support to customers and guides businesses seeking to access European funds, through a dedicated

[4] https://www.il-sole24ore.com/art/ecco-perche-credito-pmi-fintech-italiane-e-aumentato-450percento-ADf2TiLB)

consulting service. UniCredit has also recently issued bonds for €1 billion, aimed at financing innovative and sustainable projects, (Piano Nazionale di Ripresa e Resilienza (PNRR) (unicredit.it)[5] and introduced a new range of soft financing directed to enterprises which show their commitment to improving their ESG (Environmental, Social, Governance) profile.

In addition to its crucial contribution to supporting the real economy, the banking system is also called to play this second role, as a driving force for the changes and future challenges of the production system guided by the NRRP, by providing skills and additional resources. It is not unthinkable to assume that when the extraordinary measures of public guarantees come to an end, the quality of bank assets may deteriorate. However, one can also see how the growth impulse provided by the NRRP is expected to limit this effect in light of the overall improvement of the macroeconomic conditions. It is precisely at that moment in time when banks must not fail in their support to businesses on this path of modernisation and development, just as they have been committed to working alongside households and businesses in facing the economic crisis.

6. Conclusions and research perspectives

The pandemic-induced damage has been significant to SMEs in the European Union. Closures, layoffs, sales falls, and the difficulties accessing financial resources are ongoing hurdles that Europe must overcome. In this scenario support to SMEs has been crucial, as they represent over 99% of European enterprises and, percentage-wise, employ the most people and generate the most added value.

Overall, from the analysis, a substantial cooperation and coordination emerges between and among the various components of the European productive system: the enterprises, the governments, and the financial system. European countries have taken emergency measures, which enabled SMEs to postpone payments and obtain guaranteed loans, soft loans, grants, and subsidies - designed to protect the liquidity of SMEs. In addition to the emergency measures, an even more important role will be played by the NRRPs in programming the future of SMEs in Europe.

The analysis of the measures geared toward SMEs shows the direction that the European Union has decided to undertake. Digitalisation, innovation, energy efficiency, and green transition are the main trajectories that EU countries have decided to follow. The determination to pursue these objectives is also demonstrated in the language adopted and in the associ-

[5] https://www.unicredit.it/it/contatti-e-agenzie/supporto-covid-19/UniCredit-per-l-Italia-PNRR. html)

ated keywords and collocations. For example, "Support", "Digital", "Investments", and "Environmental impact" are some of the most common words and expressions used in relation to SMEs and as they pertain to the achievement of these ambitious goals, which represent the main challenges European SMEs will be facing in the near future. The expressly formulated objectives underscore the existence of a positive macroeconomic policy context within the EU27. SMEs' corporate governance actors must take advantage of the many opportunities, developing more mature competences in numerous managerial fields to achieve positive results in digitalisation, innovation, energy efficiency, and green transition efforts. The micro-level analysis of the Italian context shows how enterprises are taking these directions: after the emergency, a significant percentage of SMEs has innovated its business model, making progress on both the digital and the sustainability fronts. The banking system also, after providing essential to the economy, is playing its part in bringing to fruition the NRRP objectives. Banks and the fintech industry are cooperating with businesses to achieve their digital transformation and green transition, and they are supporting and fostering increased investments in the coming years by providing additional resources.

These challenges also open further research opportunities for SME management scholars. Research pathways relating to corporate finance, accounting and organizational studies would merit exploring, as well as some across-the-disciplines topics that have already emerged but could be developed more deeply (e.g. stakeholder management, sustainability in its different meanings, employability, and flexibility). Future research could delve into the role of entrepreneurial and financial education in preparing entrepreneurs to manage situations of uncertainty. In order to prevent the difficulties resulting from crisis situations, the entrepreneur must be able to promptly recognise the crisis status, to set up appropriate managerial and financial structures, and, in general, to take appropriate impact-mitigating initiatives.

Discussing about the contribution to practice and some limitations of this work, the paper is a basic analysis that provides insights for further investigation. There is no analysis of cause-effect relationships among the factors considered. The topic of pandemic and recovery and resilience plans are quite recent, and this paper has this aspect of novelty, helping to enrich the literature in these fields. Once the picture of SMEs in Europe is represented and the way the topic is treated in the recovery plan texts, afterwards it might be interesting to study in more detail the relationships between the different factors analysed, and to compare the actual implementation of the recovery plan measures with the relevance of the SMEs topic that emerges from the texts.

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business

n. 3, anno 2022

Codice ISSN 0394-7947 - ISSNe 2421-5724

DETECTING INDUSTRY-LEVEL PATTERNS OF RESILIENCE: A FINANCIAL ANALYSIS OF ITALIAN SMES IN THE FASHION INDUSTRY

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Article info

Date of receipt: *01/02/2022*
Acceptance date: *14/09/2022*

Keywords: *Fashion; Resilience; Made in Italy; Covid 19; Crisis; Growth*

doi: *10.14596/pisb.3299*

Abstract

Purpose. *This paper offers an exploratory analysis of the existence of industry-specific patterns of resilience in the context of the Italian fashion industry, captured through a financial analysis.*
Design/methodology/approach. *Building on a dataset of 37.052 firms operating in the Italian fashion industry, we adopt an outcome-based approach using financial indicators capturing the profitability, liquidity, and solidity, to assess the existence of recovery patterns. We separately analyze and compare the period after the 2008 global financial crisis (2009-2019) and the effects of the Covid-19 pandemic (2019-2021).*
Findings. *Our findings suggest the existence of industry-specific recovery patterns. Specifically, Italian fashion firms have been able to capitalize on their pre-crisis financial health to increase their investments especially towards new business models and nurture a recovery in profitability. Furthermore, the greater contribution to resilience of SME's relative to large competitors supports previous findings on the mutual reinforcement mechanism of an industry firms' networking and financial health.*
Practical and Social implications. *From a managerial viewpoint, companies should be aware of the signalling role of financial ratios as drivers of resilience and of the importance of network relationships, in order to exploit their positive effect as intensifiers of financial health and industry resilience. In a policy-making perspective, we suggest the importance of assessing the industry-specific ability to profitably allocate financial resources in order to identify more effective supporting mechanisms.*
Originality of the study. *This study contributes to the literature on resilience by extending the outcome-based approach focused on financial ratios to the analysis of industry-level resilience. In doing so, we underscore the importance of using a systemic approach in the assessment of financial health and offer a fine-grained analysis that captures both general industry patterns and sub-industry specificities in a comparative lens.*

1. Introduction

Resilience, i.e. the ability to recover from adverse situations and disruptive events, has been at the core of multiple studies in social sciences (e.g., Bullough & Renko, 2013; Corner et al., 2017). Such studies have taken various perspectives to the examination of resilience, assessing its antecedents and outcomes at different levels, namely the employee (Britt et al., 2016), the organizational (Kantur & İşeri-Say, 2012), the industry (Fromhold-Eisebith, 2015), and the territorial level (Ribeiro & Gonçalves, 2019).

In this literature, the industry perspective is a particularly promising research area for at least two main reasons. First, scholars are increasingly acknowledging that resilience dynamics are highly context-dependent and hence differ across industries (Linnenluecke, 2017). Second, if compared to other levels of analysis, industry-level resilience has remained relatively less explored, thus raising the need for further examination (Sydnor-Bousso et al., 2011; Fromhold-Eisebith, 2015).

At an industry level, resilience has been defined as "*the ability of the firms and other organizations that contribute to the same industry's value chains to interactively adapt to major global shocks in market, production, technological and related conditions in sector-specific ways that distinctively shape the longer term evolutionary trajectory of that industry*" (Fromhold-Eisebith, 2015,p.1679). Thus, industries are able to respond to external shocks and display resilience qualities that are a reflection of the aggregate recovery capabilities of their constituent elements (Miranda and Roldan, 2022).

While we acknowledge that each crisis represents a unique event having its own distinctive characteristics, we argue that the way in which firms shape their response strategy at the industry level may show convergence across various crisis events and potentially establish a pattern. Indeed, firms operating in the same industry are confronted with industry-specific competitive dynamics (Bhawsar & Chattopadhyay, 2015), that may both affect firms' growth and longevity (Mengistae, 2006) and shape their responsiveness to external shocks. Based on this, we explore whether there are patterns of responses at the industry level following black swan events.

In terms of research contexts, the literature on industry-level resilience has explored a variety industrial settings, including the airline industry after 9/11 (Gittel et al., 2006), the tourism industry especially in the aftermath of the Covid-19 pandemic (e.g., Bui et al., 2021; Ntounis et al., 2022), the 4.0 industry (Ivanov & Dolgui, 2020), the music industry in the digital era (Guichardaz et al., 2019), and the construction sector after natural disasters (Sapeciay et al., 2017).

Among these studies, a prominent research focus has been represented by the fashion industry by virtue of some peculiar characteristics: fashion is particularly crisis-sensitive, especially in view of its highly globalized

nature (Newbury & Ter Meulen, 2010; Brydges et al., 2020). At the same time, recent literature has also acknowledged its incredible recovery potential (Antomarioni et al., 2017; Hsu et al., 2021; Verdone et al., 2021; Intesa Sanpaolo - Direzione Studi e Ricerche, 2021). Studies exploring the resilience in this industry have focused on heterogeneous combinations of industrial and national settings, including the Sri Lankan apparel industry (Abeysekara et al., 2019), the Pakistan's textile (Piprani et al., 2020), the footwear industry in south Brazil (Machado et al., 2019) and in Southern Europe (Miranda & Roldan, 2022). In this scenario, the Italian fashion has remained comparatively unexplored, which is quite surprising as fashion represents a key industrial pillar in the Italian economy, contributing significantly to the overall Italian exports (Fortis, 2005) and, in turn, Italy has been historically playing a fundamental role in the global value chain of fashion and on the international competitive arena (Tavoletti, 2011). The Italian fashion is indeed one of the most important in the world, in terms of added value, income generated, employment, and number of companies. Furthermore, several post-pandemic analyses suggest that Italian fashion was the second industry most affected by Covid-19 lockdowns (EY, 2020). The above arguments suggest that the Italian fashion industry could be an ideal setting to explore the resilience at the industry level.

To investigate whether Italian fashion companies follow a pattern of resilient responses when faced with exogenous shocks, we adopt an outcome-based orientation to the assessment of resilience (e.g., Ortiz-de-Mandojana & Bansal, 2016; DesJardine et al., 2019; Ruiz-Martin et al., 2018; McEwan et al., 2021; Miranda & Roldan, 2022). Conceptually, we argue that the aggregate financial health of companies in an industry may be a driver of the overall resilient capabilities of the industry as a whole (de Waal, 2008; Torstensson & Pal, 2013) and, hence, we use financial figures and ratios not only as indicators of performance but also as predictors of a system's potential vulnerability and recovery (Gittel et al., 2006; Belhadi et al., 2021; Sundarakani & Onyia, 2021). Thus, we provide an exploratory study that investigates whether different indicators of financial performance and financial position – namely profitability, liquidity, and solvency ratios – may capture an industry-specific pattern of response to black swan events.

The following research question is therefore developed: *are there industry-specific resilience patterns in the fashion industry?* And related to this, we also explore the following: *do financial ratios allow to detect such patterns?*

To address these research questions, an original analysis of 37.052 Italian manufacturing fashion companies is offered, grouped into three main product markets based on industry classification codes, namely textile (ATECO 13), apparel (ATECO 14), and leather (ATECO 15). In our analysis, we follow an emergent practice in the literature that takes a comparative approach to obtain benchmarks and establish the existence of patterns. For

instance, in their examination of resilience in the automotive cluster in Mexico, Menoza-Velazquez & Rendon-Rojas (2021) employ the Sub-Prime crisis as a benchmark to identify recovery in terms of both employment and production after SARS-CoV-2, this representing an adverse shock of similar magnitude. Consistently, two time periods are separately analyzed, namely the 2009-2019 as a time window for the observation of resilience in response to the global financial crisis, and the 2019-2021 period to capture the short-term implications and resilient responses to the Covid-19 outbreak.

Our exploratory study contributes to the ongoing conversations on industry-level resilience in several ways. First, from a theoretical point of view, we respond to the multiple calls that industry-level resilience needs further investigation in order to deepen our understanding of context specificities that might shape resilient responses in a contingent way (Sydnor-Bousso et al., 2011; Fromhold-Eisebith, 2015; Linnenluecke, 2017). In particular, our framework contributes to enriching our knowledge of industry-level resilience by highlighting patterns of resilience among Italian fashion companies.

Second, we address a gap in the literature in terms of examination of whether financial ratios and indicators may signal the overall resilient capabilities of an industry, thus originally taking a financial analysis approach to the overall industry-level financial health. Besides, to the best of the authors' knowledge, this represents the first study to specifically examine resilience in the Italian fashion industry, which is of particular relevance to the global competitiveness of Made in Italy. Overall, our results offer a fine-grained perspective of the specific fashion industry responses to systemic shocks and of how the different performance areas have been affected by disruptions.

The remainder of the paper is structured into five sections. In the next section, we offer a systematic review of the literature on industry-level resilience and identify our research questions; Section 3 is devoted to the research setting and sample; the fourth section describes the results of our exploratory study. Finally, in the last two sections, a discussion and implications from our study are outlined and conclusions are provided.

2. Literature review on industry-level resilience: A systematic approach

The increasing research interest in industry-level resilience has resulted in fragmented theoretical perspectives and mixed empirical findings, which not only offer fertile ground for additional investigation but also require a systematization effort (Hillman and Guenter, 2021; Piprani et al. 2020). Thus, we performed a systematic literature review (Tranfield et al. 2003).

In terms of search protocol, we relied on ABI/Inform Complete as the source for article selection, as it represents one of the most extensive data-

bases and is largely used in management research in general and particularly in studies on resilience (Zhang et al., 2021; Korber & McNaughton, 2017; Piotrowski and Guyette, 2007). We searched academic articles published in 2002-2022, this being a time period long enough to offer a comprehensive picture of the scholarly research on resilience and showing full consistence with previous studies identifying an increasing trend in publications focused on resilience starting from 2002 (Saad et al., 2021). The selection was focused on academic articles that included the keywords *resilien** and *industry* in the title and written in English. Following the best practices on systematic reviews (Tranfield et al., 2003), we included all published or in-press and accessible articles, regardless to the journals' quality rating; this enabled us to be more comprehensive in the selection process and to grant the equality criterion among journals.

This search protocol led to 62 articles. Each journal article was then scrutinized in order to ensure the alignment with the purposes of this systematic review, i.e. that resilience was examined at the industry level. We hence appraised each paper's internal validity based on Tranfield et al. (2003) by examining the true existence of a research question related to industry resilience. To increase the validity of our selection and minimize the risk of errors, each paper was independently examined by two researchers. This screening phase led to the exclusion of 25 articles where the industry just represented the research setting and resilience was observed at a different level. Based on this, our final sample consists of 37 journal articles published in the last two decades.

Observing the temporal distribution of articles, the interest towards industry-level resilience has increased in the last decades, with a peak in the last three years: 37 articles (75%) have been published since 2019, the 62% of which being in the 2020-2022 period. This signals the fundamental role of the recent Covid-19 pandemic as a driver of the research appetite in the topic. Indeed, the recent health emergency has played a transversal role in terms of boosting heterogenous contributions on industry responses to the pandemic. For instance, with the exception of Ghaderi et al. (2015), all contributions on the tourism industry are found in the post-pandemic era (Altshuler & Schimdt, 2021; Bui et al., 2021; Khan et al., 2021; Ntounis et al., 2022). In contrast, before 2020, studies were to some extent fragmented and focused on how various industries responded to specific environmental shocks (e.g. Gittel et al., 2006; Ghaderi et al., 2015; Guichardaz et al., 2019). Gittel et al. (2006) look at the airline industry after 9/11, while Guichardaz et al. (2019) explore how the digital revolution affected the major incumbents in the entertainment industry.

In terms of industries, multiple industries have been analyzed, with the automotive and airline, the fashion and fashion-related, and the tourism and hospitality being the most prolific research settings (Table 1).

Tab. 1: Number of publications per industry

Industry focus	Research context	N. Publications	Studies
Industry 4.0	Global	3	Ralston & Blackhurst, 2020; Dev et al., 2021; Dilyard et al., 2021
Agriculture (including wine) & livestock	Australia, Canada, Italy, New Zealand, USA	4	Golicic et al., 2017; Canello & Vidoli, 2020; Peterson & Crase, 2021; McEwan et al., 2021
Automotive & airline	Germany, Iran, Mexico, USA	6	Kädtler & Sperling, 2002; Gittel et al., 2006; Kaviani et al. 2020; da Silva et al. 2020; Belhadi et al., 2021; Mendoza Velázquez & Rendón Rojas, 2021
Fashion & fashion-related	Brazil, Italy, Pakistan, Spain, Sri Lanka, Portugal	5	Abeysekara et al., 2019; Machado et al., 2019; Bevilacqua et al., 2020; Piprani et al., 2020; Miranda & Roldan , 2022
Medical equipments / health care	Iran, Singapore	2	Low et al., 2017; Jafarnejad et al., 2019
Oil & gas	Iran	2	Bento & Garotti, 2019; Jahangiri et al., 2021
Tourism & hospitality	Thailand, UK, USA	5	Ghaderi et al., 2015; Altshuler & Schimdt, 2021; Bui et al., 2021; Khan et al., 2021; Ntounis et al., 2022
Transportation	India, Indonesia	3	Sharma & George, 2018; Djunaidi et al., 2021; Praharsi et al., 2021
Others (construction, entertainment, ICT, machine tools, general supply chain studies)	New Zealand, Spain, Taiwan, United Arab Emirates	7	Sapeciay et al., 2017; Kumar & Anbanandam, 2019; Guichardaz et al., 2019; Chen et al., 2019; Remko, 2020; Valdaliso, 2020; Sundarakani & Onyia, 2021
Total		**37**	

Source: Authors' elaboration based on ABI/Inform

As far as the institutional contexts are concerned, the majority of contributions have investigated resilience in developing countries (e.g., Ghaderi et al., 2015; Sharma & George, 2018; Abeysekara et al., 2019; Chen et al., 2019; Machado et al., 2019; Piprani et al., 2020). This focus on developing markets suggests that resilience capabilities may vary depending on the context. Indeed, developing markets are typically exposed to greater risks of disruption in view of their political instability, poor infrastructures and underdeveloped capital markets.

From a conceptual point of view, scholars highlight the multidimensional nature of resilience, which has been examined in terms of readiness capabilities, responsive capabilities, and recovery capabilities (Piprani et

al., 2020), dynamic transactional capability (Guichardaz et al., 2019), resistive versus restorative capacity (Sharma & George, 2018), and in terms of proactive versus reactive responses (Belhadi et al., 2021).

In this scenario, various interpretations of resilience are provided, namely the engineering, the ecological, and the evolutionary conceptions. From an engineering point of view, resilience has been regarded as the ability of a system to return to a prior point of stability and bounce back to its performance levels in the face of disruptive events (Kumar & Anbanandam, 2019). For instance, Jahangiri et al. (2021) take an engineering perspective and examine a sample of both state-owned and private companies in the Iran oil and gas industry. Their findings suggest that resilience is positively affected by the level of a firm's safety culture maturity.

In an ecological perspective, the focus is on an entity's tolerable level of disturbance (Ruiz-Martin et al., 2018) and its elasticity in achieving a new state of stability (Burnard and Bhamra, 2011). In their conceptual framework on the oil and gas industry, Bento and Garotti (2021) take an ecological perspective and provide a network-based conceptualization of the resilience displayed in this industry. Specifically, they suggest that networks of interactions represent fundamental tools enabling the recovery of complex systems. Finally, the evolutionary approach regards resilience in terms of ability of a system to reconfigure and reorganize in order to dynamically adapt to external shocks (Linnenluecke, 2017; Low et al., 2017).

In terms of the mechanisms driving industry-level resilience, academics underscore the crucial role played by interdependence (Low et al., 2017): players in an industry contribute to shaping the overall industry's potential for a dynamic adjustment to exogenous shocks. This confirms the co-evolutionary dynamism between organizations and industries (Miranda & Roldan, 2022). In broad terms, when there is a persistence of a crisis, the collective efforts undertaken by the different industrial players, create the conditions for resilience at the industry level (Sharma & George, 2018; Bento & Garotti, 2019; da Silva et al., 2020). Indeed, the strategic moves and interactions among multiple individual organizations translate into constructive reactions against disruptive events at the industry level (Abeysekara et al., 2019; Jafarnejad et al., 2019), thus showing industry-specific patterns (Canello & Vidoli, 2020). Furthermore, evidence is provided that, especially for SMEs, close vertical relationships in the industry supply chain positively affect firms' financial ratios, such as capital turnover. This occurs because networking provides firms with better negotiation opportunities and a potentially more efficient use of slack resources.

Overall, the conceptual frameworks of these studies share two common elements: first, they acknowledge the fundamental role played by the level of vulnerability of a system (Machado et al., 2019; Kaviani et al., 2020; Khan et al., 2021) and, second, they more or less explicitly take a knowledge-

based approach and consider resilience as a dynamic capability that drives a system's renewal and agility (Abeysekara et al., 2019; Jafarnejad et al., 2019). This is also mirrored in the resilience definitions provided by the reviewed papers, as flexibility and adaptation capabilities appear to play a central role in determining industry-level resilience. In particular, while some definitions focus on the industry ability to recover from disruptive events and bounce back to its original state, others include the potentiality to exploit external shocks to move to a better state or even the ability to anticipate disturbancies. Finally, a few studies also include robustness in their conceptualization of resilience (see Table 2).

Tab. 2: Definitions of industry-level resilience

Definition	Studies
Ability bounce back from disruptions and return to their original state after being disturbed, within an acceptable period of time	Belhadiet al., 2021; Mendoza-Velázquez & Rendón-Rojas, 2021; Sundarakani & Onyia, 2021; da Silva et al., 2020; Piprani et al., 2020; Ralston & Blackhurst, 2020; Abeysekara et al., 2019; Chen et al., 2019; Jafarnejad et al., 2019; Machado et al., 2019; Sharme, & George, 2018; Sapeciay et al., 2017,
Capability to withstand, react, adapt, recover and innovate from a disruption back to its original state or to move to a better, new and more enviable state, exploiting the opportunities that disturbance opens up	Miranda & Roldán, 2022; Altshuler & Schmidt, 2021; Dev et al., 2021; Khan et al., 2021; Ntounis et al., 2022; Bevilacqua et al., 2020; Kaviani et al., 2020; Bento & Garotti, 2019; Kumar & Anbanandam, 2019; Golicic et al., 2017; Ghaderi et al., 2015; Gittell et al., 2006.
The ability to to anticipate, prepare for, respond to, change after, and recover from a disturbance	Djunaidi et al., 2021; Canello & Vidoli, 2020; Valdaliso, 2020; Low et al., 2017.
Resilience traslates in robustness and flexibility of the economic system, occurring when facing unexpected external shocks such as an international trade dispute, natural disaster, or a pandemic	McEwan et al., 2021; Praharsi et al., 2021.

Source: Authors' elaboration

Moving to methodological aspects, except from two conceptual papers (Bevilacqua et al., 2020; Altshuler & Schmidt, 2021), the majority of contributions are of empirical nature and rely on heterogeneous methods. In particular, both qualitative (e.g., Kädtler & Sperling, 2002; Chen et al., 2019; Ralston & Blackhurst, 2020; da Silva et al., 2020) and quantitative methodologies have been used. Quantitative studies are particularly variegated in terms of analytical methods employed, including the Delphi method

(Jafarnejad et al., 2019; Kumar & Anbananda, 2019), and the resilience assessment grid (Jahangiri et al., 2021; Djunaidi et al., 2021).

As long as the assessment of resilience as a construct is concerned, literature highlights that its multidimensional and dynamic nature requires the examination of various outcomes at multiple levels (DesJardine et al., 2019; Hillman and Guenter, 2021). Such outcomes have been mainly investigated in qualitative terms (Torstensson & Pal, 2013), for instance by capturing the perceptive dimension of resilience, observed in terms of situation awareness and vulnerabilities management (Seville, 2009), corporate committees, strategic planning, and partnerships (Lee et al., 2013). In contrast, an emergent stream of research takes an objective approach to the measurement of resilience that privileges an outcome-based orientation (Ruiz-Martin et al., 2018). For instance, scholars have examined the recovery of stock prices (Gittell et al., 2006), sales growth (Ortiz-de-Mandojana & Bansal, 2016), internationalization and exports (Sabatino, 2016; Valdaliso, 2020; McEwan et al., 2021; Miranda & Roldan, 2022), along with financial indicators as predictors of a system's vulnerability and recovery ability (Gittel et al., 2006; Belhadi et al., 2021; Sundarakani & Onyia, 2021). In this latter approach, an important role is played by financial ratios, including profitability ratios (Watanabe et al., 2004; de Carvalho et al., 2016), and financial position ratios, such as debt/equity and liquidity ratios (Bistrova et al., 2021). For instance, in examining the supply chain resilience in the automobile and airline industries, Kaviani et al. (2020) build on financial impact analysis, which they further integrate with a time-to-recovery analysis. In this perspective, although comparatively still scarcely investigated, business health is reported to be strongly and positively related to resilience (de Waal, 2008). On this matter, scholars (e.g. Slatter, 1984) maintain that positive financial ratios related to liquidity, solvency and profitability provide an overall signal of resilience. Conversely, firms lacking adequate economic resources show distress conditions during crises and are less able to recover as financial reserves constraints limit their investment capacity (Torstensson & Pal, 2013).

Furthermore, evidence is provided that, especially for SMEs, close relationships with suppliers and customers positively affect firms' financial ratios, such as capital turnover (Torstensson & Pal, 2013). Indeed, networking appears to support companies' financial position and performance – and hence resilience – as it allows them to exploit favourable price negotiations with suppliers and B2B's orders, allowing them to efficiently use slack resources thanks to relational assets that grant higher flexibility (e.g., because of the possibility to refer to different small high-quality suppliers or larger customer bases). Such findings have opened up several research paths for scholars and still offer huge opportunities for deepening our understanding of resilience.

Based on the extant literature showing industry-level resilience patterns (Canello & Vidoli, 2021; Abeysekara et al., 2019) along with the signalling role of resilience played by financial ratios and measurements (Watanabe et al., 2004; de Carvalho et al., 2016; Slatter, 1984), we develop the following research questions:

RQ1: Are there industry-specific resilience patterns in the fashion industry?

RQ2: Do financial ratios allow to detect such patterns?

3. Research setting and sample

The Italian fashion system represents a particularly interesting research setting, as it displays a number of unique characteristics that contribute to its reputation and competitive advantage worldwide. Such unique features include: a) a mutual reinforcing dynamism between the wide array of intangible factors and the "country image" effect associated with Made in Italy (Liefeld, 2004; Cappelli et al., 2017); b) a heterogeneous population of both multinational enterprises (MNEs) and small- and medium-sized enterprises (SMEs) that creates fruitful interdependencies, with the former often outsourcing a significant portion of their production activities (Arcuri, 2021); and c) an industrial organization characterized by densely populated industrial clusters (De Dominicis et al., 2013), which creates a virtuous cycle of local branding (Passeri et al., 2014; Reinach, 2015). Collectively, these characteristics drive the distinctiveness of the Italian fashion industry relative to other national contexts, as testified by prior studies taking a comparative approach between Italy and other countries (e.g., Golicic et al., 2017; Miranda & Roldan, 2022).

The empirical analysis focuses on a panel dataset of 37.052 Italian manufacturing fashion companies. The source used for data collection is AIDA (Analisi Informatizzata delle Aziende Italiane), a comprehensive database of Italian companies developed by *Bureau Van Dijk*.

In terms of data collection, we selected Italian firms recorded as active from 2009 to 2020 and for which financial statements were available, which led to an initial number of 37.055 companies. Three were excluded from the final analyses due to missing data on multiple dimensions. This led to a final dataset of 37.052 firms, grouped into three industry subsectors based on industry codes: ATECO 2007 code 13 identified the textile sector, ATECO 2007 code 14 identified the apparel sector, while ATECO 2007 code 15 identified leather goods (Table 3).

Tab. 3: Sample composition

TEXTILE	
Fabric mills	2.586
Fiber, yarn and thread mills	1.576
Other textile product mills	1.458
Textile and fabric finishing and fabric coating mills	1.647
Textile furnishings mills	1.782
Textile mills	190
Total	9.239
APPAREL	
Apparel knitting mills	3.251
Cut and sew apparel manufacturing	14.119
Total	17.370
LEATHER	
Footwear manufacturing	5.803
Leather and hide tanning and finishing	2.311
Other leather and allied product manufacturing	2.332
Total	**10.446**

Source: Authors' elaboration

As regards the geographic distribution, Lombardy, Tuscany, and Veneto represent a triad that hosts the majority of Italian fashion clusters (Arcuri, 2021). Additionally, firms are concentrated in the most densely populated areas of the country, with Milan keeping a top position in both the textile and the apparel segments thanks to its strong specialization in industrial design and service-oriented creative industries (Bertacchini & Borrione, 2013). This spatial organization of industrial activities is fully consistent with studies suggesting that while concentration in large urban areas has increased flexible specialization and vertical disintegration, the traditional agglomeration in small municipalities represents a distinctive feature of the Italian creative industries including fashion (Scott, 2006; Bertacchini & Borrione, 2013).

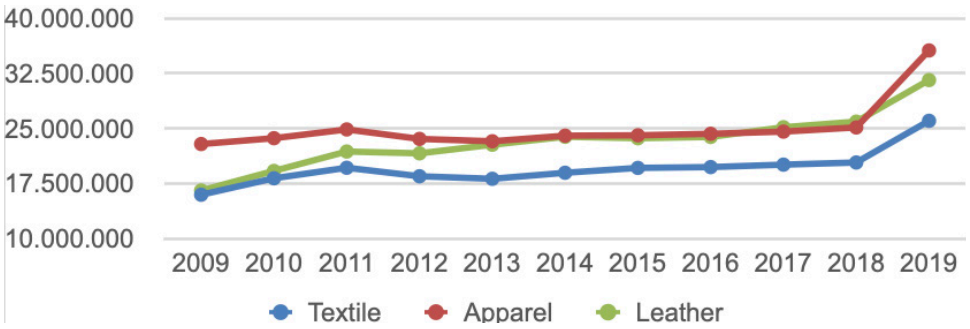
To answer our research questions, we followed prior studies (Hillman and Guenter, 2021; Ruiz-Martin et al., 2018) and calculated various financial data and financial ratios including revenues, Ebitda, and profitability (ROE ROA, ROS), liquidity and solvency (quick ratio, debt-to-equity, cost of debt).

4 Findings

4.1. Resilience in response to the global financial crisis

In the aftermath of the 2008 global financial crisis, revenues have shown a continuous upward trend, reaching an average value of 6 million euros in 2019 and a 68% ten-year combined average growth rate. As shown in Figure 1, the branch that has grown the most is leather, followed by textile, and apparel.

Fig.1: Comparative overview of the 2009-2019 revenues (N=37.052)



Source: Authors' elaboration

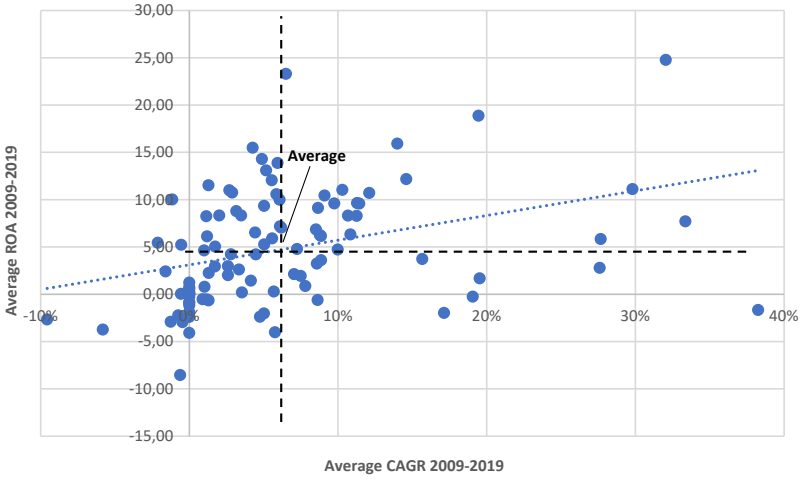
At the overall industry level, such a positive trend has more than compensated the increase in operating expenses (up to 39% from 2009 to 2019), with a net growth in profitability. Accordingly, the aggregate average values of ROA and ROS have increased over the decade (+14 and +33 percentage points, respectively). However, consistently with the Italian macroeconomic scenario, this pattern was reversed in 2019 following the rise in operating expenses (average value of 5.5 million euros in 2019), especially those related to employees' salaries (CNDCEC, 2020). Nevertheless, it has to be noted that ROA and ROS still show positive, albeit lower, aggregate average values for 2019 (4.42% and 4.63% respectively). Concerning the financial position, the aggregate average debt/equity ratio has improved but remained below 1 over the decade, which signals firms' low indebtedness and ability to meet both short- and long-term obligations. This is further testified by the steady increase in the quick ratio, equal to 1.41 in 2019 and by the decline in the cost of debt (2019 average value of 1.31%), mainly driven by the reduction in interest expenses (-28% relative to 2009).

In terms of sub-industry breakdown, a continuous growth in both revenues and profitability during the decade has been shown in particular by the leather segment, with a peak at the end of the period (with ROE grown

by +10 percentage points in 2018-2019). Examining the liquidity and the financial position across the three sub-industries, the picture is heterogeneous, with the textile providing the strongest contribution to the overall quick ratio (+103% over the decade) and the lowest on the debt/equity ratio enhancement (-13%).

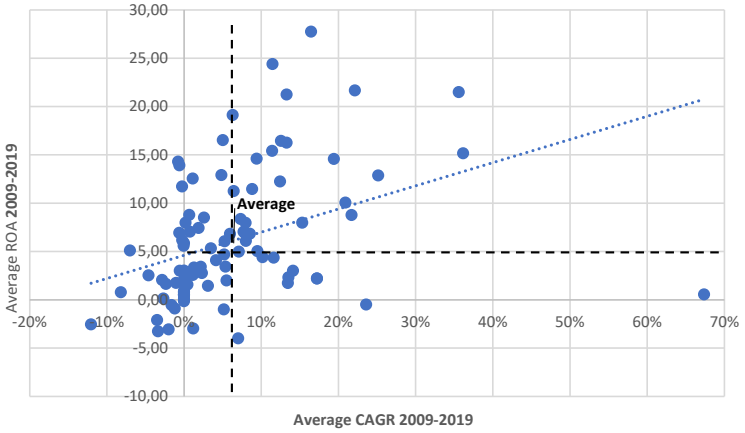
In terms of growth, we separately examined the three sub-industries looking at the relationship between the cumulative average growth rates (CAGR) and the ROA of the 100 largest players in each sub-industry (Figures 2-4 on the textile, apparel, and leather sub-industry respectively).

Fig. 2: Relationship CAGR-ROA of the largest players in the textile sub-industry (N=100)



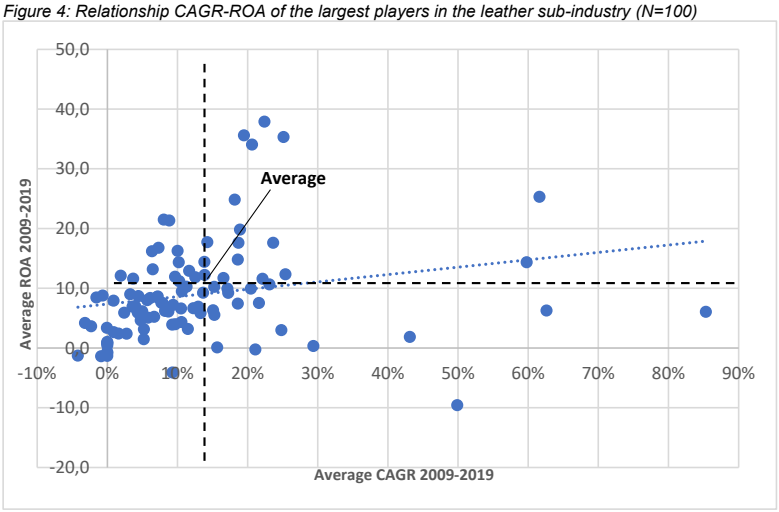
Source: Authors' elaboration

Fig. 3: Relationship CAGR-ROA of the largest players in the apparel sub-industry (N=100)



Source: Authors' elaboration

Fig. 4: Relationship CAGR-ROA of the largest players in the leather sub-industry (N=100)



Source: Authors' elaboration

The three scatter plots provide very similar trends in the CAGR-ROA relationship, mostly displaying a weak uphill (positive) linear association. Respectively, total average values are: 6% CAGR and 4.76% average ROA in the textile; 6% CAGR and 6.09% average ROA in the apparel; and 13% CAGR and 8.95% average ROA in the leather sub-industry. Although the sets of points mostly cluster together, it is worth noticing that there are several virtuous cases displaying both high growth rates and high profitability. Also, the three scatter plots display the presence of outliers, in particular corresponding to companies with high CAGR but a negative/low ROA, which is more common in the leather segment, thus suggesting that these companies might have over-invested in assets.

In this scenario, the analysis of the top-five competitors in each sub-industry suggests that they provide only a moderate contribution to the overall profitability levels, thus demonstrating the fragmented nature of the industry as a whole (13.1% of sales volume in the apparel sub-industry, 12.5% in the leather, and only 4.2% in the textile).The profitability ratios of the top five players in each sub-industry are actually in line with the overall fashion industry trends, although the decline in profitability margins and ratios has emerged earlier in both the leather and the apparel firms (a drop in Ebitda respectively of 34.1% 2016 and of 21.1% in 2015). In terms of financial position, the top competitors have deviated from the overall industry trend, as they have experienced a greater increase in the

debt/equity ratio, which was partly compensated by their ability to cover interest expenses. These data indicate that larger companies have actually provided a comparatively marginal contribution to the overall profitability and solvency at the industry level and that a prevailing role in shaping the industry patterns of resilience has been played by SMEs.

Overall, these data provide evidence of the resilience of Italian fashion companies (Table 4).

Tab. 4: Percentage variation of financial data and financial ratios – 2009/2019

	Total Revenues	Tangible Fixed Assets	Intangible Fixed Assets	Quick Ratio	Debt/ Equity Ratio	Cost of Debt	ROS	ROA	ROE
Industry	68.27%	23.63%	41.88%	55.94%	-54.46%	-19.24%	33.36%	13.53%	163.13%
Textile	62.98%	18.31%	52.43%	102.51%	-12.92%	-34.18%	28.44%	51.63%	151.64%
Apparel	55.68%	25-66%	42.64%	91.90%	-19.86%	-3.23%	39.36%	13.53%	204.68%
Leather	90.78%	63.62%	7.85%	80.66%	-32.59%	-18.94%	28.63%	9.83%	70.91%

Source: Authors' elaboration

Moreover, the aggregate average difference between the ROE and debt/equity ratios (4.53) shows that fashion firms have also had to possibility to benefit form the financial leverage. Indeed, both tangible and intangible fixed assets have significantly grown in the aftermath of the 2008 global financial crisis.

4.2 Resilience in response to the Covid-19 pandemic

The outbreak of the Covid-19 pandemic has dramatically affected the macroeconomic conditions and the environments for doing business on a global scale, requiring companies to be strategically agile and to quickly enact reconfiguration processes. In the specific context of the fashion industry, the health emergency has had an immediate and dramatic impact on the global production networks, with furloughed workers, fashion weeks canceled, stores closed, and increasing unsold inventory.

Table 5 displays percentage changes in the 2019-2020 period. The analysis of profitability ratios and financial indicators clearly demonstrates the disastrous impact of the Covid-19 outbreak, as testified by a general organizational downsizing (19% decrease in employees) and a significant downturn in profitability. For what concerns solvency aspects, both the quick and the debt-to-equity ratio have declined from 2019 to 2020, as demonstrated by their average value (1.31 and 0.75, respectively), which falls within an acceptable range, as confirmed by the drop of the cost of debt ratio (overall, down 36.9 percentage points, with an aggregate average value of 0.83). This circumstance indicates that fashion firms have been capable to access finan-

cial reserves needed to cope with unexpected events, this being a key mechanism to develop resilience and to adapt to new scenarios (Gittel et al., 2006).

Tab. 5: Percentage variation of Financial data and financial ratios – 2019/2020

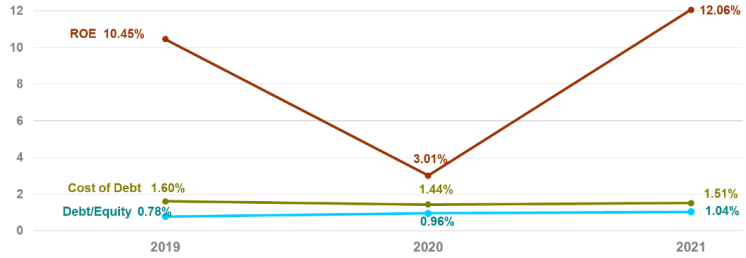
	Total Revenues	Tangible Fixe Assets	Intangible Fixed Assets	Quick Ratio	Debt/ Equity Ratio	Cost of Debt	ROS	ROA	ROE
Industry	-33.02%	19.46%	150.42%	-11.20%	-16.09%	-36.91%	-85.09%	-118,55%	-77.15%
Textile	-26.54%	21.62%	61.61%	-5.26%	-43.32%	-76.21%	-78.53%	-81,97%	-71.83%
Apparel	-28.27%	18.03%	182.10%	-16.88%	-10.18%	-12.68%	-92.06%	-213,26%	-77.37%
Leather	-40.82%	10.56%	50.44%	-9.29%	-5.46%	-11.18%	-82.39%	-102.73%	-79,76%

Source: Authors' elaboration

Looking at sub-industry data, the leather segment has been hit harder if compared to both the textile and the apparel segments (respectively, -27% and -28% in revenues), which has been further exacerbated by an increase in operating expenses (Ebitda reduced by 63% in 2019). This downtrend is also confirmed by profitability ratios: the overall drop in the ROS ratio (2020 aggregate average value 0.5) is mostly driven by apparel companies, thus suggesting that the increase in operating expenses has more than compensated the decrease in revenues. Similar results can be observed for both the leather and textile segments. Besides, 2020 average ROA ratio (-0.58%), may also signal an increase in companies' investment activities. Even in this case, the trend is mainly driven by apparel and leather firms, while the textile segment had the lower impact on the industry profitability.

Similarly to the period after the global financial crisis, fashion industry companies have had the potential to exploit their financial leverage to face the Covid-19 pandemic, given the positive difference between ROE and cost of debt ratios (average value 2.40), as well as enough financial reserves to support the increase in investments during 2020, with intangible fixed assets +150%, and tangible fixed assets +20% relative to 2019 (Figure 5).

Fig. 5: Trends in ROE, Cost of Debt and Debt/Equity Ratio 2019-2021



Source: Authors' elaboration

Preliminary data on 2021 are indicating patterns of short-term recovery that are very similar to those that emerged in the aftermath of the 2008 global financial crisis (Table 6), again supporting our research questions.

Tab. 6: Percentage variation of Financial data and financial ratios – 2020/2021

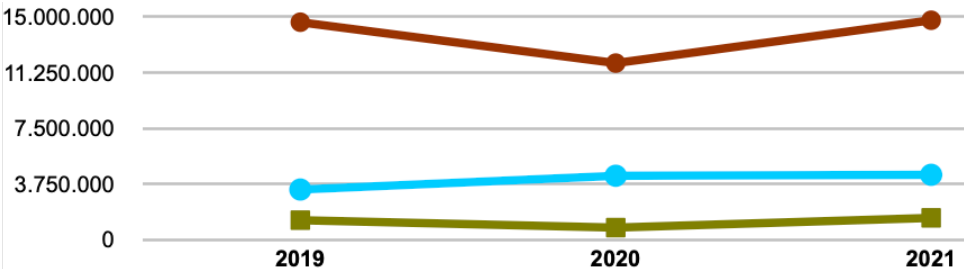
	Total Revenues	Fixed Tangible Assets	Fixed Intangible Assets	Quick Ratio	Debt/ Equity Ratio	Cost Of Debt	ROS	ROA	ROE
Industry	24.29%	0.84%	3.55%	0.32%	8.39%	5.35%	486.11%	272.06%	299.53%
Textile	28.37%	1.44%	1.97%	-1.41%	-6.51%	0.05%	1035.74%	661.57%	841.70%
Apparel	18.72%	1.02%	5.83%	2.58%	7.14%	3.84%	336.33%	109.44%	192.87%
Leather	25.88%	-0.50%	-1.28%	-0.70%	29.36%	13.14%	427.88%	119.43%	284.83%

Source: Authors' elaboration

The majority of financial data has increased in 2021, in most cases restored to or even exceeding 2019 levels. Along with the growth of employees (+3.18% on 2019), total revenues have significantly increased, even though modestly below 2019 (-1.8%). Accordingly, profitability shows a positive trend, as testified by improved profitability ratios vis-à-vis 2019, with the textile showing the most remarkable growth.

Focusing on financial indicators, while the quick ratio shows a positive trend (2021 average value of 1.75), the debt/equity ratio has worsened during the three-year period with a 2021 average value of 1.12 in 2021 (+35% relative to 2019), potentially because of the increase in investments (Figure 6).

Fig. 6: Trends in Revenues, EBITDA and Investments 2019-2021



Source: Authors' elaboration

Interestingly, when looking at the top-five players, 2020 aggregate figures are almost in line with or even below the ones displayed at the sub-industry levels. Furthermore, top-five companies' 2021 data are averagely even worse, thus confirming that SMEs have provided the most significant contribution to the overall restorative capability of the industry. Such a

finding is also fully consistent with the pre-pandemic situation.

Overall, these results not only signal the ability of the Italian fashion industry to promptly recover from disruptive events in the short term, but also suggest an established pattern in terms of recovery time and recovery dynamics, and the ability of financial ratios to signal this ability, consistently with our research questions.

To further confirm our analysis, we also collected data on fashion firms survival and found that the industry had a low bankruptcy rate from 2020 to 2022 (2,39%), which is even below the pre-pandemic period. Additionally, to rule out potential recovery capabilities driven by government subsidies, we checked the 2021 preliminary income statements and found that contributions, although increased by 60% in 2020 and 47% in 2021, have amounted to only 0,48% of total revenues in 2020 and 0,69% in 2021. This suggests that public subsidies may have had only a limited role in sustaining firms' operating and investment activities and thus further testifies the overall resilience capabilities of Italian fashion firms.

5. Discussion and implications

Our findings indicate that the Italian fashion industry is characterized by a resilience pattern, as trends in financial figures and ratios after the major shocks occurred in the last decades, i.e. the 2008 global financial crisis and the 2020 Sars-CoV-2 outbreak, reveal a certain similarity. The fashion industry has displayed a significant and immediate decrease in profitability. Simultaneously, however, firms have had the opportunity to use their financial reserves and leverage to increase their investment activities. This, in turn, has had important implications in terms of subsequent increase in total revenues, which has more than outweighed the concurrent growth of operating expenses, thus leading to an overall increase in the operating margins. In addition, the relatively low number of bankruptcies both after the global financial crisis and the Covid-19 pandemic provides further support to our results. The liquidity and solidity levels in the pre-crisis phases have created a buffer of resources that have helped fashion firms to quickly react to unexpected external events and overcome the crises. At the same time, these firms have been able to allocate those exceeding financial resources to investments that have proved to be both internally consistent and fully respondent to the market evolution – as testified by the quick time-to-recovery of total revenues. Such a combination suggests that fashion firms were well aware of market expectations and had a sort of "crisis strategy".

Our study thus supports evidence of the importance of financial resources to grant flexibility as a key avenue to realize resilience (Gittel et

al., 2006). However, our study also suggests that the effectiveness of various crisis responses may be driven by industry specificities, thus further contributing to underscoring the importance of analyzing the contextual contingencies of resilience.

Our results indicate that the recovery process after both the 2008 financial crisis and the Covid-19 pandemic has occurred through an increase in the investment activity. Indeed, while the global financial crisis elicited fashion companies' internationalization in terms of expansion towards non-European destinations (e.g., Runfola and Guercini, 2013), the outbreak of the Sars-CoV-2 triggered investments in sustainability (e.g., Golicic et al., 2017; Brydges et al., 2020; Pencarelli et al., 2020; D'Adamo and Lupi, 2021) and digitalization (e.g., Dilyard et al., 2021; Miceli et al., 2021). This also provides evidence of the responsiveness ability and readiness of Italian fashion firms in terms of willingness to revise and recraft their business models according to market trends and recovery strategies.

Our study thus identifies a pattern of response where investments and the financial leverage are key pillars for the firm's survival and profitability, that in turn increase liquidity and capital turnover and allow for financial reserves creation.

Although it has been reported that opportunities to benefit from the recent pandemic have been especially great for large and multinational companies (Dilyard et al., 2021), our analysis suggests that the Italian fashion top players have actually provided only a marginal contribution to the overall industry resilience. This underscores the substantive role of SMEs not only as a distinctive feature of the Italian fashion system (Runfola and Guercini, 2013) and holders of an internationally recognized competitive advantage (Tavoletti, 2011), but also and especially as a driver of industry recovery.

In sum, the Italian fashion industry has displayed a virtuous cycle as the activation of resilient responses has been catalyzed by the overall financial health rather than the mere financial resources available to firms. Our findings on the role of SMEs as drivers of the industry-level resilience of fashion also confirm prior studies suggesting that fashion SMEs in Italy are able to maintain and foster the overall competitive advantage in this industry (Tavoletti, 2011).

This exploratory analysis provides a number of contributions to extant literature along with practical implications for both managers and policy-makers.

From a theoretical standpoint, we join the ongoing academic debate on industry-level resilience and take an outcome-based approach focused on financial ratios. We therefore offer a contribution to the emerging discourse on the role played by financial measurements as a tool to capture firm resilient responses. In doing so, we also provide evidence of how various performance areas are affected by external shocks. Furthermore, while extant literature has typically used financial analyses to assess resilience at

the firm-level, we extend this approach to the industry level. By doing so, we underscore the systemic nature of firms' different performance areas and the importance of examining multiple financial performance indicators when assessing resilience at the industry-level. Indeed, the analysis of different indicators provides a more comprehensive knowledge of the particular dynamics driving resilience in a given industry. Finally, while a number of studies have focused on specific fashion industry sub-sectors (Abeysekara et al., 2019; Machado et al., 2019; Piprani et al., 2020; Miranda & Roldan, 2022), we offer a more comprehensive and transversal analysis that captures both general industry patterns and sub-industry specificities in a comparative lens. Also, this represents the first study that applies an outcome-based, accounting perspective to the assessment of resilience in the Italian fashion system.

As long as managerial implications are concerned, companies in the fashion industry should be aware of the signalling role of financial ratios and of the consequent importance of keeping them attentively monitored, in light of the fundamental function of investments as a way out from crises. Accordingly, crisis strategies should aim both to asset reallocation to satisfy a new demand in the short-term (Brydges et al., 2020), as testified by the demand for masks and sanitizers in the recent pandemic, and to a more long-term business model innovation, where the traditional fashion paradigms are reshaped (Priyono et al., 2021).

Furthermore, firms should further commit to the establishment and reinforcement of network relationships in order to exploit their positive effect as intensifiers of a firm's financial health and industry resilience (Gittel et al., 2006). In turn, this also provides evidence of a reverse and potentially positive effect at the industry level deriving from firms' responses to systemic shocks. For instance, even before the pandemic, cultural and socio-economic trends had started to challenge traditional mass production paradigms, raising the need to develop innovative business models having sustainability at their core (Todeschini et al., 2017). However, the possibility to mobilize sustainable fashion had been traditionally hindered by various obstacles, including the lack of transparency in the global supply chain (Henninger et al., 2016). In this sense, the pandemic has to some extent accelerated a more intense shift towards sustainability practices, thus creating a positive reverse spillover effect on the industry.

From a policy-making perspective, when public policies and subventions are needed to support the changes required by exogenous shocks at a systemic level, an assessment could be made of the industry-specific ability to profitably allocate financial resources. In light of the ability of fashion companies to profitably allocate financial resources, public policies are needed to support the changes required by exogenous shocks at a systemic level. In this regard, based on the EU Green Deal, the Italian government has issued the so-called PNRR (National Recovery and Resilience Plan)

which, among other things, specifically focuses on various segments of the fashion industry. Thus, given the importat role played by investments as a path towards the general recovery at the industry level, policy makers should be aware of the need to include specific supporting mechanisms to this industry.

6. Concluding remarks

The fashion industry represents a key domain for exploring the resilience of Italian SMEs as it is a mature, highly competitive, and globalized market characterized by short life cycles, high demand volatility, and high impulse purchasing (Taplin, 2006; Bhardwaj & Fairhurst, 2010; Adam e al., 2018).

Broadly, this study contributes to the ongoing academic conversations on industry-level resilience and provides an in-depth and original lens that uses financial analysis to assess the overall resilience patterns of the Italian fashion system. From a methodological point of view, our results show that the use of financial measurements and ratios to appraise organizational resilience can be extended to industry-level resilience. At the same time, our findings confirm previous studies that state the existence of industry-specific resilience patterns (Canello & Vidoli, 2020), thus reinforcing the idea of industry specificities in terms of firms' collective ability to respond to external shocks, which could potentially be driven by network relationships.

Furthermore, Italian fashion firms' reliance on investment activities to face disruption shows consistency with the definitions provided on resilience at the industry level as firms have demonstrated to be able not only to exploit new opportunities, but also to anticipate and promptly respond to new trends arising from the market.

Last, the crucial role of SMEs needs to be stressed, as evidence interestingly indicates their main contribution to the Italian fashion industry resilience and competitiveness.

Our study is not without limitations, which however may offer interesting avenues for future research. First, we follow the tradition of studies on industry-level resilience and focus on a specific industry. While this approach provides an in-depth analysis of the peculiarities associated with the resilient responses in a specific industrial setting, it would be interesting to extend this kind of analysis based on financial indicators to other industries, in order to identify potential industry-specific patterns in terms of recovery time and performance areas involved.

Future research could also examine the role played by sustainability and digitalization on Italian SMEs in terms of ad-hoc strategic planning and inter-organizational relationships. Moreover, as the Italian fashion industry is characterized by strongly interlinked firms mostly localized in industrial

districts, intriguing contributions may derive from examining resilient responses at cluster level. Indeed, although the geographic organization of activities has long attracted academic interest, especially in the Italian creative industries including fashion (Bertacchini & Borrione, 2013), territorial systems are increasingly driving the development of new paradigms in the formation and sustainment of competitive processes (Passeri et al., 2014).

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

FACTORS AFFECTING SMES BUSINESS RESILIENCE DURING THE FIRST COVID-19 OUTBREAK: EVIDENCE FROM ITALIAN YACHT-BUILDING FIRMS

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Article info

Date of receipt: *22/02/2022*
Acceptance date: *20/09/2022*

Keywords: *Covid-19; Yacht-building; SMEs; resilience*

doi: *10.14596/pisb.3346*

Abstract

Purpose: *The business resilience literature provides several factors that help small and medium enterprises (SMEs) deal with situations of grave uncertainty. Yacht-building firms are a niche of SMEs, which play a key role within the local ecosystem, composed of SMEs and artisans. This research aims to understand the drivers of yacht-building firms' resilience when the Covid-19 pandemic started.*
Design/methodology/approach: *Focusing on a selection of Italian firms, we adopted a qualitative strategy, analyzing the data with the Gioia method. Five dimensions drove yacht-building firms' resilience: localized relationships, product attributes, organizational changes, internal capital, and a positive can-do attitude.*
Findings: *We present a unique finding: following the pandemic, yachts are considered a safe place, which contributed to firms' resilience. The paper offers several contributions to the literature and practical implications, answering a call for more empirical studies on the drivers of resilience among SMEs.*

1. Introduction

The recent disruption in the market caused by a health crisis turned out to be dramatic not only for individuals but also for businesses and society as a whole. Big corporations, small and medium enterprises (SMEs), governments, and individuals were all affected by the Covid-19 pandemic (Pencarelli *et al.*, 2021). SMEs are particularly exposed to times of crises (Vargo and Seville, 2011), despite their extreme relevance in the European economy. While past research highlighted the need to investigate their resiliency (Bhamra *et al.*, 2011; Gunasekaran *et al.*, 2011), it is particularly relevant to understand which practical aspects drove SMEs' resilience within the Covid-19 pandemic (Hossain *et al.*, 2022). This research intends to investigate this issue, aiming to uncover the drivers of SMEs' resilience during the first Covid-19 outbreak with an industry-specific approach. To do so, we focus on the yacht-building sector, which requires hand-working and people's physical presence. This sector proved to be resilient in the past (Lazzaretti & Capone, 2010) and during the pandemic (De Ceglia, 2021) and is central within the local ecosystem of SMEs and artisans (Dana, 1999). Our research is set in Italy, as it was one of the countries first and most severely hit by the pandemic (Amore *et al.*, 2022) and for the importance of the yacht-building sector (Brun and Karaosman, 2019; Cavallini, 2014; Dal Maso and Lattanzi, 2014; Lazzeretti and Capone, 2010). As the Covid-19 pandemic is unprecedented regarding its scope and effects, we adopt an exploratory approach, conducting multiple case studies based on qualitative interviews (Kvale, 1983; Neergaard and Ulhøi, 2007) and web-based data to triangulate the findings (Yin, 2011). Our research provides insights about the drivers of resilience yacht-building SMEs in the first nine months of the Covid-19 outbreak. Specifically, localized relationships, product attributes, organizational changes, internal capital, and a positive can-do attitude are identified as five dimensions that promoted their resilience. Findings also show that yachts were seen as a safe haven for Covid-19, with firms anticipating increased demand. This paper contributes to the research streams that investigate SMEs' practical experiences and resilience in times of disruptions (Gunasekaran *et al.*, 2011; Kantur and İşeri-Say, 2012), with an industry-specific approach (Ali *et al.*, 2017) in the Covid-19 pandemic (Hossain *et al.*, 2022;). It also has implications for local and national policymakers: if a sector could be resilient during the Covid-19 crisis, it will benefit other SMEs, workers, and local communities.

This paper is structured as follows. First, we introduce the primary literature on SMEs' resilience in general and within the Covid-19 crisis; then, we outline our methodology, describing the empirical context, the study design, the data collection, and analysis. Last, we present our findings, discussion, and conclusions.

2. Previous findings

2.1 Business and SMEs resilience research

Born in 1973 in ecology (Alberti *et al.*, 2018), the concept of resilience is used in various disciplines, including metallurgy, physics, engineering, psychology, organizational and management studies (Bhamra *et al.*, 2011). In its broad meaning, resilience is the ability of a system to respond to changes and unpredictable events and return to a stable condition (Alberti *et al.*, 2018; Bhamra *et al.*, 2011). Since the global financial crisis, resilience has sparked renewed interest, particularly in terms of strategic and operational resilience management (Annarelli & Nonino, 2016). It also became a key topic of debate in the literature for SMEs (Kantur & Say, 2015). An SME is defined as a firm which employs "fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million" (Recommendation 2003/361/EC). SMEs constitute the backbone of the European economy, accounting for 99% of all businesses in the EU (Aleksic *et al.*, 2013). However, SMEs are particularly vulnerable during times of crisis (Vargo and Seville, 2011), and their ability to be resilient is of high relevance.

There is no current agreement on what resilience is and what components it entails (Duchek, 2020). The management and entrepreneurship literature usually considers three levels, distinguishing individual, firm, and community (or regional) resilience (Korber and McNaughton, 2017).

Research has focused on different perspectives, ranging from firms' reactions to minor interruptions or severe disruptions due to external threats; short-term events (e.g., earthquakes) or long-term disruptions (e.g., economic downturns, or the Covid-19 pandemic); the ex-ante capacity of firms to face unexpected events, their adaptive capacity during hardship or their responses after a disruption (Korber & McNaughton, 2017; Linnenluecke, 2017).

Other frameworks identify three categories of conceptualizations used in the literature: resilience as an outcome, as a process, and resilience capabilities (Duchek, 2020). A different conceptualization argues that "resilient organizations absorb the changes that disruptive events bring and they evolve into better sensing capabilities with a wiser outlook" (Kantur and Arzu, 2012; p. 770). In this perspective, superior performance is not necessary to have a resilient firm, while an organizational transformation is essential (Kantur and Arzu, 2012). A specific field of research focuses on SMEs. Based on an empirical analysis of UK SMEs, Branicki et al. (2017) identified individual (e.g., social connections) and organizational characteristics (e.g., resources) as directly and indirectly linked to SME resilience. Key enablers of resilience, for Swedish SMEs, are identified as financial (availability of financial reserves and cash flow), availability of resources

(material assets) and external relationships with customers and suppliers, flexibility in decision making, manufacturing and distribution, as well as a continuous improvement and learning approach (Pal *et al.*, 2014). Geographical factors, including spatial proximity to other firms also play a role in the resilience of SMEs (Garmestani *et al.*, 2006). Still, several intangible factors matter to SMEs' resilience, including optimism, agility, fast decision-making, and situation awareness (Vargo and Seville, 2011). Another factor that can influence SMEs' resilience is family ownership and governance (Conz *et al.*, 2017).

2.2 SMEs during Covid-19

Research on the effects of Covid-19 on firms and their reactions expanded fast. While not explicitly dealing with resilience per se, many empirical papers have highlighted firms' first reactions to the arrival of Covid-19. The financial aspect is one of the first and most significant problems for SMEs (Bartik *et al.*, 2020), with some firms more affected than others depending on their debt and cash liquidity levels (Amore *et al.*, 2022). Among conceptual papers, Beninger and Francis (2021) summarized the resources relevant for building firms' resilience in the pandemic, which include financial, physical, social, natural, human, cultural, public, political, and health capital. Digitalization became a must for SMEs to survive the Covid-19 pandemic (Hossain *et al.*, 2022). It also increased efficiency and accelerated the adoption of Industry 4.0 technologies among SMEs (Juergensen *et al.*, 2020). The research suggested that reactions varied depending on size, with small firms at an advantage, as these firms were more flexible and reorganized their work more quickly (Eggers, 2020; Juergensen *et al.*, 2020). Family firms were also helped during the pandemic (Amore *et al.*, 2022).

Although academics and practitioners showed increasing interest in the research on firms' resilience, there has been limited research on SMEs (Gunasekaran *et al.*, 2011). Most research considered SMEs' resilience with a generic (non-industry specific) approach, while industry-specific perspectives are more rare (Ali *et al.*, 2017). However, the literature has argued that firms' resilience is path-dependent and its drivers can vary from sector to sector (Hillmann and Guenther, 2021; Linnenluecke, 2017; Ortiz-de-Mandojana and Bansal, 2016). Additionally, most papers on resilience mostly used quantitative or conceptual approaches (Alberti *et al.*, 2018), while there is a need for that empirical qualitative research, in particular among SMEs (Bhamra *et al.*, 2011). A particular concern is how a shock as the Covid-19 pandemic affected SMEs and what were their practical experiences (Hossain *et al.*, 2022). Therefore, our paper aims to answer the following explorative research question: *What are the drivers of SMEs' resilience during the first Covid-19 outbreak?*

Doing so, we also aim to answer the calls to investigate the concrete practices businesses undergo during crises in specific contexts (Duchek, 2020) and in different types of organizations (Sullivan-Taylor & Branicki, 2011).

3. Methodology

3.1 Empirical context

In this article, we aim to study the firms that experienced tough challenges during the Covid-19 pandemic and how they reacted. As the virus spreads through the air, sectors that need people physically working in the same place experienced major disruptions. Moreover, researchers have acknowledged that industries with more technical complex characteristics and global value chains were badly affected (Kwon, 2020). Regional dependency and the breadth of suppliers are examples of such complexities (Bapuji *et al.*, 2020; Kwon, 2020). We chose the yacht-building sector as it has the required characteristics: closed at the beginning of the pandemic and requiring the physical presence of people in the workplace, as well as the coordination of a wide range of suppliers and artisans. In fact, yacht-building is a form of business that is distinguished by fierce competition among regional yacht-building clusters. The yacht-building industry includes the construction of cruise liners of more than 24 meters in length (Blundel and Thatcher, 2005). The construction of yachts is arranged on an incredibly vast and diverse scale carried out in hundreds of work sets that a delay in one would affect many others (Ruuska *et al.*, 2013). On the other hand, yacht-building firms have many interdependencies with local and foreign suppliers (Brun and Karaosman, 2019), which are mostly composed of SMEs and artisans. Being a yacht-building firm requires coordinating external artisans with employees, who need to work on the premises, increasing the complexities and physical presence of people in the workplace. The mixture of highly technical processes and craftsmanship is a major issue that challenges yacht-building firms (Ponticelli *et al.*, 2013). This sector is highly dependent on artisans who create most of the yacht components manually.

Yacht-building firms combine a series of characteristics that may make them more resilient during a disruption. For instance, luxury firms are considered to be recession-proof (Savelli, 2011). Indeed, early results show that the yachting industry was highly resilient in the past (Lazzaretti & Capone, 2010) and the first year of the Covid-19 pandemic. For example, while the luxury sector's sales dropped by 20% overall, the yacht sector experienced a growth of 1-2% (De Ceglia, 2021).

However, only a few management researchers studied the yacht-building sector. One neglected aspect is the effect of exogenous shocks and cri-

ses, with only one article investigating the influences of the 2008 financial crisis on this industry (Merendino, 2013).

We selected Italy as our empirical context for two reasons. First, it is one of the countries most severely hit by the Covid-19 pandemic and one of the first countries to adopt policy measures to contain the spread of the virus (Amore *et al.*, 2022). Second, it is an important player in the global yacht-building industry, accounting for nearly 40% of global production in 2015 (Brun and Karaosman, 2019). Italy also accounts for many world-leading companies, collecting a market share of 47% and producing spillovers for the firms operating in the maritime sector.

3.2 Data collection and analysis

This study adopts an inductive approach, which allows for a theoretical framework to emerge from data (Thomas, 2006). In this sense, we follow the idea that qualitative research follows an inductive approach to build theory (Barczak, 2015).In our research approach, we assume that the individuals who create organizational realities are "knowledgeable agents," that is to say, that people in organizations understand what they are attempting to do and can articulate their thoughts, intentions, and actions (Gerli *et al.*, 2012). Following this reasoning, we believe a qualitative approach based on expert interviews (Kvale, 1983; Neergaard and Ulhøi, 2007) is appropriate for three reasons. First, it allows us to study a current phenomenon in its natural setting (Yin, 2011). Second, it allows us to capture interviewees' perceptions and experiences, giving "voice" to the participant (Bluhm *et al.*, 2011). Third, as the nature and scope of the pandemic as a specific type of crisis are unprecedented, a qualitative methodology is required to obtain an understanding of the phenomenon (Bluhm *et al.*, 2011; Graebner *et al.*, 2012).

We selected firms by means of a purposive sample technique (Guest *et al.*, 2006; Morse *et al.*, 2002). Secondary data was gathered for each organization in order to obtain a better understanding of the environment. Selected firms followed three criteria. First, firms should be active, mainly focused on yacht manufacturing, and relevant in their sector. We checked this criterion by triangulating multiple sources: AIDA (Bureau Van Dijk), a database which contains financial and commercial historical data from firms operating in Italy, websites, existing literature on the yacht-building industry (Cavallini, 2014), internationally recognized lists (2020 Global Order Book, Boat International), networks of nautical firms, and reports in local newspapers and news websites in relation to the first reactions to the Covid-19 crisis (e.g. early closures). The second criterion concerns the adherence of selected firms to the SME definition provided in previous reports (EU Commission, 2003). That is, we checked the number of employees and balance sheet of respected firms (see Table 1). Third criterion is

the willingness to participate in the study. We interviewed key informants such as top management members (e.g., CEOs or COOs) or area managers. In some cases, we contacted firms thanks to the authors' contacts in the industry. We developed a topic guide with broad open-ended questions, which were aimed at understanding how firms were impacted and reacted to the first waves of the pandemic. Doing so, we focused on how resilience can be achieved in practice (Duchek, 2020). We considered a firm resilient when it reached a better stance (Kantur and Arzu, 2012), as argued by respondents (Ali *et al.*, 2017).

The interviews, conducted by telephone and digital communication tools (Skype or Zoom), were all recorded with the respondents' consent. Before each interview, we sent each participant an outline of our research and information on the use of personal data. During the interview, we introduced ourselves and asked each question following our topic guide while asking for additional details following a semi-structured approach.

We contacted eighteen firms, out of which six accepted our requests. We performed eight interviews with key informants. The interviews lasted 35 minutes on average. The duration of two differs significantly from the average with the shortest lasting 10 minutes and the longest 55-56 minutes. Due to emergency work issues, the 10-minute interviewee informed us that she could not spend more time with us. Thus, we squeezed our question template to cover the most critical aspects of their management practices. Despite its short length, the interview helped us confirm that our data was reaching saturation, as the interviewee repeated concepts that were already discussed in detail in previous interviews. This confirms that collecting empirical interview data in crisis times can be problematic, as participants have less time to devote to such activities and this may lead to small sample sizes and interviewees, also made of four subjects or less (Herbane, 2010). Once eight interviews had been completed, we sensed that interviewees were repeating concepts, with the last two interviews adding few new insights. This is consistent with previous research, which states that theoretical saturation can start from six interviews (Guest *et al.*, 2006). Overall, we believe that the interviews are sufficiently informative to capture the phenomenon, and the sample size is consistent with the sizes used in times of crisis (Herbane, 2010). Additionally, we complemented the interviews with companies' websites and Google searches related to the yacht industry and resilience, to triangulate the data (Yin, 2011).

Table 1 presents an overview of the cases. The sample consists of five manufacturing firms plus one firm that acts as a service center, representing a relevant stakeholder in the yacht-building industry (case 6). Among the firms, four are established in the Viareggio cluster (Tuscany), one in Genoa (Liguria), and the other in Ancona (Marche). On a global scale, the Viareggio cluster is one of the most well-known mega-yacht construction

sites, also densely packed with various operations of product or service subcontractors (Lazzeretti and Capone, 2010). All of the manufacturing firms construct super-yachts over 24 meters in length.

Tab. 1: Sample profile

	Location	Age	Size (number of employees)	Turnover (2019)
Case 1	Genoa, Liguria	1974	30	27.335.811 EUR
Case 2	Viareggio, Tuscany	1973	6	21.347.813 EUR
Case 3	Viareggio, Tuscany	1978	15	32.071.343 EUR
Case 4	Viareggio, Tuscany	1985	45	43.984.911 EUR
Case 5	Ancona, Marche	2018	16	9.556.166 EUR
Case 6	Viareggio, Tuscany	2007	4	1.461.231 EUR

Tab. 2: Interview descriptions

Interviewee#	Case#	Date of the interview	Duration of the interview	Organizational Position
Interviewee 1	Case 1	12/05/2020 + 30/10/2020	23:34 + 40:15	CEO
Interviewee 2	Case 1	06/11/2020	29:15	Project Manager
Interviewee 3	Case 3	05/11/2020	37:16	CEO
Interviewee 4	Case 2	09/12/2020	43:00	CEO
Interviewee 5	Case 4	23/11/2020	09:37	CEO
Interviewee 6	Case 5	09/12/2020	43:52	CEO
Interviewee 7	Case 6	06/11/2020	55:18	Director

Interviews were transcribed word by word and were coded in an open manner (Corbin and Strauss, 2014) using Nvivo. Following Ali et al. (2017), we analyzed the data to uncover which factors or actions were associated with a positive impact on the firm during the first stage of the pandemic. Data was iteratively analyzed to uncover common themes and compared with previous literature (Miles and Huberman, 1994; Wolcott, 1994).

The first and second authors coded the interviews independently to develop first-order concepts. Then, we checked the codes and references to familiarize ourselves with each other's codes. We made another separate attempt to build second-order themes based on all the first-order concepts for the next step. We again checked the themes and decided to narrow down our analysis, following the Gioia method. In the end, the correspond-

ing author created categories (aggregate dimensions) based on the second-order themes, and then the authors brainstormed together to ensure that the aggregate dimensions were consistent with each of the corresponding second-order themes and first-order concepts. Finally, after some minor modifications we updated the final data structure.

4. Findings

Based on the responses from the interviews, we distinguish two stages of a firm's reactions to the crisis. During the first, when the terrible effects of Covid-19 became evident, the government decreed a lockdown, and firms needed to adapt to the temporary closures. In Italy, the first lockdown started on the 10th of March 2020, with an official decree limiting people's movements in the whole of Italy (Lazzerini and Putoto, 2020). All firms in our sample had an emergency online board meeting. Only one had already anticipated the government decision and decided to close before it became compulsory.

"We were already in February, we were one of the first companies frightened by the news, by our ignorance about the disease. We closed the company before any government decree came out, [...] because we were unable to guarantee the safety of the people who work with us" (Interviewee 3).

Having a small management board that also takes responsibility for carrying out administrative tasks increases the agility of decision-making. Being a family firm was also a precursor of agility. For instance, when asked whether family dimension played any role in decision-making, one of our interviewees responded:

"Yes it was immediate: when we saw that we could not manage it, my wife went to her father and said "we have to close because otherwise we are going to screw up". We made a statement to all the companies and our customers that we were closing until better times and will come back stronger when it reopens. In fact, after, we made up for lost time as much as possible. The reaction was immediate. I think that in a structured company, where there are partners, a board of directors, [the reaction was] imposed from above or it was slow, I think. We decided immediately." (Interviewee 3)

Further, these firms had to abide by the government protocols, plan for the opening period, and provide the basic necessities for their workers' safety. This urgency made them accelerate their planning not to lose more time after the announcement of openings. Thanks to digital solutions, they benefited from online meetings and all of them claimed the meetings held were more frequent and more efficient.

"During the lockdown we increased the board meetings instead of reducing them, using simple tools such as Zoom. [...] It had a positive impact, in the sense

that instead of having meetings at most monthly, because more than once per month is impossible for us to see each other on the board of directors, and I would say once every two months is the average in normal periods, during the lockdown period we had Zoom meetings I would say at least weekly, at least weekly." (Interviewee 6)

Among the topics discussed at board meetings were the provision and supply of masks and sanitary materials, division of internal working areas to maximize protection, dedication, planning for the smart-work options of the administrative employees, and deciding to increase supply orders in case of another round of closures. Thanks to the *force majeure* clauses in the contracts with their clients, firms did not feel pressure to deliver their products. This was followed by new organizational practices and better (digital) infrastructure for the employees. During the second phase (from May 2020) and when they reopened their facilities, "hope" was the dominant feeling, and they had a positive mindset to compensate for the time lost:

"[...] Customers continued to trust us. Up to now we have not had serious delays, we recovered (the lost time) because then, let's say a phase of optimism took over with the fact that we had reopened and the period of closure was recovered quite quickly." (Interviewee 4)

Besides, another element prevalent among all of the firms was the "learning by doing" principle. Managers were open to experimenting in their firm. That is why, aside from the government directives, each of our sample firms tackled organizational practices differently.

"A designer we did not know before and we had never met in person became our point of reference. We have never worked with him before, we didn't even know his modus operandi, we learnt it online without having any physical perception. But in the end things were fine, projects were finished and I hope we will see results in the future." (Interviewee 2)

They also found out that making deals now requires some flexibility in meetings and dealing with clients. Therefore, they adapted to the requests of their potential customers. Their positive attitude towards adaption opened up new channels in customer relationships. One of the firms traveled to another EU country with all the equipment and booked a hotel exhibition salon to present their products to their client. One firm brought a newly produced yacht to the client, who could not move due to lockdown. Most of the firms moved their presentations online following requests from their clients.

"We took a van, we loaded all the stuff in the car, and since he (the client) was passing by Berlin, from Munich, we left in the morning at 5. At noon we were in Munich, he rented a hotel room. I made our showroom in Munich, I recorded everything, marked everything and we went back. So one thing that could have been done in Viareggio, we had to move with all the stuff, with all the logistical problems: border drivers, move the stuff, etc. And the change ... as people's lives

change, the way of working also changes. " (Interviewee 3)

We observed that experience of previous crises could not help, because there had been nothing comparable to Covid-19 previously. While the perception of uncertainty was high, most of the managers' sentiment was optimistic concerning future demand. This was, on the one hand, because of the product being resistant to crises, with yachts taking up to two years to be delivered.

"At least we and those who produce boats over a certain size, have very long production times. So if there are no problems from a contractual point of view, our products can also be made in two years, three years, and this allows (time for) the crisis to pass. " (Interviewee 1)

On the other hand, yachts are considered safe and secure closed spaces to protect people from the virus.

"I think that customers have an idea of the boat as a protected area, so compared to a tourist resort of large hotels with a lot of people, the boat is all in all like the house, it is a safe, closed place that can be easily sanitized, and where in any case there is access to a small number of people, a bit like holidays in a second home." (Interviewee 4)

Most of the managers believed that to make the business perform well, the artisans and suppliers should receive their money regularly without any delay. However, firms made some changes in the ways they related to their suppliers to avoid disruptions, as they continued to support them. Besides, three yacht builders had the same approach towards their employees. Therefore, they were paying the employees without hesitation without having an additional income. This helped in the moment when operations restarted.

"We put ... we practically communicated that we were on "cassa integrazione", but we continued to pay salaries as if we were in attendance, right? Then after we were recognized part of the "cassa integrazione", not all of it. For us, for the people who worked with us directly, nothing has changed." (Interviewee 3)

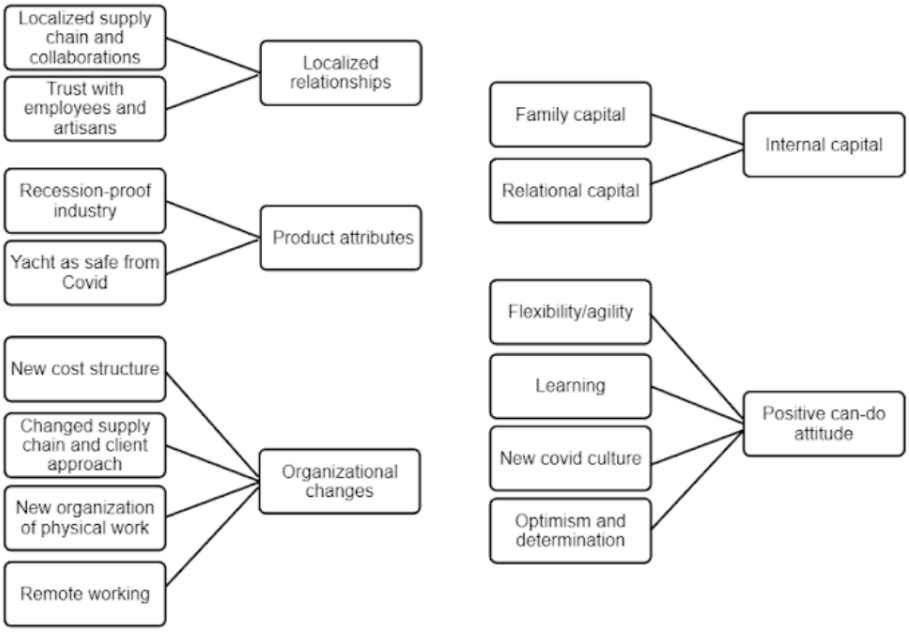
However, they recouped a part of their costs as they could not participate in international exhibitions. One of the managers explained the cost of transporting the yacht and performing a physical exhibition was considerable, and the possibility of demonstrating their products in a virtual mode was a great way to save on costs. Therefore, the cost structure became disrupted as the marketing plan also changed. Some firms saw positive environmental externalities in this approach that could also be applied after the pandemic.

"Let's say that the value of the virtual has emerged, here it is not that no activity has been carried out, but it weighed economically much less and perhaps it also questioned participation at boat shows as a symbol of marketing; perhaps more can be done, while having less environmental impact at the same time." (Interviewee 4)

5. Discussion

The five main dimensions fostering yacht-building firms' resilience are depicted in Figure 1.

Fig. 1: Second-order themes and aggregate dimensions (Gioia method)



We explain each of them below.

1) Localized relationships

We propose a dimension of "localized relationships", which is composed of two themes: "Localized supply chain and collaborations", and "Trust with employees and artisans". Thanks to spatial proximity with suppliers and artisans), the supply chains of firms located in the Viareggio cluster were not disrupted. When production restarted, firms could virtually base their whole production process in Tuscany, thus they were less affected by closures and disruptions. We confirm the role of the local ecosystem, the territory and spatial proximity in firms' resilience (Dana, 1999; Garmestani *et al.*, 2006), and the role of social capital (Beninger and Francis, 2021; Branicki *et al.*, 2017). Second, the feeling of trust and responsibility towards suppliers and employees translated into the firms' commitment to fulfilling their obligations, by continuing to pay their suppliers and employees even

if they had to stop working. Providing support to stakeholders translated into stronger bonds when production started again. We confirm that this sense of solidarity is a source of resilience of yacht-building SMEs, underscoring the strong ties between them and their communities (Beninger and Francis, 2021).

2) Product attributes

We confirm that yacht-building firms are recession-proof (Savelli, 2011), which was also the case in the Covid-19 crisis: respondents argued that the pandemic's effects would show in a couple of years (theme "Recession-proof industry"). We add to the literature a unique finding: yachts are now considered a safe haven due to the pandemic and their demand is expected to rise. We labeled this theme "Yacht as safe from Covid". Yachts are seen as safe and secure places, not only because they provide distance from other people, but also because the fear of death during a pandemic encourages those with the financial means to spend their money while they can. This suggests that some yacht-building firms could emerge even stronger from the Covid-19 crisis.

3) Organizational changes

We labeled "Organizational changes" an aggregate dimension that includes internal changes in how the firms carry out their activities. This is composed of four themes: "New cost structure", "Changed supply chain and client approach", "New organization of physical work" and "Remote working". First, most digitalization resulted in a lighter cost structure, with the firms able to reduce their costs related to marketing, promotional activities, fairs, and exhibitions. Second, firms changed their approach to their suppliers and clients, as the literature anticipated (Juergensen *et al.*, 2020). We found multiple ways yacht-building firms tackled this issue, by ordering materials in advance and buying more supplies, thus confirming the trend of accumulating more resources to deal with disruptions. Some firms changed their relationship with clients and suppliers, by bringing the products to clients and collecting materials from suppliers. Third, all firms reorganized the work in the shipyards and offices. To combine physical presence with social distancing, firms applied several changes to their modus operandi, which include: separating employees and artisans working in different areas, increasing coordination, new safety rules, cleaning, reorganization of the spaces, and longer working hours and remote working. The shift to remote working increased efficiency, with employees learning to work in a more targeted and coordinated manner. Thus, we confirm the role of new organizational configurations, the crucial role of digital tech-

nology to deal with the pandemic (Hossain *et al.*, 2022; Rapaccini *et al.*, 2020), and the subsequent increase in efficiency (Juergensen *et al.*, 2020).

4) Internal capital

We labeled this dimension as an aggregate of two themes: "Family capital" and "Relational capital". Our family firms acknowledged that being a family firm was an advantage in rapidly taking decisions, in being aware of their financial flexibility, and was a driver for stronger bonds with their suppliers.

Thus, we confirm that the family status was an advantage, thus confirming previous research (Amore *et al.*, 2022; Conz *et al.*, 2017). However, in non-family firms, a small management team and long-term relationships between the management and the governance acted as facilitators for rapid decision-making in the crisis. This confirms the empirical evidence that flat decision-making structures are an advantage in critical situations (Eggers, 2020; Juergensen *et al.*, 2020).

5) Positive can-do attitude

We labeled "Positive can-do attitude" as our fifth dimension, including four themes: "Flexibility/agility", "Learning", "New Covid culture", "Optimism and determination". First, we confirm that flexibility and agility are essential to adapt organizational routines as new problems arise (Pal *et al.*, 2014). Second, we confirm the role of learning (Pal *et al.*, 2014). This included becoming familiar with digital meetings and applying the Covid-19 related safety measures. For yacht-building firms, this also included discussing design issues in remote, which appeared challenging at first. Third, we labeled one theme as "New Covid culture", as the new measures concerning Covid-19 entered firm culture. While one firm maintained that they now deal with Covid-19 as with any other risk, most respondents said that Covid-19 is now part of the culture of the firm, with employees knowing that if they experience any symptoms or have been in contact with people who are positive, they automatically stay home, and work remotely if possible. Thus, a cultural shift in the Covid-19 crisis is actually happening, and it is helping firms continue their activities as fast and efficiently as before. Last, the theme "Optimism and determination" refers to aspects such as the sea-culture in managing crises, which is somewhat consistent with what Beninger and Francis (2021) called "cultural capital", and the optimism that pervaded the workforce soon after the lockdown ended and activities could start again. In line with previous research (Vargo and Seville, 2011), optimism and determination gave the firms a boost, allowing them to (more than) make up for lost time.

6. Conclusions

This research aimed to identify the drivers of SMEs' resilience during the first Covid-19 outbreak, focusing on the yacht-building sector. We find five dimensions that drive yacht-building firms' resilience: 1) localized relationships, 2) product attributes, 3) organizational changes, 4) internal capital, and 5) a positive can-do attitude. More specifically, our findings show that several factors determined firms' ability in this sector to cope and react to the Covid-19 crisis: 1) spatial proximity with suppliers and artisans, and a sense of trust and responsibility; 2) the recession-proof characteristics of the sector, and clients considering the product safe from the virus; 3) cost reductions due to digitalization of work, changed relationships with suppliers and clients, the use of safety equipment, cleaning, more coordination and rotation of employees actually working in the shipyards, and remote working; 4) internal capital and short decision-making lines; 5) a flexible approach to unprecedented problems, continuous learning of digital skills and safety routines, the absorption of a new safety culture due to Covid-19, and optimism.

We identify the aforementioned drivers as those that helped the firms to absorb the events and evolve into better structures (Kantur & Arzu, 2012). The qualitative generalizations that arose from the study of specific SMEs active in the yacht-building sector in Italy indicate that family nature can improve the reaction to crises (Amore *et al.*, 2022; Conz *et al.*, 2017), but tight relationships between the ownership, governance and management have similar effects (Juergensen *et al.*, 2020; Eggers, 2020). We also confirm the importance of optimism (Pal *et al.*, 2014; Vargo and Seville, 2011), as well as proactive behavior and a positive can-do attitude. The local ecosystem, networking and geographical proximity are consistent with our 'localized relationships' theme. This confirms the importance of SMEs' relationships with their suppliers, clients, employees, and local institutions (Beniger and Francis 2021; Dana, 1999; Garmestani *et al.*, 2006). Finally, continuous investment in digital technologies and skills became crucial, as anticipated (Hossain *et al.*, 2022; Rapaccini *et al.*, 2020).

Being based on multiple case studies, this paper makes analogical generalizations, which means that the insights that are common for the analyzed cases may also be adaptable to analogous firms (Parker and Northcott, 2016).

This paper brings some implications for managers. First, managers must invest in learning and the continuous development of flexibility and agility as part of their employees' skills, as well as foster a positive can-do culture at work. They must also improve their relationships with their suppliers, customers, employees, and local institutions. The results show that trust-based relationships helped both parties cope with the initial disruptive phases and became stronger bonds when production resumed.

Furthermore, firms must strengthen internal social capital, i.e., establish close relationships among ownership, governance, and management. That is, restructuring the governance structure and making it lighter would improve decision-making processes, ultimately increasing agility and resilience. This paper dealt with some limitations. First, the findings of this paper may not be generalizable to other countries. It may be worthwhile to investigate how similar firms in other countries dealt with the pandemic. Second, as the interviews took place at the beginning of the pandemic, the number of firms available for interviews was very limited, which is consistent with conducting research in times of crisis (Herbane, 2010). Third, the interviews were recorded in a specific moment in time at the beginning of the pandemic. Thus, our research only captures the first reactions to it, but it does not consider subsequent actions or their long-term effect. Future research could take advantage of these limitations. A promising research stream would be to investigate the reactions and resilience drivers to Covid-19 in a wider sample of SMEs, also including insights on the medium-term consequences.

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

WOMEN AND FAMILY GOVERNANCE IN THE HOSPITALITY INDUSTRY: A STUDY OF MEDIUM-SIZED FIRMS IN THE THREE MOST ATTRACTIVE ITALIAN REGIONS

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Article info

Date of receipt: *03/06/2021*
Acceptance date: *01/02/2023*

Keywords: *Family firm; Women; Hospitality; Performance; Leadership.*

doi: *10.14596/pisb.2883*

Abstract

Purpose: *Given the relevance of small and medium businesses and family influence in the hospitality industry and its importance for the Italian economy, we aim to examine the relationship among women in governance, family firm governance, and firm performance.*
Design/methodology/approach: *We focus on medium-sized hospitality firms located in the three most touristic Italian regions, namely Lombardy, Veneto, and Lazio*
Findings: *In short, our evidence suggests that family-governed companies are a context where the representation of females in the governance system is supported and effective*

1. The glass ceiling for women in the hospitality industry and the family presence

There is a stereotype in our society that men are the go-getters when it comes to business. They make things happen and take the position of top leaders in companies. Eighty years ago, this stereotype could have possibly been accurate, however, things are different these days. Women are making a huge difference in the business world in Western countries. In 2015, women were half as likely as men in the European Union to be self-employed (9.9% vs. 17.8%), according to OECD statistics (OECD, 2017). In Italy, according to the recent report of Unioncamere (2020), in the third quarter of 2020 over 1.3 million firms (i.e., 22% of total enterprises) were run by females. Italian women's entrepreneurship is characterized by smaller-sized and younger businesses as compared to male-run ones; also, the sectors with a larger presence of women are those linked to wellness, health and social assistance, manufacturing, education and tourism, and culture.

Even though there has been much improvement in the status of women in the last few years, there is a great need for continued advancement. In developing countries balancing work and family life (Itani et al., 2011), handling patriarchal societies (Jennings & Brush, 2013) and different kinds of gender discrimination some of which are more apparent than others (Heilman & Caleo, 2018) are just some of the unique challenges facing women.

Even if the evidence in hospitality literature, supports the notion that women are typically confided in lower-rank positions (Campos-Soria et al., 2011, p.; Santero-Sanchez et al., 2015), recent research suggests that family businesses, rather than non-family firms, maybe a context that tendentially includes women in the strategic decision-making process of the company, by including them in the governance system of the firm (Bianco et al., 2015; Campopiano et al., 2017; Chadwick & Dawson, 2018). However, research that considers how women may perform in family-governed firms (i.e., firms governed by family members) in medium-sized companies, compared to non-family ones is still underdeveloped (Chamochumbi Diaz et al., 2019; Tognazzo & Neubaum, 2020). In this study, given this research gap and the peculiarities of the hospitality industry and its importance for the Italian economy, we aim to examine the relationship between the representation of women in governance positions, family firm governance, and the link with firm performance. We focus on medium-sized companies in the three most touristic Italian regions.

The paper is organized as follows: first, we present the theoretical background and the hypotheses. Then, we describe the methods used together with the analyses performed. Finally, we discuss our findings and conclusions.

2. Theoretical background

In general, studies regarding women in medium-sized businesses are still scarce, especially if we consider the hospitality industry literature which has typically focused on the role of women in small-sized businesses, such as B&Bs (Getz et al., 2004).

Traditionally, women in family firms have roles that are strongly interconnected to the family (e.g., spouse, mother, in-law, etc.) instead of a prominent and formal business-related governance position. These roles have traditionally been more closely associated with male family members (Arjis, 2013).

Even though women have made substantial progress into lower and middle management levels, there is still uneven advancement regarding the upper levels of management. From the analysis of a database of over 20 million firms over two decades, a recent study showed that in corporate Europe, there are no women on 70% of the management board (Tyrowicz et al., 2020). Women are rarely found in top positions also in the hospitality industry (Equality in Tourism, 2018), even though it has been defined as highly gendered (Acker, 2006). What aspects of the industry could be causing this lag in the advancement of women to leadership? Typically, studies show that in tourism and hospitality organizations, women are confined to positions requiring domestic skills and/or femininity, such as receptionist and chambermaid (Campos-Soria et al., 2011), as extensions of their traditional, feminine domestic roles leading to the gendering of positions and segregation (Santero-Sanchez et al., 2015).

Recent literature on family firms indicates that the role of women in these firms is changing. Women have become more visible and more incorporated into family businesses. Women start to have more opportunities and the possibilities offered to them by a family firm in terms of career opportunities, management positions and leadership are tendentially increasing (Campopiano et al., 2017). Some countries, such as Italy, have issued a gender quota for listed firms, which is a law that mandates family firms include women on their corporate boards.

Also, family firms may present favorable conditions for having women in leadership roles (Chadwick & Dawson, 2018), often thanks to the presence of daughters in the new generation or due to marriages involving third parties, especially in small firms with concentrated ownership (Bianco et al., 2015). Some studies on gender diversity in family firms have argued that the appointment of women to the board is strongly influenced by family ties (Gonzales Bustos et al., 2017; Loukil & Yousfi, 2016). We may therefore suppose that given their roles, tendentially women are linked to family firms' governance. Additionally, we may also suppose that family firms typically involve in governance positions a less diverse team, given

that they mainly rely on relatives or people trusted by the family (Chamochumbi Diaz et al., 2019). In short, families appear to favor the advancement of women in governance positions. They may support their presence and decision-making power, for instance, because an emphasis on the family role of women in "homemaking" in many cultures may mean that the provision of hospitality services is deemed to be socially acceptable as a female-type business (Getz et al., 2004); another reason, is because family successors are preferred to non-family ones, independently of their gender.

Besides the role of a family in governance, if we consider a governance setting including just one single director (i.e., "amministratore unico" in Italian, which is an alternative to the board of directors), given the masculinity traits typically associated with leadership (Marlow & McAdam, 2015) and the fact that women are required to construct a leadership identity that they consider legitimate and is legitimized by others (Hytti et al., 2017), then we may predict that fewer females will be found as solo administrator. Indeed, another study supported the notion that moving to a single director could circumvent the Golfo Mosca Law, which mandates some mandatory quotas of women directors on the board of directors of public companies, by moving to a single director (Rigolini & Huse, 2017).

It is also important to specify that previous research (e.g., Sacristán-Navarro et al., 2011) has considered a family-governed firm as one where family involvement is characterized by ownership and management and by its presence on the board of directors. Here, we define family-governed firms as one where the presence of the family is prevalent in the governance system. The reason for this choice is that leadership in companies operating in SMEs in the hospitality industry is typically exercised by those who exercise an active control (i.e., governance roles) in the company, so our study aims to focus on the nuances of governance in this specific setting. After considering the overall literature, we can state that:

Hypothesis 1: In the hospitality industry in the three most touristic Italian regions, the representation of females in the governance of family-governed medium-sized companies is higher compared to firms with a single director and non-family governed ones.

According to family business literature, many family firms tend to preserve socioemotional wealth (SEW), thus they are concerned more about family-centered non-financial goals such as family harmony, legacy, and preferential treatment of family members which can undermine the value of financial goals (Berrone et al., 2012; Gomez-Mejia et al., 2011). Hence, performance goals competing with non-financial interests can create conflict and complexity in family firm strategies which can result in negative outcomes such as lower performance. For instance, issues such as nepotism may be

related to the consequences of the involvement of family preferences in company decision-making, so family women may be favored over other potential candidates not for their competencies but rather because of kinship ties (Pindado & Requejo, 2015). However, a recent study in hospitality and tourism has found that family firms' psychological capital which involves hope, optimism, efficacy, and resilience may motivate owners to be resilient in their businesses, thus sustaining business performance (Memili et al., 2020).

In general, tourism and hospitality industries around the globe are dominated by small and medium-sized family firms (Getz & Carlsen, 2005) as it demands a high degree of guest–host contact. To handle this direct contact, relational qualities are required that family firms are assumed to bring along (Peters & Kallmuenzer, 2018). Customers such as guests of hospitality establishments appreciate family firms'(Getz & Carlsen, 2005) behavioral and relational qualities (Mostajer Haghighi et al., 2014) and prefer their products when perceiving a family firm image (Zanon et al., 2019), which, in return, offers a competitive advantage to the firm (Hallak et al., 2014). The low turnover of family members who often stay associated with the business and have continuity in relationships with loyal guests and stakeholders, which is fundamental for hospitality businesses (Presas et al., 2014). Also, a recent study of Italian hotels, showed that family firms appear to perform better than their non-family counterparts (Leopizzi et al., 2021). In short, all these factors may contribute to higher firm performance.

In empirical studies, the classification of a single director is often missing and authors do not specify the difference with a family-governed firm. On a theoretical basis, we may suppose that if decision-making power is in the hands of just one person, fast-decision making is ensured; moreover, given that just one person is appointed, he or she should have the qualifications, competence, and motivation required by the role. Thus, we may suppose that:

Hypothesis 2: In the hospitality industry in the three most touristic Italian regions, family-governed firms and firms with a single director are positively related to medium-sized firms' performance, while the representation of females in governance is not.

Women have been underrepresented in leadership roles for decades, so an increase in the presence of women thanks to the presence of the family should bring greater diversity to the decision-making process, which may enhance company performance. A study of 165 Italian large listed firms from 2011 to 2016 (representing the period during which the mandatory gender quota Golfo Mosca law was introduced and implemented in Italy) shows that the relationship between the mandatory quota for female directors and firm performance is enhanced when the firm is owned by a family (Magnanelli et al., 2020). Another empirical analysis based on the popula-

tion of medium and large family-controlled firms in Italy found that female directors improve the profitability of companies led by female CEOs, by creating a female-friendly corporate culture (Amore et al., 2014). Furthermore, a study of all directors of Italian publicly traded companies from 2008 to 2010 focused on diversity and corporate board of directors composition found that family-affiliated women are more common in companies that are smaller and have more concentrated ownership (Bianco et al., 2015). Also, a study of the Italian hospitality industry during the period from 2008 to 2017 found that the relationship between female executive managers and hotel performance is ambiguous (Menicucci et al., 2019). A possible reason for the ambiguity of these results is that family management is what influences performance, rather than just the presence of women on board and board demographic characteristics, such as nationality and age. Especially in small and medium-sized firms operating in a sector dominated by a patriarchal culture, female leaders' diverse and independent views might be completely marginalized.

The relationship between the presence of women directors and family businesses' economic performance remains inconclusive with empirical results reporting both negative (Saidat et al., 2019) and positive effects (Björkman, 2011). The lack of consensus from empirical studies shows that it is not yet clear how gender diversity can add value to the company's decision-making and firm results, still, these studies agree on the fact that women leaders in family firms may have a different impact on performance as compared to women involved in non-family companies. We may then think that the inclusion of female family members could not only increase the available family human capital in the firm, but may also allow for better inclusivity in the management and strategic guidance of the family firm (Bettinelli, Del Bosco, & Giachino, 2019; Cater & Young, 2019), thereby potentially improving firm performance. We may therefore advance the following hypothesis:

Hypothesis 3: In the hospitality industry in the three most touristic Italian regions, there is a moderation effect of women with both family-governed firms and firms with a single director on medium-sized firms' performance.

3. Methods

3.1 Sample

As reported by Statista (Statista Research Department, 2018), the best database according to "The Library Journal" in 2019, the top three most visited regions in Italy in 2016 were Lazio, Lombardy, and Veneto, which were thus chosen for this study.

From the AIDA dataset, we selected firms located in the three regions mentioned above, with a number of employees between 50 and 250 in at least one of the years 2020, or 2019, which were active and operated in the hospitality-accommodation sector (ATECO code 55). Results showed that 195 companies' balance sheet data were available for analysis.

After downloading the dataset, four companies were dropped due to missing information. Then, we conducted a specific analysis on the composition of the governance: a list of a total of 1157 individuals indicated as "Directors Managers" in AIDA was analyzed. We divided them into delegates (n=183), control (for instance, auditors, etc…; n=340), and governance (n=570); 64 were not indicated. After this procedure, we were able to identify the number of women and family individuals in each company and their specific role (e.g., member of the board of directors, senior managers, advisors, etc.). We classified as family businesses those companies where the individuals in governance (i.e., board of directors) positions shared the same last name and which represented at least 50% of the total governance roles in the company, if just one person was in charge it was classified as "single director". We excluded those non-governing roles, such as members of the audit committee, who are not in charge of strategic decisions, that we previously named "control" and "delegates". After examining such surnames, we had 191 firms: 61 non-family businesses, 63 family businesses, and 67 firms with one single director. Among the 570 individuals in governance roles, 169 were females, and 401 were males. The average number of governance members is 2.9 in each company and the average number of females is equal to 1.9 in each company.

3.2 Variables

3.2.1 Dependent and Independent Variables

Firm performance Return on Sales (ROS)

ROS 2019= Average Net Profit/Average Sales. We chose return on sales to measure company performance for this study since it represents the capacity of firms to make a profit from the sale of services and it depends upon the relationship that exists between returns and operating costs, thus reflecting the firm's economic-management policy, which is critical in the hospitality industry (Succurro, 2008).

Firm performance Return on Assets (ROA)

ROA 2019= Net Income/Average Total Assets. This is one of the most commonly used measures for profitability also in female leadership and family business studies (Chadwick & Dawson, 2018).

Firm performance Return on Equity (ROE)

ROE 2019= Net Income/Shareholders' equity. This is one of the most commonly used measures for profitability also in female leadership studies, as reported in a recent meta-analysis (Hoobler et al., 2018).

Directors' average age

This variable was calculated as the average age of people in governance positions (i.e., directors) in each company.

Female directors

It represents the number of female directors divided by the number of directors in each company.

Family-governed firms and Firms with a single director

As explained above, the family governance variable was calculated manually from the companies' current directors and managers to decipher whether members had the same surname. Those firms with at least 50% of the total individuals having matching surnames were considered family-governed companies and a categorical variable was created. 1 corresponded to family-governed businesses, 0 of non-family governed businesses. We used a separate dummy variable for firms governed by one single director.

3.2.2 Control variables

Veneto, Lombardy and Lazio

We created three dummy variables to take into account the Region where firms are located.

Firm size

We used the number of employees in 2019 as reported in the balance sheet data. We also substituted this measure with another commonly used measure, that is the natural log of total income in 2019 and the results did not change significantly.

4. Analysis and Results

Stata 13.0 was employed to find the statistical results for this study. In terms of geographical location, we had 45 businesses located in Lazio (14 family-governed ones; 47 non-family businesses), 66 located in Lombardy (19 family-governed; 42 non-family governed ones), and 64 located in Veneto (25 family-governed; 36 non-family governed firms).

Table 1 reports the descriptive statistics of the study variables. Women's representation in governance in each company is on average 25 %. The directors' average age in our sample is 55 years old (min 33, max 87). Looking at profitability we can see that the value of ROA varied between – 283.89 and 44.41 with a mean value of 2.40; ROS was 5.59, with a minimum value of 34.68 and a maximum value of 29.77; ROE was 8.37 on average and ranged from -149.65 to 99.73.

Tab. 1: Descriptive statistics of main study variables

	Obs	Mean	S.D.	Min	Max
1. Firm performance (ROA)	189	2.40	23.17	-283.89	44.41
2. Firm performance (ROS)	179	5.59	9.16	34.68	29.77
3. Firm performance (ROE)	172	8.37	28.10	-149.65	99.73
4. Veneto	191	0.34	0.47	0.00	1.00
5. Lombardy	191	0.35	0.48	0.00	1.00
6. Lazio	191	0.24	0.43	0.00	1.00
7. Firm size	189	97.23	52.67	1.00*	366*
8. Directors' Average Age	191	55.60	9.38	33.50	87.00
9. Percentage of Female Directors	191	0.25	0.33	0.00	1.00
10. Firms with a single director	191	0.35	0.48	0.00	1.00
11. Family-governed firms	191	0.33	0.47	0.00	1.00
12. Non-family-governed firms	191	0.32	0.47	0.00	1.00

** The data considered here correspond to the year 2019. 366 and 1 can be considered outliers. In 2019, in total 4 firms have less than 50 employees, and only 2 firms had more than 250.*

From the correlation matrix reported in Table 2, we can see that Firm performance positively correlates with family-governed firms and negatively with non-family-governed ones. Moreover, firm performance does not seem to correlate with women's presence in governance, except for ROS. The variable female directors positively significantly correlate with family-governed businesses and negatively with firms with a single director, while it does not correlate with non-family-governed firms. It is also interesting to note that female directors correlate with an older age of directors, which may mean that older board members tend to favor the presence of women.

Tab. 2: Correlation matrix of study variables

		1	2	3	4	5	6	7	8	9	10	11
1	**Firm performance (ROA)**	1.00										
2	**Firm performance (ROS)**	0.65	1.00									
		(0.00)										
3	**Firm performance (ROE)**	0.59	0.33	1.00								
		(0.00)	(0.00)									
4	**Veneto**	0.07	0.15	-0.06	1.00							
		(0.36)	(0.05)	(0.46)								
5	**Lombardy**	0.05	-0.00	0.08	-0.52	1.00						
		(0.53)	(0.96)	(0.29)	(0.00)							
6	**Lazio**	-0.14	-0.18	-0.01	-0.39	-0.40	1.00					
		(0.05)	(0.01)	(0.88)	(0.00)	(0.00)						
7	**Firm size**	0.03	0.10	-0.13	-0.12	0.12	-0.03	1.00				
		(0.71)	(0.19)	(0.10)	(0.09)	(0.09)	(0.72)					
8	**Directors' average age**	0.07	0.13	-0.15	0.02	-0.08	0.08	0.03	1.00			
		(0.36)	(0.07)	(0.05)	(0.78)	(0.28)	(0.28)	(0.67)				
9	**Female directors**	0.09	0.14	-0.08	0.15	-0.01	-0.09	-0.08	0.13	1.00		
		(0.21)	(0.07)	(0.31)	(0.04)	(0.87)	(0.22)	(0.28)	(0.07)			
10	**Firms with a single director**	0.03	-0.03	0.06	-0.08	-0.12	0.13	-0.16	0.01	-0.16		
		(0.69)	(0.72)	(0.46)	(0.27)	(0.10)	(0.06)	(0.03)	(0.86)	(0.03)		
11	**Family-governed firms**	0.15	0.19	0.12	-0.03	0.17	-0.13	0.06	0.09	0.21	-0.52	
		(0.04)	(0.01)	(0.12)	(0.72)	(0.02)	(0.08)	(0.44)	(0.22)	(0.00)	(0.00)	
12	**Non-family governed firms**	-0.18	-0.16	-0.18	0.11	-0.05	-0.01	0.11	-0.10	-0.05	-0.50	-0.48
		(0.01)	(0.03)	(0.02)	(0.14)	(0.50)	(0.89)	(0.14)	(0.15)	(0.48)	(0.00)	(0.00)

Note: p-values in parenthesis

To test if H1 holds, that is if there are more women represented in the governance of family medium-sized companies, compared to non-family governed ones and firms with a single director, we found that female directors represent on average 0,23% in non-family governed companies, while 0,35% is the mean average in family companies and 0,18 % in firms where there is a single director. A one-way ANOVA confirms that if we consider the three different compositions of the board of directors the difference is statistically significant (F=4.74; p=0.01). In total, 16 firms had a percentage of female directors equal to 100%, while 104 companies had no women at all in the governance. In short, H1 is supported.

To test H2 we performed several regressions on the three measures of firm performance (ROA, ROS, and ROE). Results are reported in Table 3. As we can see from this table, following H2, female directors appear not to influence directly company performance. Family-governed businesses are positively related to firm performance (more in detail, it is related to both ROS and ROE, while it appears to affect also ROA the overall regression appears to be not statistically significant (F(8, 180) = 1.55; p= 0.1415).), while firms with a single director do not seem to have a significant link with none of the dependent variables. Therefore, H2 is partially supported.

Tab. 3: OLS Regression analyses on firm performance

	(1)	(2)	(3)
VARIABLES	**Firm performance (ROA)**	**Firm performance (ROS)**	**Firm performance (ROE)**
Veneto	1.34	0.75	1.73
	(2.37)	(3.03)	(6.19)
Lombardy	-0.42	-1.73	5.44
	(2.67)	(3.03)	(6.03)
Lazio	-6.95	-4.28	2.15
	(6.26)	(2.99)	(7.64)
Firm size	0.02	0.03	-0.063*
	(0.02)	(0.01)	(0.03)
Directors' average age	0.11	0.10	-0.44*
	(0.16)	(0.07)	(0.24)
Female directors	3.89	2.39	-7.19
	(3.29)	(1.93)	(7.28)
Family-governed business	10.08**	4.20**	13.13**
	(4.19)	(1.79)	(5.80)
Firms with a single director	8.23	2.70	9.13*

	(5.93)	(1.79)	(4.93)
Constant	-11.72	-3.91	30.39*
	(15.12)	(4.74)	(15.70)
Observations	189	179	172
R-squared	0.07	0.12	0.08
	F = 1.55	F = 3.68***	F = 2.30**

Robust standard errors in parentheses
**** p<0.01, ** p<0.05, * p<0.1*

Finally, we tested H3 after mean-centering the female directors' variable by including moderation terms in the regressions. The results are reported in Table 4, which shows that while results on ROA and ROS are not significant, there is a significant moderation effect between the percentage of female directors and both family-governed businesses and firms with a single director on ROS (β=40.71, p<0.1 and β=40.18, p<0.1). Therefore, Hypothesis 3 is partially supported. To better interpret this result, we produced a graph of the predictive margins.

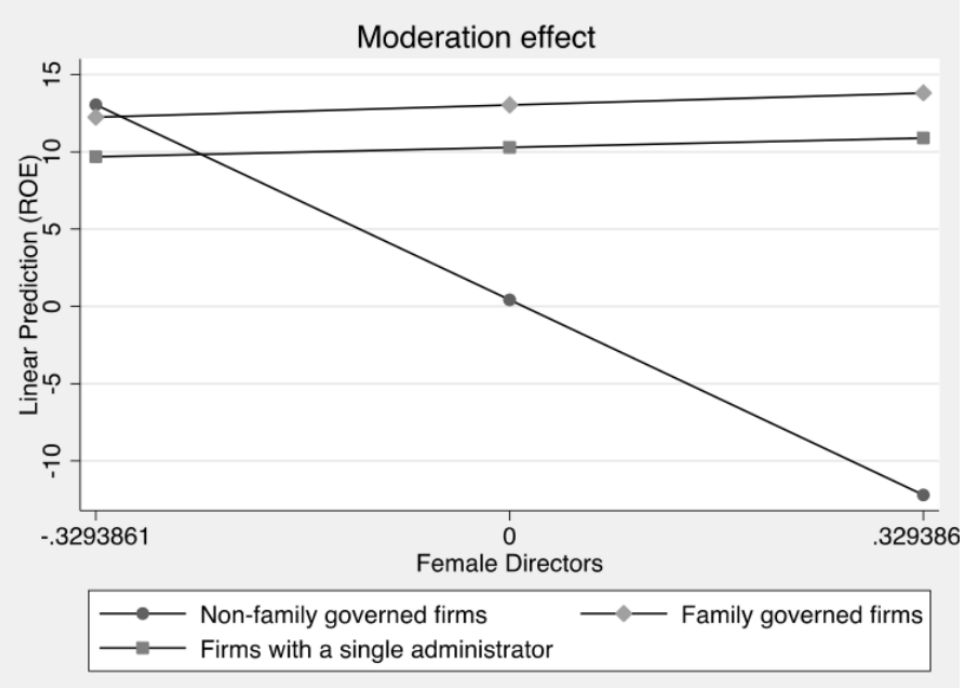
Tab. 4: OLS Regression analyses on firm performance: moderation effects

VARIABLES	(1) Firm performance (ROA)	(2) Firm performance (ROS)	(3) Firm performance (ROE)
Veneto	1.62	0.77	1.64
	(2.47)	(3.05)	(6.23)
Lombardy	0.10	-1.73	4.30
	(2.86)	(3.06)	(5.98)
Lazio	-6.40	-4.29	0.88
	(5.80)	(3.03)	(7.56)
Firm size	0.02	0.02	-0.06*
	(0.02)	(0.01)	(0.03)
Directors' average age	0.12	0.10	-0.48**
	(0.17)	(0.07)	(0.22)
Female directors_centered	12.65	2.07	-38.32*
	(12.22)	(4.96)	(20.03)
Family governed business	10.53**	4.22**	12.61**
	(4.33)	(1.83)	(6.11)
Firms with a single director	7.90	2.72	9.87*

	(5.50)	(1.79)	(5.12)
Family-governed business * Female directors	-16.06	0.18	40.71*
	(14.10)	(5.95)	(23.76)
Firms with a single director * Female directors	-9.43	0.52	40.18*
	(12.58)	(5.46)	(20.89)
Constant	-11.48	-3.30	31.41**
	(15.30)	(4.87)	(15.19)
Observations	189	179	172
R-squared	0.071	0.118	0.123
	F=1.70*	F=2.96***	F= 1.95**

Robust standard errors in parentheses
**** p<0.01, ** p<0.05, * p<0.1*

Fig. 1: Graphical representation of moderation effect on ROE



As we can see from the graph, a higher percentage of female directors in family-governed firms and firms with a single director seem to be positively related to performance, while it appears to be negatively related to the performance of non-family-governed firms.

6. Conclusions

Previous research on large family-controlled Italian firms over the period 2000–2010, showed that companies led by female chief executive officers (CEOs) perform significantly better with increasing numbers of women on the board of directors (Amore et al., 2014). However, we do not find evidence of such a direct relationship between women's leadership and firm performance in our sample of medium-sized companies operating in the hospitality industry. Rather, consistent with the literature on family firms and more recent studies on female representation on boards of directors, we found more females in family-governed firms as compared to non-family-governed ones and firms with a single director. In other words, even if in the overall sample the percentage of the representation of females on boards is still under 30% on average, family firms appear to be a context where women are empowered (Campopiano et al., 2017; Chamochumbi Diaz et al., 2019).

Moreover, we found evidence that the presence of the family boards is positively related to firm performance, while firms with a single director and non-family governed firms are not. This may be explained by the characteristics of the hospitality industry, indeed a few studies concerning family firms have focused on this particular context (Tognazzo & Neubaum, 2020). First, the presence of the family, rather than individual directors, may influence financial results by creating a hospitality culture appreciated by the clients. Second, women might be marginalized in a sector dominated by a patriarchal culture, which could explain why we didn't find a significant relationship between the representation of women in company boards and firm performance. Also, families, rather than women, who typically beat a large number of family duties, may be better able to address the need to cover 24/7 working hours (Lu & Adler, 2009).

Furthermore, according to our study, we found evidence of a moderation effect of female presence on governance on the relationship between both family-governed firms and firms with a single director with company performance in terms of ROE. This is not surprising given that also previous studies in the hotel sector found inconclusive results (e.g., Marco, 2012). This deserves further investigation.

Limitations and further research

This analysis may have some limitations, which might be used as roots for future studies. Firstly, for future study on the topic, it could be useful to hold interviews with some representatives of the companies to gain insight into gender issues from their perspective. From these interviews, it could be learned if company employees themselves agreed on how the composi-

tion of the governance team had impacted their performance and in what specific way. Family-governed businesses and non-family-governed businesses could be compared more precisely. Moreover, the classification of family-governed companies may be complemented with ownership data, also families can be better defined using questionnaires (for instance, family businesses that have gone through one or more generational transitions and, while remaining family-owned, could be governed by a branch of the family with another surname could provide a more nuanced picture). Finally, future studies may also replicate the analyses on companies from other countries and larger samples including longitudinal data. In particular, the peculiarity of hospitality businesses and the importance of family businesses are maybe even more evident in micro and small tourism enterprises than in medium-sized ones both for the management of traditional relationships and digital relationships (Pencarelli et al., 2015).

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

IMPRESE FAMILIARI E INNOVAZIONE AMBIENTALE SOSTENIBILE: ANALISI DEL CONTESTO ITALIANO

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Article info

Date of receipt: *08/10/2021*
Acceptance date: *21/01/2023*

Keywords: *Imprese familiari; Sostenibilità; SEW; Innovazioni ambientali sostenibili.*

doi: *10.14596/pisb.2969*

Abstract

Inquadramento della ricerca. *In ottica SEW, il paper vuole dimostrare come le caratteristiche delle imprese familiari (i.e. orientamento al lungo periodo, importanza degli stakeholders, immagine e reputazione), superando il paradosso dell'Ability and Willingness, portino questo tipo di imprese ad essere più incline, rispetto alle imprese non familiari, a sviluppare innovazioni ambientali sostenibili. Inoltre, è analizzato l'effetto moderatore delle slack resources, per verificare se moderino positivamente la propensione e la capacità delle imprese familiari di sviluppare innovazioni ambientali sostenibili.*
Design/metodologia/approccio. *Modelli di regressione di Poisson su un campione di 2475 imprese italiane.*
Risultati. *Le imprese familiari sono più inclini a sviluppare innovazioni ambientali sostenibili, mentre tra le slack resources, solo le potential slack resources sono moderatori positivi.*
Implicazioni pratiche e sociali. *Gli interventi pubblici a sostegno dello sviluppo di innovazioni ambientali sostenibili hanno assunto negli ultimi anni un ruolo cruciale e strategico. In questo contesto le evidenze emerse dalla presente ricerca possono servire come prima base per una riflessione sul tipo di incentivi pubblici da impiegare. Gli incentivi, generalmente tarati sulla dimensione dell'impresa, dovrebbero considerare anche le strutture di governance e le loro caratteristiche.*
Originalità della ricerca. *Lo studio contribuisce alla ricerca sulle imprese familiari analizzando il tema della sostenibilità ambientale e integrando l'effetto moderatore delle slack resources. In particolare, in ottica SEW, dimostra il superamento del paradosso dell'Ability and Willingness, per quanto concerne le innovazioni ambientali sostenibili.*

1. Introduzione

Le risorse in natura sono scarse e hanno una capacità limitata di rigenerarsi. Fenomeni sempre più rilevanti come l'aumento della popolazione e l'eccessivo consumo di materie prime, stanno mettendo a rischio la disponibilità di risorse per le generazioni future (World Commission on Environment and Development, 1987). È oggi condivisa la consapevolezza che lo sviluppo sostenibile rappresenta l'unica alternativa per salvaguardare il benessere delle generazioni future. In particolare, e coerentemente al rapporto *Our Common Future* (1987)[1], Bansal e DesJardine (2014) definiscono la sostenibilità aziendale come "la capacità delle imprese di rispondere alle proprie esigenze finanziarie di breve termine senza compromettere la propria (o altrui) capacità di soddisfare le proprie esigenze future".

In questo scenario il ruolo delle imrpese familiari è fondamentale (López-Pérez et al., 2018). La letteratura è infatti concorde ormai da tempo nell'affermare che le imprese familiari contribuiscono in modo significativo alla creazione di benessere nelle economie locali e nazionali (Astrachan & Shanker, 2003) e per tale motivo rappresentano un partner strategico rilevante delle pubbliche istituzioni per tentare di realizzare gli sfidanti obiettivi di sostenibilità dell'Agenda 2030.

Pur consapevoli del connotato olistico della sostenibilità e della sua composizione che comprende anche aspetti economici e sociali, questo studio si focalizza sull'aspetto ambientale, in particolare sulle innovazioni ambientali sostenibili[2].

Il presente lavoro, adottando il framework teorico della *Socio-Emotional Wealth* (SEW), esamina la relazione tra gli obiettivi e le priorità della famiglia e lo sviluppo di innovazioni ambientali sostenibili. A tal fine, si analizza come le famiglie decidono di preservare il proprio patrimonio socioemotivo, definito come insieme degli aspetti non finanziari dell'azienda che soddisfano i bisogni affettivi della famiglia (Gómez-Mejía et al., 2007).

Si ipotizza che le imprese familiari abbiano un impatto positivo sullo sviluppo di innovazioni ambientali sostenibili. Diversamente dalle impre-

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[1] Nel 1987 la World Commission on Environment and Development (WCED) definì nel Rapporto "Our Common Future" (meglio conosciuto come Rapporto Brundtland) il concetto di sostenibilità come "uno sviluppo che garantisce i bisogni delle generazioni attuali senza compromettere la possibilità delle generazioni future di soddisfare i propri bisogni".

[2] Essere sostenibile per un'impresa significa infatti avere un'attitudine a comportarsi responsabilmente a livello economico, sociale e ambientale con l'obiettivo di tutelare il benessere di lungo termine di tutti gli stakeholder dell'impresa (Dyck & Neubert, 2009; Porter & Kramer, 2006).

[3] Il rapporto tra imprese familiari e sostenibilità si ritrova in letteratura in tre principali filoni di ricerca (De las Heras-Rosas & Herrera, 2020). Il primo indaga i motivi che spronano un'impresa familiare ad avvicinarsi al tema della sostenibilità, il secondo si interroga sui metodi e sulle pratiche che favoriscono l'orientamento alla sostenibilità in un'impresa familiare, il terzo mira a comprendere il ruolo del passaggio generazionale in ottica sostenibile.

se non familiari, che spesso intraprendono uno sviluppo sostenibile per raggiungere obiettivi di breve periodo come le performance economico-finanziarie, le imprese familiari tendono a intraprendere un percorso legato alla sostenibilità per tutelare se non incrementare il proprio patrimonio socio-emozionale. In tal senso il lavoro individua tre principali obiettivi e priorità non finanziarie delle imprese familiari: l'orientamento al lungo periodo; il rapporto con gli stakeholder; la volontà di costruire e mantenere l'immagine e la reputazione della famiglia e dell'azienda.

In particolare, si ritiene che nel caso dell'innovazione ambientale sostenibile il paradosso dell'*Ability and Willingness* venga superato (Chrisman et al., 2015). La letteratura riconosce infatti che le imprese familiari dispongono di maggiori capacità ad innovare rispetto alle imprese non familiari (i.e. *ability*) ma sono però poco propense a farlo (i.e. *willingness* o *motivation*) (Sharma & Sharma, 2011).

Considerando, infine, che le innovazioni ambientali sostenibili, oltre ad un orientamento al lungo periodo (Wang & Bansal, 2012), necessitano di una ingente disponibilità di risorse (del Río et al., 2016; Ghisetti et al., 2017), lo studio si interroga anche sull'effetto moderatore delle *slack resources* (i.e. *recoverable, available, potential*), ovvero l'eccesso di risorse finanziarie che un'azienda possiede rispetto a quelle di cui ha bisogno per le operazioni correnti (Cyert & March, 1963). Nel presente lavoro si ipotizza che le *slack resources* moderano positivamente la propensione delle imprese familiari a sviluppare innovazioni ambientali sostenibili poiché in grado di attenuare la loro avversione al rischio e il timore di perdere il proprio patrimonio socio-emozionale (Nohria & Gulati, 1996).

L'analisi empirica si basa su un database di 2475 imprese italiane con dati aggiornati al 2017. I modelli di regressione utilizzati sono di Poisson, data la natura discreta della variabile dipendente (Green, 2018).

L'elaborato è così articolato. La seconda sezione presenta il framework teorico di riferimento. La terza sezione riporta lo sviluppo delle ipotesi di ricerca. Metodologia, campione, dati, variabili e modelli sono descritti nella quarta sezione. Infine, la quinta sezione discute i risultati e mostra le conclusioni.

2. Framework teorico

2.1 Imprese familiari e orientamento alla sostenibilità

La letteratura che indaga in merito al rapporto tra imprese familiari e sostenibilità ha registrato significativi sviluppi solo negli ultimi anni (De las Heras-Rosas & Herrera, 2020)[3]. In modo unanime, le principali evidenze empiriche suggeriscono che a essere determinanti sono caratteristiche specifiche dell'impresa familiare quali il grado di coinvolgimento della famiglia nella proprietà e nel management (Chrisman et al., 2015; De Massis et al., 2014; Patel & Chrisman, 2014). Tra gli altri, Marques et al. (2014), hanno dimostrato che le imprese con un maggiore coinvolgimento della famiglia nella gestione presentano un maggiore impegno per la sostenibilità e un atteggiamento proattivo nell'implementazione di pratiche di sostenibilità. Analogamente Berrone *et al.* (2010) affermano che le imprese a controllo familiare registrano performance sociali e ambientali migliori rispetto alle non familiari, in modo particolare quando l'impresa concentra la propria attività in un'area geografica specifica e quindi quando l'impresa è più vicina alla comunità esterna con cui si relaziona. Sharma e Sharma (2011) hanno trovato risultati simili, dimostrando che le imprese familiari con un alto coinvolgimento di membri della famiglia sono più propense, rispetto ai business non familiari, a definire una strategia ambientale proattiva ovvero che vada oltre le regolamentazioni ambientali obbligatorie per ottenere contemporaneamente benefici economici e ambientali. Infine, Windolph et al. (2014) riconducono i principali motivi che incentivano un'impresa familiare ad adottare scelte strategiche sostenibili principalmente alla ricerca di legittimità aziendale, al successo di lungo periodo e al miglioramento interno[4].

Le motivazioni a tali evidenze possono essere interpretate attraverso il framework teorico della *Socio-Emotional Whealth.* Con esso si identificano i bisogni affettivi della famiglia che ne costituiscono il patrimonio intangibile socio-emozionale alimentato da emozioni e da sentimenti di responsabilità, d'impegno, di collettivismo e di altruismo (Berrone et al., 2012). Per tutelare questo patrimonio le imprese familiari gestiscono le attività ed effettuano scelte strategiche in modo diverso dalle altre tipologie di business (Gómez-Mejía et al., 2007). In particolare, Berrone *et al.* (2012) specifica come l'iden-

[4] Opinioni contrastanti emergono invece per quanto riguarda la dimensione e l'età dell'impresa familiare. Alcune evidenze suggeriscono che le piccole, le medie e le grandi imprese sono sostenibili allo stesso modo ma comunicano le loro pratiche di sostenibilità in modo diverso (Caserio & Napoli, 2016). Huang *et al.* (2009) hanno invece dimostrato un'influenza negativa dell'età sullo sviluppo di innovazioni ambientali sostenibili da parte delle imprese familiari. Le imprese di nuova costituzione sembrano essere meno preoccupate della preservazione della loro reputazione rispetto a imprese che operano da diverse generazioni (Campopiano & De Massis, 2015).

tificazione dei membri della famiglia con l'impresa conduca al desiderio dei membri stessi della famiglia di esercitare il controllo e di influenzare le decisioni per preservare il proprio patrimonio socio-emozionale.

Innanzitutto, le imprese familiari stabiliscono le proprie strategie secondo un orientamento al lungo termine, consapevoli che le scelte compiute da una generazione potranno avere degli effetti anche sulle generazioni successive (Miller & Le Breton-Miller, 2005; Sharma & Sharma, 2011). Il patrimonio socio-emozionale, inoltre, si arricchisce ulteriormente grazie alla creazione di legami sociali vincolanti non solo tra i membri della famiglia ma anche con gli stakeholder e con la comunità di riferimento (Debicki et al., 2016). Una buona reputazione, infatti, permette alle imprese di ottenere la fiducia e l'ammirazione dei propri stakeholder e, dal punto di vista economico, consente di migliorare la propria performance (Roberts & Dowling, 2002). In questo quadro la storia, il vissuto e le conoscenze tramandate influenzano e plasmano le attività in grado di riconoscere il modus operandi altruistico, tipico delle imprese familiari, finalizzato a mantenere l'armonia della famiglia (Núñez-Cacho et al., 2018).

2.2 Imprese familiari tra innovazioni ambientali sostenibili e il paradosso dell'Ability and Willingness

Le innovazioni ambientali sostenibili sono processi, pratiche, sistemi e prodotti nuovi o modificati che vanno a beneficio dell'ambiente e che contribuiscono in generale alla sostenibilità ambientale (Oltra & Saint Jean, 2009; Schiederig et al., 2012). Apportando miglioramenti tecnologici, permettono di ridurre le emissioni, di ottimizzare l'utilizzo delle risorse e consentono alle imprese di raggiungere obiettivi ambientali a costi minori (Johnstone et al., 2012). Oltre a modificare i prodotti e i processi, le innovazioni orientate alla sostenibilità sono plasmate e plasmano i valori e la cultura dell'impresa creando un valore non solo economico ma anche ambientale (Adams et al., 2016). In tal senso le innovazioni ambientali sostenibili sono fortemente caratterizzate da un orientamento al lungo periodo e risultano più complesse e caratterizzate da un livello maggiore di incertezza e varietà e, pertanto, richiedono competenze più complesse e diversificate rispetto alle altre innovazioni (Wang & Bansal, 2012).

La letteratura ha ancora poco indagato il rapporto tra imprese familiari e innovazioni ambientali sostenibili e i pochi risultati ottenuti sono contrastanti. Aiello *et al.* (2021), analizzando i brevetti ambientali depositati da un campione di 4200 imprese italiane, hanno dimostrato che quest'ultime sembrano essere meno propense rispetto alle imprese non familiari ad introdurre innovazioni ambientali. Le imprese familiari per loro natura sono più conservative, hanno un'organizzazione più rigida e sono più avverse al rischio rispetto ai business non familiari e quindi potrebbero non essere di-

sposte a investire per sviluppare innovazioni ambientali sostenibili (Zahra et al., 2004). Per contro però, pur seguendo lo stesso approccio, lo studio di Doluca *et al.* (2018) dimostra come le imprese familiari, seppur in una prima fase di diffusione sembrano essere più conservative, in un momento successivo queste sembrano adottare e sviluppare le innovazioni ambientali sostenibili in modo più stabile e meno volatile rispetto alle altre imprese.

Senza focalizzarsi su innovazioni di particolari tipologie, Chrisman *et al.* (2015) spiegano l'approccio all'innovazione delle imprese familiari grazie all'*Ability and Willingness Paradox* affermando che queste ultime hanno maggiori capacità di innovare rispetto alle imprese non familiari, ma che sono poco propense a farlo. *Ability* è infatti la discrezionalità della famiglia nel destinare, allocare, aggiungere o disporre risorse dell'impresa (De Massis et al., 2014). Comprende la libertà di decisione a livello operativo, tattico e strategico, e di definizione degli obiettivi. *Willingness* è invece la propensione della famiglia ad impegnarsi in comportamenti distintivi e rappresenta lo stimolo, l'intenzione, la motivazione che guida la famiglia in una direzione contraddistinta dal coinvolgimento della famiglia (De Massis et al., 2014, 2016). A conferma del paradosso, lo studio di Duran *et al.* (2016) dimostra che le imprese familiari, pur investendo meno risorse in attività di ricerca e sviluppo rispetto alle imprese non familiari, riescono ad ottenere maggiori performance innovative. Nonostante ciò, le imprese familiari sembrano meno propense al cambiamento, più conservative, più avverse al rischio e conseguentemente meno propense ad innovare rispetto alle imprese non familiari (Bannò & Trento, 2019; Calabrò et al., 2019; Chrisman et al., 2015).

Risulta quindi interessante capire se tale paradosso riguardi anche le innovazioni ambientali sostenibili o se invece, grazie ai benefici in termini socio-emozionali che una strategia ambientale proattiva può portare ad un'impresa familiare, questa riesca a superare il paradosso e dimostrarsi quindi sia più propensa sia più capace rispetto ad un'impresa non familiare ad innovare in ambito ambientale sostenibile.

3. Sviluppo delle ipotesi

3.1 Superare il paradosso Ability and willingness: la prospettiva SEW applicata all'innovazione ambientale sostenibile

La SEW (Berrone *et al*., 2012) rappresenta il framework teorico appropriato per ipotizzare che le imprese familiari sono in grado di superare il paradosso dell'*Ability and willingnes*s nel caso di sviluppo di innovazioni ambientali sostenibili. Le motivazioni risiedono negli obiettivi che caratterizzano le imprese familiari rispetto alle non familiari. Infatti, se le prime

auspicano di ottenere un vantaggio competitivo di lungo periodo, di trasmettere alla generazione successiva un'azienda sana, di mantenere l'immagine della famiglia e la reputazione, le imprese non familiari sono invece più interessate a rispettare gli standard legali e a raggiungere obiettivi di breve termine, legati al profitto e al mantenimento della quota di mercato (Dangelico & Pontrandolfo, 2015; Delmas & Gergaud, 2014; Huang et al., 2009; Scott- Young, 2013).

Orientamento al lungo periodo. In ottica SEW, un primo importante fattore in grado di spiegare il legame positivo tra imprese familiari e sostenibilità, è l'orientamento al lungo periodo. Come precedentemente spiegato, le imprese familiari cercano di preservare il lavoro, la sicurezza e il profitto per le generazioni successive, scegliendo investimenti di lungo termine come appunto l'implementazione di un percorso di sostenibilità (De Falco & Vollero, 2018; Memili et al., 2018). E' possibile quindi argomentare che un orientamento al lungo periodo possa avere un impatto positivo sulla sostenibilità delle imprese familiari grazie alla volontà di conservazione dell'attività d'impresa attraverso le generazioni future (Broccardo et al., 2019).

Legame con gli stakeholder. Secondo la prospettiva SEW, la famiglia ha il desiderio di essere riconosciuta come un attore in grado di svolgere un ruolo positivo nella società (Miller & Le Breton-Miller, 2005; Shepherd, 2016). L'influenza della famiglia nel processo decisionale può quindi portare a decisioni e azioni socialmente più responsabili (Bannò et al., 2022; Berrone et al., 2010; Dyer & Whetten, 2006). La motivazione risiede nel forte legame con gli stakeholder e nel desiderio di contribuire a risolvere problemi sociali che esulano dall'ambito dell'impresa (Grant, 2007; Shepherd, 2016). In riferimento ancora una volta alla sovrapposizione tra i valori familiari e aziendali, anche i valori specifici e l'esperienza educativa della famiglia e dei manager sembrano avere una forte influenza sui comportamenti di sostenibilità delle imprese familiari. La disciplina, l'abilità e l'impegno nei confronti dell'impresa e della società tramandati da una generazione a quella successiva e ai manager sembrano favorire un atteggiamento di lealtà, di fiducia, rispetto, equità e trasparenza nei confronti degli stakeholder interni ed esterni all'organizzazione (Breton-Miller & Miller, 2016). È infatti ampiamente riconosciuto e consolidato il contributo che le imprese familiari apportano alla creazione di benessere nelle economie locali e nazionali (Astrachan & Shanker, 2003).

Immagine e reputazione. La prospettiva SEW suggerisce che la famiglia ha, tra le sue priorità, la volontà di preservare l'immagine e la reputazione della famiglia e dell'azienda sia all'interno dell'organizzazione sia all'esterno (Miller e Le Breton-Miller, 2005; Bannò et al., 2022). L'immagine e la reputazione dell'azienda possono cambiare nel tempo, a seconda di come gli stakeholder valutano l'attenzione dell'azienda alle richieste che deve affrontare e alle sollecitazioni esterne (Neubaum et al., 2012). Il desiderio

di mantenere uno status forte e migliorare la propria immagine e reputazione nei confronti della comunità di riferimento può incentivare quindi le imprese familiari a sviluppare innovazioni ambientali sostenibili (López-Pérez et al., 2018; Andersson et al., 2002; Gómez-Mejía et al., 2007). Le imprese familiari sarebbero quindi più propense a sviluppare innovazioni ambientali sostenibili perché, oltre a migliorare la performance economica, possono beneficiare di un impatto positivo sull'immagine dell'impresa e della famiglia e sulla soddisfazione degli stakeholder contribuendo così alla conservazione del patrimonio socio-emozionale (Dangelico et al., 2019; Dangelico & Pontrandolfo, 2015).

Dunque, coerentemente con quanto affermato, si ipotizza che, grazie all'orientamento al lungo periodo, al rapporto con gli stakeholder e alla volontà di costruire e mantenere l'immagine e la reputazione della famiglia e dell'azienda:

Ipotesi 1: Le imprese familiari sono più propense, rispetto alle imprese non familiari, a sviluppare innovazioni ambientali sostenibili.

3.2 Il ruolo moderatore delle slack resources

Le innovazioni ambientali sostenibili richiedono la disponibilità di ingenti risorse finanziarie per essere sviluppate (Ghisetti et al., 2017). Tuttavia le risorse di un'impresa sono limitate e quindi spetta alle governance delle imprese stesse saperle allocare nel modo migliore per raggiungere gli obiettivi, siano essi di breve o di lungo termine. Nelle imprese familiari è la famiglia che decide l'allocazione ottimale di risorse da destinare allo sviluppo sostenibile (Rennings, 2000).

La presenza di risorse di riserva e in eccesso (i.e. *slack resources*) permette alle imprese familiari di superare l'avversione al rischio e di mitigare il timore di perdere il proprio patrimonio socio-emozionale (Nohria & Gulati, 1996). Per contro la mancanza di risorse scoraggia le imprese familiari ad investire per esplorare progetti innovativi dai benefici incerti (Gómez-Mejía et al., 2007, 2011). Quindi, se le imprese familiari possedessero risorse in eccesso, queste potrebbero essere utilizzate per sviluppare innovazioni ambientali sostenibili caratterizzate da un alto livello di rischio ma orientate al lungo periodo e in grado di preservare la continuità dell'impresa e la sua crescita (Duran et al., 2016; Christensen & Derek, 2014). Infatti, le imprese che presentano risorse di riserva sembrano più capaci di adattarsi a contesti complessi o competitivi e più abili ad ottenere successo in un ambiente incerto e mutevole. La presenza di *slack resources* può costituire quindi un moderatore positivo per aumentare la propensione delle imprese familiari a sviluppare innovazioni sostenibili (Liu et al., 2017; Nohria & Gulati, 1996).

Nello specifico, la letteratura sulle *slack resources* identifica tre tipologie:

available, recoverable e *potential slack resources* (Bourgeois & Singh, 1983). Le *available slack resources*, definite come risorse immediatamente disponibili o risorse non ancora assorbite, rappresentano la liquidità di breve periodo. Tale ammontare di risorse non dovrebbe fornire necessariamente alle imprese la giusta motivazione per sperimentare o per sviluppare innovazioni ambientali sostenibili particolarmente rischiose, che comportano costi certi nel breve periodo e benefici incerti nel lungo periodo (Greve, 2007). Solitamente, invece, vengono utilizzate per coprire delle perdite di breve periodo dovute a cambiamenti inaspettati del contesto strategico (Lin et al., 2009). Le *recoverable slack resources*, diversamente, rappresentano per le imprese delle riserve finanziarie di lungo periodo che motivano le imprese verso scelte che comportano dei rischi maggiori, quali quelle appunto relative alle innovazioni ambientali sostenibili (Greve, 2007). Infine, le *potential slack resources* sono riserve basate sulla capacità delle imprese di prendere a prestito delle risorse finanziarie di lungo periodo (Bourgeois & Singh, 1983). Analogamente anche queste risorse dovrebbero incentivare lo sviluppo di innovazioni ambientali sostenibili.

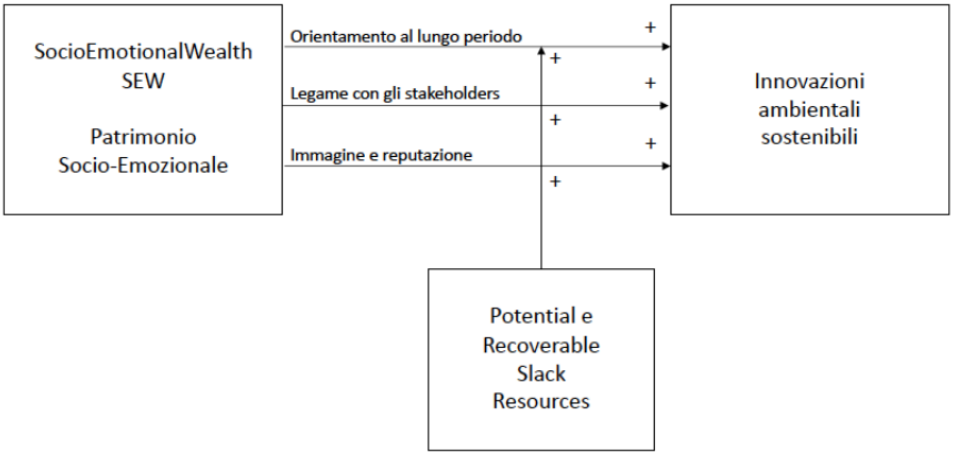
In sintesi, un livello maggiore delle ultime due tipologie di risorse (i.e. *recoverable* e *potential*) dovrebbe incoraggiare le imprese familiari a sviluppare innovazioni ambientali sostenibili poiché in grado di ridurre la loro avversione al rischio e il loro timore di perdere il proprio patrimonio socioemozionale.

Concludendo, si ipotizza quanto segue:

Ipotesi 2: La presenza di recoverable e potential slack resources modera positivamente la propensione e la capacità delle imprese familiari di sviluppare innovazioni ambientali sostenibili.

Riassumendo, interpretando secondo la teoria SEW le motivazioni che orientano un'impresa familiare alla sostenibilità, si ipotizza che le imprese familiari, grazie alla visione di lungo periodo, all'importanza degli stakeholders e della propria immagine e reputazione, siano propense allo sviluppo di innovazioni ambientali sostenibili. Inoltre, questo processo è favorito dalla presenza di recoverable e potential slack resources. Questo framework concettuale è riportato in Fig. 1

Fig. 1: Framework concettuale



Fonte: Nostra elaborazione

4. Analisi empirica

4.1 Dati, fonti e variabili

L'analisi empirica utilizza un database composto da un campione di 2475 imprese italiane, prevalentemente di piccole e medie dimensioni (82%). Il contesto italiano risulta particolarmente appropriato per questa analisi. Dati incoraggianti emergono infatti da un'analisi Istat sulle azioni di sostenibilità delle imprese italiane come prova della loro disponibilità ad intraprendere uno sviluppo sostenibile per rispondere alle esigenze di stakeholder sempre più attento e per tentare di raggiungere gli sfidanti obiettivi dell'Agenda 2030. Inoltre, l'Italia risulta tra le prime 13 nazioni più impegnate nel brevettare innovazioni idonee a gestione la raccolta, il recupero e lo smaltimento dei rifiuti solidi, a controllare dell'inquinamento idrico e le emissioni di gas inquinanti (Patents in Environment-Related Technologies, 2009).

I database impiegati sono: Espacenet (per i dati di brevetto), Aida Bureau Van Dijk (per i dati di bilancio), Reprint (per i dati di internazionalizzazione). Un'impresa è stata classificata come family se il 50% + 1 della proprietà risultava essere detenuta da membri della famiglia altrimenti è stata classificata come impresa non family (Cascino et al., 2010). È stata indagata la propensione a sviluppare innovazioni ambientali sostenibili considerando il numero di brevetti depositati al 2017 nelle categorie IPC Air Pollution, Water Pollution e Solid Waste, seguendo lo studio di Johnstone *et al*. (2012). I due database - Espacenet e Aida Bureau van Dijk - sono stati fusi

seguendo una procedura simile a quella proposta da Lotti e Marin (2013)[5]. *Available slack resources* (ASR), r*ecoverable slack resources* (RSR) e *potential slack resources* (PSR) sono state rispettivamente misurate come il flusso di cassa della gestione sul totale delle attività, il capitale investito sui ricavi e i debiti a lungo termine sul totale delle attività (Bourgeois & Singh, 1983).

I dati relativi alle imprese del campione sono stati completati con informazioni di natura strutturale, contabile e finanziaria relativi all'anno 2017. Tra questi compare il settore di appartenenza, l'anno di costituzione dell'impresa, l'ubicazione geografica della sede legale, il fatturato e il numero di dipendenti, gli indicatori di redditività e profittabilità e altri elementi di stato patrimoniale, conto economico e rendiconto finanziario. Le variabili utilizzate nei modelli econometrici sono riportate in Tab. 1. La Tab. 2 riporta le statistiche descrittive. Le imprese del campione hanno depositato meno di un brevetto ambientale a testa (0.555) per un minimo di 0 brevetti e un massimo di 17. Le imprese familiari sono più della metà del campione (pari al 55.5%) e sono prevalentemente di piccola e media dimensione mentre l'età media delle imprese nel campione è circa 35 anni.

Tab. 1: Descrizione delle variabili

Variabile	Descrizione	Fonte
Sostenibilità	Numero di brevetti ambientali depositati al 2017	ESPACENET
Family	Variabile dummy uguale a 1 se il 50% + 1 della proprietà è detenuta da membri della famiglia, altrimenti 0.	REPRINT
ASR	Flusso di cassa della gestione/Totale attività	AIDA
RSR	Capitale investito (D+E) / Ricavi	AIDA
PSR	Debiti a lungo termine/ Totale attività	AIDA
Età	Numero di anni dalla fondazione (al 2017)	AIDA
Settore	Classificazione NACE 2-digit	AIDA
Area	Nord (1), Centro (2), Sud (3)	AIDA
Dimensione	Logaritmo dei ricavi dell'impresa	AIDA
ROE	Return on investment	AIDA
Multinazionale	Variabile dummy uguale a 1 se multinazionale, altrimenti 0	REPRINT

Fonte: Nostra elaborazione

[5] Per risolvere l'incoerenza dei dati relativi ai brevetti e ottenere l'elenco delle imprese da considerare, questi autori suggeriscono i seguenti passaggi: armonizzare l'elenco dei richiedenti in EPO-PATSTAT e l'elenco delle imprese in Aida; armonizzare gli indirizzi in entrambi gli elenchi; identificare le corrispondenze esatte controllando sia il nome dell'impresa che l'indirizzo; identificare le corrispondenze duplicate.

Tab. 2: Statistiche descrittive

Variabile	Minimo	Massimo	Media	Dev. Std
Sostenibilità	0	17	0.308	0.982
Family	0	1	0.555	0.497
ASR	-0.719	0.792	0.062	0.076
RSR	-1175.584	11854.122	18.972	312.930
PSR	0	1.290	0.091	0.136
Età	0	187	35.477	23.925
Nord	0	1	0.794	0.405
Centro	0	1	0.141	0.348
Sud	0	1	0.031	0.177
Dimensione	-6.908	17.182	9.272	2.481
ROE	-143.890	108.550	8.070	21.650
Multinazionale	0	1	0.630	0.483

Fonte: Nostra elaborazione

4.2 I modelli di analisi

Per testare le due ipotesi di cui al framework di Fig. 1 sono stati sviluppati due modelli di regressione di Poisson, data la natura discreta della variabile dipendente (Greene, 2003).

La prima ipotesi di ricerca stabilisce che le imprese familiari sono più propense, rispetto alle imprese non familiari, a sviluppare innovazioni ambientali sostenibili. Al fine di testare questa ipotesi è stato implementato il Modello 1:

Sostenibilità = f (Family; Variabili di controllo)

Nella seconda ipotesi di ricerca si afferma che la presenza di *slack resources* (in particolare *recoverable* e *potential)*, moderano positivamente la propensione e la capacità delle imprese familiari di sviluppare innovazioni ambientali sostenibili. Il Modello 2 è stato quindi definito con i seguenti moderatori:

Modello 2:

Sostenibilità = f (Family; Family*ASR; Family*PSR; FamilyRSR; Variabili di controllo)

Tutte le variabili continue usate nelle interazioni sono state centrate. I coefficienti di correlazione e i valori dei *Variance Influence Factor* indicano che non sono presenti situazioni problematiche di multicollinearità[6].

[6] La correlazione tra le variabili è disponibile su richiesta.

4.3 Risultati

La Tab. 3 mostra i risultati dei modelli di regressione di Poisson. Analizzando il Modello 1, *Family* ha un effetto significativo e positivo ($p < 0.01$) sulla variabile dipendente, supportando la prima ipotesi di ricerca. In ottica SEW, questo risultato permette di affermare che grazie alle caratteristiche uniche delle imprese familiari, ed in particolare, all'orientamento al lungo periodo, al rapporto con gli stakeholder e alla volontà di costruire e mantenere l'immagine e la reputazione della famiglia e dell'azienda, le imprese familiari sono più propense, rispetto alle imprese non familiari, a sviluppare innovazioni ambientali sostenibili.

Tra le variabili di controllo, *Età* ha un effetto negativo e significativo sulla variabile dipendente ($p < 0.01$). Anche *Dimensione* è significativa ma con impatto positivo ($p < 0.01$). *PSR* è l'unica tra le *slack resources* ad avere un effetto significativo sulla variabile dipendente ed anche in questo caso l'impatto è positivo ($p < 0.01$). Tra le caratteristiche dell'impresa, infine, *Multinazionale* ha un impatto statisticamente significativo ($p < 0.01$) su *Sostenibilità*, ma con effetto negativo.

Tab. 3: Risultati di Modello 1 e Modello 2

Modello 1				
Variabile	**Estimate**	**Std. Error**	**z value**	**Pr(>|z|)**
Family	0.213	0.078	2.719	0.007
ASR	0.265	0.701	0.377	0.706
RSR	<0.001	0.001	0.004	0.997
PSR	1.694	0.229	7.405	<0.001
Età	-0.012	0.002	-5.509	<0.001
Area1	0.378	0.172	2.201	0.028
Area2	0.349	0.189	1.843	0.065
Dimensione	0.188	0.021	8.775	<0.001
ROE	-0.004	0.002	-1.899	0.058
Multinazionale	-1.237	0.099	-12.438	< 0.001
Settore				
(Intercept)	-2.556	0.389	-6.577	0.000
Modello 2				
	Estimate	**Std. Error**	**z value**	**Pr(>|z|)**
Family	-0.016	0.122	-0.130	0.896
ASR	0.166	0.907	0.183	0.855
RSR	<0.001	0.002	-0.155	0.877
PSR	1.017	0.320	3.176	0.001
Family*ASR	0.594	1.018	0.584	0.560
Family*RSR	0.000	0.002	0.199	0.842
Family*PSR	1.601	0.449	3.567	<0.001
Età	-0.012	0.002	-5.595	<0.001
Area1	0.405	0.172	2.353	0.019
Area2	0.361	0.190	1.900	0.057
Dimensione	0.190	0.021	8.900	<0.001
ROE	-0.005	0.002	-2.169	0.030
Multinazionale	-1.246	0.100	-12.435	<0.001
Settore				
(Intercept)	-2.518	0.390	-6.452	0.000

Fonte: Nostra elaborazione

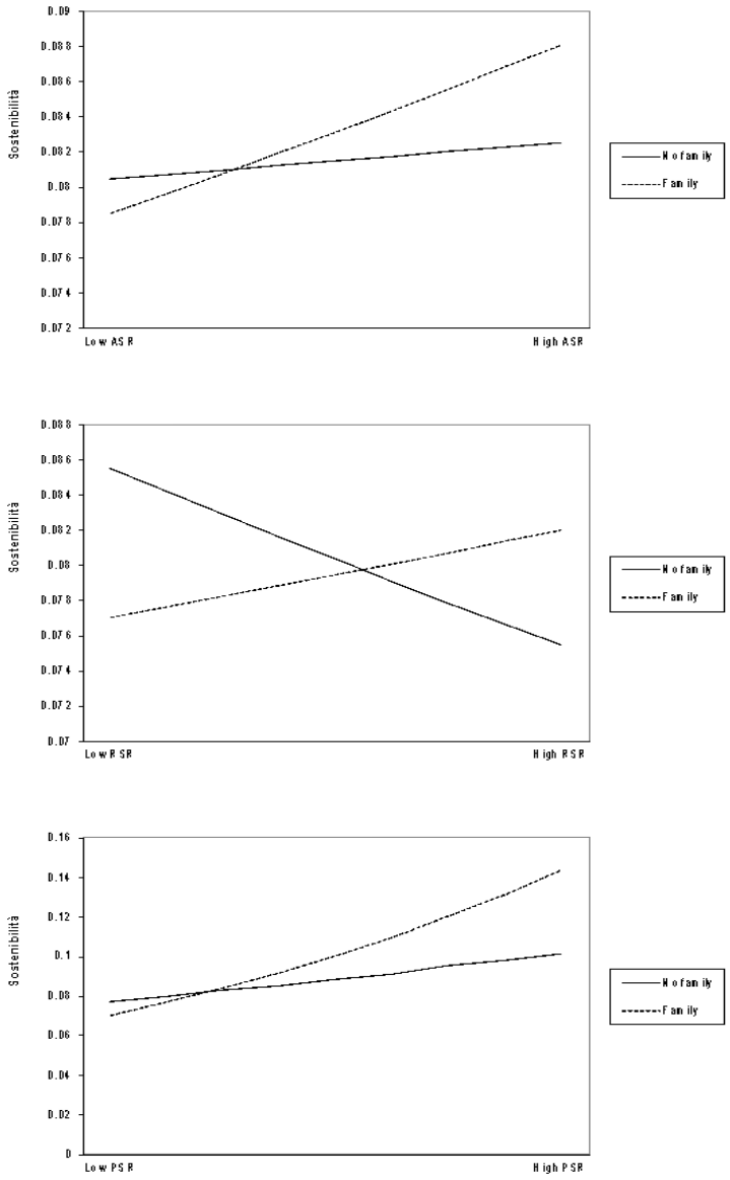
Nel Modello 2 l'interazione *Family*PSR* ha effetto significativo e positivo (p< 0,01), supportando parzialmente la seconda ipotesi di ricerca. La presenza di *potential slack resources* modera positivamente la propensione e la capacità delle imprese familiari di sviluppare innovazioni ambientali sostenibili. La possibilità quindi delle imprese di usufruire di risorse finanziarie di lungo periodo incentiva lo sviluppo di innovazioni ambientali

sostenibili. L'effetto di *Family*ASR* e *Family*RSR* invece non è significativo.

Età, Dimensione, Multinazionale e *PSR* mantengono gli effetti descritti in Modello 1.

In Fig. 2 è possibile vedere i grafici relativi alle interazioni.

Fig. 2: Grafici di interazione



Fonte: Nostra elaborazione

5. Discussione e conclusione

La sostenibilità aziendale sta assumendo sempre più rilevanza tra i policy maker, le istituzioni, siano esse pubbliche o private, i manager, i proprietari di imprese e i singoli cittadini. Per affrontare le grandi sfide ambientali come i cambiamenti climatici, la perdita di biodiversità e l'impoverimento delle risorse naturali, sono necessari sia nuovi modelli economici e sociali sia innovazioni in grado di portare benefici ambientali. Le imprese, diversamente da quanto accadeva in passato, non possono più permettersi di trascurare di implementare scelte strategiche volte alla sostenibilità ambientale (Doluca et al., 2018). Se da un lato i governi hanno imposto regolamenti e leggi per incoraggiare le imprese a diventare sempre più rispettose nei confronti dell'ambiente, dall'altro elevate sono le pressioni esercitate dagli stakeholder (Amankwah-Amoah et al., 2019).

In tale contesto l'influenza delle imprese familiari è oggi evidente e la letteratura è unanime nell'affermare che, pur essendo le imprese familiari un gruppo eterogeneo di imprese con valori, obiettivi e strategie diverse le une dalle altre, tutte sono caratterizzate da obiettivi comuni derivanti dall'esigenza delle imprese familiari di preservare il proprio patrimonio socio-emozionale (Miller & Le Breton-Miller, 2005; Sirmon & Hitt, 2003; Bansal & DesJardine, 2014; De Massis et al., 2015).

Questo elaborato contribuisce all'avanzamento della letteratura sulle imprese familiari e le innovazioni ambientali sostenibili, analizzando come la necessità delle imprese familiari di preservare il proprio patrimonio socio-emozionale contraddistingua la loro propensione verso tematiche relative alla sostenibilità rispetto alle imprese non familiari. Inoltre, è stato fatto un ulteriore passo avanti approfondendo il ruolo di moderatore delle *slack resources*.

Le analisi condotte confermano, secondo il framework della SEW, che le imprese a controllo familiare sono più inclini a sviluppare innovazioni ambientali sostenibili rispetto alle imprese non familiari. La scelta di adottare comportamenti che vanno a beneficio dell'ambiente è dovuta all'orientamento di lungo termine, al desiderio di ricevere riconoscimenti per azioni generose e di godere di prestigio, all'esigenza di proiettare e mantenere un'immagine positiva di sé nei confronti degli stakeholders sia interni sia esterni. Queste ragioni permettono di affermare che le imprese familiari dispongono non solo dell'abilità (i.e. *Ability*) ma anche della motivazione (i.e. *Willingness*) necessaria per sviluppare innovazioni ambientali sostenibili, superando il paradosso dell'*Ability and Willingness.*

Inoltre, la presenza della famiglia influenza gli atteggiamenti, le norme e il comportamento strategico nel predisporre le risorse per adottare una strategia di sostenibilità ambientale proattiva (Sharma & Sharma, 2011). I risultati ottenuti dimostrano come la propensione all'innovazione ambien-

tale sostenibile aumenti per le imprese familiari nel caso di disponibilità di *potential slack resources*. Questa maggiore disponibilità di risorse spinge le imprese familiari, tipicamente avverse al rischio, a intraprendere più consistentemente un percorso di innovazione ambientale sostenibile, contrastando la paura di perdere il proprio patrimonio socio-emozionale se il percorso innovativo dovesse fallire: all'aumentare della loro disponibilità il numero di innovazioni ambientali sostenibili delle imprese familiari superi quello delle imprese non familiari. Un discorso analogo può essere ipotizzato per *available slack resources* e r*ecoverable slack resources*, ma dalle analisi condotte il loro effetto non è risultato essere significativo. Da queste evidenze possiamo affermare che le *potential slack resources* rappresentano una leva efficace che contribuisce, nel caso delle imprese familiari, al superamento del paradosso dell'*Ability and Willingness*, per quanto riguarda le innovazioni ambientali sostenibili.

I risultati ottenuti forniscono importanti implicazioni manageriali e di policy, date le conseguenze gestionali e strategiche che ne derivano. Lo sviluppo di innovazioni ambientali sostenibili rappresenta infatti uno degli obiettivi fondamentali della politica. Gli interventi a sostegno in tal senso hanno assunto negli ultimi anni un ruolo cruciale e strategico sempre maggiore. In questo contesto le evidenze emerse dalla presente ricerca possono servire come prima base per una riflessione sul tipo di incentivi pubblici da impiegare. Di solito, infatti, gli incentivi sono tarati sulla dimensione dell'impresa e, viceversa, trascurano le strutture di *governance* e le loro caratteristiche. Il presente lavoro indica invece che la capacità di sviluppare innovazioni ambientali sostenibili di un'impresa dipende in via rilevante dalla componente socio emozionale di un'impresa. L'impresa familiare in effetti necessita di sostegni, in quanto, come più volte ribadito, tende ad autofinanziarsi e ad opporsi all'adozione di soluzioni che compromettano il controllo famigliare e, anche per queste ragioni, la sua crescita ne risulta a volte compromessa.

Il presente studio non è esente da limiti. In primo luogo, il campione è costituito da sole imprese italiane, mentre sarebbe importante estendere l'analisi anche al contesto europeo. Un altro limite risiede nella misura del grado di innovazione ambientale sostenibile tramite brevetto, sarebbe interessante invece misurare anche l'innovazione per cui non viene attuato uno strumento di protezione della proprietà intellettuale. Inoltre, è noto come le imprese familiari siano eterogenee pur nella loro peculiarità. Risulta quindi interessante indagare come il ruolo della *governance*, del livello di managerialità e di apertura verso l'esterno, impattino sul fenomeno dell'innovazione ambientale sostenibile.

Ancora molti sono quindi gli interrogativi relativamente alle innovazioni ambientali sostenibili nelle imprese familiari e si auspicano ulteriori sviluppi in questa direzione.

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PICCOLA IMPRESA
SMALL BUSINESS

Rivista Piccola Impresa/Small Business
n. 3, anno 2022
Codice ISSN 0394-7947 - ISSNe 2421-5724

BOOK REVIEW CIAGLIA, M. "THE STARTUP CANVAS. IL METODO PER TRASFORMARE UNA IDEA IN UN SUCCESSO SICURO", FLACCOVIO DARIO EDITORE, 2018.

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Article info

Keywords: *Book Review; Startup; Canvas*

doi: *10.14596/pisb.3237*

Abstract

The book provides a useful tool for developing an entrepreneurial project starting from a simple idea that is a real operational guide for those who intend to create a startup.
The startup canvas is the innovative framework created by Massimo Ciaglia, the author, integrating some fundamentals elements such as the intellectual property, marketing and fundraising strategies, the traction to the current and common existing frameworks.
The book distinguishing itself by overcoming of the limits of the current existing models with the proposal of a strategic tool developed from a lean perspective.

The startup canvas is the innovative framework created by Massimo Ciaglia as a result of his twenty-year experience in the field of start-ups.

The author intends to provide an examination of the world of startups and to indicate what are the keys to let them succeed. The primary objective of *The Startup Canvas* is to help the future entrepreneur to identify as soon as possible the right way to make their company work. In particular, the aim of the volume is to provide a useful tool for developing an entrepreneurial project starting from a simple idea that is a real operational guide for those who intend to create a startup.

The innovative tool created by the author, "the startup canvas", integrates the current and common existing frameworks such as the Business Model Canvas and the Lean Canvas by adding some elements that are missing. In fact, the main difference compared to the previous models, identifying the great added value that this tool brings, is that of having added some fundamental blocks to develop a Startup such as the intellectual property, marketing and fund raising strategies, the traction. It is in this integration that we can identify the significant added value of this tool.

In the first chapter the author illustrates what a startup is, underlining that every new project is born from an idea or a need to be satisfied. The business model, however, is the heart of every startup, the tool that allows you to concretize an idea that otherwise would only remain in the drawer.

The key elements and techniques for building and starting a startup are illustrated in the second chapter of the book. Starting from the definition of the mission, the vision and the value proposition (i.e. the actual offer to customers and the added value brought to them) to then arrive at the business model (that is the way in which a startup creates value through the production of a product or the provision of a service, offering this value to its customers and then transforming it into revenues) and the business plan, the elaborate that describes the project idea, explaining in detail the business model with which it is declined on the market and how get profit from it. Further relevant aspects are the tools for protecting intellectual property (such as patents and copyright) and the main methods of collecting financial resources (funding). Participation in competitions incubators, crowdfunding platforms, business angels, venture capital companies and bank debt are the main methods of financial funding cited by the author.

The third chapter illustrates how to develop a startup according to Eric Ries' Lean approach. Following the Lean Startup approach allows you to proceed in sequential and continuous steps, i.e. conception, check, modification, and to focus on the real needs of the customer. This virtuous circle created by a continuous interaction between the initial idea, the product or service created and the customer is called the feedback loop. Also known as the Build-Measure-Learn process, it is one of the pillars of the Lean Startup methodology and involves the continuous validation of the business idea,

the analysis of feedback from the market and KPIs (Key Performance Indicators). In fact, bringing a concrete value to the customer will help the entrepreneur not only to eliminate waste of time and money from the process, but it will allow the creation of a sustainable, profitable business.

The importance of marketing and communication strategies for the growth of the startup are illustrated in the fourth chapter. Reputation plays a fundamental role: those who invest in start-ups prefer to invest in an entrepreneur with an excellent reputation on the web, with a significant and certifiable track record that allows them to reduce the investment risk. It is therefore essential, before turning to investors, to create an excellent image on social media, on the web and take care on one's brand reputation.

The structure and content of the startup canvas tool is illustrated in the fifth chapter. In particular, the startup canvas is structured through 12 blocks:

1. the problem or the identification of a real need to be satisfied;
2. the development of the market that is to qualify the target customers and relationships with customers;
3. the value proposition, or rather what it is intended to produce to satisfy the need identified above;
4. the fiduciary hypotheses, the assumptions (that is the idea of the startup is based and without which the project could not exist) are analyzed;
5. the business model, that is the way in which a startup creates value through the production of a product or the provision of a service, offering this value to its customers and then transforming it into revenues;
6. marketing, both online and offline marketing strategies need careful analysis and evaluation, as they become extremely important when presenting the product or service on the market and in managing relationships;
7. the financial plan, which makes a forecast, in economic and financial terms, of the startup's development plan by estimating the necessary equity in each development phase in order to make the project sustainable;
8. intellectual property, represents the set of business idea protection strategies that are intended to be adopted in the development process of the startup;
9. the team, that is the preparation of the personnel plan, including the definition of roles and responsibilities;
10. operations, i.e. analyzing the physical and legal offices of the startup, legal and labor law aspects, tax regime, legal nature and so on.
11. traction, it represents the growth model of a startup, based on metrics in relation to objectives.

12. fundraising, it is not enough to know the amount of investments required, but it is also useful to understand which stakeholders to present to and in what time frame to structure the fund raising strategy. The fundraiser has been positioned at the end of The Startup Canvas, as only after having structured the different fields it will be possible to introduce your startup to the investor.

The framework is basically developed in two steps. The first is represented by the business idea (blocks 1, 2, 3 and 4), while the second step takes place by analyzing respectively the strategy and execution (consisting of the remaining blocks). In particular, the strategic part includes the business model, marketing strategies, the financial plan and the intellectual property. The execution includes the team, the operations, the traction and the fundraising strategies.

The book concludes by reporting two successful start-up cases in which from an entrepreneurial project a winning business has been built that satisfies the needs of the market.

Reading the volume is particularly suitable for scholars and professionals dealing with the creation of new businesses and entrepreneurship issues, providing some theoretical insights and above all practical examples useful for facilitating the processes of designing and launching start-up. The element of greatest novelty and interest of the text is the overcoming of the limits of the current existing models with the proposal of a strategic tool developed from a lean perspective: a circular, dynamic model based on continuous improvement.

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