



MANAGING CONSTRAINTS IN SMES FINANCING - THE CASE OF ROMANIAN TOURISM SMES

Daniel Badulescu

University of Oradea, Faculty of Economic Sciences, Oradea, Romania

Alina Badulescu

University of Oradea, Faculty of Economic Sciences, Oradea, Romania

Olimpia Ban

University of Oradea, Faculty of Economic Sciences, Oradea, Romania

©MESTE

JEL Category: **G21, Z33, L26**

Abstract

The question of adequate financing of SMEs represents a research topic of great importance for many sectors, including tourism. In this particular sector, tourism operators are facing both the general limitations and restrictions common for all small businesses, but also specific difficulties. This paper is aiming at investigating, by using a survey-based research among main institutional lenders in Romania, the availability of the financing institutions to finance small businesses operating in tourism. The objectives of this paper are as follows: to assess the main difficulties and specific ways of creditors' involvement in SMEs' business financing; to find out which are the main difficulties and obstacles in tourism financing, and to what extent they can be mitigated; to reveal the most important risk factors taking into consideration by banks when financing the SMEs operating in tourism. Our findings indicate that lenders are aware about the objective factors discouraging SMEs in accessing bank loans, but also that the credit supply for businesses operating in tourism is more difficult to access and less competitive compared to other ventures operating in different sectors. This limited interest of banks in SMEs' tourism businesses needs to be counterbalanced by other financing forms and suppliers, including public funds, European funds etc.

Keywords: Tourism, SMEs lending, constraint, risk, crisis

1. INTRODUCTION

The SMEs financing represents nowadays an issue of great importance, both as research theme and practical concern, especially to identify and promote economic and social policies capable to

The address of the corresponding author:

Daniel Badulescu

 dbadulescu@uoradea.ro



ensure a real contribution of SMEs sector to the economic development of each country. The tourism is an opportunity, but, at the same time, a challenge for policy makers, lenders and, not least, for small businesses operating in this sector. In addition to the specific difficulties of any business, tourism operators added, unfortunately, those related to searching and accessing the most appropriate financing, to help them to overcome difficult period and to achieve their growth ambitions.

This paper is aiming at investigating (by using a survey-based research) the availability of the financing institutions to adequately finance the SMEs' businesses in tourism. The objectives of this paper are, primarily, to assess the main difficulties and specific ways of creditors' involvement in SMEs business financing. Secondly, we are interested to find out (from a supply side perspective) which are the main difficulties in tourism financing and to what extent these difficulties can be mitigated.

The paper is organized as follows: in the next (second) part we briefly present an overview on the main problems and difficulties in SMEs financing; in the third part we focus on the constraints that tourism SMEs are facing; in the fourth and fifth parts we present the research methodology and questions, and discuss the results. Finally, we conclude and emphasize some further policy implications.

2. SMES PROBLEMS IN LENDING

The SMEs' difficult access to financing is a matter of great importance both for micro- and macro-economic environment. However, the controversies on the causes and the possible remedies are far from reaching an unanimous position. Theoretical debates and inconsistency of the policies negatively influence the practical means of action, both in the supply side (i.e. banks and other public or private funding providers) both on the funding beneficiaries (i.e. the SMEs).

Overcoming the economic crisis effects and hastening the recovery are closely linked to the strengthening and expansion of the SMEs sector, but it cannot be done in the absence of a suitable financing. The surveys of European Commission (2015) reveal that, during the last ten years, the access to finance of European SMEs has been

considered as the second (or the third, in some years) most pressing concern for SMEs' managers. These studies also state that the lenders' reaction (mainly, the banks) is weak and largely uncorrelated with the expectations of business environment and policy makers.

Most of the researchers consider that the inadequate financing of SMEs is a structural feature, often unavoidable, which have to be mitigated by public interventions as non-refundable lending programs, grants, guarantees, favorable fiscal measures (Schiffer and Weder, 2001), (Beck, Demirgüç-Kunt and V. Maksimovic, 2005), (de la Torre, Martínez Pería and Schmukler, 2010). The majority of these opinions are circumscribed to the demand side constraints theory: the lack of adequate financing for SMEs is caused by their less attractiveness for the lenders:

- a small proportion of fixed assets in total assets;
- a significant proportion of short-term loans financing fixed assets;
- large debts to commercial suppliers;
- insufficient retained profits to fund investments;
- relatively high debt-equity ratio;
- a higher failure rate.

These features are considered as a "degradation" of desirable characteristics, typically found in large firms. Accordingly, SMEs are often misinterpreted as the scale-down version of large business. They are often analyzed and financed with methods and techniques used for financing large companies (Cressy and Olofsson, 1997).

The second perspective explains the problems of inadequate funding of SMEs coming from the supply side constraints, particularly related to the way that financial institutions work (Beck, Demirgüç-Kunt, and Soledad Martinez, 2010), (OECD, 2000), (OECD, 2004), (Toivanen, Cressy, 2000), such as:

- overlapping between the state institutions and banks (public or private);
- distortion in the market mechanisms and competition;
- excessive collateral requirements, conservative methods in the assets valuation and risk weighting (RAM Consultancy Services, 2005).

- insufficient ability to understand and analyze the SMEs sector, "the absolute dollar returns are much smaller compared to large corporate loan, (...) applying the same techniques of large corporate evaluation to SME obviously results in many SME not being able to meet bank lending criteria" (RAM Consultancy Services, 2005).
- complicated, expensive and, sometimes, unnecessary lending procedures.

Contradicting, at least in part, the above mentioned theories, there is a third position which argues the financial market for SME is increasingly competitive, with prospects for profitable growth, far from being saturated or a "niche" banking businesses. Thus, all banks (large and small, foreign or domestic, specialized or universal) see SMEs as a strategic sector, where they plan to expand their operations in a sustainable manner (de la Torre, Martínez Pería, Schmukler, 2000). Good lending relationships, based on trust, "improve SMEs' access to finance more than the establishment of longer or more concentrated relationships" (Hernandez-Canovas & Martinez-Solano, 2010, p. 465), and help companies to obtain more loans and to reduce costs, mitigating the effects of the crisis (Beck, Degryse, De Haas, & van Horen, 2014, p. 32).

3. PARTICULARITIES FOR TOURISM SMES

The SMEs operating in the tourism sector are not an exception from all stated above; moreover, there are scholars and experts such as Council of Tourism Associations in British Columbia (COTA) and Taylor Capital Corporation (2006) stating that tourism industry have a relatively higher risk compared with other industries. This perception is fueled by the degree of risk presented by two key sectors of the tourism: accommodation and restaurants. Lenders and investors are cautious when providing funds to SMEs operating in tourism, due to several reasons.

First, they consider the losses from loans. After the failure of a tourism business, the lender could register considerable losses, compared to other industries. This is explained by the nature of touristic activities: SMEs in tourism hold relatively few tangible assets and, mainly, volatile working capital (as seasonal receivable and inventories),

quite uninteresting to be pledged as collateral by banks. The traditional lenders tend to grant credits covered by guarantees, as real estate or equipment.

Second, the lenders are very cautious about the seasonality of cash-flow. In tourism there are usually short operating seasons, when it has to be achieved almost entire annual profit, and there is the less room for management errors.

Third, the lenders' concern about the external events (e.g. forest fires, global diseases, terrorism and unpredictable exchange rate fluctuations) that are outside of the tourism industry's control, and could generate a negative impact on all participants.

Fourth, the lenders take into account the specific behavior of unexperienced investors in a lifestyle-type industry. i.e. the syndrome "I Have a Dream". The strategy "Build it, and the tourists will come!" remains a more common approach in business planning, combined with poor experienced managers (or shareholders). Superficial planning and emotional considerations used as arguments preclude an objective analysis of the situation and the necessary actions.

Finally, in the tourism industry there are problems of evaluation, which are more acute than in other sectors. Bankers deplore that many operators in the tourism sector do not realize the essential link between the "real" value of their business and the cash-flow generated by that. Many significant investments (buildings, furniture and equipment, software) are quite specialized, difficult to sell, situated in picturesque, but peripheral areas. Therefore, the lenders advance very conservative values for these assets, and, consequently, low financing facilities. In case of foreclosures, the liquidation value for the equipment of restaurants and accommodation units are often below 25% of the initial value (COTA, 2006). This is due to the ageing (attrition rate) but, especially, to the obsolescence, to the high rate of change in tastes in the tourism industry.

The fact that losses from loans (following the bankruptcy of the tourism ventures) are, typically, higher than in other areas, will affect all participants, including those with consolidated businesses, experimented, with good future prospects. It is unlikely that creditors will

significantly change their policies regarding tourism sector in the next future. Therefore, the tourism businesses will be competing not only for the market share but also for relatively reduced funds allocated by lenders for this industry.

4. RESEARCH METHODOLOGY. DATASET

The present research is part of a more complex research project investigating the relationship between SMEs and banks, specific touristic financing issues (e.g. tourism business risks, particularities, post crisis realities), the most adequate type of banks for SMEs in tourism etc. This paper develops a series of themes from a previous research, with similar objectives, developed between 2010 and 2015, and presented in several previous international conferences and journal articles (Badulescu & Simut, 2012) (Badulescu, Simut, & Badulescu, 2014), (Badulescu, Giurgiu, Istudor, & Badulescu, 2015), (Badulescu & Simut, 2015). In this case, in order to investigate the nature the credit demand and supply, creditors' involvement and availability in financing ventures operating in tourism, we developed a survey-based research among main Romanian institutional lenders (especially banks).

The questionnaire was administered during February – April 2015 and it contained 18 questions, divided into three main themes: the importance of relationship banking; supply and demand for funding; and tourism financing issues. The majority of the questions had multiple-scale responses, two were open questions, and, finally, two questions concerned information about the respondents.

The questionnaires were sent to 135 bank representatives from different banks in Romania: bank managers or SMEs risk managers and relationship managers. We targeted staff holding managerial positions with specific training and job responsibilities, working directly or intermediately with loan requests and applications from SMEs customers. Consequently, they were supposed to be most suitable and reliable to provide relevant answers. By this selection we intended also to avoid common or unrelated opinions coming from other bank employees. More than two third of the respondents (i.e. 70%) were employed in bank units located in North-Western Region of

Romania, and the rest (i.e. 30%) in Centre Region and Western Region of Romania. As a result of the survey, the primary dataset consisted of 67 responses from managers working in 20 banks, out of the total of 40 banks existing in Romania at the survey's time (NBR, 2014). After removing the errors, 64 questionnaires were taken in analysis.

Due to the fact that a large majority of the valid responses (i.e. 85%) were collected from only one Romanian region (the North-West Region) we checked the representativeness of the responses. We haven't found any special features, different economic laws or regulations for this region, or special practices coming from the banks related to SMEs. According to the reports of the National Bank of Romania (NBR), the North-West Region of Romania displays a regular position within the country for main bank lending indicators, e.g.: territorial density of bank units, number of inhabitants per bank branch, number of current accounts, volume of loans granted to SMEs etc. (NBR, 2015).

In achieving the purpose of the present paper (i.e. investigating issues related to financing SMEs operating in tourism sector) we focused on the following five research questions (Q1-Q5):

Q1: On a scale from 1 (strongly disagree) to 5 (strongly agree), please evaluate the following statement: "The supply of funding (public or private) for SMEs in tourism is sufficient and adequate";

Q2: On a scale from 1 (strongly disagree) to 5 (strongly agree), please express your opinion regarding the following statements: "SMEs are deterred from accessing bank loans due to ...

- requirements for guarantees exceeding the company's or shareholders' possibilities;
- procedures and required documents: excessive, expensive and long-lasting;
- lengthy approval processes, even for relatively small loan amounts;
- expectations regarding the rejection of loan application".

Q3: Do banks consider financing tourism ventures as relatively riskier than financing businesses operating in different sectors?

Q4: Which are the most important risk factors in financing tourism SMEs?

- the seasonality of activity (cash-flow);
- external events (global diseases, terrorism, currency fluctuations, climate change, fashion);
- inexperienced management / shareholders;
- difficulties in assessing the proposed collateral;
- high frequency of loss from current activity;
- other (suggested by respondents).

Q5: Which are your expectations regarding actions that should be undertaken by tourism companies to streamline operations and mitigate the adverse impact of the crisis?

- costs control and liquidity provision;
- compliance with the business plan and marketing strategy;
- obtaining a favourable market share / competitive positioning;
- discounts and promotional policies.

5. RESULTS AND DISCUSSIONS

Regarding the first analysed question, Q1: On a scale from 1 (strongly disagree) to 5 (strongly agree), please evaluate the following statement: "The supply of funding (public or private) for SMEs in tourism is sufficient and adequate", the responses are presented in Figure 1 (below).

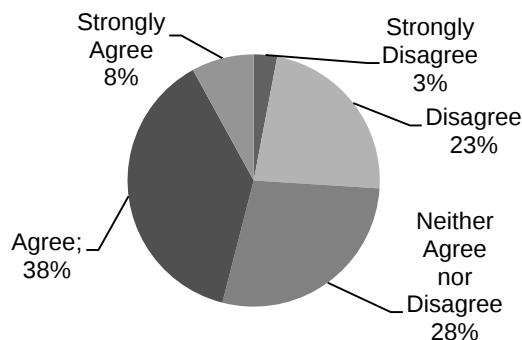


Fig. 1 The distribution of response to the research question (Q1): "The supply of funding (public or private) for SMEs in tourism is sufficient and structurally adequate".

Regarding the bankers' position to the lending offers to SMEs, it is noted that the group of favourable and very favourable responses reach almost half of the preferences (i.e. 38% agree, plus 8% strongly agree). However, this percentage is quite low, given that these opinions come exactly from the most important funding

providers for SMEs. What would be the answer from the beneficiaries (from demand side) if just the suppliers aren't very enthusiastic about that? It is possible that this opinion, circumscribed to SMEs businesses in tourism, be more reserved than for other industries.

Table 1. Responses at Q2: "Please express your opinion on a scale from 1 (strongly disagree) to 5 (strongly agree) to the following statements: "SMEs are deterred from accessing bank loans because ..."

	1	2	3	4	5
Requirements for guarantees exceeding the company or shareholders possibilities	2%	22%	11%	52%	13%
Procedures and required documents: excessive, expensive and long-lasting	9%	19%	11%	44%	17%
Lengthy approval processes, even for relatively small loan amounts	9%	25%	14%	33%	19%
Expectations regarding the rejection of loan application	25%	25%	38%	9%	3%

In this question (Q2), bankers agree that SMEs are obviously discouraged in credit accessing by the requirements for guarantees, which are exceeding the company's or shareholders' possibilities (52% agree and 13% strongly agree) or by the excessive, expensive and long-lasting procedures and the required documents (44% agree and 17% strongly agree). Next, to a close score, is the lengthy approval processes (even for relatively small loan amounts), with 33% agree and 19% strongly agree. In other words, the bankers admit that some of the SMEs' financing difficulties come also from the requirements and banking standards, suitable rather to the large companies. These large entities could offer adequate guaranties, and the time and money expenses, or bureaucracy appear to them as

reasonable, relative to the importance and size of the requested loan.

On the other hand, respondents are quite firm considering the expectations regarding that the rejection of loan applications is not a valid reason for the reluctance of SMEs to institutional lenders. However, the European Commission surveys (2015) mentioned above, shows us quite clearly that expectations of the Romanian SMEs' managers for a possible rejection of loan application are 7-15% of the reasons of un-accessing of a bank loan, one of the highest in the EU.

Regarding how banks perceive the risks associated with tourism businesses (Q3: Do banks consider financing tourism ventures as relatively riskier than financing businesses operating in different sectors?), the results indicate 7 cases of banks' representatives who 'strongly agree' with this statement, 27 'agree', 17 were neutral, 10 'disagree', and 3 'strongly disagree'.

When calculating the weighted average the responses (as weighted average of responses ranging from 1 - strongly disagreement, to 5 - strongly agreement), the result is of 3.39 points, placing the tourism businesses as a slightly riskier business compared with other sectors.

Table 2. Responses at Q3: "Do banks consider financing tourism ventures as relatively riskier than financing businesses operating in different sectors?"

	Number of bank responses	%
Strongly disagree	3	5%
Disagree	10	20%
Neither agree nor disagree	17	28%
Agree	27	41%
Strongly agree	7	6%

However, the perceived risk for the entire tourism sector reveals that certain sub-sectors are riskier, especially due to the high competition and low margins (in restaurants) or considerable investment in infrastructure or real estate (accommodation). Other tourism businesses tend to be less prone to risk and are less dependent on

discretionary demand fluctuations. They face less competition due to development of niche sectors or of unique products associated with specific natural features, or due to the considerable entry barriers. On the other hand, most of the bank respondents indicate (in previous responses) that they co-financed European projects in tourism, which involved reasonable amounts of money, a lower risk of default, a comfortable perception of reimbursement. Perhaps without this "safety net" (the repayments coming from European funds) a lot of touristic projects of SMEs would not be realized, because of degree risk, applied by the banks representatives.

Another relevant issue concerns the most important risk factors taking into consideration in the financing of SMEs operating in tourism (Q4). The results are synthesized in Table 3.

As revealed, the low experience of managers and the high seasonality (implicitly, the seasonality of cash-flow) appears to be the risk factors with the highest score as importance (53% and 41% for inexperience, respectively, 43% and 51% for seasonality).

Table 3. Responses at Q4: "Which are the most important risk factors in financing tourism SMEs?"

	Not important	Some-what important	Very important
The seasonality of activity (cash-flow)	6%	53%	41%
External events (global diseases, terrorism, currency fluctuations, climate, fashion)	32%	45%	23%
Inexperienced management / shareholders	6%	43%	51%
Difficulties in assessing the proposed collateral	16%	54%	30%
High frequency of loss from current activity	14%	52%	34%

On the contrary, bankers do not perceive very serious threats in the impact of external events (e.g. global diseases, terrorism, currency fluctuations, climate, fashion), difficult to control, based on the premise that most of these events affect tourism firms in a reduced manner. It is quite surprisingly the (relative) neutral score attributed to collateral problems, as significant differences between the market value and the replacement value, specialized assets (i.e. 54% of responses considers it as somewhat Important and only 30% as very important), which can be explained by the quite frequent involvement in co-financing European projects, where associated risks are limited and the specific collateral requirements are diminished. In another perspective (i.e. the SMEs managers), European Commission reports mention the lack of collateral as a common explanation in not-accessing a bank loan (15% the EU average, 24% in the case of Romania and a maximum of 28% in the case of Hungary), "increases in (...) collateral requirements were reported more often by enterprises than a decline in these (...) requirements" (European Commission, 2015, p.8).

Table 4. Responses at Q5: "Which actions should be undertaken by SMEs operating in tourism to streamline operations and mitigate the adverse impact of the crisis?"

	Not important	Somewhat important	Very important
Cost control and liquidity provision	0%	31%	69%
Compliance with the business plan and marketing strategy	9%	64%	27%
Obtaining a favourable market share / competitive positioning	20%	46%	34%
Discounts and promotional policies	45%	38%	17%

The high frequency of losses from current activity and, thus, a higher number of bad loans, gets a (somewhat) more balanced perspective, quite difficult to explain, probably due to different

understanding of respondents and a relatively low experience with this kind of credit "incidents".

On this question, the respondents added other risks, such as: high competition, low flexibility, changing in tax laws, location, lack of transparency of the income earned. Although they have low scores, they are useful in building a more complete picture of the risk factors associated with the SMEs operating in tourism.

The respondents, coming from the financial sector, highly value the cost control and liquidity provision (69% as very important) and a good control of the market (favourable market share / competitive positioning). The strict compliance with the initial business plan and marketing strategy seems to be important, but not essential. This neutral perspective is explained, perhaps, by the fact that the business plan should be flexible, related to the concrete realities and opportunities etc.

Quite surprisingly, however justified, is that the banks do not insist necessarily on discounts and promotions policy, in order to ensure a higher rate of occupancy and a favourable image on the market (45% not important, 38% somewhat important). With a good knowledge of their customers' financial reporting, the bankers have noted that the margins are already small; simply there is no room for future discounts, and the chance of survival and business strengthening stays in the quality and diversification of touristic services, in cost controlling, but not in the price cutting as a "miraculous" marketing solution.

6. CONCLUSIONS

The importance of SMEs financing in today economies is undeniable, underlined both by researchers and practioners. In this context, small businesses operating in tourism represent an opportunity and a challenge for policy makers and lenders. Apparently, the supply of finance for the SMEs in tourism is, according to the main lenders' opinion, sufficient and appropriate in structure. However, we have solid reasons to question the optimism of this assertion. First, this opinion has gathered a little over half of the creditors' responses. Secondly, a significant part of the researches, reports and surveys in EU (and not only) reveal a significant degree of structural mismatch between the supply and demand for

financing. Finally, further results of our research indicate that lenders are aware that there are some objective reasons which turn away or discourage SMEs in accessing bank loans.

Among these, we found the requirements for guarantees exceeding the company's or shareholders' possibilities, the excessive, the expensive and long-lasting procedures and required documents, or the lengthy approval processes.

Our study confirmed that a certain caution of lenders in sustaining SMEs operating in tourism cannot be attributed only to the relative small size of the business, seasonality of activity, poor collateral or financial performance, but also to the quality of management and (in)ability to transform the existing opportunities into viable plans, to protect against unexpected changes in daily business.

Consistent with other researches, we found that the funding supply for touristic businesses is weaker and less competitive compared to other

businesses. The SMEs operating in tourism obtain their external financing amount by two main sources, i.e. the banks and the governmental programs. Although considered as slightly riskier than other sectors, small businesses operating in tourism could be a good opportunity for banks, under certain conditions. Therefore, SMEs should make rationale and intelligent investments, should diversify their income-generating activities and increase the experience and responsibility of management. Tourism businesses still need the right and adequate support especially for SMEs; besides large-scale projects in tourism infrastructure development, there is a need for appropriate and coordinated funding policy for small businesses. The cautious interest of banks in SMEs tourism businesses has to be improved through better complementarities with public assistance programs (i.e. EU funds for tourism). It is a way to mitigate the risk in this sector but also to diversify the funding supply for this important economic sector.

WORKS CITED

- Badulescu, D., & Simut, R. (2012). The Bank Lending to SMEs in Romania during Crisis Times. An Empirical Approach on the Relation Trust – Length – Loyalty. *Conference Proceedings of the 7th International Conference on Currency, Banking and International Finance. How Does the Central and Eastern Europe Cope up with the Global Financial Crisis? Bratislava, September 27-28.*
- Badulescu, D., & Simut, R. (2015). Bank's Availability versus SMEs' Expectancies in Business Financing. An Analysis on Credit Renewal. *Proceedings of the 9th International Days of Statistics and Economics, Prague, September 10-12, 79-88.*
- Badulescu, D., Giurgiu, A., Istudor, N., & Badulescu, A. (2015). Rural tourism development and financing in Romania: a supply-side analysis. *Agricultural economics (Zemědělská ekonomika)*, 6 (2), 72–80.
- Badulescu, D., Simut, R., & Badulescu, A. (2014). Looking for Better Financing: A Quantitative Approach on Collateral Importance in SMEs Relationship Lending. *Proceedings of the 8th International Days of Statistics and Economics, Prague, September 11-13, 43-52.*
- Beck, T., Degryse, H., De Haas, R., & van Horen, N. (2014, July). When arm's length is too far: relationship banking over the business cycle. *European Bank for Reconstruction and Development Working Paper No. 169*, p. 32.
- Beck, T., Demircuc-Kunt, A., & Maksimovic, V. (2005). Financial and Legal Constraint to Firm Growth: Does Firm Size Matter? *Jurnal of Finance*, 60, 137-177.
- Beck, T., Demirgüç-Kunt, A., & Soledad Martinez Peria, M. (2010). *Foreign Banks and Small and Medium Enterprises: Are they really estranged?* Retrieved May 02, 2012, from <http://www.voxeu.org/index.php?q=node/4828>

- Council of Tourism Associations in British Columbia (COTA) (2006). *Financing Tourism Operations in British Columbia*. Canada: COTA & Taylor Capital Corporation.
- Cressy, R., & Olofsson, C. (1997). European SME Financing: An Overview. *Small Business Economics*, 9, 87–96.
- de la Torre, A., Martínez Pería, M., & Schmukler, S. (2010). Bank involvement with SMEs: Beyond relationship lending. *Journal of Banking and Finance*, 34, 2280–2293.
- European Commission (2015) *Survey on the access to finance of enterprises (SAFE. Analytical Report 2015*. Brussels: EC: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs.
- Hernandez-Canovas, G., & Martinez-Solano, P. (2010). Relationship Lending and SME Financing in the Continental European Bank-based System. *Small Business Economics* 36, 465-482.
- National Bank of Romania (2014). *Annual Report 2014*
- National Bank of Romania (2015). *Financial stability report 2015*.
- OECD (2000). *Financing newly emerging private enterprise in transition economies*. OECD Publication Services.
- OECD (2004). Promoting entrepreneurship and innovative SMEs in a global economy: Towards a more responsible and inclusive globalization.
- RAM Consultancy Services (2005). *SMEe Access to Financing: Addressing the Supply Side of SME Financing, REPSF Project No. 04/003, pp. 1-28,*. Retrieved from <http://www.aseansec.org/aadcp/repsf/docs/04-003-FinalMainReport.pdf>.
- Schiffer, M., & Werder, B. (2001). *Firm size and the business environment: Worldwide survey results*. Washington, DC: Discussion Paper Series. International Finance Corporation.
- Toivanen, O., & Cressy, R. (2000). *Lazy Entrepreneurs or Dominant Banks? An Empirical Analysis of the Market for SME Loans in the UK*. Warwick Business School SME Centre Working Paper.

Received for publication: 01.04.2016
Revision received: 25.05.2016
Accepted for publication: 10.06.2016

How to cite this article?

Style – APA Sixth Edition:

Badulescu, D., Badulescu, A., & Ban, O. (2016, July 15). Managing constraints in SMEs financing - The case of Romanian tourism SMEs. (Z. Čekerevac, Ed.) *MEST Journal*, 4(2), 1-10. doi:10.12709/mest.04.04.02.01

Style – Chicago Sixteenth Edition:

Badulescu, Daniel, Alina Badulescu, and Olimpia Ban. 2016. "Managing constraints in SMEs financing - The case of Romanian tourism SMEs." Edited by Zoran Čekerevac. *MEST Journal* (MESTE) 4 (2): 1-10. doi:10.12709/mest.04.04.02.01.

Style – **GOST Name Sort:**

Badulescu Daniel, Badulescu Alina and Ban Olimpia Managing constraints in SMEs financing - The case of Romanian tourism SMEs [Journal] // MEST Journal / ed. Čekerevac Zoran. - Belgrade : MESTE, July 15, 2016. - 2 : Vol. 4. - pp. 1-10.

Style – **Harvard Anglia:**

Badulescu, D., Badulescu, A. & Ban, O., 2016. Managing constraints in SMEs financing - The case of Romanian tourism SMEs. *MEST Journal*, 15 July, 4(2), pp. 1-10.

Style – **ISO 690 Numerical Reference:**

Managing constraints in SMEs financing - The case of Romanian tourism SMEs. **Badulescu, Daniel, Badulescu, Alina and Ban, Olimpia.** [ed.] Zoran Čekerevac. 2, Belgrade : MESTE, July 15, 2016, MEST Journal, Vol. 4, pp. 1-10.