

## Why do some firms survive a crisis and others don't? Europe-wide study launched to find out

- **Europe-wide study by the Enterprise Research Centre (ERC) to find out what makes small and medium-sized businesses good in a crisis**
- **Researchers from Aston and Warwick business schools to lead the study, supported by the JPMorgan Chase Foundation**

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An international study of small and medium-sized firms has been launched to find out why some are more resilient than others when a crisis hits, at both the level of the firm and in the wider economy.

Small and medium-sized businesses make up 99 per cent of all firms across Europe and provide around 70 per cent of employment.

During the financial crisis of 2007-08 the Federation of Small Business (FSB) estimated that up to 50 companies were closing every day in the UK, and yet many survived and there are now more SMEs than ever with the FSB calculating there were 5.7 million in the UK in 2017.

The two-year study, supported by the JPMorgan Chase Foundation, will involve surveying 3,000 SMEs – defined as firms with less than 250 employees – in London, Paris, Frankfurt, Milan and Madrid.

Researchers from Warwick Business School and Aston University at the Enterprise Research Centre (ERC) will lead the UK study, with academics at the University of Nice in France; the Institut für Mittelstandsforschung (IfM) Bonn in Germany; University of Padova in Italy; IE University in Spain.

Professor Stephen Roper, of Warwick Business School and Director of the ERC, said: “The resilience of SMEs to adverse events, such as problems with finances and funding, skills and staffing, and is critical to sustaining European economic growth and competitiveness.

“Despite this, there is a lack of previous research on resilience in small firms, leaving substantial knowledge gaps.

“In particular, very little is known about how the challenges faced by business owners vary depending on their social group and background.

“It is reasonable to assume that building a resilient business may be especially challenging for those from disadvantaged backgrounds, such as unemployed people in deprived areas or from ethnic minority groups.

“Challenges for disadvantaged entrepreneurs are likely to include lack of capital and established networks, which can all increase the risk of business failure.

“However, it is also possible that business leaders facing disadvantage may have developed novel, innovative solutions to dealing with challenges, which could in fact benefit and strengthen their businesses, and if this is the case, these need to be understood.”

This landmark new study aims to develop practical tools and strategies to help SMEs strengthen their resilience in challenging times.

Hang Ho, Head of Europe, Middle East, Africa and Latin America, JPMorgan Chase Foundation, said: “JPMorgan Chase works with partners around the world to provide support services for entrepreneurs from a range of backgrounds.”

“Despite systemic and personal challenges, many of these entrepreneurs respond with resilience and ingenuity to a wide range of shocks to their business—from a negative financial climate and natural disaster, to unexpected staffing changes and theft.”

“We hope that this research can learn from their successes, and create tools to help more small businesses to respond resiliently in difficult circumstances.”

As well as an in-depth telephone survey of 3,000 European firms, the research will involve consultations with city-level service providers from government and civil society through focus groups, and in-depth case studies.

Professor Mark Hart, of Aston University and Deputy Director of the ERC said: “The project will be of interest to individual business owners through to business support providers and policymakers at local and national levels.

“Each country will also have its own Advisory Group to guide the research and maximise impact, including individuals directly involved in business support and development.”

## **ENDS**

### **Notes to the editor**

### **Photos (click links to download)**

- [Aston University campus pictures](#)
- [Aston University logo](#)
- [Warwick Business School logo](#)
- [ERC logo](#)

### **About Enterprise Research Centre**

The ERC is a network of researchers with a core team based at Warwick and Aston Business Schools. The Centre is led by Professors Stephen Roper of Warwick and Mark Hart of Aston University, and supported by Centre Managers at Warwick and Aston. Each project is led by a Senior Researcher who is responsible for the project outputs with contributions from both our team of Research Fellows and oversight from ERC’s Directors. Our senior researchers are world-class academics from both Aston and Warwick Universities as well as from our partner institutions which include Imperial College, Queens University Belfast and the University of Strathclyde. [Find out more.](#)

## **About Warwick Business School**

Warwick Business School is the largest department of the University of Warwick and is triple-accredited by the leading global business education associations - the first in the UK to attain this accreditation. Offering the full portfolio of business education courses, from undergraduate through to MBAs, and with a strong Doctoral Programme, WBS is the complete business school. Its Dean, Professor Andy Lockett's work on strategy and entrepreneurship has given him a worldwide reputation, with leading technology executives voting him one of the world's top 100 professors in the field, while he was also identified as one of the top 50 Technology Innovation Management scholars in the world.

## **About Aston University**

Founded in 1895 and a University since 1966, Aston is a long established university led by its three main beneficiaries – students, business and the professions, and our region and society. Aston University is located in Birmingham and at the heart of a vibrant city and the campus houses all the university's academic, social and accommodation facilities for our students. Professor Alec Cameron is the Vice Chancellor & Chief Executive.

Aston has been a leading university for graduate employment success for over 25 years and our students do extremely well in securing top jobs and careers. Our strong relationships with industry partners mean we understand the needs of employers, which is why we are also ranked in the top 20 for graduate employability.

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