Introduction to Financial Management in SMEs
Financial statements analysis
Cash Flow and Working Capital Management
Investment Projects Appraisal
Financing policies in SMEs

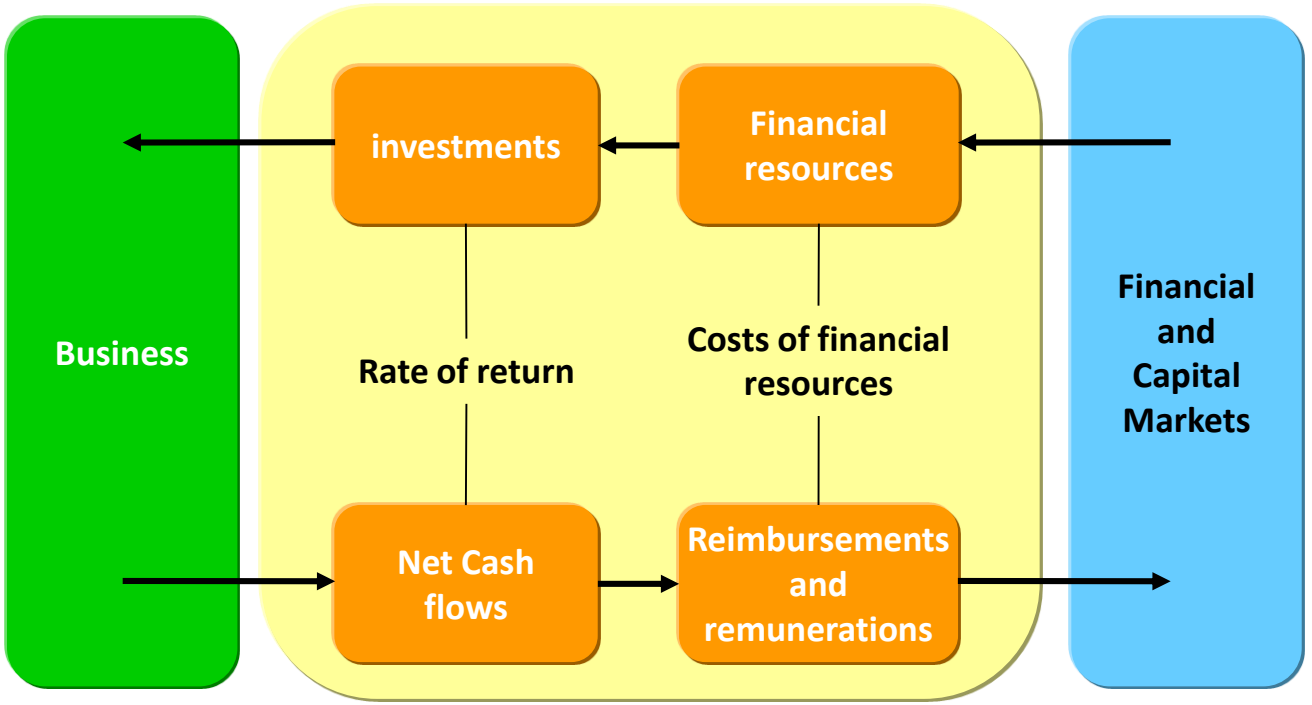
Investment Projects Appraisal

- A project from a financial perspective
- Techniques for valuing and selecting investment projects
- Risk analysis
- Introducing investment projects techniques in SMEs

Investment Projects Appraisal

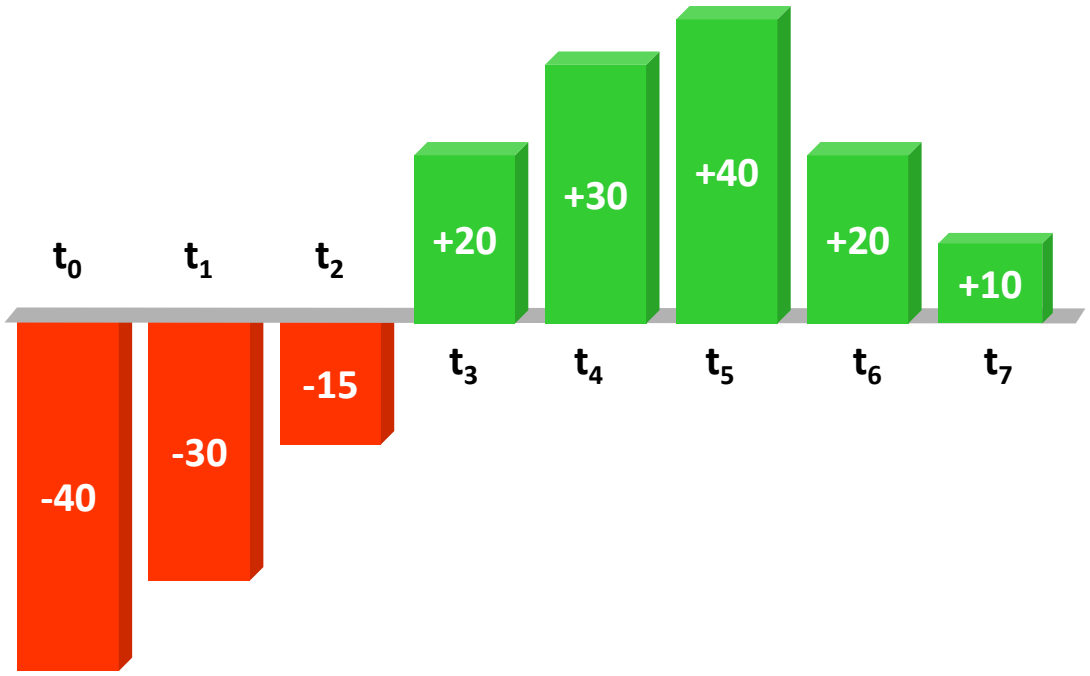
A project from a financial perspective

Investments from the financial perspective



1. Rate of return ≥ Costs of financial resources
2. Net Cash flows ≥ Reimbursements and remunerations

Investment projects as a stream of cash flows

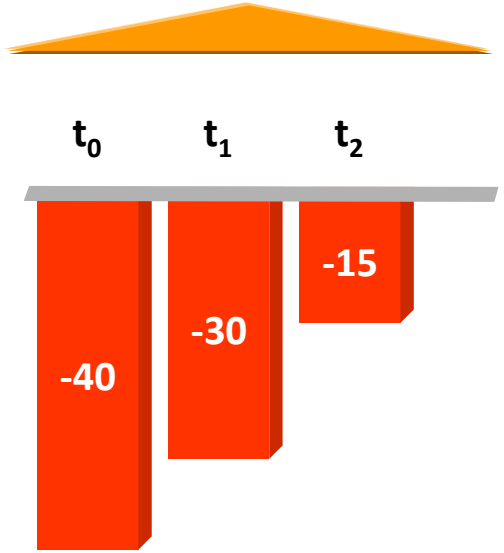


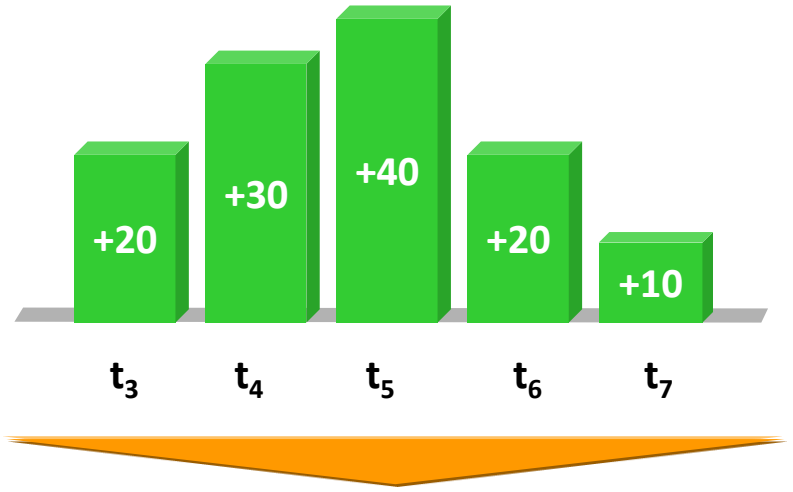
Project assessment

1 how to finance the project?

2 cost of funds

financial needs





expected cash flows

1 remunerating debts and equity

2 repayment of loan/debts

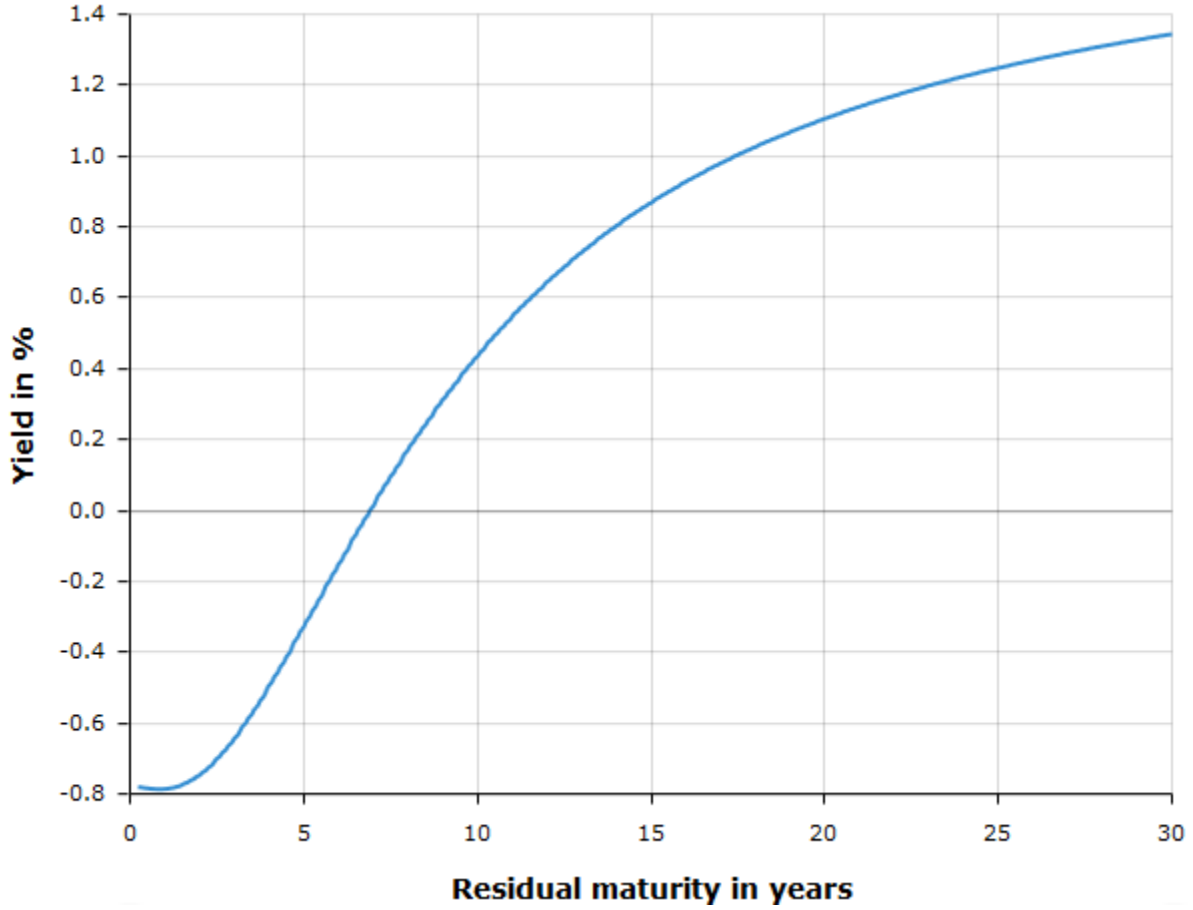
Two basic principles

Problem: We cannot compare today's cash flow to tomorrow's cash flow!

1. **The value of time**: €1 today is worthier than €1 tomorrow

2. **The role of risk**: €1 safe is worthier than €1 uncertain

The yield-to-maturity curve (Euro Area; AAA Bond)



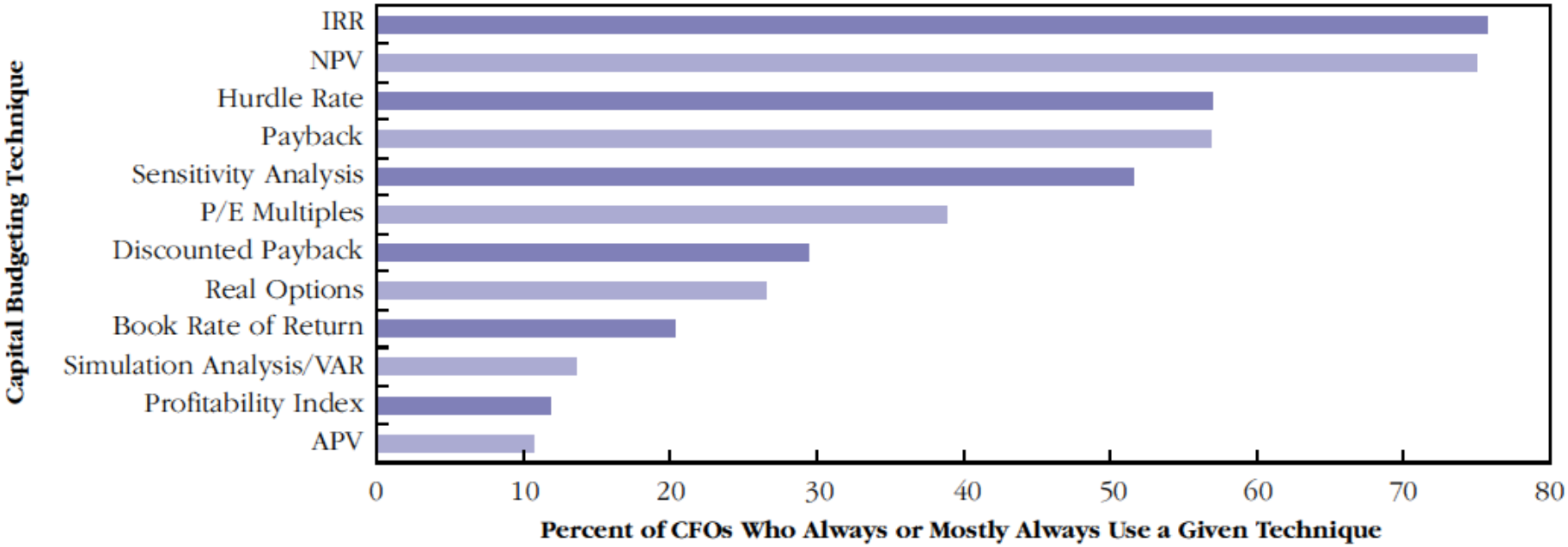
Source: https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_area_yield_curves/html/index.en.html – 9 November 2017

Different methodologies

- However the incomparability of today's to tomorrow's cash flow is not always taken into consideration
- We have in fact two groups of methodology for investment project valuation, depending on the way they deal with that point

Graham – Harvey (2002), How Do CFOs Make Capital Budgeting and Capital Structure Decisions?, Journal of Applied Corporate Finance

FIGURE 1 ■ SURVEY EVIDENCE ON THE POPULARITY OF DIFFERENT CAPITAL BUDGETING METHODS*



*We report the percentage of CFOs who always or almost always use a particular technique. IRR represents Internal Rate of Return, NPV is Net Present Value, P/E is the Price to Earnings ratio,VAR is Value At Risk, and APV is Adjusted Present Value. The survey is based on the responses of 392 CFOs, as are the rest of the figures in this paper.

Investment Projects Appraisal

Techniques for valuing and selecting investment projects

Techniques for investment project valuation

Methodologies that DO NOT TAKE into account time value and risk

- Accounting Rate of Return
- Pay-back period

Methodologies that TAKE into account time value and risk

- Discounted Pay-back period
- Profitability index
- Net Present Value
- Internal Rate of Return

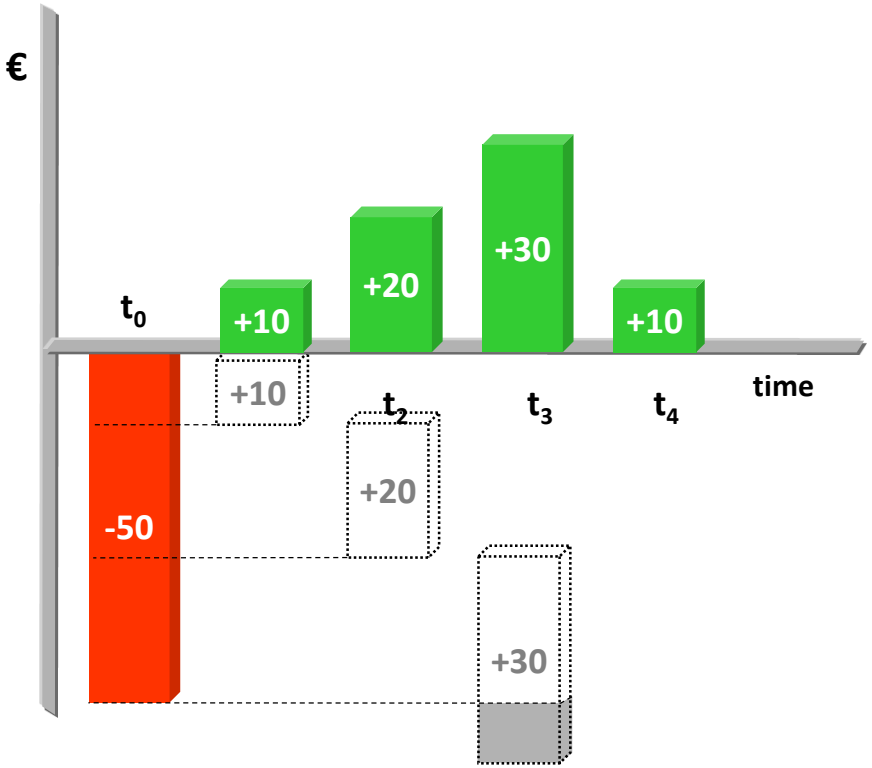
Accounting Rate of Return

P&L	0	1	2	3
Sales		700	820	600
(Monetary Costs)		(300)	(450)	(200)
(Amortisation &Depreciation)		(300)	(300)	(300)
= Operating Income		100	70	100

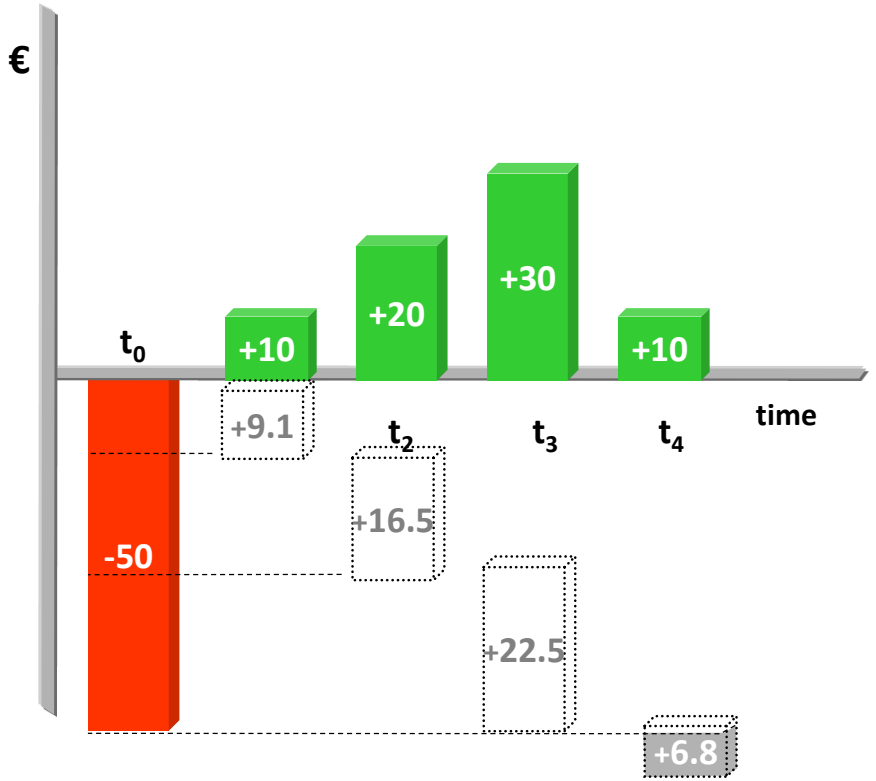
Balance Sheet	0	1	2	3
Investment Cost	900	900	900	900
(Amortisation)		(300)	(600)	(900)
= Investment Carrying Amount		600	300	0

ROI	0	1	2	3	average
ROI (beginning of year)		11.1%	11.6%	33.3%	18.6%
ROI (average)		13.3%	15.5%	46.6%	25.1%
ROI (end of year)		16.7%	23.3%	n.a.	?

Pay-back Period (simple and discounted)

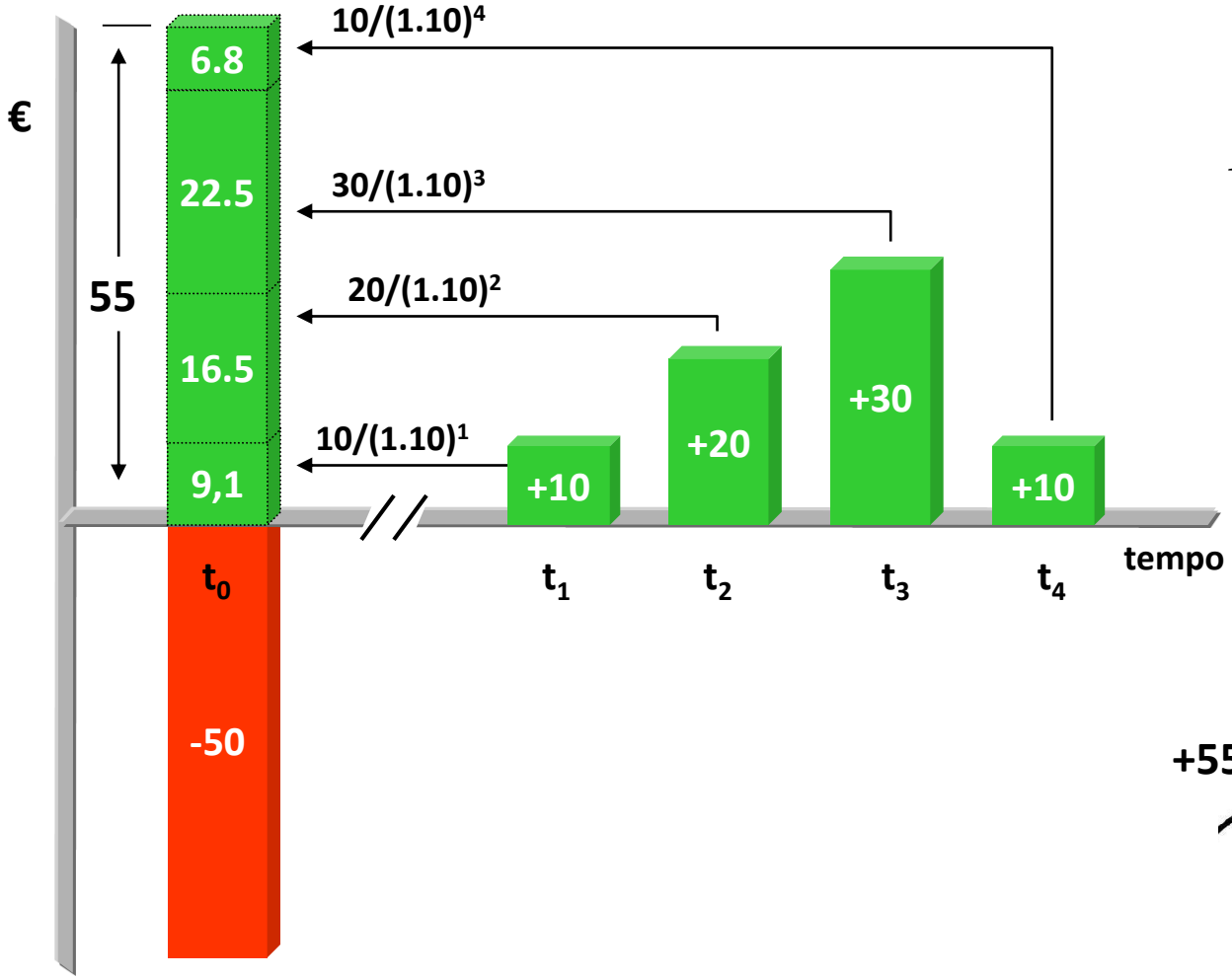


Pay-back Period < 3 years

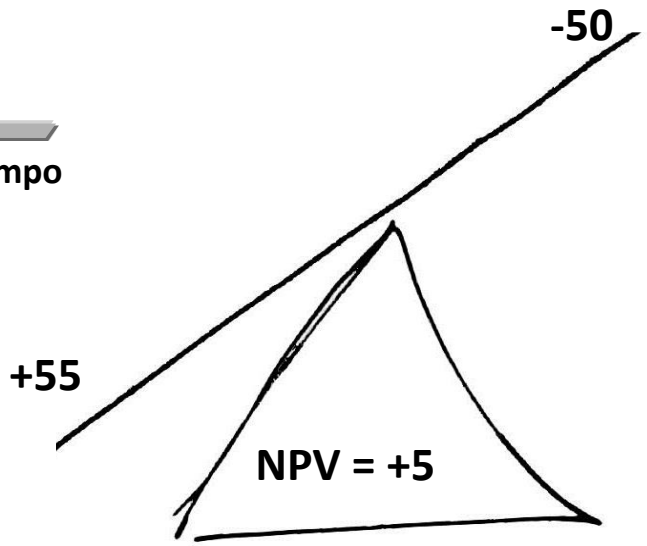


Discounted Pay-back Period (10%) ≈ 3 years

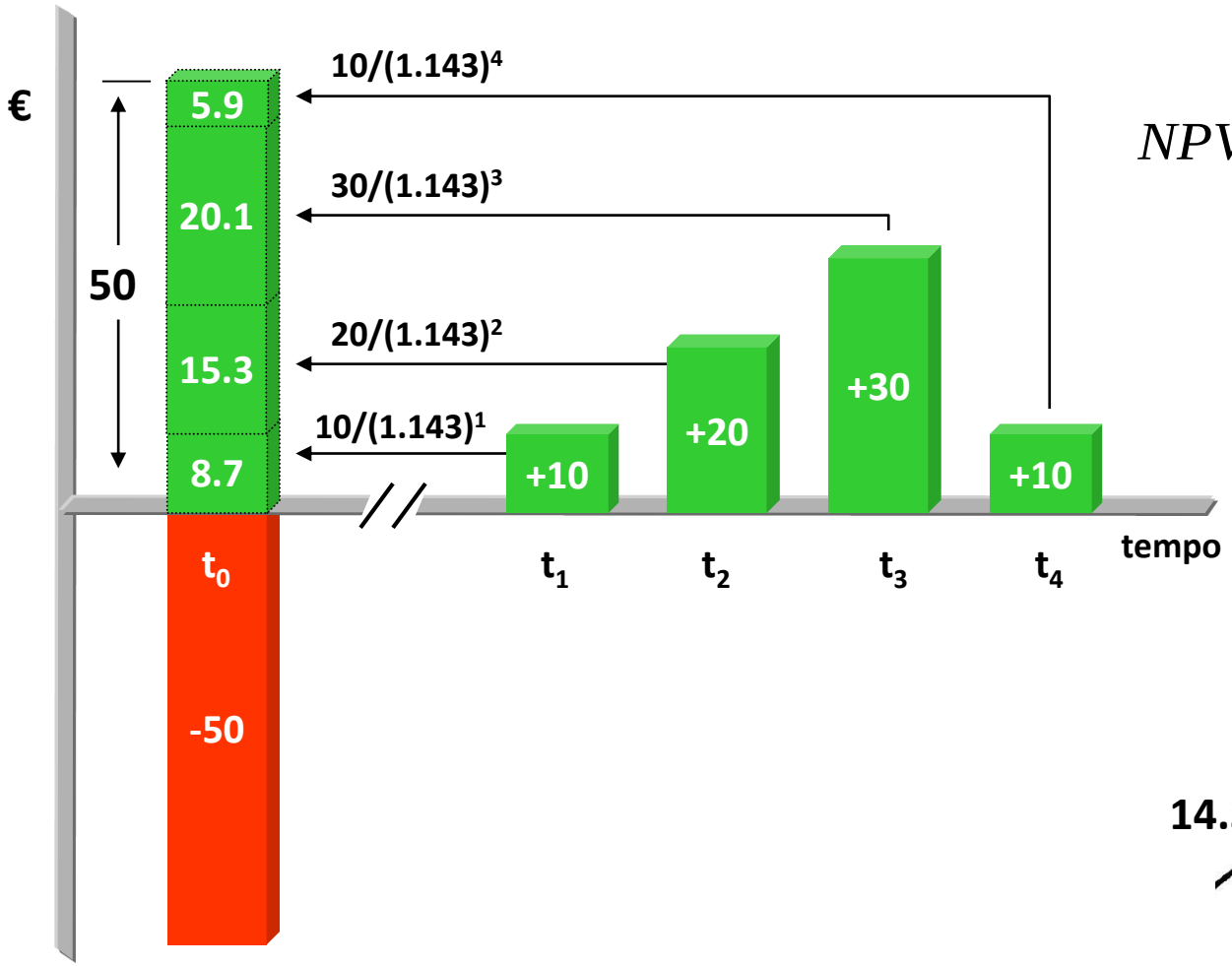
Net Present Value: introduction



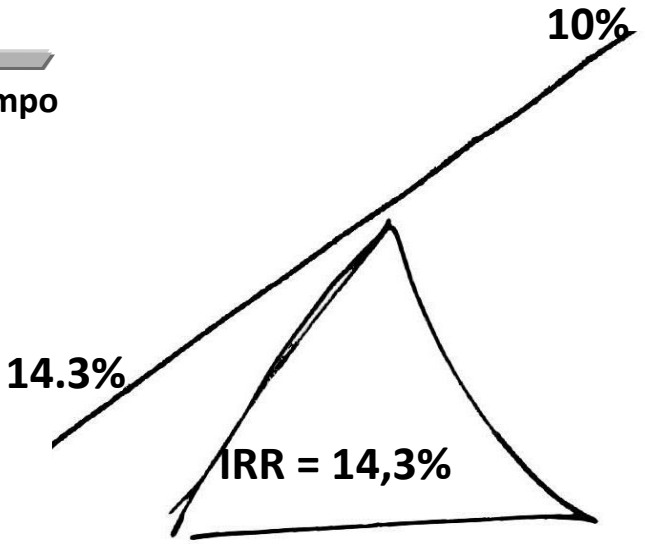
$$NPV = \sum_{t=0}^{N} \frac{F_t}{(1+k)^t}$$



Internal Rate of Return

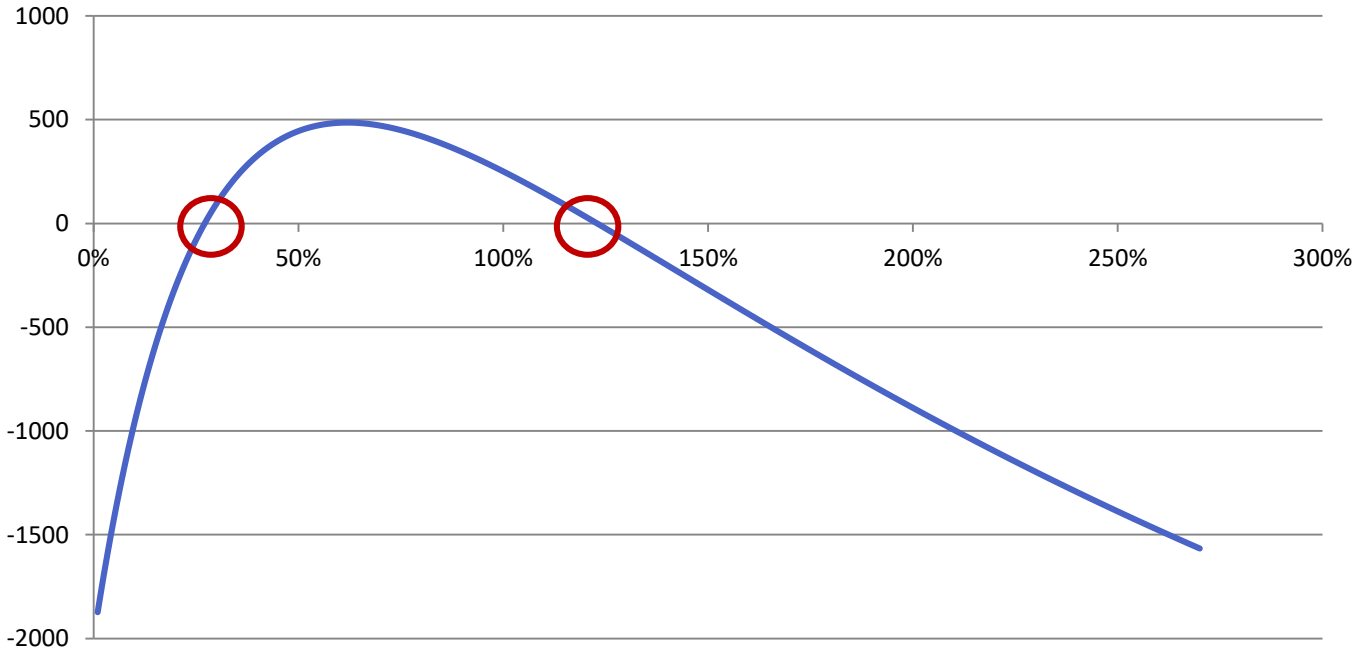


$$NPV = 0 \Rightarrow \sum_{t=0}^{N} \frac{F_t}{(1+IRR)^t}$$



Some problems with IRR

	T0	T1	T3
PROJECT A	- 6,000	+21,000	-17,000



Possibility of multiple IRR according to Descartes' rule of signs: if the terms of a single-variable polynomial with real coefficients are ordered by descending variable exponent, then the number of positive roots of the polynomial is either equal to the number of sign differences between consecutive nonzero coefficients, or is less than it by an even number

Some problems with IRR

	T0	T1	IRR	NPV (10%)
PROJECT A	- 1,300	+1,690	30%	+169.6
PROJECT B	+1,300	-1,690	30%	- 169.6

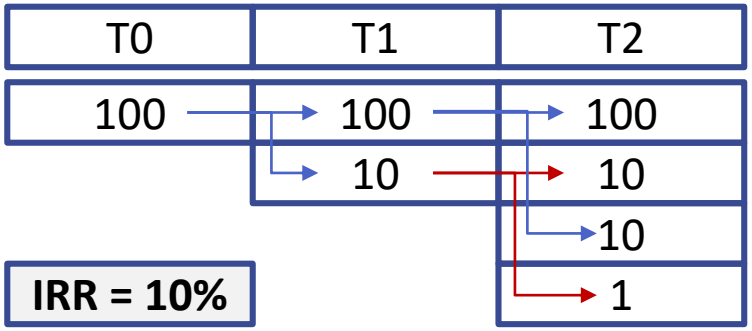
Funding and investment projects could have the same IRR, but when we borrow money we we want a low rate of return, when we lend (or invest) money we want a high rate of return.

Some problems with IRR

	T0	T1	IRR	NPV (10%)
PROJECT A	- 10,000	+16,500	65%	+5,000
PROJECT B	-20,000	+30,000	50%	+7,273

IRR is insensitive to the size of the project. In the case of mutually exclusive projects, the risk is to chose very small projects with very high IRR, so gaining only some cents!

Some problems with IRR



Compounded interests: gains from investments that result from earning returns on previously earned returns are calculated at the IRR. If the project under valuation is very profitable, this appears as far from reality!

Some problems with IRR

$$NPV = \frac{F_0}{(1+k_0)^0} + \frac{F_1}{(1+k_1)^1} + \frac{F_2}{(1+k_2)^2} + \frac{F_3}{(1+k_3)^3} + \ldots$$

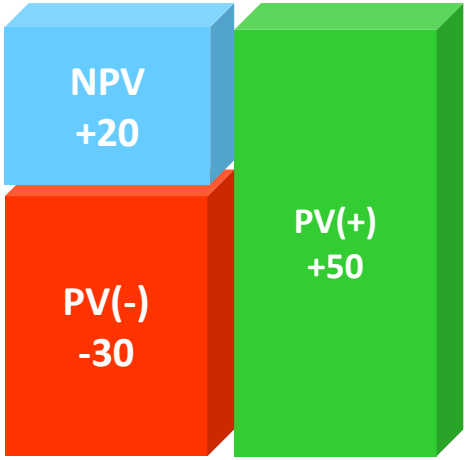
$$IRR: \frac{F_0}{(1+IRR)^0} + \frac{F_1}{(1+IRR)^1} + \frac{F_2}{(1+IRR)^2} + \frac{F_3}{(1+IRR)^3} + \ldots$$

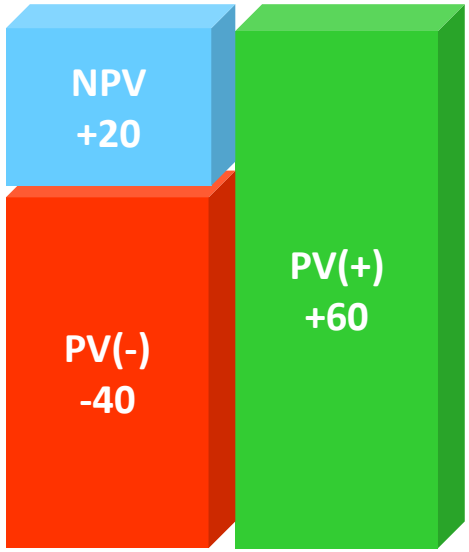
One rate fits all!

With NPV different discount rates can be used for discounting cash flows expected in different periods.

When using IRR all cash flows are discounted at the same rate (the IRR).

Profitability Index





$$PI = \frac{NPV}{\text{Investment costs}}$$

$$PI = \frac{20}{30} = 0.67$$

$$PI = \frac{20}{40} = 0.50$$

Investment Projects Appraisal

Techniques for valuing and selecting investment projects

- The NPV: The expected cash flow -

How to calculate cash flow for NPV

- Only incremental cash flows are important
- Consider operating cash flow (net of taxes on operating income) and capital expenses
- Be careful about the role of taxes
- Do not confuse average vs incremental profits
- Consider the effect of Net Working Capital on cash flow
- Forget sunk costs
- Remember opportunity costs
- Neglect allocated overhead costs
- Remember salvage value
- Consider incidental effects
- Be careful when considering inflation

Net operating cash flow: Calculation

INCOME STATEMENT	
Sales	800
(Operating Costs)	(300)
EBITDA	**500**
(Amortisation and provisions)	(200)
Operating Profit or EBIT	**300**
(Taxes on Operating Income)	(100)
Net Operating Profit After Taxes (NOPAT)	**200**

CAPITAL EMPLOYED	
±Δ Net Working Capital	(150)
(Capital Expenses)	(600)
Divestments	50
Net Capital Employed	**(700)**

We already know that! We can calculate Taxes on Operating Income by simply multiplying EBIT by the Tax rate.

CASH FLOW	
NOPAT	**200**
+ Amortisation and provisions	200
±Δ Net Working Capital	(150)
Unlevered Cash Flow from Operations	**250**
(Capital Expenses)	(600)
Divestments	50
Unlevered Free Cash Flow to the firm	**(300)**

Please, remember that Net Working Capital is an investment and as such a reduction in cash flow.

Do not confuse average vs incremental profits

Division A is losing money, but the opportunity for a new project with a positive NPV arises.
What to do?

- Accept the project
- Refuse the project

Sunk costs

Firm A has already invested € 200 in an R&D project for launching a new product.

Manufacturing and marketing the product require a further investment of €100.

Expected net cash flows from this new investment have a present value of € 130.

What to do?

- Accept the project
- Refuse the project

Opportunity costs

Firm B owns a machinery that has a market price of € 30 on the secondary market.

The firm is analysing a project requiring an investment of €100 together with the machinery.

Expected cash flows from this new investment have a present value of € 120.

What to do?

- Accept the project
- Refuse the project

The opportunity cost of being a mom

Job	Average hours per week	Payroll
Child care	7	€ 230.40
Washing and ironing	4	€ 155.40
Chauffeur	4	€ 208.00
Personal shopper	1	€ 150.00
Colf	14	€ 560.00
Chef	10.5	€ 1,260.00
Tutor	6	€ 480.00
Total	**46.5**	**€ 3,045.00**

Source: La Repubblica, Il "lavoro di mamma" varrebbe oltre 3mila euro netti al mese, se fosse pagato, http://www.repubblica.it/economia/miojob/2017/05/11/news/mamma_lavoro-165156145/

Overhead costs

Firm C is valuing a new project, which has a cost of €100. Expected net cash flows from this new investment have a present value of € 125.

Once run, the new project will be charged for € 30 as its share of overhead costs. The accounting system of the firm, in fact, allocates a share of overhead costs to all projects of the firm.

What to do?

- Accept the project
- Refuse the project

The role of taxes

- Tax rules can strongly modify the NPV of a project. For instance:
  - Italian rules are now giving the possibility to deduct a cost larger than actual, in some specific cases (super-ammortamento)
  - The deferral of taxes increases the NPV of a project
- The impact of tax rules must be carefully taken into account when calculating NPV.
- My suggestion is to first calculate the NPV of the project without tax benefits, and then the same NPV but considering tax benefits.
- The risk is in fact that a firm could decide to undertake a project due to the fiscal benefits relating to it.

Salvage value

Firm D is valuing a project requiring an investment of €100 and promising expected cash flow having a present value of € 120.

However at the end of the project the land where the plant will be built should be remediated, with additional costs whose present value is €25.

What to do?

- Accept the project
- Refuse the project

Incidental effects of a project

- A new product or service can cut sales of existing products or services
- Sometimes the are important network effects: the new project can increase the value of older projects
- The new project could increase the risk of the firm since it needs a large amount of funds

Inflation

1

It appears that it is only necessary to be consistent: working with both cash flows and discount rate expressed in real or inflated terms

2

In practice it is better to incorporate inflation in cost and revenues values.
Cash flows are in fact delayed with respect to revenues and costs and therefore the cash flow of a specific year is influenced by inflation rates of many previous years

Wrap-up: How to calculate cash flow for NPV

- Only incremental cash flows are important
- Consider operating cash flow (net of taxes on operating income) and capital expenses
- Be careful about the role of taxes
- Do not confuse average vs incremental profits
- Consider the effect of Net Working Capital on cash flow
- Forget sunk costs
- Remember opportunity costs
- Neglect allocated overhead costs
- Remember salvage value
- Consider incidental effects
- Be careful when considering inflation

Investment Projects Appraisal

Techniques for valuing and selecting investment projects

- The NPV: Weighted Average Cost of Capital -

A fundamental question

Which discount rate should be applied to cash flows expected over a project's life?

- We know that the discount rate must take into account the time value and the value of risk
- We know that a firm (and a project) are financed by financial debts and equity
- We can use the average cost of the two sources of funds to discount expected cash flows

II Weighted Average Cost of Capital

$$WACC = r_e \times \frac{E}{E+D} + r_d \times (1-\tau) \times \frac{D}{E+D}$$

- r_e is the expected return on equity, usually calculated according to CAPM or to a similar model;
- r_d is the expected return on financial debts;
- τ is the tax rate on income;
- E is the market value of equity;
- D is the market value of financial debts

A problem..

- How to determine the minimum acceptable return (MAR) a shareholder would ask for investing in a firm?

MAR: Some initial remarks

Can the firm set the MAR equal to the return of a Government bond (such as a BTP)?

- NO, It can't. Any firm is riskier than a Government bond, and the risk in excess calls for a higher return.

MAR = Expected return from a government bond + Risk premium

MAR: Some initial remarks

Can the firm set the MAR equal to the cost of its financial position?

- NO, It can't. Shareholders bear a higher risk than banks, since banks have priority over shareholders as for remuneration and the reimbursement of capital. MAR is therefore expected to be higher than the cost of financial debt.

MAR: Some initial remarks

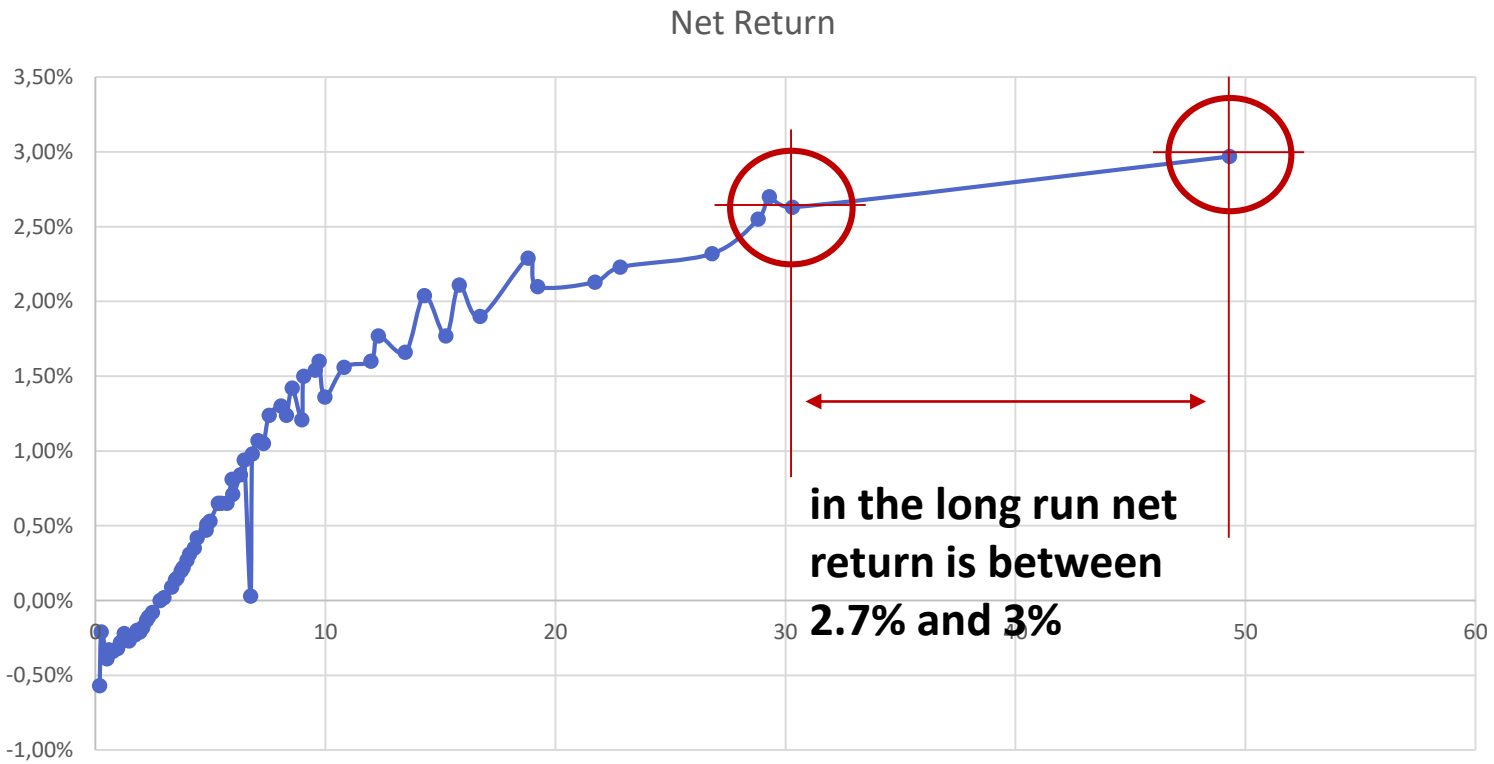
If the firm finances an investment project by using new and additional bank loans, can it set the MAR equal to the cost of this new debt?

- NO, It can't. Fund providers finance the whole firm, not specific projects, and the return they ask depends on the risk of the whole firm
- The additional debt also increases the risk of the firm, other remaining the same

MAR: Some initial remarks

As for the return of a Government bond, which bond should the firm select?

- It depends on the investment horizon.



Source: http://www.rendimentibtp.it - 10 November 2017

MAR: Some initial remarks

Which are the main determinants of the risk premium of a firm?

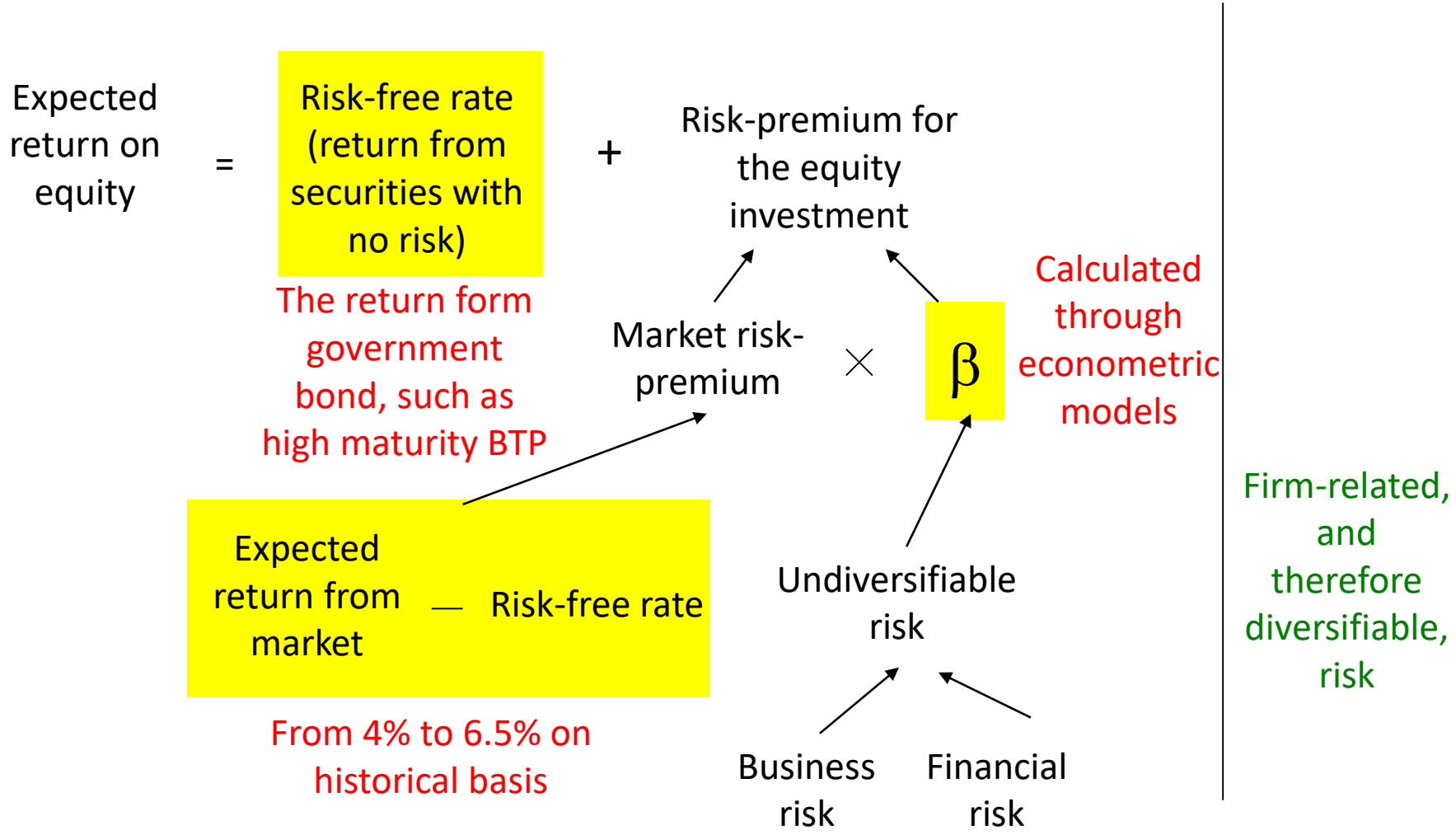
- They are the industry the firm operates in (and the way it do it) and the financing decision of the firm
- In other words: Business Risk and Financial Risk

MAR: Some initial remarks

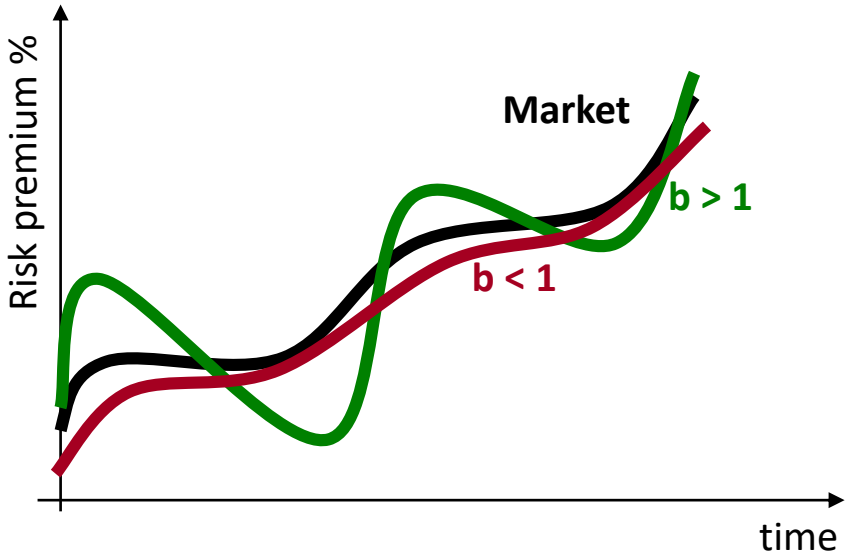
How can the firm calculate its MAR?

- For listed firms, there are models that can be implemented on market data (e.g. CAPM)
- For non-listed firms, we can use multiple sources of data (market-based risk premia referring to industry, competitors, book values, etc.)

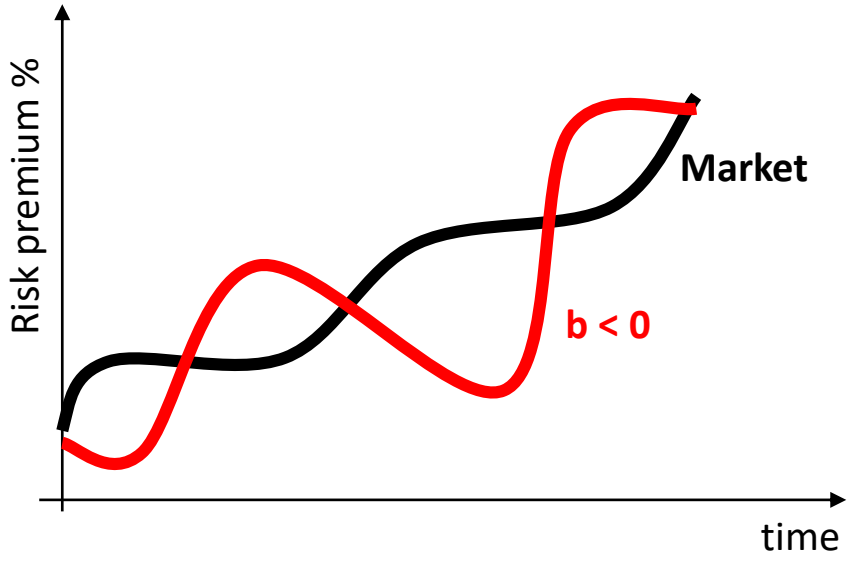
The CAPM at a glance



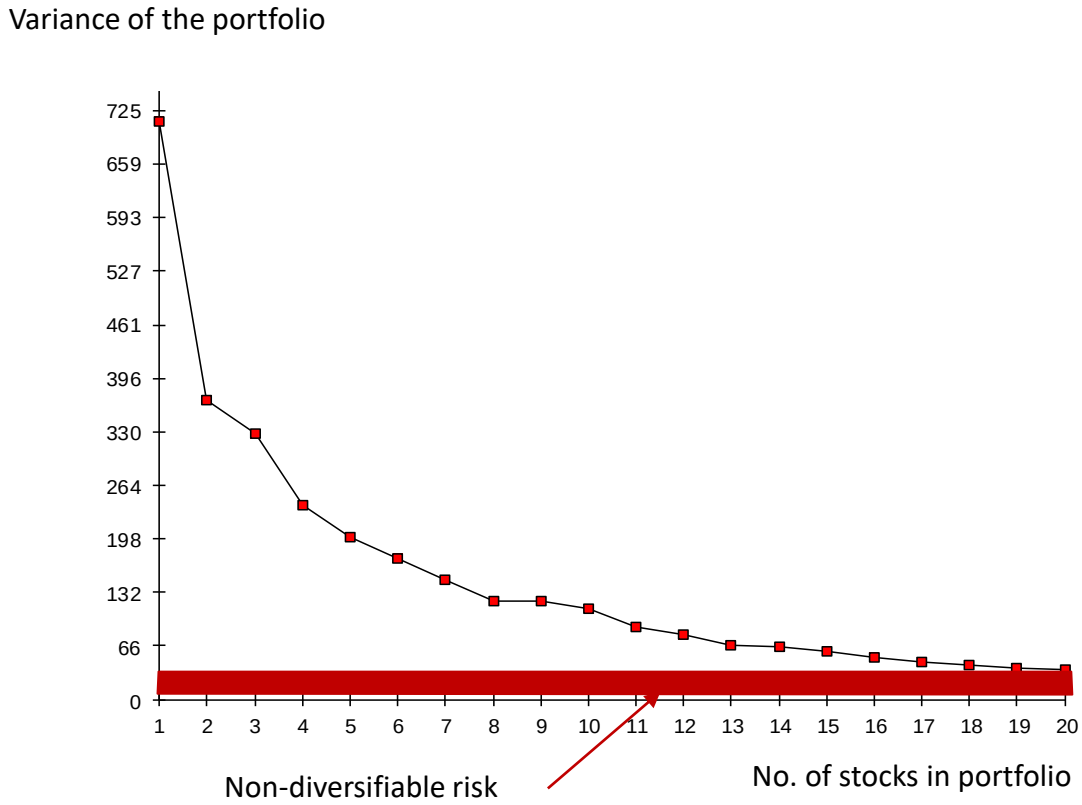
The Beta: A graphical representation



The Beta measures the association between the expected return of an asset (e.g. a stock) and the expected return of the entire market

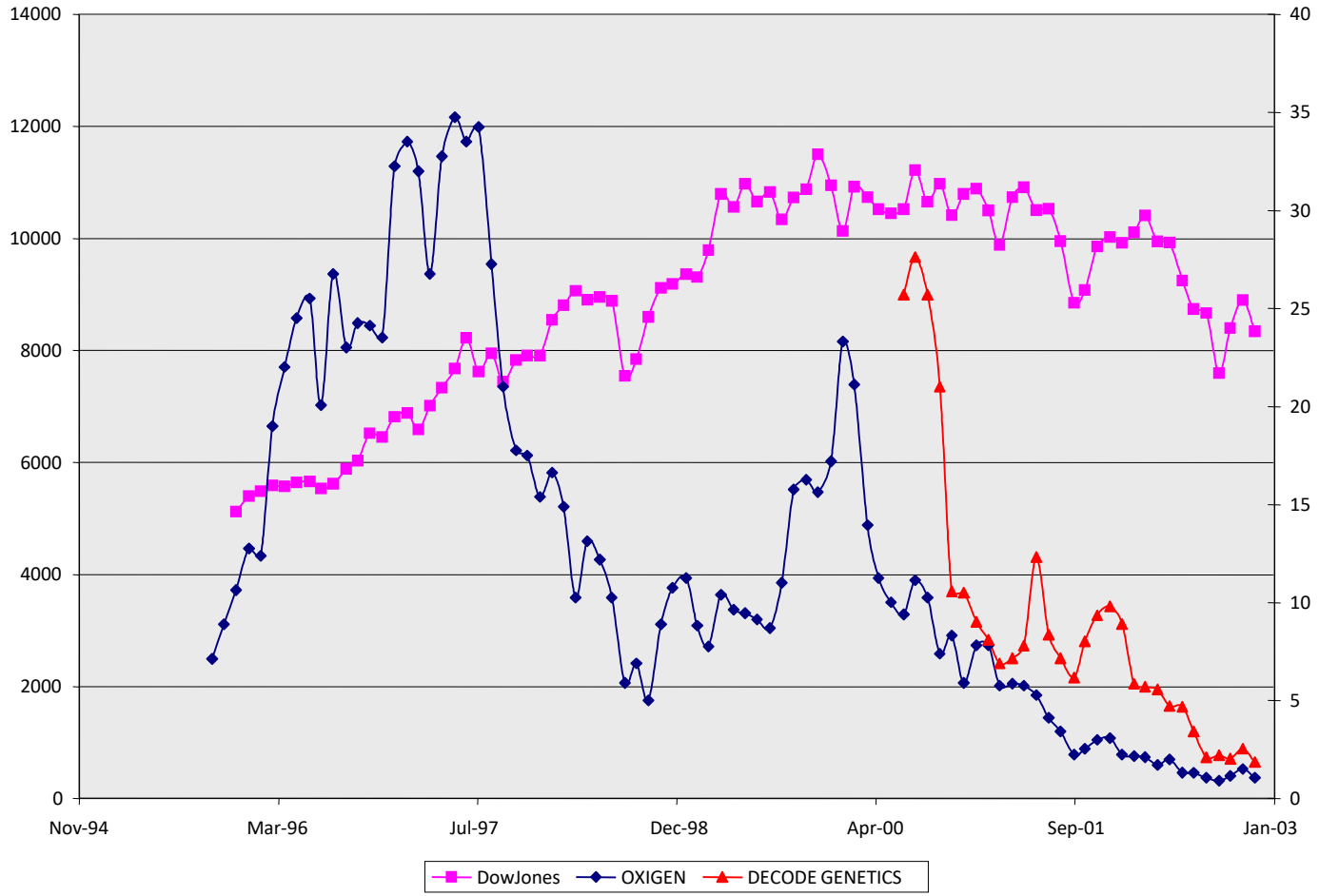


Beta is the risk that remains after a fully diversification



- Diversifiable risk, also known as company-specific or unsystematic risk, can be cancelled away through diversification
- Market risk, also known as non-diversifiable or systematic risk is the risk that remains after diversification.

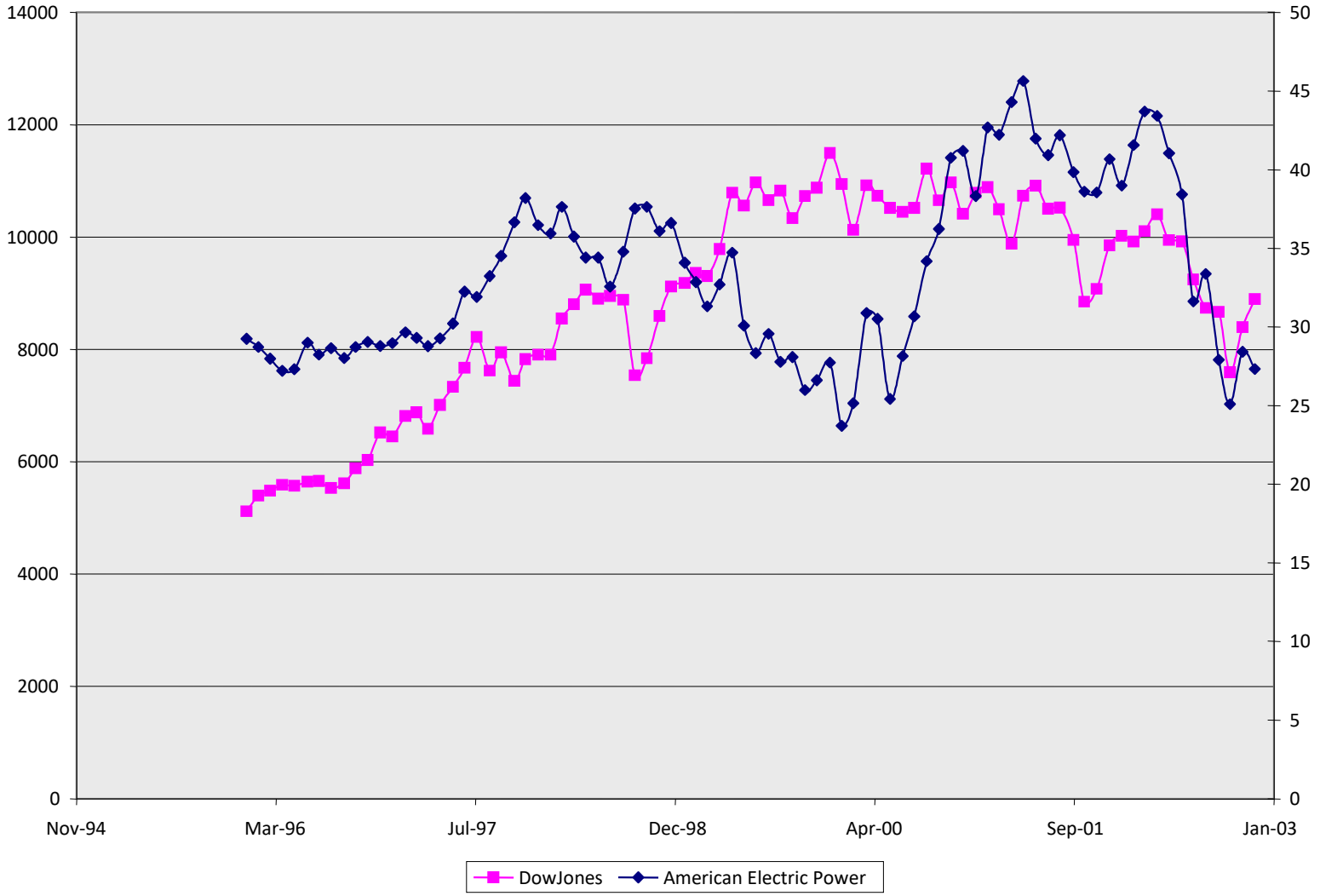
Biotech (NYSE)



$\beta_{OXIGEN} = 1.92$

$\beta_{DECODE\ GENETICS} = 1.32$

Utilities (NYSE)



β_{AEP} = 0.06

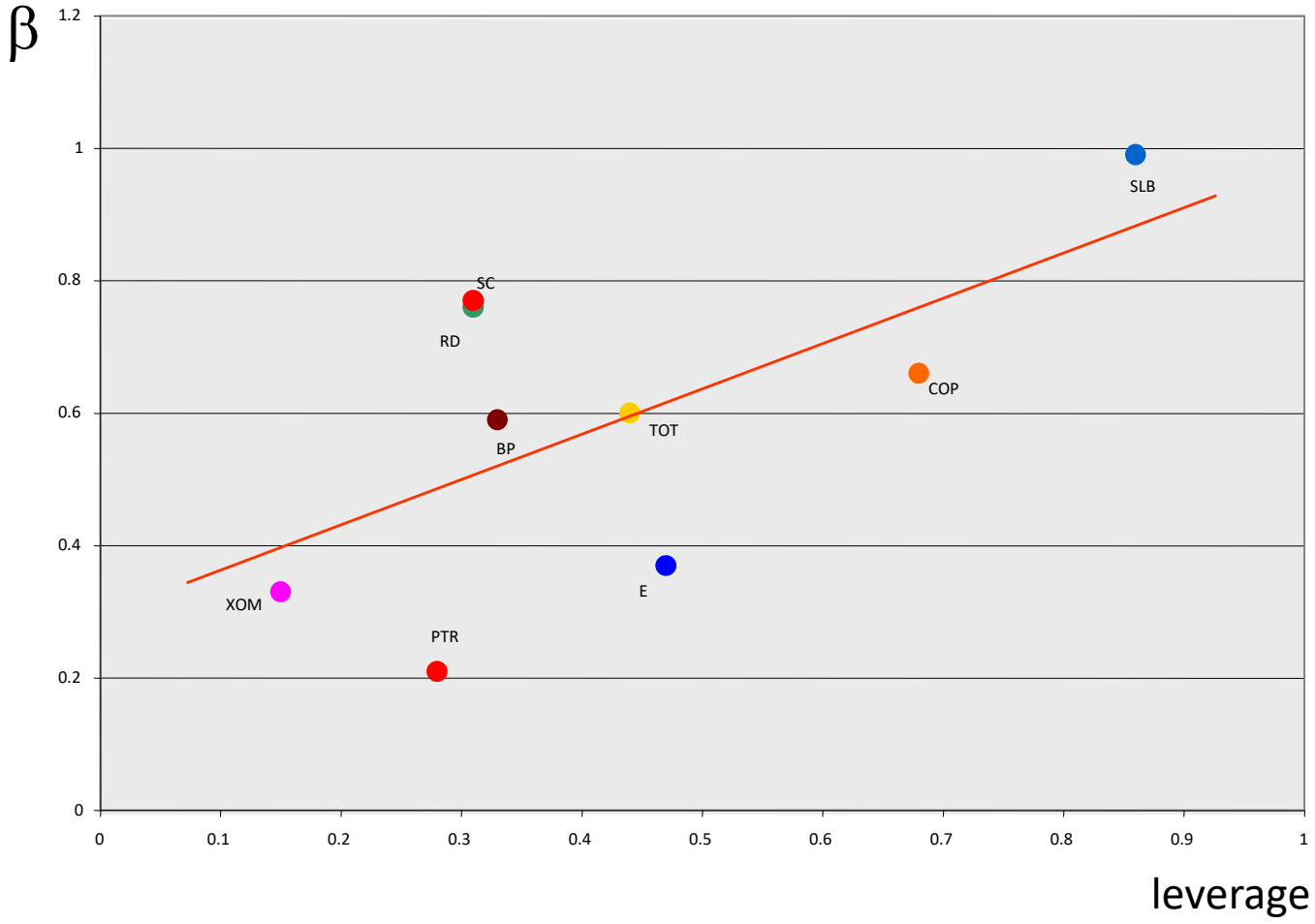
The Energy industry (NYSE)

Company	Beta	Price/Book	Leverage
Exxon Mobil Corporation (XOM)	0.33	3.22	0.15
BP plc (BP)	0.59	2.22	0.33
TOTAL Fina Elf S.A. (TOT)	0.60	2.79	0.44
Royal Dutch Petroleum Com (RD)	0.76	2.50	0.31
ChevronTexaco Corporation (CVX)	n.d.	2.30	0.51
Shell Transport & Trading (SC)	0.77	2.54	0.31
Eni S.p.A. (E)	0.37	2.40	0.47
PetroChina Company Limite (PTR)	0.21	0.97	0.28
ConocoPhillips (COP)	0.66	1.13	0.68
Schlumberger Ltd. (SLB)	0.99	2.79	0.86

$\beta_{levered}$ (Weighted average) = 0.48

Source: Yahoo!Finance end of 2002

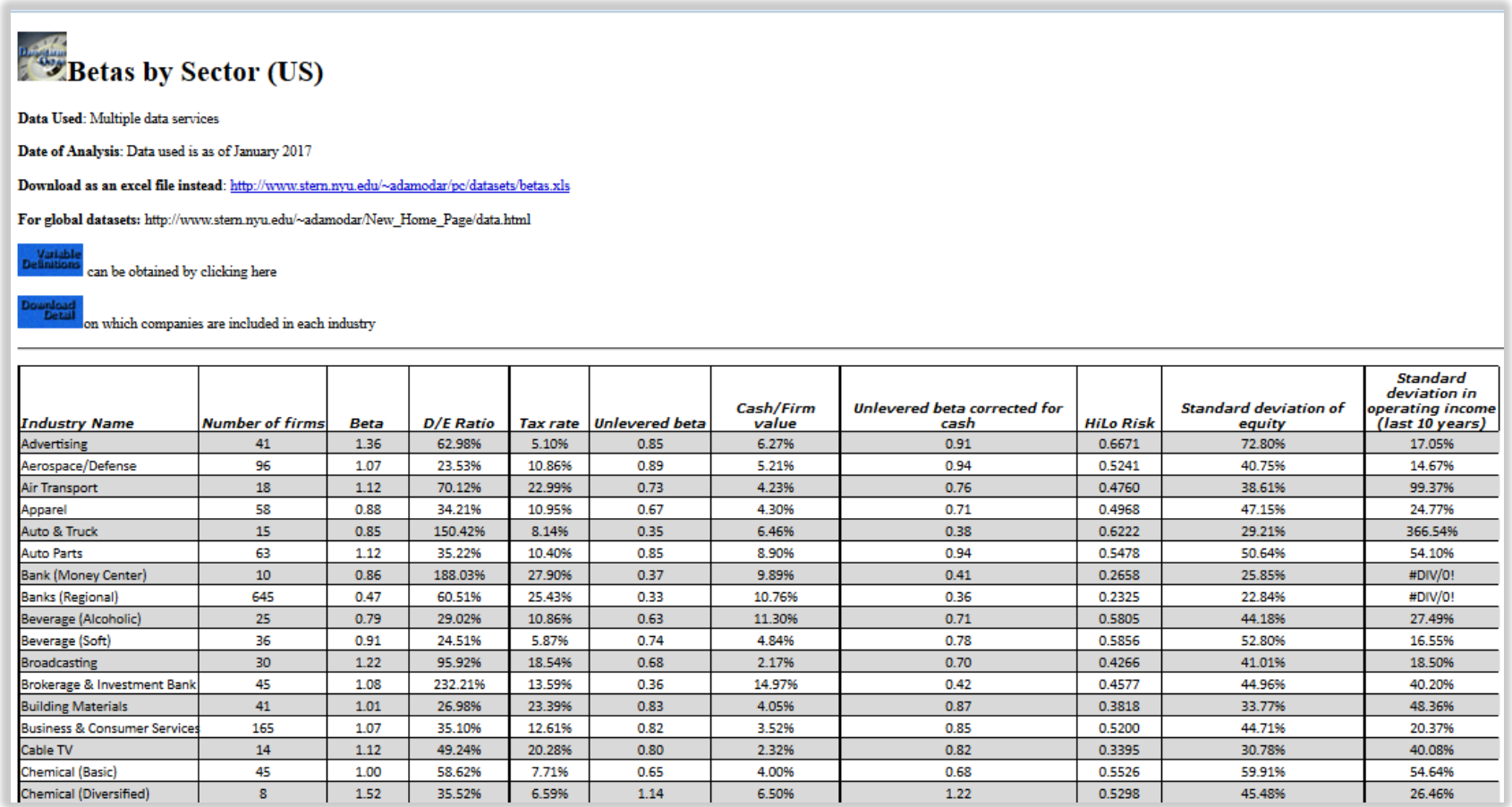
Beta and the Capital structure



Usually, beta and leverage (Debt-to-Equity ratio) are positively associated

Where can Beta be found?

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html



Betas by Sector (US)

Data Used: Multiple data services

Date of Analysis: Data used is as of January 2017

Download as an excel file instead: http://www.stern.nyu.edu/~adamodar/pc/datasets/betas.xls

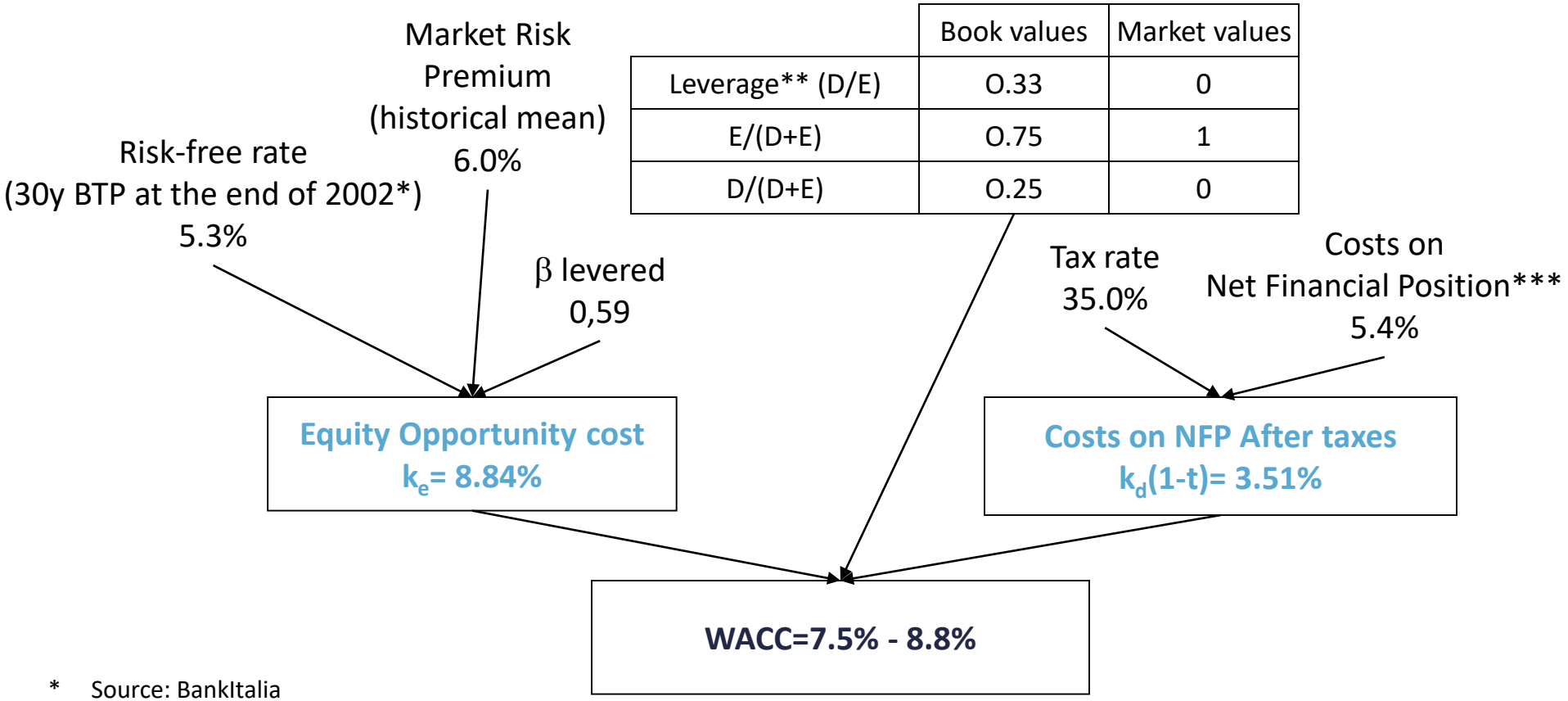
For global datasets: http://www.stern.nyu.edu/~adamodar/New_Home_Page/data.html

Variable Definitions can be obtained by clicking here

Download Detail on which companies are included in each industry

Industry Name	Number of firms	Beta	D/E Ratio	Tax rate	Unlevered beta	Cash/Firm value	Unlevered beta corrected for cash	HiLo Risk	Standard deviation of equity	Standard deviation in operating income (last 10 years)
Advertising	41	1.36	62.98%	5.10%	0.85	6.27%	0.91	0.6671	72.80%	17.05%
Aerospace/Defense	96	1.07	23.53%	10.86%	0.89	5.21%	0.94	0.5241	40.75%	14.67%
Air Transport	18	1.12	70.12%	22.99%	0.73	4.23%	0.76	0.4760	38.61%	99.37%
Apparel	58	0.88	34.21%	10.95%	0.67	4.30%	0.71	0.4968	47.15%	24.77%
Auto & Truck	15	0.85	150.42%	8.14%	0.35	6.46%	0.38	0.6222	29.21%	366.54%
Auto Parts	63	1.12	35.22%	10.40%	0.85	8.90%	0.94	0.5478	50.64%	54.10%
Bank (Money Center)	10	0.86	188.03%	27.90%	0.37	9.89%	0.41	0.2658	25.85%	#DIV/0!
Banks (Regional)	645	0.47	60.51%	25.43%	0.33	10.76%	0.36	0.2325	22.84%	#DIV/0!
Beverage (Alcoholic)	25	0.79	29.02%	10.86%	0.63	11.30%	0.71	0.5805	44.18%	27.49%
Beverage (Soft)	36	0.91	24.51%	5.87%	0.74	4.84%	0.78	0.5856	52.80%	16.55%
Broadcasting	30	1.22	95.92%	18.54%	0.68	2.17%	0.70	0.4266	41.01%	18.50%
Brokerage & Investment Bank	45	1.08	232.21%	13.59%	0.36	14.97%	0.42	0.4577	44.96%	40.20%
Building Materials	41	1.01	26.98%	23.39%	0.83	4.05%	0.87	0.3818	33.77%	48.36%
Business & Consumer Services	165	1.07	35.10%	12.61%	0.82	3.52%	0.85	0.5200	44.71%	20.37%
Cable TV	14	1.12	49.24%	20.28%	0.80	2.32%	0.82	0.3395	30.78%	40.08%
Chemical (Basic)	45	1.00	58.62%	7.71%	0.65	4.00%	0.68	0.5526	59.91%	54.64%
Chemical (Diversified)	8	1.52	35.52%	6.59%	1.14	6.50%	1.22	0.5298	45.48%	26.46%

Calculating the WACC for Eni Group



	Book values	Market values
Leverage** (D/E)	O.33	0
E/(D+E)	O.75	1
D/(D+E)	O.25	0

* Source: BankItalia

** Market capitalisation (end of 2002 – beginning of 2003) ≈ 62 billion
Average Equity Book Value (2001 - 2002) ≈ 29 billion
Avaerage Net Financial Position (2001 – 2002) ≈ 10 billion

*** Equal to the risk-free rate

Equity opportunity cost for a SME

Focus: Direct competitors

- Database AIDA
- Focus on industry (ATECO code)
- Focus on direct competitors
- Calculation of average ROE (over the last 3 to 5 years)

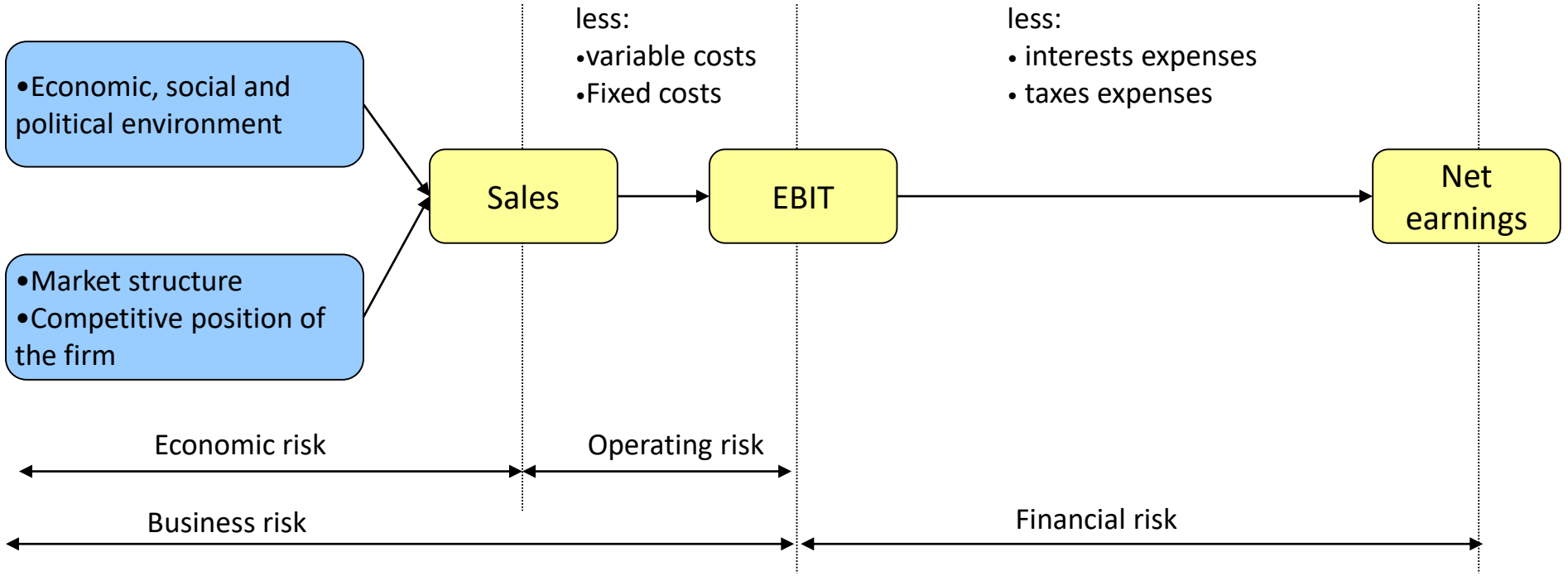
Minimum acceptable ROE = 14,5%

Focus: Capital Markets

- Focus on industry
- Calculation of the market risk premium for all the companies of the industry
- Calculation of the average market risk premium
- Sum of the BTP return and the average market risk premium

Minimum acceptable return = 16,5%

The build-up approach to beta



$$\beta_{assets} = \beta_{sales}\left(1 + \frac{PV_{Fixed\ costs}}{PV_{Variable\ costs}}\right)$$

$$\beta_{equity} = \beta_{assets} + (\beta_{assets} - \beta_{debt}) \times (1 - \tau) \times \frac{D}{E}$$

and with β_{debt}=0

$$\beta_{equity} = \beta_{assets}\left[1 + (1 - \tau) \times \frac{D}{E}\right]$$

β_{equity} is also know as $\beta_{levered}$
β_{assets} is also know as $\beta_{unlevered}$

τ *i*s the tax rate on income
E is the market value of equity
D is the market value of debt

Source: Hawawini G.and– Viallet C., *Finance for Executives*, South-Western College, Cincinnati, Ohio, 1999

From levered to unlevered beta and vice-versa

If you are analysing a non-listed firm (or a listed firm that is modifying its capital structure), you can calculate its (new) beta by following these 4 steps:

1. Identify companies similar to the one under analysis (operating in the same industry), get market capitalisation and calculate the levered beta, the D/E ratio and the tax rates of the companies in the sample above identified

#	β_{IL}	D/E	Mkt cap	τ
1	0.87	0.4	100	35%
2	0.76	0.1	120	35%
3	0.92	1.2	90	35%

2. Calculate the unlevered beta of the companies in the sample according to the formula:

$$\beta_U = \frac{\beta_L}{\left[1 + (1-\tau) \times \frac{D}{E}\right]}$$

#	β_L	D/E	Mkt cap	τ	β_U
1	0.87	0.4	100	35%	0.69
2	0.76	0.1	120	35%	0,71
3	0.92	1.2	90	35%	0.52
Total			**310**		

3. Calculate the weighted average unlevered beta using firms' market capitalization as a weight

$$\beta_U = 0.65$$

4. Calculate the (new) levered beta corresponding to the (new) capital structure of the company under analysis according to the formula:

$$\beta_L = \beta_U \left[1 + (1-\tau) \times \frac{D}{E}\right]$$

$$\beta_L = 0.65[1 + (1 - 0.35) \times 1.3] = 1.2$$

Investment Projects Appraisal

Risk analysis

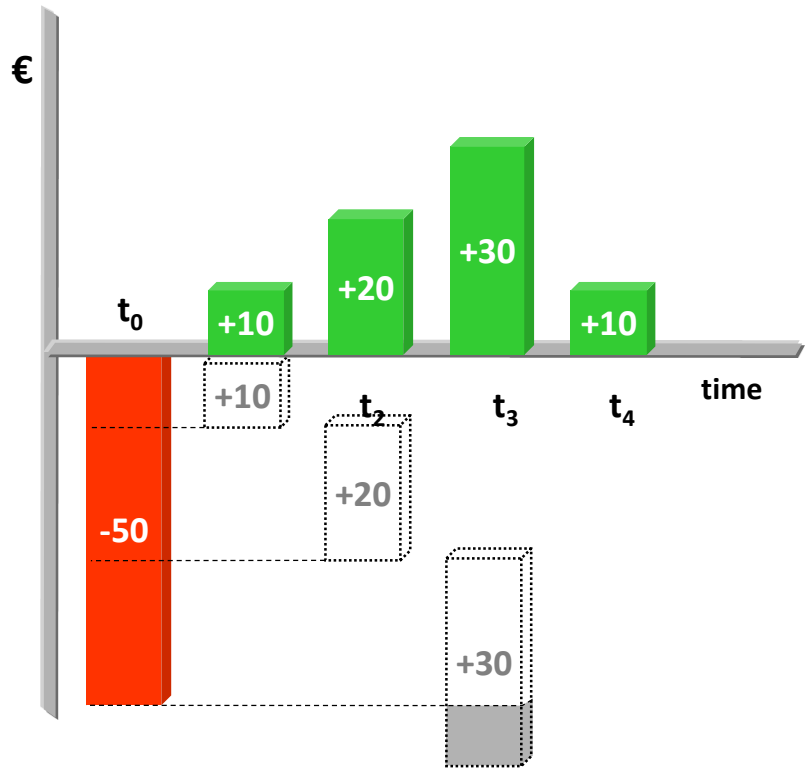
Risk analysis in investment projects

- Risk is usually ignored in investment project valuation
- Why
  - People is more focussed on return
  - They are not used to assess risk
  - They don’t know how to take risk into account

Project risk analysis

1. Pay-Back Period
2. Sensitivity Analysis
3. Montecarlo simulation
4. Real Option thinking

Pay-back period and risk analysis



Pay-back Period < 3 years

- Firms can employ payback as a heuristics in order to deal with:
  - uncertainty, since shorter-payback projects are less exposed to future uncertainty;
  - and capital constraints, since payback ranks projects in terms of their speed in refunding the investor.
- The payback rule is consistent with preserving cash for the continuity of the firm.
- Again, the payback period approach can be a successful heuristics in the case of wait-and-see real options

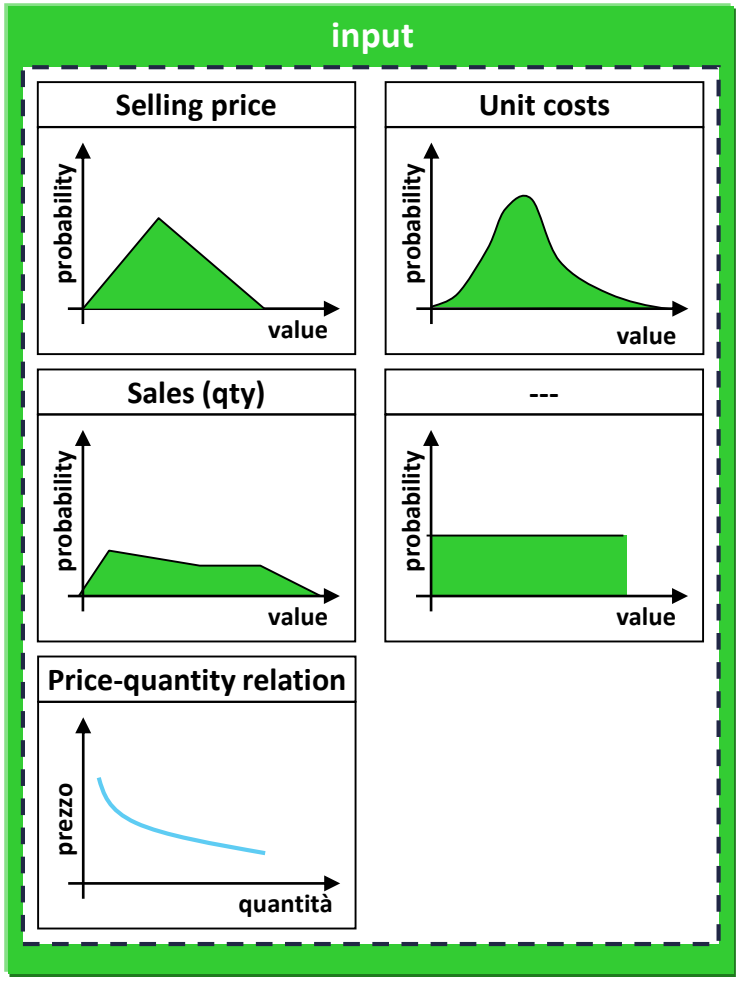
Sensitivity analysis

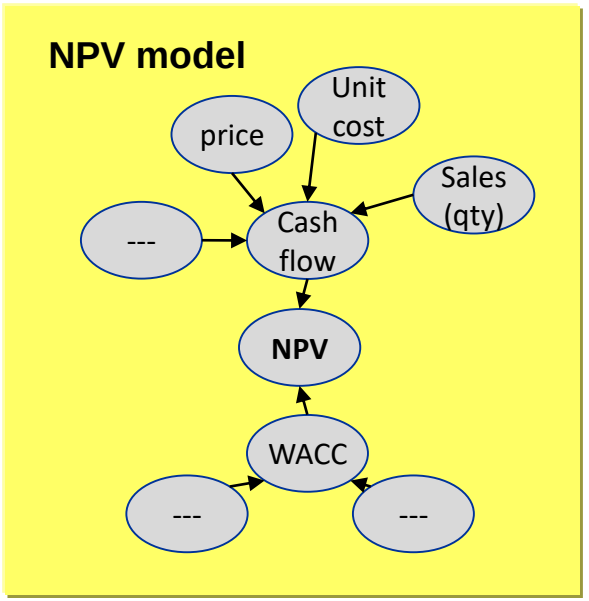
Which is the impact on a dependent variable caused by the variation of an independent variable?

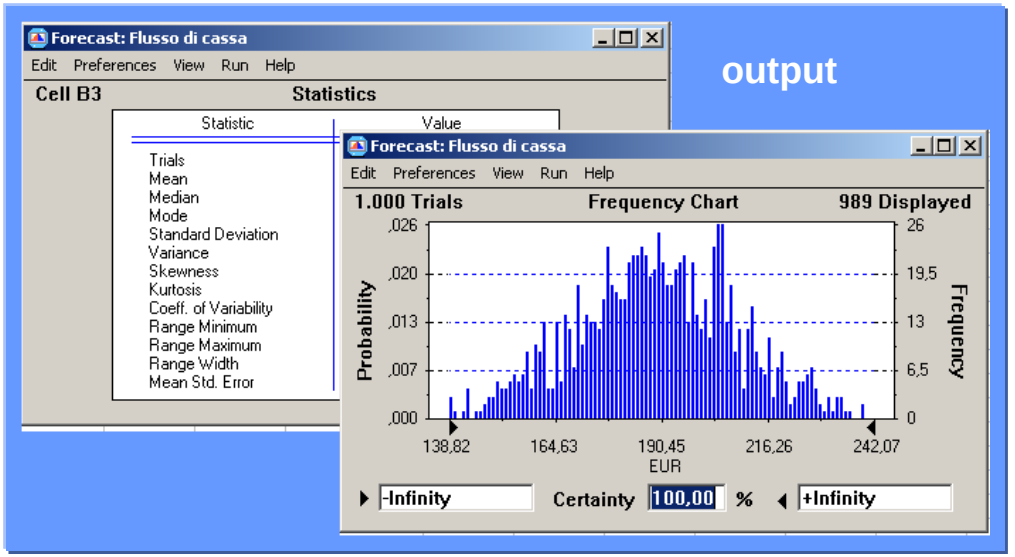
Impact on NPV

		Δ Price (%)				
		-10%	-5%	0%	+5%	+10%
Δ Variable costs (%)	+10%	-10.0%	2.5%	15.0%	27.5%	40.0%
	+5%	-17.5%	-5.0%	7.5%	20.0%	32.5%
	0%	-25.0%	-12.5%	0.0%	12.5%	25.0%
	-5%	-32.5%	-20.0%	-7.5%	5.0%	17.5%
	-10%	-40.0%	-27.5%	-15.0%	-2.5%	10.0%

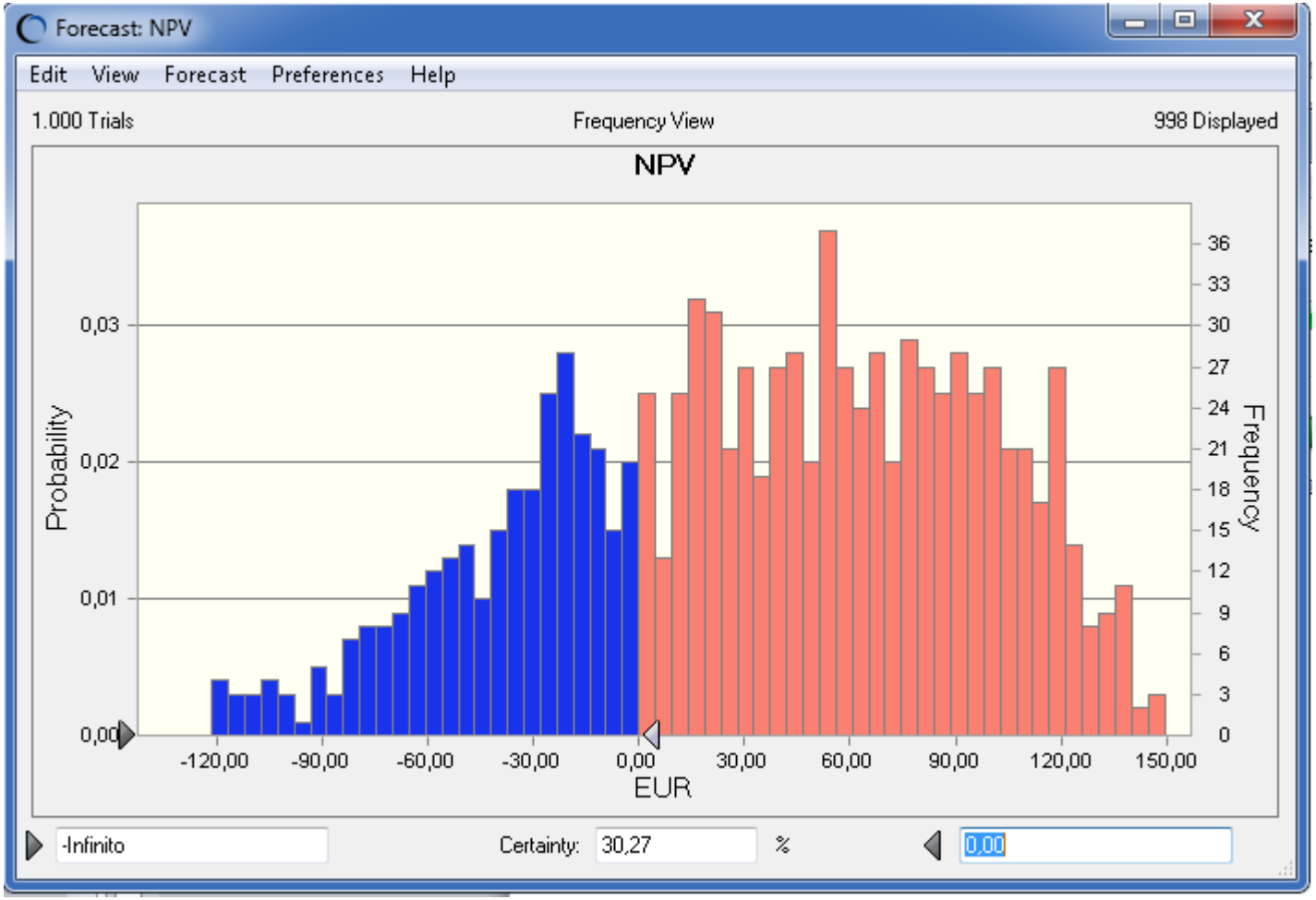
MonteCarlo simulation







A real case



Trials	**1,000**
Mean	**33.19**
Median	**38.20**

A software for Montecarlo simulation

http://www.oracle.com/us/products/applications/crystalball/overview/index.html

Investment Projects Appraisal

Introducing investment projects techniques in SMEs

Capital Budgeting techniques

	Ownership		Sales			
Capital Budgeting techniques	**Family**	**Other**	**<€10 mln**	**€10-20 mln**	**€20-43 mln**	**TOT**
Costs-Benefits analysis	22.2%	8.1%	21.7%	11.2%	16.8%	**15.6%**
Accounting ratios	20.5%	7.5%	13.3%	10.4%	18.0%	**14.5%**
NPV	6.5%	21.1%	18.3%	19.2%	6.8%	**13.3%**
Hurdle rates	13.0%	13.0%	11.7%	11.2%	14.9%	**13.0%**
Payback period	8.1%	15.5%	10.0%	15.2%	9.3%	**11.6%**
Sensitivity analysis	13.5%	5.0%	1.7%	5.6%	15.5%	**9.5%**
Discounted Payback period	4.3%	13.7%	6.7%	14.4%	5.0%	**8.7%**
Profitability index	6.5%	2.5%	11.7%	4.8%	1.9%	**4.6%**
Scenario analysis	2.7%	6.2%	0.0%	2.4%	7.5%	**4.3%**
Adjusted NPV	1.6%	4.3%	3.3%	2.4%	3.1%	**2.9%**
Real options	0.5%	3.1%	1.7%	3.2%	0.6%	**1.7%**
IRR	0.5%	0.0%	0.0%	0.0%	0.6%	**0.3%**

Source: Marzo. Scarpino e Cappello, Le PMI italiane e la valutazione economica dei progetti di investimento, Amministrazione & Finanza n. 4/2016

The cost of capital

	Family business (Sales)				Others (Sales)			
The cost of capital	**<€10 mln**	**€10-20 mln**	**€20-43 mln**	**TOT**	**<€10 mln**	**€10-20 mln**	**€20-43 mln**	**TOT**
Not estimated	33.3%	26.9%	29.3%	**32.4%**	30.0%	28.0%	52.0%	**38.3%**
Average of past returns (e.g. Return On Equity)	19.0%	26.9%	20.0%	**21.4%**	50.0%	12.0%	20.0%	**21.7%**
Regulatory decisions	0.0%	7.7%	5.3%	**6.6%**	0.0%	16.0%	8.0%	**10.0%**
Return expected by funds providers	0.0%	0.0%	1.3%	**0.5%**	0.0%	0.0%	0.0%	**0.0%**
Capital Asset Pricing Model	42.9%	30.8%	34.7%	**30.2%**	10.0%	28.0%	16.0%	**20.0%**
Other	4.8%	7.7%	9.3%	**8.8%**	10.0%	16.0%	4.0%	**10.0%**
TOT	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Marzo. Scarpino e Cappello, Le PMI italiane e la valutazione economica dei progetti di investimento, Amministrazione & Finanza n. 4/2016