

Corporate Governance and competitiveness of tourism SMEs

Fortuna Fabio, Paola Paoloni*, Marco Valeri

Università Telematica Scienze Umane
Faculty of Economics – Via Casalmonferrato 2 – 00182 Roma (Italy)
Email: paola.paoloni@unisu.it fabiofortuna@unisu.it

Abstract

The aim of the paper is to verify whether the corporate governance structure influence the strategic orientation of small and medium-sized tourism enterprises aimed at a strategic growth path. The hypothesis from which inspired the work is based on the belief that the improvement of business performance depends on strategic decisions to reduce the asymmetries of intent between ownership, management and all stakeholders interested in the course of business. Inside of the globalization process does not exclude SMEs operating in the tourism sector, compared to the past, are increasingly interested to emerge from the operation of national markets and to undertake the work of international growth.

Growing international competition between companies is inevitably a source of great transformations that can create many difficulties to these business realities that contribute to the growth of the economy, nationally and internationally. The gradual and intense process of globalization and the consequent tightening of competitiveness has determined, even for SMEs, the need to give serious consideration to the issues of governance typical of large enterprises. This is pushing SMEs to define corporate governance structures suited to increasing its visibility and transparency to potential investors. In this context, the paper combines theory and practice with the help of a case study that investigates the reality of the tourism firm Gartour, specialized in incoming from Russia and Russian speaking countries.

The analysis of the case study is useful to see how the corporate governance structure of the company has affected the company's performance over time and, therefore, the organizational structure.

Keywords – Corporate Governance, touristic SMEs, competitiveness

Introduction

The doctrinal debate on competitiveness highlights the variety of ways of understanding and interpreting the phenomenon of organizational theory and particularly the firm. In terms of management studies and the accentuation of environmental complexity, there has been a gradual exaltation of the cognitive dimension of the firm that has determined the success and failure of firms (AA.VV, 2003; Foss, 2005).

Similarly, the development of technological innovation and has brought new attention to social theories of leadership and profiles of leading firms in the emerging practice, with explicit reference to the need to promote innovation in both small and large firms (Normann, 1984; Hinteruber, 1998; Evans et al., 2000). This is especially noticeable today on the side of management studies services, especially in the tourism sector, which stresses the need for production formulas and grant-integrated and sensitive to trends, particularly the changing

role of the client (Mutch, 1995; Morrison et al., 1999; Hanaoka and Sakano, 1999; Rayman-Bacchus and Molina, 2001; Cafferata and Cherubini, 2008). In a very complex competitive environment, even small and medium-sized enterprises have felt the need to give serious consideration to the issues of governance typical of large firms. As is the case for large firms, even small businesses are increasingly active in undertaking strategic paths of internationalization. In the reality of large firm, the regulatory constraints, the large number of stakeholders (Airoldi and Forestieri, 1998; Aupperle and Van Pahan 1989; Catturi 1999; Coda 1998; Donaldson and Preston 2007; Fortuna 2001; Freeman 1986; Freeman and Evan 1990; Freeman, Rusconi and Dorigatti 2009; Hill and Jones 1992; Kipley 2009; Slinger and Deakin 1999) and the degree of external involvement require the enterprise to compliance with a series of strict rules with the result that the latter is to represent the entity that initiates the process of governance (Lacchini 2002; Trequattrini 1999). In SMEs, subject to legal constraints, weaker than the first, however, are the stakeholders ie the set of investors who, for different reasons and with different interests, the life business (Fortuna, 2001) which, through the request for information, stimulate the activation of the process of good governance and transparency. The proper consideration of the issues of governance can facilitate the overcoming of the traditional approaches to the processes of growth “without rules” and often “improvised”, typical of small entrepreneurs. Evolutionary paths available, which make the success of the last, have their roots in the ability to design rational strategic business process. The privileged companies in the paper are the tourist enterprises of small and medium-sized national consensus reality in the accommodation sector (Rispoli and Tamma, 1991; Italian Touring Club, 2009). These firms are a component as important as problematic in the national economy, especially when considered in relation to the current progressive loss of competitiveness of the Italian tourism industry, which also would require more adequate answers for the renewal of hospitality service (Gray, 2006). The article is structured in two parts. First, you define the role of the governance as a prerequisite to influence the strategic direction of the business. We shall, therefore, the analysis of the case studies analyzed in order to test the theoretical analysis and explore how the role and composition of the Board of Directors, the criterion for the appointment and remuneration of managers and the relationship between the directors and shareholders may influence the performance of the firm.

Theoretical framework

The tourism sector has always played a strategic role in the world economy. Its importance, not only economic but also cultural, social and educational measures, has been growing at very intense in the second half of the twentieth century. According to data released by the United Nations World Tourism Organization, the number of international tourists in 2011 have left their residence for reasons of trip was 940 million (+ 6.6% compared to 2010), registering a level of expenditure amounting to 926 billion (+9% compared to 2010).

The tourism sector has been neglected for decades by economic, political and cultural aspects of our country, as it was always supposed to, a sector of economic activity residual with respect to manufacturing, commercial distribution and other services. Italy has always been one of the main tourist destinations sought after by international travelers. In Italy, on the other hand, one has lived for years of monopoly rents. The rich endowment of natural resources, historical and artistic heritage of our country has not been enhanced in terms business. Since the mid-nineties, the level of growth of the Italian tourism industry experienced a sharp slowdown compared to other major tourist destinations such as France

and Spain in which the tourist sector has continued to grow at a rapid pace. There are several factors that explain this situation, leading to some problems.

Some of them are common to other countries, are relevant not only the more recent evolution of the global economic but also in purely structural aspects that highlight deep gaps in governance and management in tourism. Tourism businesses, in fact, proved to be unprepared to respond to the changing needs of the tourist, always attentive to the quality of services and a price / quality affordable, in a competitive environment more and more complex. Only recently has understood the strategic importance of tourism in the national economy. Despite the efforts of classification of tourism (domestic tourism, inbound tourism (or incoming), outbound tourism (or outgoing), domestic tourism, international tourism (World Trade Organization), tourism remains an economic reality contours still rather hazy. According to the law in force in Italy tourist, tourism firms are service businesses that “engaged in economic activities organized for the production, marketing, brokerage and management of products, services including bathing facilities, infrastructure and exercises including those that are part of administration of local tourist systems, competing in the training of tourism “(Code of Tourism, Art. 4 D. Leg. 23 May 2011, n. 79). It is a very broad definition and generic within which may include any number of activities. This is inevitable confrontation with the provisions of previous regulations which they considered “tourism firms” only through the accommodation facilities and non-hotel, neglecting other firms in the tourism industry and very important for the competitiveness of the tourism sector (eg travel agencies).

Over the last decades, the national and international scientific debate, which involved both scholars of economics and in law, involved the issue of corporate governance of SMEs and in the specific case of tourism businesses. The corporate governance of a company is that specific area of the company in which is outlined the strategic orientation of the firm (Cafferata, 2005).

According to a meaning closer, corporate governance involves only the full risk of the owners of capital (shareholders), in a broad sense the area of corporate governance also involves all stakeholders (stakeholders) are most relevant to the enterprise . It is absolutely understandable that corporate governance is to be understood, rather than as a way to overcome conflicts between the various categories of stakeholders, such as a *system of government capable of improving 'in the round' the quality of life of the company: just so you can, in fact, achieve effective management, efficient and fair (...). The objective of corporate governance, ultimately, is the harmonious functioning of the business (Bertini 2009).* Growing international competition to which these enterprises also participate, in fact, is inevitably a source of great transformations that can create many difficulties to these business realities, which are the backbone of the industrial system not only Italian, but also European.

SMEs which, as is well known, are the backbone of the Italian economic system, are characterized by a model in closed property (Barca 1993; Cortesi, Alberti and Saved, 2004; Montemerlo, 2000 ; Visconti 2000), with a significant barrier to entry for new members, seen as a possible cause of loss of power and control. The Italian system is still dominated in its concentration from business groups prevalent family character (Amatori e Invernizzi 1995, 207-208; Anderson and Reeb 2003; Aronof and Ward 2001; Astrachan and Shanker 2003, 211-219; Autio and Mustakallio 2003; Barca 1993; Corbetta 1995; D’Alessio 1994; Demattè and Corbetta 1993; Gennaro 1985; Montemerlo 2000) in which family members are holders of an absolute majority of the share capital or otherwise of an investment in able to ensure the exercise of decision-making power (Fortuna, 2001).

SMEs in the past have shown good resilience even in periods of recession; recently helped limit the negative effects of the crisis erupted in 2008 and is not yet over, and in the

90s were affected to a lesser extent by unemployment which, instead a strong interest in large firms. Not enjoying the same support from the State reserved for large firms, for finding the resources they had to rely on self-financing and from links with small local banks, who, according to some authors (Barca 1997; Conti e Ferri 1997, 429-465; Zattoni 2006), have provided us with their co-operation the most natural and appropriate response to the needs of micro-entrepreneurship.

Among the factors that determine the best resistance of SMEs compared to large, remember the speed of adaptation to change and the slenderness of the implementation of the decision-making process that ensure the survival and, sometimes, the development and growth. The reasons for this success are linked to the model of small businesses included within the districts in which many Italian SMEs now as in the past, live constituting the so-called "lattice capitalism" (Moller and Halien, 1996), based on integration not only productive but also ethnic and cultural diversity. For many years we discuss the validity of this model and what should be the appropriate changes to make it valid in the current context of the global market in terms of development, growth and competitiveness of SMEs. In large firms, the articulated governance structure allows the design and implementation of an effective decision-making process in those of modest size is the entrepreneur that centralizes upon himself the strategic functions and control to protect interests of the different actors involved in various capacities in the business. Despite this common characterization, the SME sector is a mixed one, and in it are included entities with different qualitative and quantitative characteristics and restrictions differ depending on the legal form adopted. The understanding and proper analysis of the typical behaviors of SMEs should take into account the high heterogeneity previously mentioned, can be identified, in fact, firms characterized by the presence of organizational variables and governance highly differentiated, while acknowledging the presence of common traits that you configure as the distinctive features of the phenomenon of "small business" centrality and centralized style of the entrepreneur, the presence of an organizational structure underdeveloped.

Some models of corporate governance in SMEs

In order strictly best companies, in relation to the qualitative characteristics of the figure of the small business owner and the organizational structure, the universe of SMEs can be divided into:

- Micro-enterprises;
- Small businesses evolved (Paoloni 1996).

The first category of small businesses and very small, normally governed by an entrepreneur with limited professionalism, characterized by a simplified organizational structure, an asset management is not complex and whose economic and financial communications is extremely modest and, in fact, limited to the fulfillment of the information obligations imposed by tax legislation.

The lack of attention paid to a formalized corporate governance is also supported by the trend, practically across the board, to outsource the administrative function (accountant and / or consultants) that often comes down to the only task of drawing up the financial statements.

This document, therefore, have the status of an administrative tool, compiled outside of any strategic logic of disclosure of operating performance.

Partially different is the situation that characterizes the more advanced SMEs, often governed by an entrepreneur more ambitious, more oriented to the development and growth, more aware of the need to give his business an organizational and managerial consistent with

the increased complexity of management. As a result, these companies are characterized by the presence of a higher level of “management overhaul” (Marchi, Paolini and Quagli, 1995; Marchini, 1984; Quagli, 1995), which is a prerequisite to make possible its growth in size.

In such firms, the administrative function is generally more pronounced internal and is the focus on the financial statements that the entrepreneur and his team also used as a management tool, by using it as a support in decision-making, management and control.

The external relevance of the document, however, even in this category has the same limits identified in the case of micro-enterprises often, in fact, the prevailing tendency is to privacy and the closure of the small business owner, who is not paying attention to the information needs of its stakeholders, while operating in a relational context that, however, would require an effective process of economic and financial communications. Even in the presence of more complex and onerous obligations related to legal forms more regulated but in some cases adopted by SMEs (Srl, SpA) does not change the typical behavior of the same, which tends to keep the usual attitude characterized by poor information transparency and limited attention towards the needs of knowledge of its stakeholders in relation to decision-making and management of their firm.

It is in fact often be confronted, for example, small businesses that are formally compliant and in good standing with respect to their obligations informative-accounting, financial reporting and tax, but which are essentially ineffective in terms of the quality of information flow transmitted to 'outside, regardless of ability or potential corporate governance. The preparation of financial statements, the only external communication tool, in fact, is seen as imposing mandatory legislation, without producing significant effects in terms of transparency. It follows that the tool proves to be poorly suited to change the attitude of SMEs towards the economic and financial communications, is scarcely affected, in fact, from the socio-cultural profile of the small business owner, the aims it pursues he and his sensitivity to the relational sphere outside .

The governance process and the consequent economic and financial communications of such companies, therefore, are strongly depleted, both in terms of content and effectiveness (Cesaroni 2002; Paoloni, 2006; Paoloni, Cesaroni and Demartini, 2003; Paoloni and Demartini, 2003; Pini et al. 1996). Regardless of the legal form chosen, it is possible to identify SMEs more open and aware of the fact that governance, if properly designed, can help to gain trust and consent by external parties, and others are more closed, unwilling, or at least little interest in making within formal and transparent outside their managerial situation.

It follows that the criteria by which to define the rules of governance of SMEs should not descend from the specific legal form adopted, but rather by analyzing the nature and identity of the interlocutors outside the enterprise and the specific needs of knowledge that they are headed.

Governance does not appear, therefore, as a key factor only in businesses where there is a clear separation between ownership and management and requirements management control, but instead invests all the company's work in relation to the operating environment and its evolution. If a model of governance can be defined as a coherent and articulated formal and informal rules and actors, internal and external, are able to apply them in the perspective of organizational development and respect for different stakeholders (Airoldi, Amatori and Invernizzi, 1995; Barucci and Falini, 2005; Capasso, 1996; Draghi, 1998; Fortuna, 2001; Freeman and Reed, 1983; Friedman, 1962; Melis, 1999; Onesti et al., 2003; Tirole, 2001), we can identify, by relating the rules (values, culture, operating systems, etc..) and actors (owners, managers, other stakeholders) some models of governance achievable such as:

- *formal model*, with many rules and few actors involved;
- *rigid model*, with many rules and many actors involved;
- *informal model*, with few rules and few actors;
- *extemporaneous model*, with few rules and many actors.

The first two models (formal and rigid) are typical of large companies (listed and unlisted), while the casual and offhand what are the realities of their smaller size, specifically, the informal looks so prevalent in micro-enterprises, that extemporaneous is closer to SMEs evolved.

In the informal model, in fact, the entrepreneur is often the only person involved in the conduct of their business and decision-making process. Even if you feel the need for a support network, his inability to initiate and maintain a collaborative strategy does not allow istaurarsi of real constructive relations of corporate governance; has difficulties also to recognize their limitations in carrying out processes of growth.

This model is typical of micro-enterprises who resign themselves or choose to remain small in order to keep intra moenia leadership, and there is in them a greater ability to manage operational processes rather than strategic, and that, over time, due to limitations of the potential of development, growth and innovation.

In extemporaneous model, we can include firms, albeit with a control concentrated in the hands of a few (family), lattice weave relationships involving many individuals in the interests of the company in various capacities related to them.

In particular, SMEs need to interact with customers but also with suppliers, supervisors, peers, institutions and all those individuals who are able to contribute to their competitive development (Ciambotti 2001; Julien, Andriambeloson e Ramangalahy 2002).

Creating the conditions for developing new ideas and turn them into products and increase customer satisfaction is not only the result of a relationship with a category of stakeholders such as customers, but an interaction network shared with stakeholders both formal and informal.

All reports can be important, including those who apparently do not provide a contribution of an economic nature and many are critical to start, survival and development company. Even informal relationships, such as those that are established with friends and family, may be included in the set of intangibles that make up the business capital. The literature that has developed in the field of SME shares the view that smaller firms benefit the most from relationships and networks that build rather than by authoritative forms of governance and management (Birley 1985; Larson 1992). We must not forget, also, as in Pmi is the central role of the entrepreneur and central role of the command at the point of making the only real contact with the outside and with the market. It is natural, therefore, that governance in SMEs should be based on the reports that the entrepreneur is able to build, whether formal or informal. Some research shows that personal networks of entrepreneurs-managers play a central role in every stage of the business life (Aldrich and Dubini, 1991) because, through them, entrepreneurs, tracking down and combine resources is hard to gather without this support, managing to increase innovative development that allows their companies to be competitive on the market. Innovation and competitive advantage are strongly dependent on the entrepreneur and his ability to build relationships valid. They are however a few companies with clear rules and codified governance, the permanent mingling of ownership, operational and control generates an inadequacy of fund management effectiveness. Operational expertise should be accompanied by the strategic vision with a capacity of long-term-oriented risk assessment and management of change (Cortesi, 2004). This pattern is typical of small businesses who decide to grow advanced triggering a

relational process without being able to support a management level. In the case of growth, operating dexterity is no longer sufficient and the entrepreneur needs to be accompanied by people able to transfer competence, without burdening the internal organization given the small size of the company structure.

Research methodology

In order to corroborate the general objectives of the research it was decided to resort to a methodology of qualitative analysis consists of the study of case studies (Yin, 2005; Strauss e Corbin, 1932; Denzime Lincoln, 2000).

The case study research is used in scientific research by activating a set of techniques and procedures that focus attention on an exemplary situation but not representative of the whole set. In the specific case analysis of the case studies concerns the representation of a case study prepared in the light of the purposes set out in this research. The identification of the survey sample involves a definition and a rationalization of the art of a sample which requires overcoming many difficulties. The case study is not based on the technique of sampling with it nor do we want to prove that what is valid for a sample is indicative of an entire universe. With the study of the cases we found ourselves in front of a numerical question but we questioned whether it was necessary or not the use of case studies to better target our investigation and refine the techniques of study. The use of case studies, we felt it was a useful tool from which to orient ourselves to the exploration of a universe of investigation both heterogeneous and complex. The selection of case studies was carried out according to the following factors: geographical proximity of the interviewer (same province), familiar with the undertakings under investigation, ease of access to corporate informations.

The main source used in the design and data collection was the direct interview to entrepreneurs and managers of selected companies. The interviews were made by asking questions of a general nature relating to the issues you interest to deepen the role and composition of the Board of Directors, the criterion for the appointment and remuneration of managers and the relationship between directors and shareholders.

In addition to direct contact and interview carried out to entrepreneurs and directors of the companies under investigation, the data subject, where there was a possibility, the website of the companies, the press and the press release. These additional tests have served to make the triangulation of sources that can give higher credibility, reliability and validity study allowing a transversal reading of the same before you get to outline the conclusions.

Discussion of results

GARTOUR, a firm BELONGING TO THE GROUP (HTS - TOURISM HOLDING SYSTEM), IS A MEDIUM-SIZED TOUR OPERATORS AND TRAVEL AGENCY LEADER IN ITALY IN TOURISM INCOMING THAT IT EMPLOYS 40 EMPLOYEES. FOUNDED IN ROME IN 1995 BY PAOLO DELLO STROLOGO WITH THE BRAND "GAR TOUR" AND WITH ITS OWN OFFICES IN MOSCOW, ST. PETERSBURG AND KIEV, the firm FOCUSES ITS BUSINESS TOWARDS THE RUSSIAN TOURIST MARKET CONSIDERED, right now, FULL OF POTENTIAL. THE RUSSIAN MARKET IS ABOUT L '80% OF THE TOTAL COMPANY TURNOVER. THE COMPETITIVE ADVANTAGE OF GARTOUR IS BASED ON THE ABILITY TO CREATE, maintain and develop OVER TIME A NUMBER OF EXCLUSIVE RELATIONSHIPS, efficient and effective, WITH THE RUSSIAN TOURIST CUSTOMERS, both CURRENT AND POTENTIAL. THIS IS NOT ONLY TO ACQUIRE INFORMATION ON THE PREFERENCES AND BUYING PATTERNS OF CUSTOMERS, EASILY IMITATED BY COMPETITORS, but rather TO

CONSOLIDATE THE BRAND AND THE TRUST THAT CLIENTS PLACE IN THE HIGH QUALITY OF THE VARIED TOUR PACKAGES OFFERED (EG. PACKAGE “VACANZE ROMANE”, “angeli e demoni”, “ROMEO E GIULIETTA”, ETC.). THESE FACTORS, OVER TIME, HAVE INCREASED THE LEVEL OF CUSTOMER LOYALTY, RELATED TO THE REPURCHASE RATE OF THE SERVICE AND THE AVAILABILITY OF THE CLIENT TO SUPPORT THE PRICE OF THE QUALITATIVE DIFFERENTIATION OF SERVICES. LAST THREE YEARS, SALES GREW BY 65% AND IN 2012 REACHED ALMOST 30 MILLION EUROS.

The governance model of the company is an “extemporaneous model”. Although characterized by a control concentrated in the hands of a few (the entrepreneur and members of his family), involves an intense network of individuals interested in the life of the enterprise. In particular, the management of an efficient and effective system of exclusive relationships (transport, catering, tour guides, etc), supported by digital technologies has enabled the Gartour, on the one hand, to enrich the customer information, and monitoring the level of satisfaction in order to respond promptly to customer needs, ensuring consistency in the level of service offered and the corporate image. The Gartour, like all SMEs, needs to interact with customers but also with suppliers, supervisors, peers, institutions and all those individuals who are able to contribute to their competitive development (Ciambotti, 2001; Julien, Andriambelason and Ramangalahy, 2002). This has brought undoubted benefits especially in terms of greater bargaining power to other operators, greater degree of differentiation of resources and expertise by promoting, in this way, an adequate level of coordination of their activities. It is an ever-deeper and broader relationships that Gartour was able to turn in time gaining a growing presence in the market.

Customer loyalty and maximizing the degree of customer satisfaction Russian tourist, constituted, in fact, of the strengths for the benefit of the competitiveness of the firm: the Russian tourists loyal Gartour accounted for a market share of unassailable from the competition. The trust, in fact, created in the customers the necessary cognitive and emotional predisposition to repeat the experience. This provided an opportunity for the firm to enrich their wealth of knowledge and, therefore, the possibility of production quality tourist in Italy, more and more competitive (Cafferata and Cherubini, 2008). This reflecting the evolving needs of customers who are increasingly attracted to quality tourism products, variously integrated, as such, require the collaboration of several tourism companies that provide you specific services.

Gartour in the enterprise is the entrepreneur that ensures the performance of strategic functions, control and synthesis of the interests that converge on the company (Airoldi and Forestieri, 1998). The growth has created the need for a process of delegation that is rarely implemented for fear of losing control of the company; overcoming this need, however, the management team has expanded and it is a problem arose and governance structure. The expansion of this team is accompanied and supported by a shared process of redefinition of leadership roles, and the working of the decision-making is dominated by the will of the property, sometimes convinced that the manager does not have adequate skills to manage the undertaking, with the result of a block of business development and jeopardize the creation of value.

Over the past ten years, the entire architecture of governance has been reformulated and the owner is no longer the backbone of our management team, in particular the articulation of the decision-making process has been clearly defined and have been identified mode participation in the same part of managers and property. This followed the business idea of wanting to expand their business by considering not only the Russian tourist market but also the tourist market Eastern Europe.

The structure of governance, therefore, in these types of firms, it is mainly a problem of leadership and entrepreneur stems from the awareness that, even in the authoritativeness and full role, it considers it self-sufficient in his business but willing to weave relationships and relationships with the board, formal or informal, formed within the same. In addition, the expansion of the number of persons charged with governance improves the relationship with the banks, which play a role in the function of much priority funding Gartour, as demonstrated by the various statistical surveys, which show the frequent and intensive use of themselves to bank loans, mainly in the short term.

The problems and limitations encountered in the attitude of the company, as well as other SMEs with regard to the economic and financial communications have long stimulated the attention of scholars, anxious to develop solutions that will improve the information by restricting the risk of proposing formulas inconsistent with the specificity that distinguish them. This problem has become more pronounced since the Basilea 2, which has highlighted the need to develop a more open dialogue between SMEs and banking partners, in order to allow them to develop an appropriate financial analysis and evaluate more objectively the degree of risk associated with financing granted.

The agreement of the Basilea 2 has generated concerns about the possibility of access to credit for SMEs, it was feared, in fact, that it could penalize the possibility of obtaining funding inducing banks to reduce credit and increasing interest rates . This fear has resulted from the fact that it is contained in a principle, according to which the capital requirements of banks are determined analytically, that is, referring to the individual risk positions (Fortuna, 2005).

Considering that the latter increases with the size of the loan, the lending to SMEs tend to commit higher rates of bank capital, which could then decide to hijack its commitments to customers less risky or increase interest rates to compensate for the greater risk borne and the highest capital requirement (Fortuna, 2005). Basilea 2, however, also provides an opportunity for SMEs that have a rating of good to mitigate the effects of rules under which the large size is attributed to greater financial strength and solidity.

This fact would seem to justify, by Gartour, an attitude of special care in handling relations with the banks, which should be forwarded the information and documents to enable them to assess the current situation and future of the firm and, therefore, meet the its needs. The hypothesis, however, is profoundly at odds with the information derived from operational reality, which show that small businesses are less sensitive than the cognitive demands of the credit institutions and apparently unconvinced of the opportunity to set up an open and transparent obtain, in exchange, consensus and willingness to cooperate.

Conclusions

The above considerations hint that you should seriously consider the possibility of extending the existence of the SME management team that can provide the entrepreneur and those who joined him the realization of the interests of the firm and subject to it are connected in various ways.

Governance, especially in SMEs, can not be considered as a system of rigid rules but a group of people led by an experienced management consists of experts with highly professional and inspired by ethical principles. Investing in the governance model is especially useful in businesses that can be traced back to the “extemporaneous model”, in which the choice of growth implies, on the part of the entrepreneur, a balanced exercise of the strategic function. In such cases, you need the coaching of people possess a mix of skills and experience to support the behavior of the small business owner.

The “extemporaneous model”, in fact, is based precisely on improvisation of the small business owner who embodies two fundamental characteristics and opposing. The first consists of ingenuity and intuitiveness, the other is powered by unconsciousness and resourcefulness that leads, at times, not balanced behaviors that emerge especially when one or more ideas 'lucky' are winners. It is not uncommon, in fact, that as a result of a business venture successful it increases self-confidence and the courage of the economic entity which, thanks to the positive outcome of the same, is forced to embark on new adventures increasingly large and challenging, but at the same time characterized by growing levels of risk.

Stakeholders (banks, suppliers, customers) that revolve around business activity may remain favorably impacted positive dall'alea that characterizes the company at a time of success and development, increasing contact with it, and thus emphasizing its relational dimension. The greatest danger, however, is that in the course of the fictional rise, the entrepreneur can fail and jeopardize everything that has built up to that time.

Let's talk about the rise fictitious, because business decisions based on intuition, experience and accumulated about *extemporaneous model* have not, in fact, a solid foundation in terms of managerial competence and may have serious deficiency process, which circumscribe the success the single idea in the short term but that does not guarantee a future.

It happens then that when you were manifest failure of a subsequent business idea “risky” given the small size and the lack of competent managers, the entire business can be compromised.

In fact, corporate governance in SMEs is the result of the combination of experience and expertise. As well as the small business is not a pint-sized enterprise, the corporate governance of the small size is not the square root of that of a large company. You can not expect to translate every mechanism from large enterprise to small just reducing the difficulties or elements; gradual steps are required, one of which, for example, is a first entrepreneur mentoring by a subject with Managerial Capabilities which often is not.

SMEs that grow gradually, that mimic the processes in time management and organization of large firms should aim, therefore, a progressive construction of rules of governance appropriate to impose a managerial component to be attached to the entrepreneur for the gradual process of development and growth dimension, in line with its needs, its objectives and its difficulties to achieve them.

References

- AA.Vv. (2003), “Knowledge management e successo aziendale”, Atti del Convegno annuale AIDEA, Udine 14-15 novembre.
- Airoldi, G. e Forestieri, G. (a cura di) 1998 *Corporate governance. Analisi e prospettive del caso italiano*, Milano, Etas.
- Airoldi, G., Amatori, F. e Invernizzi, G. (a cura di) 1995 *Proprietà e governo delle aziende italiane*, Milano, Egea.
- Alchian, A. e Demsetz, H. 1996 *Production, information, costs, and economic organization*, in L. Putterman (a cura di), *The economic nature of the firm: A reader*, 2a ed., Cambridge, Cambridge University Press.
- Aldrich, H.E. e Dubini, P. 1991 *Personal and extended networks are central to the entrepreneurial process*, in «Journal of Business Venturing», 6.
- Amatori, F. e Invernizzi, G. (a cura di) 1995 *Assetti istituzionali e governo delle aziende e dei sistemi*, vol. 1, Milano, Egea.

- Astrachan, J.H. e Shanker, M.C. 2003 *Family businesses' contribution to the U.S. economy: A closer look*, in «Family Business Review», 16.
- Aupperle K.E., Van Pahan D., (1989) "An extended investigation in the relationship between corporate social responsibility and profitability", in *Employee Responsibilities and Right Journal*, n.2.
- Barca F., (1993) "I modelli proprietari della grande impresa", in *Rivista di Economia e Politica Industriale*, novembre.
- Barucci E., Falini J., (2005) "Determinants of Corporate Governance in the Italian Financial Market", in *Economic Notes by Banca Monte dei Paschi di Siena SpA*, vol. 34, no. 3.
- Bertini U., (1984) "Il governo di impresa tra 'managerialità' e' imprenditorialità'", *Studi e informazioni*, n. 4,
- Bertini U., (1996) "Fattori di successo e condizioni di sviluppo delle piccole e medie imprese", *Quaderni dei diplomi universitari in Economia ed amministrazione delle imprese e in Commercio estero con sede in Arezzo*,
- Bertini U., (2008) "Modelli di governance, aspettative degli stakeholder e creazione del valore", paper presentato al 31° CONVEGNO AIDEA - NAPOLI 16-17 OTTOBRE 2008.
- Birley, S. 1985 *The role of networks in the entrepreneurial process*, in «Journal of Business Venturing», 1.
- CAFFERATA R. (2009) *Management in adattamento. Tra Razionalità economica e imperfezione dei sistemi*, Il Mulino, Bologna.
- CAFFERATA R., CHERUBINI S. (Guest eds.) (2008), *Innovare nei servizi*, in *Economia e Diritto del Terziario*, Special Issue, n. 2
- Capasso, A. 1996 *Aspetti proprietari e governo d'impresa*, Padova, Cedam.
- Carseberg B.V., Page M.J., Sindell A. J., Waring I.D., (1985), *Small Company Financial Reporting*, Prentice Hall International- ICAEW, London,
- Catturi, G. 1999 *Interessi, motivazioni e valori degli attori aziendali*, Padova, Cedam.
- Cesaroni F.M., (2002), "Il ruolo della comunicazione economico-finanziaria nella raccolta di capitale proprio delle piccole-medie imprese. Il caso degli investitori finanziari", in *Piccola Impresa/Small Business*, n 3,
- Coda, V. 1998 *Stakeholder*, in V. Coda, G. Invernizzi e M. Rispoli (a cura di), *Strategia aziendale*, Torino, Utet.
- Cortesi A., (2004), *La crescita delle piccole imprese*, Giappichelli, Torino,
- Cortesi A., Alberti F., Salvato C., (2004), *Le piccole imprese. Struttura, gestione, percorsi evolutivi*, Carrocci, Roma,
- Demattè, C. e Corbetta, G. 1993 *I processi di transizione delle imprese familiari*, Milano, Sda Bocconi, Working Paper n. 9.
- Denzin, N. K. and Lincoln, Y. S. (2000) *Handbook of qualitative research* (2nd ed.). Thousand Oaks.
- Donaldson T., Preston L. E., (2007), *La teoria degli stakeholder dell'impresa: concetti evidenza e implicazioni*, Franco Angeli, Milano.
- Draghi M., (1998), "Corporate Governance e competitività", in *Economia Italiana*, n. 3.
- Fortuna F. 2005 *Effetti di Basilea 2 sull'economia di banche e imprese*, Milano, Franco Angeli.
- Fortuna F. 2009 *Crisi finanziaria, management e comunicazione esterna d'impresa:alcune considerazioni*, in «Rivista Italiana di Ragioneria ed Economia Aziendale», 9-10.
- Fortuna F., (2001), *Corporate Governance. Soggetti, modelli e sistemi*, Franco Angeli, Milano,
- Fortuna, F. 2001 *Corporate governance. Soggetti, modelli e sistemi*, Milano, Franco Angeli.
- FOSS N. J. (2005), *Strategy, Economic Organization, and the Knowledge Economy*, Oxford University Press, Oxford.
- Freeman E. R. , Rusconi G. , Dorigatti M. , (2009), *Teoria degli stakeholder*, Franco Angeli, Milano.
- Freeman E. R., (1986), *Strategic management: A stakeholder approach*, HarperCollins, Canada,
- Freeman R.E. , Evan W.M., (1990), "Corporate governance: a stakeholder interpretation", in *Journal of Behavioral Economics*, n. 19.
- Freeman R.E., Reed D.L., (1983), "Stockholder and Stakeholder: a new perspective on corporate governance", in *California Management Review*, Spring.

- Giubitta P., Gianecchini M., (2002) "Governance and Flexibility in Family-Owned SMEs", in *Family Business Review*, December.
- Gray C. (2006), "Absorptive capacity, knowledge management and innovation in entrepreneurial small firms", *International Journal of Entrepreneurial Behaviour & Research*, n. 12, Vol. 6, pp. 345-360.
- Hambrick D.C., Crozier L.M., (1985), "Stumblers and stars in the management of rapid Growth", in *Journal of Business Venturing*, 1.
- Kipley D., (2009), *Stakeholder Identification and Analysis Using the Multi-Rater Method*, VDM Verlag.
- Lacchini, M. 2002 *Corporate governance e bilanci d'impresa nella prospettiva della riforma*, Torino, Giappichelli.
- Larson, A. 1992 *Network dyads in entrepreneurial settings: A study of the governance of exchange relationships*, in «Administrative Science Quarterly», 37, 1.
- Lazzari V., (2001), "Corporate governance: fondamenti, aspetti controversi e prospettive future", in *Economia & Management*, maggio/giugno.
- Marchi, L., Paolini, A. e Quagli, A. 1995 *Strumenti di analisi gestionale: il profilo strategico*, Torino, Giappichelli.
- Marchini I., (1987), "Attualità, specificità, strategie delle piccole e medie imprese", *Finanza Marketing e Produzione*, n.1,
- Marchini I., (1995), *Il governo della piccola impresa*, vol I ASPI/INS EDIT,
- Marchini, I. 1995 *Il governo della piccola impresa*, vol. I, Genova, Aspi/Ins Edit.
- Melis A., (1999), *Corporate governance: un'analisi empirica della realtà italiana in un'ottica europea*, Giappichelli, Torino.
- Montemerlo, D. 2000 *Il governo delle imprese familiari*, Milano, Egea.
- MORRISON A. M., TAYLOR J. S., MORRISON A. J., MORRISON A. D. (1999), "Marketing small hotels on the world wide web", *Information Technology and Tourism*, 2(2), 97–113.
- MUTCH A. (1995), "IT and Small Tourism Enterprises: A Case Study of Cottage-Letting Agencies", *Tourism Management*, Vol. 7, n. 16.
- Normann R. (1984), *Service Management: Strategy and Leadership in Service Business*, Second Edition, Chichester, Wiley.
- Onesti, T., Angiola, N., Romano, M. e Taliento, M. 2003 *Alcune riflessioni critiche sull'armonizzazione dei modelli di governo societario, tra localismo e globalizzazione*, in *Atti del XXV Convegno Aidea*, Milano, Giuffrè.

- Paoloni M., (1996), "Aspetti quali-quantitativi del sistema informativo e forma giuridica della piccola impresa", in P. F. Censoni - M. Sarale, *Le forme giuridiche della piccola impresa*, ASPI/INS-EDIT, Genova.
- Paoloni M., (2003), *La crisi della piccola impresa tra liquidazione e risanamento*, Giappichelli, Torino,
- Paoloni M., Demartini P., (1997), "Le attese informative degli *stakeholder* della piccola impresa. Evidenze empiriche in Italia e nel Regno Unito", in *Piccola Impresa/Small Business*, n. 2
- Paoloni, M. e Demartini, P. 1997 *Le attese informative degli stakeholder della piccola impresa. Evidenze empiriche in Italia e nel Regno Unito*, in «Piccola Impresa/Small Business», 2.
- Paoloni, M., Cesaroni, F.M. e Demartini, P. 2003 *Piccole e medie imprese e investitori finanziari. Il ruolo della comunicazione economico-finanziaria*, in Salvioni
- Pini, M., D'Amico, L., Paoloni, M., Marasca, S. e Paolini, A. 1996 *Il bilancio della piccola impresa: caratteristiche strutturali e capacità informativa*, Torino, Giappichelli.
- Quagli A., (1989), "Considerazioni sul controllo di gestione con particolare riferimento alle piccole imprese", *Studi ed informazioni*, n.2,
- Quagli A., (1995), "Il comportamento strategico delle piccole imprese", in L. Marchi, A. Paolini, A. Quagli, *Strumenti di analisi gestionale: il profilo strategico*, Giappichelli, Torino,
- Quagli, A. 1995 *Il comportamento strategico delle piccole imprese*, in Marchi, Paolini e Quagli [1995].
- RISPOLI M., TAMMA M. (1991) (a cura di), *Le imprese alberghiere*, Cedam, Padova.
- Slinger G., Deakin S., (1999), *Regulating stakeholder relations*, ESRC Centre for Business Research, Cambridge.
- Smith N.R., Miner J.B., (1983), "Type of Entrepreneur, Type of firm and Managerial Motivation: Implication for Organizational life cycle Theory", *Strategic Management Journal*, 4,
- Strauss, A. L. and Corbin, J. M. (1998) *Basics of qualitative research: Techniques and procedures for developing grounded theory* (2nd ed.). Thousand Oaks, Calif.: Sage Publications.
- Tirole, J. 2001 *Corporate governance*, in «Econometrica», 69.
- TOURING CLUB ITALIANO (2010), *Tourism Monitor*, TCI editore, Milano.
- Trequattrini, R. 1999 *Economia aziendale e nuovi modelli di corporate governance. Esperienze a confronto*, Torino, Giappichelli.
- Visconti F., (2000), *Le piccole e medie imprese nei nuovi scenari economici*, Egea, Milano.
- Yin K. R. (2003), *Application of Case Study Research*, Sage Publications, Inc.