

Important factors of financial risk in the SME segment

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Abstract. The aim of the article is to define and quantify the significant factors which influence the intensity of financial risk, and to compare the perception of financial risk among groups of entrepreneurs in the SME segment according to their motivations for starting a business. In relation with the aims defined under this research, we carried out a survey of the entrepreneurial environment of SMEs in 2015, using a sample of 1,141 respondents (the owners of the enterprises). We used Z-score and regression analysis to assess our hypotheses. The results of our research confirmed that the attitude towards financial risk is determined by the following factors: CRM (Correct risk management by entrepreneurs), CFR (The influence of credit risk during a crisis), and SFS (Sufficient funds for SMEs). The entrepreneurs who started their business because they considered it to be their mission answered more frequently that they can correctly manage financial risk in their companies in comparison with the entrepreneurs who started their business for money. The difference was statistically significant. Our research also confirmed that entrepreneurs who started their business because of money perceived the effects of crisis on their company's financial risk more intensely.

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1. INTRODUCTION

Small and medium-sized enterprises (SMEs) are without a doubt an essential aspect of every market economy (Ključnikov et al., 2016; Virglerová et al., 2016; Vojtovic, 2016; Rahman, et al., 2016; Belás & Sopková, 2016, Dúbravská et al., 2015; Scholleová & Čámská, 2015; Draskovic, Popov & Peleckis, 2017; Delibasic, 2016). They contribute also to the solution of economic and social state problems (Prasetyo, 2016).

Since the SMEs (Koisova et al., 2017) are a key part of every country's economic system, the important factors determining the quality of the entrepreneurial environment of such companies are a vital area of research.

Currently, the issue of financial risk management is among one of the crucial problems for SMEs (Ključnikov & Belas, 2016). The present article explores the important factors determining the intensity of perceived financial risk in the segment of SMEs. Within the framework of our research we compare the differences in the attitude to those factors between entrepreneurs who see their business as a mission and entrepreneurs whose main motive for doing business is making money. We suppose that either group of entrepreneurs has different preferences and attitudes towards managing financial risk.

The originality of our research consists in the fact that, unlike many other authors, we examine the attitude towards managing financial risk in the segment of SMEs by questioning the entrepreneurs themselves.

2. THEORETICAL BACKGROUND

Business activities are significantly determined by the environment of the company, which forces it to use a particular method of behaviour and to choose particular business goals and ways of achieving them (Belás et al., 2015; Adamowicz & Machla, 2016; Ivanová, 2017).

Most business decisions are made in conditions of uncertainty. This means that there is the same uncertainty and randomness in the development of conditions for business activities, during these activities, and the outcome thereof. If we are able to quantify the likelihood of diversion of actual processes and outcomes from the expected level, we speak of risk. Risk is therefore quantified uncertainty (Fetisovová, 2012). Holton (2004) argues that there are two ingredients that are needed for risk to exist. The first is uncertainty about the potential outcomes of an experiment and the other is that the outcomes have to matter in terms of providing utility.

Financial risk is mainly caused by the movements in financial markets and changing attitudes of entities to the individual financial tools and in each transaction (Fetisovová et al., 2012). Napp (2011) states that financial risk exists in various forms. On the one hand, there are external forms of financial risk connected with the changes on financial markets, on the other hand, there are sources of financial risk originating in the company's internal environment: financing risk, insolvency risk, and liquidity risk.

The impact on the results of an enterprise is immediate as soon as there is a carrier or source of risk in the portfolio of the enterprise. The European society views financial risk, currency risk, liquidity risk as the most serious risks (Christopoulos & Barratt, 2016; Mentel et al., 2016;

Brammertz et al. 2009, Betáková et al., 2014). The risk of corporate insolvency or indebtedness and possibilities of the forecasting thereof cannot be overlooked (Cámská, 2016).

Financial risk refers to the possibility that a business's cash flows does not suffice to pay creditors and fulfil other financial responsibilities. The level of financial risk, therefore, relates less to the business's operations themselves and more to the amount of debt a business incurs to finance those operations. The more debt a business owes, the more likely it is to default on its financial obligations. Taking on higher levels of debt or financial liability therefore increases a business's level of financial risk (Guzman, 2015).

Moro and Fink (2013) reported that banks play an essential role in financing firms, especially SMEs, since they have more difficulty accessing equity capital markets. The firms in the SME segment are small, they suffer from higher intensity of information asymmetry and have minimal internal cash flow (Dierkes et al., 2013). In this context, Fetisovová et al. (2012) and other authors state that the access to external financial sources deteriorated during the crisis in the SME segment.

Hikkerova, Ilouga, Sahut (2016) indicate that motivational choice plays a significant role in becoming an entrepreneur. In other words, those who are willing to do something with their own effort are associated with more entrepreneurship than those who are not willing to do so. Moreover, individuals who are long-term goal oriented can pursue entrepreneurship better than those lacking a clear long-term vision of their career.

Staniewski, Awruk (2015) examine the motivational factors for potential entrepreneurs and barriers by analyzing 255 students in Poland. The paper includes three most important factors that are perceived by the respondents to be motivated for entrepreneurship. In the first step of their analysis, they attempted to determine the factors that motivate potential entrepreneurs to the commencement of their own businesses. Three factors were found to exist as crucial motivators: self-realisation and self-satisfaction (63%), the possibility of higher earnings (as compared with other companies) (48%), and independence in decision-making (30%). However, lack of experience, lack of capital, lack of risk-taking ability, lack of technical knowledge, and tax burden are found to be the most important obstacles to entrepreneurship.

Estay, Durrieu and Akhter (2013) examined motivational factors that affect entrepreneurship start-up in France. They found that the degree of independence has a positive effect on risk-taking and a positive tendency to accept risk motivates people to become entrepreneurs. Finally, strong correlation (0.64) is found between motivation to achieve personal accomplishment and entrepreneurship. Hence, the authors argue that an individual is more likely to become an entrepreneur if they are driven by the accomplishment of personal goals.

Ketko, Akimova (2016) examined the most important motivational factors for starting a business in Russia. They found that for starting their own business, entrepreneurs are motivated by their internal comfort, self-respect, achievement, opportunity to have freedom, opportunity to have personal fulfilment, financial security, and so on. It is also highlighted that the need for achievement through which an individual can enjoy self-fulfilment is a determinant factor to set up one's own business. At the same time people want to have their financial freedom (money) and thus to have an impact on the society. Lastly, from a motivational point of view, an individual wants to be respected by others and hence become an entrepreneur and fulfil their personal desires.

According to the GE Money Bank research (2010), the motive of money is predominant in the Czech Republic. The research shows that the desire for having more money is the strongest motive for both sexes in the Czech Republic. This impulse is important for 70% of women and 75% of men. The opportunity for managing one's own time is another important motive, together with independence for men and the fear of losing a job for women. The PwC research (2010) shows that

when starting a business, emotional reasons are more frequent than economic reasons. The outcomes of this research suggest that the most important motives for starting a business are the desire for freedom in decision-making and the passion for a specific business plan. Money and prestige come after those emotional factors.

The outcomes of our research from 2015 showed that the most important motive for starting a business is the motive of money, followed by entering a business as a mission, I wanted to have a job, I had no other option, etc. The motive of money is extraordinarily important for the youngest entrepreneurs and its significance drops with increasing age. Entrepreneurs with university education more frequently preferred the motive of mission compared to those with lower education.

The theoretical findings presented in this section inspired us to examine the attitude of entrepreneurs in the SME segment towards financial risk management. We came to agree with Fetisovová et al. (2012) who state that financial risk management is an extraordinarily important area for the existence of SMEs, because all business risk is concentrated in the company's financial risk which determines its financial situation and its future.

3. AIM, METHODOLOGY AND DATA

The aim of the article is to define and quantify the significant factors which determine the intensity of financial risk on SMEs and to compare the perception of financial risk among groups of entrepreneurs according to their motivation for starting a business.

In relation with the defined aims of our research we carried a survey of entrepreneurial environment of SMEs in 2015, using a sample of 1,141 respondents – the owners of the enterprises.

Statistical verification of data from SMEs was carried out with the following procedure of steps: 1. Using a method of random selection, 1,600 businesses were selected from a basic set of SMEs operating in the CR. These were acquired from the “Albertina” database using the “Randbetween” mathematical function; 2. We contacted the owners of the enterprises via their e-mail address stated in the above-mentioned database or by searching on web servers; 3. We addressed the entrepreneurs by means of the inquiry method using online questionnaire forms on a created webpage; 4. In this manner it was possible to obtain statistical data from 495 SMEs, which represented a 31% success rate in addressing them; 5. Subsequently, SMEs from which a reply could not be acquired were contacted via telephone in cooperation with agents: students.

Using a method of simple classification of the statistical sign of motivation for starting a business, a sample of 581 SMEs which answered either money or mission to the question of motivation (defined research sample, DRS) were selected from the set of 1,141 entrepreneurs. The structure of entrepreneurs thus selected by statistical selection was as follows: the motive of money was recorded in 330 entrepreneurs. The motive of mission was recorded in 251 entrepreneurs. In our survey, we ascertained the attitude of entrepreneurs towards the following assertions:

- Financial risk is intensely present in the entrepreneurial environment (difficult access to external financial sources, bad credit history) (IFR);
- Entrepreneurs know how to correctly manage financial risk in their enterprises (CRM);
- Entrepreneurs minimize the negative effects of financial risk by maintaining an adequate level of financial reserves (AFR);
- The influence of credit risk increased during a crisis (CFR);
- There are sufficient sources on the financial market to finance SMEs (SFS).

The entrepreneurs were asked to give their opinion on each of the assertion by choosing one of the following answers: strongly agree, agree, do not know, disagree, and strongly disagree. Scientific hypotheses were defined in order to quantitatively evaluate our objectives:

H1: The intensity of financial risk in the segment of SMEs (IFR) is determined by correct risk management by entrepreneurs (CRM), by the attitude of entrepreneurs towards maintaining financial reserves (AFR), their assessment of the influence of a crisis on credit risk (CFR), and sufficient funds for SMEs (SFS).

H2: More than 75% of entrepreneurs from DRS believe that there is a presence of intense financial risk in the entrepreneurial environment of the Czech Republic. There are no statistically significant differences among the entrepreneurs who gave affirmative answers regarding their motives for starting a business.

H3: More than 30% of entrepreneurs from DRS assert that they can correctly manage financial risk in their firms. There are no statistically significant differences among the entrepreneurs who gave affirmative answers regarding their motives for starting a business.

H4: More than 50% of entrepreneurs from DRS assert that the influence of credit risk increased during a crisis. There are no statistically significant differences among the entrepreneurs who gave affirmative answers regarding their motives for starting a business.

H5: More than 40% of entrepreneurs from DRS assert that there are enough sources on the financial market to finance SMEs. There are no statistically significant differences among the entrepreneurs who gave affirmative answers regarding their motives for starting a business.

In order to fulfil the main objective, we utilised regression analysis with the aim of explaining relationships between independent variables and the dependent variable. We verified the Linearity assumption by using the scatter plot graphic tool which verified the presence of nonlinear patterns between the dependent variable and independent variables. The assumption of normal distribution of data was carried out by the normal probability plot for all independent variables and by a z-test of the descriptive characteristics of independent variables (skewness, kurtosis).

The critical value of acceptance of independent variables into the regression model is $|t| \geq 1.9698$ (578 degrees of freedom, significance level at 0.05). Homoscedasticity was tested using a point graph and by carrying out Bartlett's test, which confirmed the assumption of homoscedasticity if the p-value of the test was higher than the significance level. We verified the intensity of dependence of the dependent variable from the independent variables by means of a correlation matrix. The results of the regression model with three independent variables could challenge multicollinearity. We accept multicollinearity if the "Variance Inflation Factor" is greater than 5 (Hair, 2010).

The basic linear multiple regression model is based on the following relationship between the dependent variable (IFR) and independent variables (CRM, AFR, CFR, SFS):

$$IFR = \beta_0 + \beta_{CRM} \times CRM + \beta_{AFR} \times AFR + \beta_{CFR} \times CFR + \beta_{SFS} \times SFS, \quad (1)$$

where *IFR* – dependent variable; β_0 – constant, β_{CRM} , β_{AFR} , β_{CFR} , β_{SFS} – parameters of independent variables (CRM, AFR, CFR, SFS); CRM, AFR, CFR, SFS – independent variables.

The credibility of the designed linear regression model was verified with the aid of the F-ratio parametric test for analysis of variance when the p-value was lower than the significance level. The regression model explains the variability of the dependent variable with the aid of an R^2 determination coefficient and an adjusted determination coefficient (Adjusted R^2). Descriptive statistics such as contingency tables and descriptive characteristics were applied to fulfil the secondary aim. When

numerically evaluating the data, we utilised the method of simple classification of a statistical sign, classification according to two statistical signs and dependence between qualitative statistical signs.

The intensity of contingency was measured using the Pearson contingency coefficient, the basis of which is square contingency. We accepted or rejected statistical hypotheses on a significance level (limit of hypothesis acceptance) with a p-value 0.05 which we set. To assess the Z-score of parameters we utilised a p-value of normed (standardised) normal distribution. Conditions for realizing the Z-test (normal distribution of a statistical sign and the large scale of the selected set) were satisfied. We carried out calculations by means of sophisticated SPSS Statistics software.

4. RESULTS AND DISCUSSION

Linear relationships between IFR and CRM, CFR, SFS were confirmed by graphic analysis carried out in SPSS. Graphic analysis of normal distribution of data shows divergences from normal distribution in the AFR independent variable. The results of the assumption of normal data distribution are given in Table 1.

Table 1
Skewness, kurtosis and z- value of independent variables in the model of intensity financial risk

Independent variable	Skewness	z- value	Kurtosis	z-value	Bartlett´s test
CRM	-0.1684	0.5181	1.3962	1.2106	0.153
AFR	2.8473	2.6221	3.1874	2.9871	0.014
CFR	0.8721	0.9471	1.9782	2.5101	0.654
SFS	1.4769	1.9685	-1.3879	-1.7149	0.415

Source: Authors' results.

The results confirmed that the CRM and SFS independent variables fulfil the conditions of normal data distribution as well as homogeneity of variances (Bartlett's test CRM, SFS > 0.05). The independent AFR and CFR variables do not fulfil the condition of normal data distribution (standardised values of skewness and sharpness descriptive characteristics > 2.000). These independent variables can be inserted into the regression model with the aid of the t-test. We show the results in Table 2.

Table 2
Characteristics of the variables not included in the model in the first phase

Independent variable	Partial correlation	t- value
AFR	0.4853	1.231
CFR	0.6516	3.147

Source: Authors' results.

In Table 2 the calculated test characteristic of t-distribution in the CFR independent variable is higher than the critical test value. We accept CFR as an independent variable in the linear regression model. The t-test of the AFR independent variable is lower than the critical value. AFR is not a statistically significant parameter ($|t|= 1.231$). The intensity of dependence between the dependent and independent variables is illustrated in Table 3.

Table 3

Correlation matrix of variables in the model of intensity financial risk

	IFR	CRM	CFR	SFS
IFR	1			
CRM	0.68514	1		
CFR	0,59872	0.64710	1	
SFS	0,54125	0.42287	0.74135	1

Source: Authors' results.

From the results of the z-test (see Table 1), the t-test (see Table 2) and the correlation matrix (see Table 3), we accept the independent variables CRM, CFR and SFS as statistically significant parameters of the linear regression model. The results of testing the significance of the thus designed regression model with three independent variables are shown in Table 4.

Table 4

Characteristics of intensity financial risk of regression model

<i>Least squares multiple regression</i>					
R ²					0.5614
Adjusted R ²					0.5496
Multiple correlation coefficient					0.7493
Residual standard deviation					0.1576
<i>Regression equation</i>					
Independent variables	Coefficient	Std. Error	t- Stat	p-value	VIF
(Constant)	0.8723				
CRM	0.4583	0,2134	2.1476	0.0277	1.8532
CFR	0.2458	0,0131	18.688	<0.0001	3.1488
SFS	0.3957	0.0241	16.429	<0.0001	2.7442
<i>Analysis of variance</i>					
F-ratio					84.141
Significant level					<0.005

Source: Authors' results.

Graphic analysis of the entire model confirmed the conditions of linearity, homoscedascity and independence of deviations. The conditions of normality were also fulfilled by the results of the normal distribution graph. The Variance Inflation Factor results demonstrated the absence of the effect of multicollinearity (VIF independent variables are less than the critical value 5: CRM = 1.8532; CFR = 3.1488; SFS = 2.7442). The differences between the determination coefficient and the adjusted determination coefficient are minimal (R² - 0.5614 and Adjusted R² - 0.5496). The p-value of the F-ratio of the entire regression model is less than 0.005. From the conclusions stated above (see Table 4), we proceed to formulate a regression equation with a linear function which has the form:

$$IFR = 0.4583 \times CRM + 0.2458 \times CFR + 0.3957 \times SFS, \quad (2)$$

where IFR – intensity of financial risk in the SME segment, CRM – correct risk management by entrepreneurs, CFR – influence of credit risk during a crisis, SFS – sufficient funds for SMEs.

We accept the hypothesis that the designed regression model is statistically significant at a 0.05 significance level. The variability of selected independent variables (CRM, CFR, and SFS) explains up to 56.14% of the variability of intensity of financial risk in the SME segment. The attitude of entrepreneurs towards maintaining financial reserves (AFR) does not have a statistically significant influence and does not determine the intensity of financial risk. The determinant CRM (Correct risk management by entrepreneurs) has the greatest influence on IFR. Contrariwise, the smallest influence, if statistically significant, is the determinant The influence of credit risk during a crisis on SMEs (CFR).

H1 was confirmed.

The results of comparing the effect of IFR among entrepreneurs whose motivation when starting a business was money and entrepreneurs whose motivation when starting a business was mission (DRS) and the influence of gender are the subject of Table 5.

Table 5

Financial risk has an intense effect in the entrepreneurial environment

SMEs (DRS)	Motive for starting a business		Z-score p-value
	Money	Mission	
Agree: 77% of the entrepreneurs	261 79%	188 75%	0.234
Take no position: 15% of the entrepreneurs	44 13%	41 16%	
Disagree: 8% of the entrepreneurs	25 8%	22 9%	
Chi square	1.451		
p-value	0.484		

Source: Authors' results.

From the results of the statistical testing it follows that up to 77% of entrepreneurs agree as to the intense effect of financial risk in the entrepreneurial environment. Only 15% take no position and 8% disagree with this assertion.

From the results of the statistical testing of the chi square values, we can observe that there are no statistically significant differences in the general structure of entrepreneurs' answers according to motives for starting a business (p-value = 0.484). Likewise, there are no differences in affirmative answers among groups as to the opinion that financial risk has an intense effect in the entrepreneurial environment (p-value = 0.234).

H2 was confirmed.

The CRM determinant in a business transpires to be the most important aspect of managerial abilities of entrepreneurs, which has an influence on IFR.

Table 6

Entrepreneurs know how to manage financial risk correctly (CRM) in their businesses

SMEs (DRS)	Motive for starting a business		Z-score p-value
	Money	Mission	
Agree: 28% of the entrepreneurs	81 25%	83 33%	0.023
Take no position: 33% of the entrepreneurs	107 32%	87 35%	
Disagree: 39% of the entrepreneurs	142 43%	81 32%	
Chi square	8.182		
p-value	0.016		

Source: Authors' results.

Only 28% of entrepreneurs in our survey (from DRS) agreed with the assertion that they can correctly manage financial risk in their firm. Pearson's test confirmed the difference in the general structure of replies in the selected groups. There are also differences in affirmative answers between selected groups of entrepreneurs (p -value = 0.023). Entrepreneurs who started doing business because they see it as their mission agreed more often that they can correctly manage financial risk in their firm compared to entrepreneurs who started their business for money. The difference was statistically significant.

We reject hypothesis H3.

The CFR results among groups of entrepreneurs according to motivation are shown in Table 7.

Table 7

The importance of credit risk during a crisis has grown (CFR)

SMEs (DRS)	Motive for starting a business		Z-score p-value
	Money	Mission	
Agree: 62 % of the entrepreneurs	221 67%	143 57%	0.013
Take no position: 28 % of the entrepreneurs	85 26%	76 30%	
Disagree: 9 % of the entrepreneurs	24 7%	32 13%	
Chi square	7.762		
p-value	0.020		

Source: Authors' results.

From the results in Table 7 it follows that 62% of entrepreneurs (from DRS) agree with this assertion, 28% take no position and only 9% of entrepreneurs disagree with the assertion.

The p -value of Pearson's coefficient proved that there are significant differences in the structure of entrepreneur group replies in the growing significance of credit risk during times of crisis (p -value = 0.020). Statistically significant differences exist also in affirmative answers among selected groups of entrepreneurs (p -value Z-score = 0.013). In our survey we found out that entrepreneurs who started their business for money perceived the effects of crisis on their firm's credit risk more intensely.

The first part of H4 was confirmed, the second part of H4 was rejected.

Table 8 shows the entrepreneurs' answers to the assertion that there are sufficient sources on the financial market to finance SMEs.

Table 8

There are sufficient sources on the financial market to finance SMEs

SMEs (DRS)	Motive for starting a business		Z-score p-value
	Money	Mission	
Agree: 28% of the entrepreneurs	85 26%	77 31%	0.190
Take no position: 43% of the entrepreneurs	149 45%	104 41%	
Disagree: 29% of the entrepreneurs	96 29%	70 28%	
Chi square			1.762
p-value			0.414

Source: Authors' results.

The results demonstrate that only 28% of entrepreneurs (from DRS) agree with the assertion that there are sufficient sources on the financial market to finance SMEs. Four out of 10 entrepreneurs involved in the survey cannot take a position and 29% of entrepreneurs do not agree with the assertion.

The tested values confirmed that there are no statistically significant differences in the overall structure of answers (p-value = 0.414) nor in the respondents' affirmative answers (p-value = 0.190).

H5 was rejected.

Our research has confirmed that the determinants CRM (Correct risk management), CFR (The influence of crisis on credit risk) a SFS (Sufficient sources to finance SMEs) have an important effect on the perception of financial risk in SMEs.

The abovementioned areas have a strong influence on the intensity of perceiving financial risk because, on the one hand, they minimize the sum of risk in the enterprise and, on the other hand, an adequate attitude towards those areas motivates entrepreneurs to pay more attention to financial risk management.

An important finding is the fact that only 28% of entrepreneurs agreed with the assertion that they can correctly manage financial risk in their firms. Brammertz et al. (2009) point to the need for entrepreneurs to make an effort to correctly manage financial risk in their enterprises. In their study, Fetisovová et al. (2012) explain that the most important determinant regarding the effects of financial risk is the need for enterprises to build up financial reserves to protect them from negative effects in both global and local business environment. In this context, Wolmarans and Meintjes (2015) emphasize that poor financial management is one of the main factors for SMEs to default and sometimes managers in the SME segment underestimate the importance of financial management practice and often they do not understand the importance of credit risk management for the growth and survival of firms.

Another important finding is the fact that entrepreneurs who started their business because they saw it as a mission answered more frequently that they can correctly manage financial risk in their firms in comparison with the entrepreneurs who started their business for money. Although the difference was statistically significant, it cannot be exactly interpreted. We assume that this phenomenon can be explained by the fact that entrepreneurs who do their business for money have higher requirements for the financial performance of their firms and thus for financial risk management, which is to some extent confirmed by

another result of our research, i.e. that entrepreneurs who started their business for money perceived more intensely the effects of a crisis on the firm's financial risk.

External financing of SMEs is one of the current areas of research. Our survey has shown that only 28% of entrepreneurs from the defined sample agreed with the assertion that there are sufficient sources on the financial market to finance SMEs.

Many authors have focused in this issue recently, yet often with rather opposing views. For instance Fetisovová et al. (2012) and other researchers (namely Korsakiene, 2014; Ahmedova, 2015 and others) have been for a long time pointing to the fact that difficult access to external sources of financing is an important barrier to running an SME.

On the other hand, the study by *Slovak Business Agency* from 2017 states that SMEs in Slovakia do not consider the situation of acquiring external sources of financing to be a major obstacle to developing their business. For nearly half of them (48%) it is no obstacle at all, another quarter of entrepreneurs see it as a minor obstacle only. External financing is a major obstacle to developing business for 20% of enterprises, but only 5% of them see it as a decisive obstacle affecting the sustainability of their entrepreneurship (Pitoňák, 2017).

Apparently, the answer to this question is determined by macroeconomic conditions the SMEs currently find themselves in (the phase of the economic cycle), and by territorial and other factors affecting the examined enterprises.

5. CONCLUSION

The aim of our article was to define and quantify significant factors which determine the intensity of financial risk in the SME sector in the Czech Republic.

Our results showed that the statistically most important factor is Correct risk management (CRM) by entrepreneurs, followed by Sufficient financial coverage (SFS) of a business using external sources, and the growth of credit risk during crisis (CFR) had the smallest influence on the variability of financial risk in a business. The attitude of entrepreneurs to building up financial reserves is a statistically insignificant factor.

The results included in the present article show that the intensity of financial risk in the SME segment is determined by various factors which experts can not only discuss but also assess. It is vital that the factors determining the intensity of financial risk are assessed and regularly innovated in relation with the specific features of the local entrepreneurial environment of a given country.

The results of our research confirmed that entrepreneurs in the defined groups show different attitudes. Entrepreneurs whose motive for starting a business was money perceived more intensely the effects of a crisis on financial risk in the SME sector. Moreover, they were more sceptical when evaluating their capability to correctly manage financial risk in their firms, compared to entrepreneurs who started their business because they saw it as their personal mission.

We are convinced that our article has defined and quantified the factors influencing the intensity of financial risk in the SME segment. It also showed the varying perception of factors in two groups of entrepreneurs according to motive when starting a business. There is a field for further demonstration of the significance of other factors by testing and the quantified expression thereof as well as for a deeper survey of the attributes of entrepreneurs, whose motivation when starting a business was money and mission.

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