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Professor Robert Cressy

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About

Robert Cressy, BA(Wales), PhD(Edinburgh), is Professor of Finance, Entrepreneurship and Innovation at Birmingham Business School, an appointment he has held since 2006. Previous appointments include Professor of Finance at Cass and Hull business schools, Assistant Director of Warwick University Business School's Centre for Small and Medium Enterprises and Lectureships in Economics at City and Edinburgh universities.

Professor Cressy has in the course of his career published over 40 papers in learned journals together with over 40 reports and book chapters. His research in the area of entrepreneurship and entrepreneurial finance has emphasised the role of human capital in determining both capitalisation of the business and its survival: finance usually flows towards business talent and ideas. His most celebrated paper, Are Business Startups Debt-rationed?, published in The Economic Journal, 1996, argued that the basic constraint on businesses was not financial but human capital. He then drew on an ESRC ROPA award to produce a dynamic theory of failure, published in Small Business Economics in 2006, in which human capital again played a central role.

His recent research has also addressed issues in Private Equity and shows that buyouts raise returns to investee companies but sheds jobs to achieve this end. Professor Cressy has acted as a consultant for (among others) the UK's Department of Business, Innovation and Skills, the EU's DGXXIII, the British Venture Capital Association and the Federation of Small Businesses. He was a member of the Bank of England's Panel on Small Business Finance chaired by the Governor.

Qualifications

- BA
- PhD

Biography

- 2006-2009: Director of the Entrepreneurship and Innovation Centre
- 2006- Lecturer in Corporate Finance, Venture capital and Private Equity, Quantitative Techniques in Finance
- 2000- Member of Editorial Board of International Journal of Entrepreneurship Education
- 2004- Member of the editorial board of Venture Capital: An International Journal of Entrepreneurial Finance
- 2006 Joined BBS in as Professor of Entrepreneurship, Finance and Innovation.
- 1998-2002 Member of the Bank of England's Annual Seminar on SME Finance, chaired by the then Governor, Eddie George
- 1998- Member of Academic and Senior DTI Policy Staff Seminar
- 1998- Member of the European Commission's (DGXXIII's) Group of Experts on problems of SME Financing
    - 1997- Member of the Editorial Board of Small Business Economics journal

Postgraduate supervision

- Mansoor Al-Hinai: Lessons from the Egyptian experience of privatisation for the privatisation of the program in Oman"
- Maria Ulpah: Financial constraints, market imperfections and public policy
- Vladimir Pazitka: The role of Venture capital in the financing of China's fast growth companies
    - Samuel Adapoe: The Effect of Corporate Divestitures on Capital Structure Decisions and Performance: Evidence from the Banking Sector in the UK, USA, and Canada (2002 to 2012)

Research

Venture capital, private equity and innovation.

Company valuation.

Publications

Journal Articles

2012(b) Stock market regulation and news dissemination: Evidence from an emerging market,The European Journal of Finance 18(3-4),351-68

2012(a). Do Buyouts respond better to financial distress than PLCs?, with H. Farag, European Journal of Finance Volume 18, Issue 3-4, 239-259

2011(b) . Do regulatory policies affect the flow of information in emerging markets?, Research in International Business and Finance 25, 238-254 I(with H. Farag).

2011(a). “Creative destruction? Evidence that private equity firmscut jobs to raise returns “, Venture capital: An international Journal of Entrepreneurial Finance. 13(1), January,1-22

2010. Do unobservable factors explain the disposition effect in emerging stock markets? (with H. Farag), Applied Financial Economics 20(15), 1173-1183

2009(b). “Do size and unobservable company factors explain stock price reversals? (with H. Farag), Journal of Economics and Finance, Published electronically 2009 (Springer, Boston. ISSN 1055-0925 (Print) 1938-9744(Online). DOI 10.1007/s 12197-009-9076-4.

2009(a). “Do venture capitalists add credibility to earnings forecasts? Evidence from French Initial Public Offerings”, Venture Capital: An International journal of entrepreneurial finance, (with X. Gerard andD. Citron), Volume 11, Number 2, April 2009 , pp. 87-105(19)

2007. “Playing to their strengths? Evidence that specialisation by private equity firms confers competitive advantage”, Journal of Corporate Finance 13 (Special Issue on Private Equity, Leveraged Buyouts, and Corporate Governance, with F. Munari and A. Malipiero), September ,647-669

2006(a). "Why do most firms die young?" Small Business Economics, 26(2) March, 2006, 103-116

2004(a). "Small business finance constraints: Theory versus evidence", International Journal of Entrepreneurship Education

2002(a). "Funding gaps: A symposium", The Economic Journal 112(477) (February), 1-20

2001(b) "Is there adverse selection in the credit market?",Venture Capital: An international journal of entrepreneurial finance, with O. Toivanen

2001(a) "Lazy firms or dominant banks? An analysis of theUK market for SME loans" (summary version only) Venture Capital:Special Issue (with O. Toivanen)

1999(b) "Credit rationing or entrepreneurial risk aversion? An alternative explanation for the Evans and Jovanovic finding",Economics Letters

1999(a) "The Evans and Jovanovic equivalence theorem and credit rationing: Another look", Small Business Economics

1997(b) "Financial Conditions for SMEs in Sweden: Surveyand Research Agenda", Small Business Economics 9(2), April, (with C.Olofsson)

1997(a) "European SME Financing: An Overview", Small Business Economics 9(2), Special Issue on European SME Financing,April (with C. Olofsson)

1996(d) "Are Business Startups Debt-rationed?", The Economic Journal 106(438), September: 1253-1270

Professional reports

Private equity and insolvency, April 2010, sponsored by the British Venture Capital Association, with N. Wilson and M. Wright

Book chapters

2012(a).“Funding gaps”, in Oxford Handbook of Entrepreneurial Finance, Oxford University Press

2009.“Employment, wage and productivity effects of Private Equity transactions”, Chapter 6. in Wiley Companion to Private Equity

2006(d) Credit Constraints on small business: Theory versus evidence, Chapter 9 of Modern Perspectives on Entrepreneurship, Ed.Burke, Senate Hall, Dublin

2006(c) "Venture capital" in The Oxford Handbook ofEntrepreneurship, Oxford University Press, edited M. Casson, B. Yeung,A. Basu, N. Wadeson, ISBN 0-19-928898-4, 978-0-19-928898-4,13579108642, pp.353-386

2006(b) "Determinants of small firm survival and growthl"in The Oxford Handbook of Entrepreneurship, Oxford University Press,edited M. Casson, B. Yeung, A. Basu, N. Wadeson, ISBN 0-19-928898-4,978-0-19-928898-4, 13579108642, pp.353-386, pp. 161-193

2006(a) "Debt finance and Entrepreneurship", in TheInternational Handbook of Entrepreneurship, Kluwer, edited Simon Parker(forthcoming)

2001 "Lazy entrepreneurs or dominant banks: An empirical analysis of the market for SME loans in the UK", in Proceedings of the Entrepreneurial Finance Workshop, Hisrich and Hackner (eds), Jonkoping International Business School, Jonkoping, Sweden

1999(d) The Older Entrepreneur: An Age-Specific Profile Of Startups And Established UK Small Business, Chapter 3 of The Economic Impact of Ageing on Entrepreneurship and SMEs, report to the ForwardStudies Unit, DGV, European Commission, Brussels (with M. Peters and D.Storey), EIM, Netherlands, June

1999(c) "European Loan Guarantee Schemes: Who has them, whopays and who gains", in Green (ed), Risk Behaviour And Risk ManagementIn Business Life, Kluwer, Netherlands, June

1999(b) "Loan guarantee schemes in risk management",Introduction to section 5 of Green(ed) Risk Behaviour And RiskManagement In Business Life, Kluwer, Netherlands

1999(a) "Small businss failure: failure to fund or failure to learn by doing?", in Entrepreneurship, SMEs and the Macro Economy,Acs and Carlsson (eds), Cambridge University Press

1997 "Health and Safety in SMEs", Chapter 8 of TheEuropean Observatory for SMEs: 5th Report to the European Commission,with H. Matlay, pages 175-187

Books and reports

2004 UrGenT' and 'CardioGenix': The early development oftwo German Biotech ventures, and the impact of venture capitalists andthe financial markets on them, Academic Network in Entrepreneurship,Innovation and Finance, European Case Study no. 4/5, Gate 2 Growthproject, European Commission

2000 Tax, assistance, compliance & the performance ofthe Smaller Business, a research report to the Federation of SmallBusinesses, July

1999 "Funding gaps controversies: A layperson's guide tothe issues", background paper for Funding gaps controversies: AnInternational Conference, Warwick Business School, April 12-13

1999 "Government as venture capitalist", paper summarisingcomments to DTI on their consultation document "Addressing the SMEequity gap"

1998(b) Why do most firms die young?, final report to ESRCfor project of the same name, December. Rated by the ESRC as'Outstanding'.

1998(a) Business Related Services and Competitiveness,Final Report to the European Commission (DGV), joint editor with G.Musati, and H. Matlay, 300 pages,

1997 European Observatory for SMEs: 5th Report, to theEuropean Commission, joint editor with H. Matlay, K. van Elk and J.Snijders, 360 pages

1997 Small Business Economics 9(2), Special Issue on "European SME Financing", April (guest editor, with C. Olofsson)

Conference papers

2006 Playing to their strengths? Evidence thatspecialisation by private equity firms confers competitive advantage,with F. Munari and A. Malipiero, Journal of Corporate Finance conference, Renssaeler Institute, US, organisers M Wright, D Siegel and D Cumming

2005 When should a venture capitalist replace an owner-manager?", Financial Management Association, Siena, Italy, 9-11 June

2004 "The venture capitalist as learning organisation", Multinational Finance Association, Istanbul, Turkey, 3-8 July

2003(d) "Do venture capitalists add credibility to earningsforecasts? Evidence from French Initial Public Offerings",Multinational Finance Association, Montreal, Canada, June (with X.Gerard and D. Citron)

2003(c) "Do venture capitalists add credibility to earningsforecasts? Evidence from French Initial Public Offerings", EuropeanAccounting Association, Seville, Spain, April (with X. Gerard and D.Citron)

2003(b) "Do venture capitalists add credibility to earningsforecasts? Evidence from French Initial Public Offerings", EuropeanFinancial Management Association, Helsinki, Finland, August (with X.Gerard andD. Citron)

2003(a) "Do venture capitalists add credibility to earnings forecasts? Evidence from French Initial Public Offerings",Venture Creation and Entrepreneurship, Durham Business School, November(with X. Gerard andD. Citron)

2002(b) "Lazy firms or dominant banks? An analysis of theUK market for SME loans" (with O. Toivanen),ZEW conference onEntrepreneurship and the demography of firms and industries, Mannheim,October 3-4

2002(a) "Lazy firms or dominant banks? An analysis of theUK market for SME loans" (with O. Toivanen), European FinanceAssociation, Berlin, August

2000(b) "Lazy firms or dominant banks? An analysis of theUK market for SME loans" (with O. Toivanen), Entrepreneurial FinanceWorkshop, Jonkoping International Business School, Jonkoping, Sweden,Nov. 30-Dec 3

2000(a) "Why do most firms die young?", Royal Economic Society, 10-13 July

1999 "Is there adverse selection in the credit market?",Network of Industrial Economists, Merton College Oxford, 25-26 March(with O. Toivanen)

1998(c) "The lifecyle of the entrepreneur", Association ofCertified Accountants Conference on Ageing And Entrepreneurship, 1December

1998(b) "Is there adverse selection in the credit market?",European Finance Association, INSEAD, Fontainebleau, France, August 19-22 (with O. Toivanen)

1998(a) "Is there adverse selection in the credit market?",Royal Economic Society Annual Conference, Warwick University, April(with O. Toivanen)

1997(b) "Is there adverse selection in the credit market?",Econometric Society North American Meeting, Caltec, August (with O.Toivanen)

1997(a) "The UK Loan Guarantee Scheme 1987-94: A firstlook": 2nd International Stockholm Seminar on Risk Behaviour and RiskManagement, June (with M. Cowling)

Conference Panel member

2006 Presenter and panelist in the Critical Eye debate: IPO vs. Trade Sale, hosted by Cass Business school, February

2004 Entrepreneurship and public policy, conference of thesame title, organised by the Diebold Institute, London School ofEconomics, May 4th, and held at Royal Institute of British Architects

2002 For: "Why do most firms die young?", other panelistsincluded Michael Hannan (Stanford), David Audretsch (Indiana) and PaulReynolds (LBS), conference on Entrepreneurship and the demography offirms and industries, ZEW, Mannheim, October 3-4

1999 For: "Funding gaps", Funding gaps controversies: AnInternational Conference, Warwick Business School, April 12-13. Otherpanellists included Josh Lerner (Harvard), Adrian Piper (Bank ofEngland), etc.

Other published papers

2000(b) New Firms and their bank , Chinese translation in Guangdong Journal of Social Science , with D. Storey

2000(a) "Business Borrowing and Control: A theory ofEntrepreneurial Types", Chinese translation in Guangdong Journal ofSocial Science

Invited presentations

2004(b) Keynote speech to the Business Links University Workshop on Growth, Radcliffe House, University of Warwick, October 22nd

2004(a) Panel discussant on Entrepreneurship and publicpolicy, conference, organised by the Diebold Institute, London Schoolof Economics, May 4th, and held at Royal Institute of British Architects

2002 Panel Member on topic: "Why do most firms die young?",ZEW conference on Entrepreneurship and the demography of firms andindustries, Mannheim, October 3-4

2001(b) Invited speech, to the OECD conference on GuaranteeSchemes "Business Loan Guarantees: Rationales, outcomes and bestpractices", Zagreb, Croatia, 9-10 October

2001(a) Seminar at University College Cork, Ireland, " Why do most firms die young?", January

2000(b) Invited paper A review of policies to help SMEsdevelop and apply new technology, Department of Trade and Industryseminar, London, October 19

2000(a) Invited paper "Tax, assistance, compliance &the performance of the Smaller Business", Inland Revenue seminar onResearch findings and Policy towards small business", July 12

1999 Panel member on "Funding gaps", Funding gapscontroversies: An International Conference, Warwick Business School,April 12-13. Other panellists included Josh Lerner (Harvard), AdrianPiper (Bank of England), etc.

1998(b) Invited paper "Performance and the EntrepreneurialLifecycle", ACCA & ISBA seminar, Entrepreneurship and the ThirdAge: Opportunities and Challenges for Older Entrepreneurs, 1 December,ACCA, London

1998(a) Invited paper "Targeting of government support tosmall businesses", DTI Academic and Senior DTI policy staff seminar, 2November

1997(d) Invited address to South Asian Entrepreneurs in Britain Conference, University of Reading, 29th September.

1997(c) Invited address to Bank of England Seminar on Loan Guarantee Schemes, November.

1997(b) "European Loan Schemes: Who Has Them, Who Pays AndWho Gains", Keynote Speech, 2nd International Stockholm Seminar onRisk Behaviour and Risk Management, June

1997(a) "The future of UK SME research", conference on theEconomics Of Small Business Finance, Stern School of Business, New YorkUniversity, New York, June.

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