



INNOVATIVE FUND RAISING STRATEGIES FOR MID-SIZED COMPANIES: LESSONS FROM EMERGING MARKETS AND THE UK

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Abstract

The objective of this research is to examine how innovative fundraising approaches can enhance the growth prospects of mid-sized companies, with a comparative focus on emerging African markets and the United Kingdom. Mid-sized firms occupy a critical position in national economies, yet they often struggle to secure external finance due to structural and institutional barriers. This study therefore investigates the contribution of five major financing options bank loans, angel investors, venture capital, private equity, and initial public offerings (IPOs) to the development of such enterprises. A systematic review of literature was undertaken, covering peer-reviewed journals, policy reports, and practitioner studies published between 2003 and 2023. Databases including Scopus, Web of Science, and ScienceDirect were consulted. Screening and selection followed the PRISMA framework to ensure academic rigor. From an initial pool of over 92 publications, 23 high-quality studies were retained and analyzed using qualitative content analysis. The review shows that mid-sized enterprises face persistent financial gaps across all stages of growth. Bank lending remains dominant but is highly collateral-intensive; angel investment offers early support but remains fragmented in emerging markets; venture capital is available mainly in technology-driven sectors; private equity favors larger and more established firms; while IPOs are largely inaccessible due to regulatory costs and volatility. The study highlights the need for integrated, stage-sensitive frameworks that blend traditional finance with innovative mechanisms tailored to mid-market realities. This paper contributes by aligning evidence from emerging markets and the UK into a practical financing roadmap for mid-sized companies. It offers a theoretical model linking funding options to firm maturity, while also providing insights for policymakers, investors, and managers on how to strengthen governance, enhance investor confidence, and improve long-term competitiveness.

Keywords: Mid-sized enterprises, Fundraising strategies, Venture capital, Private equity, Emerging markets

1. Introduction

Mid-sized enterprises have become increasingly acknowledged as pivotal contributors to economic growth, employment generation, and industrial innovation. Positioned between small businesses and large corporations, these firms demonstrate an essential role in fostering competitiveness, yet their growth trajectories are often constrained by persistent difficulties in accessing finance. The International Finance Corporation (IFC, 2021) estimates that the global financing gap for small and medium-sized enterprises, which includes mid-market firms, surpasses US\$5.2 trillion annually, with emerging economies accounting for the majority of this shortfall. This underscores that finance is not only an operational necessity but also a strategic determinant of long-term survival and expansion (Beck & Demirgüç-Kunt, 2006; OECD, 2022). Limited access to capital has emerged as one of the most pressing challenges facing policymakers and business leaders alike (World Bank, 2020).

A persistent difficulty lies in the paradoxical status of mid-sized firms within financial systems. They are typically too large to qualify for microfinance or small business support programmes but are often perceived as too risky or insufficiently mature to attract large-scale institutional capital such as private equity or favorable bank lending (Ayyagari, Demirgüç-Kunt & Maksimovic, 2017). In Africa, banks frequently require collateral exceeding 150% of loan values, which restricts access to credit for expansion (African Development Bank, 2021). Even in advanced markets like the UK, 27% of mid-sized businesses recently identified limited access to finance as their principal growth barrier, despite operating within a highly developed financial ecosystem (BDO, 2024). These challenges demonstrate that financing constraints are not unique to developing economies but constitute a global structural issue (Levine, 2020).

Traditionally, mid-sized firms have relied on a mix of financing mechanisms bank loans, angel investment, venture capital, private equity, and initial public offerings (IPOs). Bank lending remains the most common source of external finance, particularly in markets where capital markets are underdeveloped (Beck & Demirgüç-Kunt, 2006). Yet debt-based finance often imposes heavy repayment obligations, especially during macroeconomic uncertainty, raising concerns over its long-term sustainability (Levine, 2020). In the UK, rising interest rates have further tightened credit conditions, pushing firms to seek alternatives to conventional loans (Bank of England, 2022).

Angel investment has long provided early-stage capital where formal banking finance is inaccessible. Beyond financial support, angel investors frequently offer mentorship, industry expertise, and access to networks (Morrisette, 2007). Recent evidence suggests that angel funding has expanded in sophistication, particularly in advanced economies such as the UK, where it remains a vital contributor to growth in innovation-driven sectors (Martino et al., 2022; British Business Bank, 2023). However, angel investment in many emerging economies remains fragmented due to the absence of formal investor networks (Kerr, Nanda & Rhodes-Kropf, 2014).

Venture capital (VC) demonstrates a central role in financing firms with high growth potential. VC firms typically enter after angel investors, providing larger sums of equity finance alongside strategic guidance to help businesses scale (Divakaran, McGinnis & Shariff, 2014). Africa attracted a record US\$6.5 billion in VC funding in 2022, reflecting growing investor confidence in high-risk, high-reward markets (Partech, 2023). However, VC tends to be concentrated in sectors such as fintech and digital platforms, often excluding mid-market firms in manufacturing or traditional services (Cumming & Johan, 2019). This sectoral bias raises doubts about the inclusiveness of VC as a broad financing solution for mid-sized companies (Hellmann & Puri, 2002).

Private equity (PE) investment is typically directed at more mature firms compared to VC, often focusing on expansion, restructuring, or preparation for public listings. PE investors are credited with improving governance, operational efficiency, and strategic direction in their portfolio companies (Gilligan & Wright, 2020). In Sub-Saharan Africa, PE activity has surged, with over US\$7.6 billion invested in 2021, marking a sharp increase from previous years (AVCA, 2022). PE capital is often reserved for larger mid-market firms with stable revenue streams, as smaller enterprises frequently fall short of the rigorous return and governance criteria required (Prahl, Walter & Wright, 2017). In the UK, PE has been a dominant source of growth finance but has attracted criticism for prioritising short-term financial engineering rather than sustainable business development (Davidoff Solomon, 2019).

At the highest level of formalisation, IPOs represent an avenue for firms to raise substantial capital, enhance corporate visibility, and attract international investors. Ritter (2020) emphasizes their role in allowing firms to transition beyond private markets, yet the regulatory requirements and costs involved render them inaccessible for most mid-sized companies. This challenge has become more visible in recent years; IPO activity in the UK dropped sharply from 125 listings in 2021 to just 17 in 2024 due to heightened volatility and risk aversion (Financial Times, 2024). IPOs remain an aspirational goal for many firms, their practical accessibility is increasingly limited, particularly for mid-market enterprises in uncertain economic conditions (Chemmanur & He, 2011).

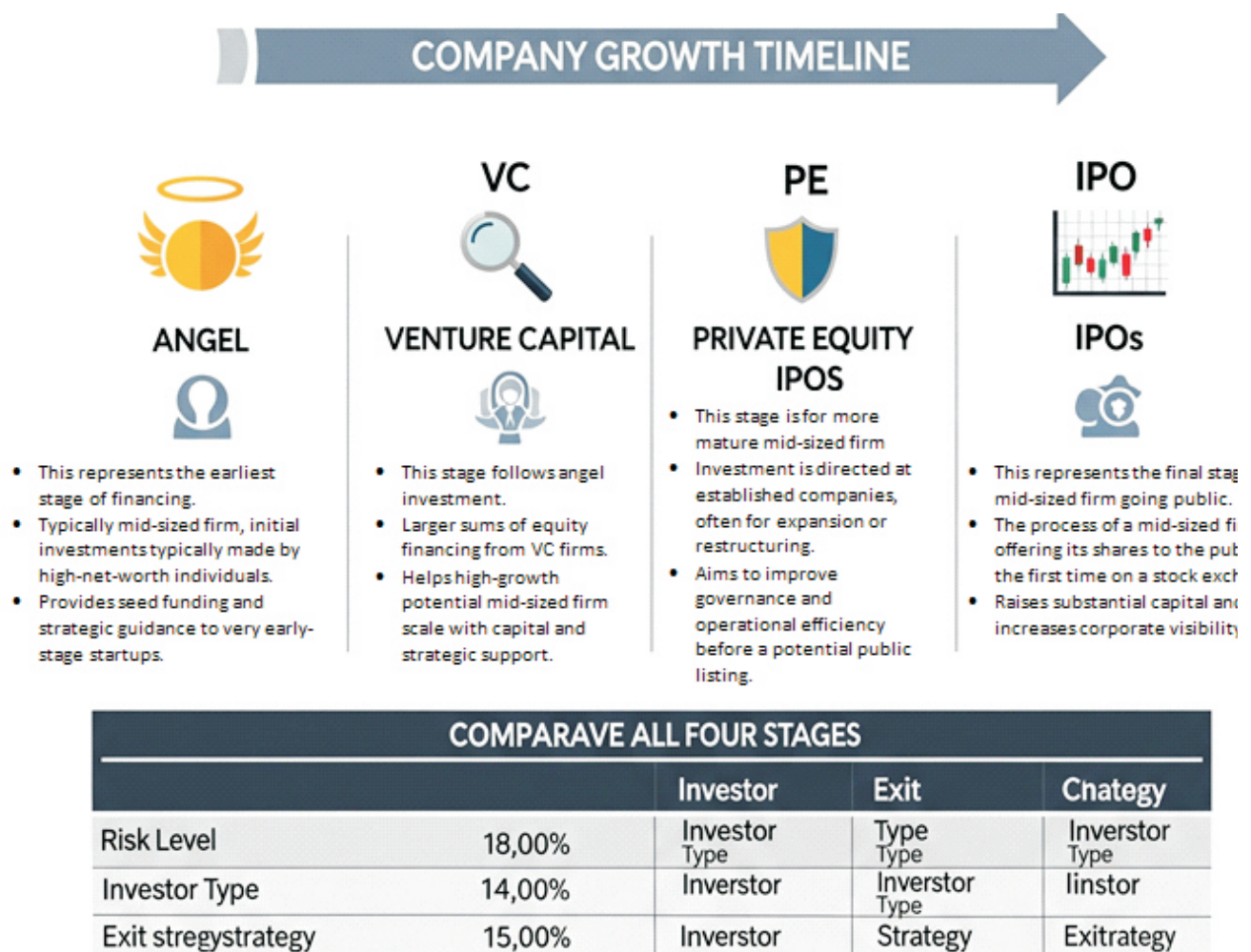


Figure 1: Mid-sized Firm Fundraising strategies Stages

The decision to pursue external financing often depends on the stage of development and the expectations of potential funders. Angel investors, tend to evaluate entrepreneurs' credibility, market prospects, and product innovation more than financial metrics, particularly at the start-up phase (Giaquinto & Bortoluzzo, 2020; Morrisette, 2007). Recent findings suggest that credibility and scalability potential have become decisive in attracting such capital (Martino et al., 2022; Kerr, Nanda & Rhodes-Kropf, 2014). This perspective aligns with classic models of firm growth. Lewis and Churchill (1983) identified five main stages of development existence, survival, success, take-off, and resource maturity later refined by Scott and Bruce (1987) into start-up, survival, growth, expansion,

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and maturity. These frameworks suggest that firms encounter predictable crises at each stage, such as leadership challenges, control, or succession issues. Empirical evidence indicates that such crises are common across both emerging and developed economies (Levie & Lichtenstein, 2010).

External environments also shape financing options and growth patterns. Yüksel (2012) highlighted that political, economic, social, technological, environmental, and legal (PESTEL) factors strongly influence firm trajectories, while Porter's (1980) five forces competition, new entrants, substitutes, and the bargaining power of suppliers and buyers determine industry-specific opportunities. Recent research demonstrates that firms capable of aligning internal competencies with external market conditions are better positioned to attract investors and sustain growth, particularly under volatile circumstances (Zott & Amit, 2020).

The present study explores innovative fundraising approaches for mid-sized firms, with a comparative focus on emerging African markets and the United Kingdom. By examining both empirical evidence and case studies such as Ultimus Holdings' £10 million debt financing and GoHire Recruitment's investor communication reforms the study provides insights into how firms can overcome structural financing barriers. The aim is to equip financial executives and policymakers with evidence-based strategies for navigating increasingly complex capital environments (Mallaby, 2022; Martino, 2022). This research contributes to understanding how mid-sized enterprises can leverage both traditional and innovative fundraising mechanisms to balance risk and opportunity while driving long-term competitiveness.

Mid-market enterprises (MMEs) confront structural frictions in securing external finance across debt and equity channels, despite their macroeconomic significance. Evidence points to a persistent shortfall between investment needs and available funding estimated at over US\$5.2 trillion annually for SMEs and mid-market firms compounded by collateral stringency in many African banking systems and continued credit tightening in developed markets (IFC, 2021; African Development Bank, 2021; Bank of England, 2022). Even within the UK's sophisticated ecosystem, a material share of MMEs report finance as their primary growth constraint, underscoring that the bottleneck is systemic rather than country-specific (BDO, 2024; OECD, 2022).

Conventional instruments bank loans, angel finance, venture capital, private equity, and initial public offerings do not map cleanly onto the needs and capacities of MMEs across stages of development. Bank debt remains prevalent yet increasingly costly and collateral-intensive; angel and VC activity is unevenly distributed and concentrated in digital sectors; private equity screens out smaller mid-market firms lacking scale or governance depth; and IPO windows have narrowed markedly, with UK listings falling sharply amid volatility (Beck & Demirgüç-Kunt, 2006; Kerr, Nanda & Rhodes-Kropf, 2014; Gilligan & Wright, 2020; Partech, 2023; Financial Times, 2024). As a result, many MMEs face a misalignment between instrument design (repayment rigidity, return thresholds, disclosure burdens) and their own cash-flow profiles, governance readiness, and sectoral realities (Levine, 2020; AVCA, 2022).

The core problem, therefore, is the absence of an integrated, stage-contingent financing framework that (i) calibrates the use of bank loans, angel investors, VC, PE, and IPOs to firm maturity and governance capacity, and (ii) adapts lessons from emerging African markets and the UK to overcome institutional constraints such as collateral release mechanisms, debenture trusteeship, and cross-border structuring so that MMEs can reliably match funding instruments to growth objectives (Divakaran, McGinnis &

Shariff, 2014; OECD, 2022; Gilligan & Wright, 2020). Addressing this gap is essential to convert fragmented funding options into a coherent roadmap that improves capital access, strengthens governance, and supports scalable expansion for mid-sized firms across diverse regulatory environments (IFC, 2021; Bank of England, 2022; Financial Times, 2024).

The aim of this study is to examine **the innovative fundraising strategies bank loans, angel investors, venture capital (VC), private equity (PE), and initial public offerings (IPOs) for mid-sized companies: lessons from emerging markets and the UK**. The study seeks to highlight both the opportunities and constraints inherent in these models, while also identifying the gaps that necessitate the adoption of more innovative financing approaches (Beck & Demirgüç-Kunt, 2022; Klapper & Love, 2023). Through linking African market experiences with developments in the UK, the study aims to contribute to the growing body of knowledge on alternative financing solutions for growth-oriented firms (Mason & Brown, 2021).

To achieve this aim, the study is guided by the following specific objectives:

- i. To **analyze the nature and functioning** of traditional fundraising models, including bank loans, angel investment, venture capital, private equity, and IPOs, in mid-sized enterprises.
- ii. To **examine the challenges** that mid-sized firms encounter when accessing traditional funding, particularly in volatile economic and financial environments.
- iii. To **evaluate the extent to which these funding sources contribute to firm expansion** across both emerging markets and the UK.
- iv. To **identify the limitations of conventional financing models** that may prevent mid-sized companies from scaling effectively.
- v. To **provide insights into the financing gaps** that innovative fundraising strategies aim to address, thereby creating a roadmap for corporate finance practitioners.

In order to address the research aim and objectives, the following questions guide the study:

- i. How have traditional financing models bank loans, angel investors, VC, PE, and IPOs supported the growth of mid-sized enterprises in emerging markets and the UK?
- ii. What challenges do mid-sized companies face in sourcing capital through these conventional mechanisms in volatile or underdeveloped markets?
- iii. To what extent have differences in regulatory, institutional, and market structures shaped the accessibility of these funding sources across Africa and the UK?
- iv. What limitations within traditional financing highlight the need for innovative fundraising strategies?
- v. How can insights from emerging markets and the UK be leveraged to design **alternative fundraising frameworks** for mid-sized companies globally?

2. Literature Review

The literature review outlines the main fundraising models for mid-sized companies, focusing on **bank loans, angel investors, venture capital, private equity, and IPOs**, and examines their relevance in both emerging markets and the UK. It also highlights the limitations of these traditional models and the growing shift towards **innovative financing strategies**.

Bank Loans

Bank loans have long served as the main external financing tool for mid-sized enterprises, especially in economies where capital markets remain underdeveloped (Beck & Demirgüç-Kunt, 2022). They

provide structured repayment terms and predictable funding that can support working capital and investment in fixed assets (World Bank, 2022). Despite these advantages, access to bank credit has tightened in recent years due to stricter regulatory standards, growing risk aversion among lenders, and the dominance of asset-based lending requirements (Klapper & Love, 2023).

A main barrier is the high collateral requirement, with banks often demanding assets worth more than 150% of the loan value (Camara & Sangiacomo, 2022). The implementation of global regulatory frameworks such as Basel III has further raised capital adequacy standards, discouraging banks from financing businesses considered high-risk and pushing them toward safer, property-backed loans (Treasury Committee Report, 2024; Finstock Capital, 2025). This practice leaves many mid-sized firms particularly those in services without significant fixed assets unable to secure the financing needed for expansion.

The United Kingdom provides a clear example of this challenge. Lending shortfalls to small and mid-sized businesses are estimated at £90 billion, while overdraft availability has fallen from 31% in 1998 to just 5% in 2024 (Times Report, 2025). Surveys show that over three-quarters of SMEs prefer to limit growth rather than take on debt, largely due to high borrowing costs and rejection risks (British Business Bank, 2025; Bank of England, 2024). This risk-averse climate has slowed investment and weakened productivity across the sector (House of Commons, 2024).

As traditional lending contracts, challenger banks and specialist lenders have gained prominence, accounting for nearly 60% of SME lending by 2023 compared to 40% from traditional high-street banks (UK Finance Review, 2024; House of Commons, 2024). While these providers have eased some liquidity pressures, an estimated £65 billion funding gap remains (Allica Bank Report, 2025).

Beyond supply-side issues, demand-side challenges persist. Many firms remain unaware of alternative financing opportunities, while others avoid borrowing altogether due to concerns over cost and uncertainty (British Business Bank, 2024; House of Lords Library, 2024). These limitations highlight the urgent need for mid-sized companies to explore more flexible solutions such as blended finance, debt restructuring, and cross-border borrowing, often facilitated by debenture trustees (Beck et al., 2023).

Angel Investors

Angel investors are wealthy individuals who use their personal funds to support new or growing businesses, particularly at very early stages (Morrisette, 2007; Martino et al., 2022). These investors often come from the entrepreneur's personal or professional network friends, relatives, colleagues, or former business partners though they may also be introduced through referrals or informal associations (Cumming & Zhang, 2019). Their contributions can take different forms, including equity investment, personal loans, or convertible debt. Unlike venture capital (VC) or private equity (PE), these arrangements are less structured and generally serve as seed capital or short-term finance to test business models and research ideas (Martino et al., 2022). Because such transactions are private and unregulated, angel activity is difficult to document or measure systematically (Giaquinto & Bortoluzzo, 2020).

The risks associated with angel finance are high since most start-ups face uncertainty and a strong chance of failure. To manage this, investors often demand sizable equity positions when providing funding (Martino et al., 2022). However, angel investors usually contribute more than capital: they also

provide mentorship, industry expertise, and access to networks that strengthen the firm's survival prospects. Their evaluation process differs from institutional investors; decisions often depend on the entrepreneur's personal traits credibility, commitment, experience alongside the commercial potential of the idea, rather than purely on business plans or financial projections (Morrisette, 2007; Dat, 2021; Staal, 2022).

Motivations for angel investment extend beyond profit. Some investors are financially driven, others are motivated by the enjoyment of supporting entrepreneurial ventures, while a third group invests for altruistic reasons such as contributing to local or national development (Staal, 2022; Morrisette, 2007). These motivations illustrate the diversity of roles angels demonstrate in business ecosystems.

Their significance lies in bridging the financing gap between personal savings and institutional capital. By funding early-stage ventures, angel investors help entrepreneurs refine strategies, demonstrate market potential, and attract further investment. Studies suggest that strengthening start-up ecosystems and building stronger connections between entrepreneurs and angel networks can enhance innovation and economic growth (Cumming & Zhang, 2019; Giaquinto & Bortoluzzo, 2020). Thus, angel investors remain a vital link in ensuring that promising businesses gain both the resources and guidance necessary to grow.

Venture Capital (VC)

Venture capital (VC) is a major source of finance for high-growth and innovation-driven businesses, especially in sectors such as digital technology, healthcare, and advanced services. Unlike traditional loans that rely on collateral and repayment schedules, VC is structured as equity investment, with investors taking ownership stakes in young or expanding firms in return for assuming significant risk (Gompers & Lerner, 2021; Martino et al., 2022). VC funds are usually managed by professional firms or consortia that pool resources from institutional investors including pension funds, insurance companies, and sovereign wealth funds as well as wealthy individuals (Cumming & Johan, 2019; Block et al., 2021). Beyond providing financial support, VC investors actively shape business strategy, governance, and growth direction, which has positioned them as essential actors in entrepreneurial ecosystems across advanced and emerging economies (Brown, Mawson & Mason, 2020).

The distinctive features of VC is the value added beyond capital. Investors often connect portfolio companies with accelerators, incubators, and networks of industry specialists to strengthen capabilities in marketing, operations, technology adoption, and workforce development (Divakaran et al., 2014; Hewitt & Van Rensburg, 2020). This approach has expanded through innovation hubs and specialised accelerators, which have proliferated globally over the past decade (Bocken, 2022; OECD, 2023). Despite such support, success rates remain modest: only a minority of funded ventures achieve long-term sustainability, while a select few experience rapid “hyper-growth,” sometimes reaching unicorn status with valuations exceeding USD 1 billion (Mallaby, 2022; Brown & Rocha, 2023). This focus on scalability highlights both the disruptive potential of VC and its high risk profile (Lerner, 2021).

The selection process is rigorous, as VC firms review hundreds of proposals annually but invest in only a fraction after extensive due diligence on team competence, market potential, and business models (Gompers et al., 2020; Martino et al., 2022). Because most start-ups fail to generate profitability, VC funds spread risk by diversifying across industries and geographies, ensuring that gains from a few successful ventures offset widespread losses (Hellmann & Thiele, 2022; Cumming & Johan, 2019). This competitive selection underscores the structural challenges entrepreneurs face when attempting to secure VC funding (Brown, Mawson & Mason, 2020).

To manage exposure, VC financing is typically staged through rounds Series A, B, C, and beyond each tied to performance milestones (Cumming & Johan, 2019; Mallaby, 2022). This structure allows investors to monitor progress, adjust their commitments, and align incentives with entrepreneurs. Ultimately, however, VC aims to maximise value creation rather than simply limit risk. The success of this model depends on exit strategies such as trade sales or initial public offerings (IPOs), which provide liquidity and deliver the high returns necessary to justify the risk-intensive nature of the industry (Gompers et al., 2020; OECD, 2023).

Private Equity (PE)

Private equity (PE) provides an alternative route for raising capital outside conventional banking and public equity markets. Unlike bank loans or stock listings, PE financing involves private investors who supply capital in exchange for equity ownership or significant governance influence (Gilligan & Wright, 2020; Kaplan & Strömberg, 2019). The model has gained prominence in both developed and emerging economies, attracting institutional investors such as pension funds, endowments, and insurance companies due to its potential for above-market returns (Phalippou, 2020; Lerner et al., 2022). Beyond funding, PE demonstrates an essential role in restructuring, operational optimisation, and governance reform, making it particularly effective for firms seeking rapid growth, strategic redirection, or turnaround solutions (Prahl et al., 2017; Brown, Rocha & Cowling, 2023).

Although PE and venture capital (VC) share similarities, their focus differs. VC primarily targets young, high-growth firms, while PE invests in established businesses with stable revenues or distressed companies with potential recovery prospects (Kaplan & Strömberg, 2009; Gilligan & Wright, 2020). As a result, PE transactions typically involve stricter governance oversight, including requirements for internal controls, risk management, and succession planning (Prahl et al., 2017; Lerner et al., 2022). Many PE firms acquire listed companies, restructure them privately, and later exit through resale or relisting at higher valuations (Guo, Hotchkiss & Song, 2011; Divakaran et al., 2014). This dual role as investor and strategist highlights PE's influence on long-term corporate transformation (Gilligan & Wright, 2020; Brown et al., 2023).

From a risk perspective, PE is considered less volatile than angel or venture investments, as it targets firms with established operations and cashflows (Ljungqvist & Richardson, 2019; Kaplan & Strömberg, 2019). Expected returns remain higher than traditional debt or public equity, though typically lower than early-stage VC outcomes (Prahl et al., 2017). The usual investment horizon ranges from three to seven years, allowing sufficient time for structural reforms before exit via trade sales, buyouts, or public offerings (Phalippou, 2020; Lerner et al., 2022).

Ownership structures in PE are divided between general partners (GPs), who manage funds and oversee portfolio firms, and limited partners (LPs), who contribute most of the capital but remain passive (Gilligan & Wright, 2020; Kaplan & Strömberg, 2019). Compensation typically follows the “2 and 20” model, combining a 2% management fee with 20% of profits above a hurdle rate. While criticised for encouraging risk-taking and excessive fees, this framework continues to dominate globally (Phalippou, 2020; Lerner et al., 2022).

In emerging economies, PE involvement with SMEs has increased but remains limited due to governance weaknesses and poor financial transparency (Ljungqvist & Richardson, 2019; Brown et al., 2023). Development finance institutions and state-backed initiatives have sought to bridge this gap by supporting SMEs with technical assistance, stronger reporting systems, and improved governance

(Divakaran et al., 2014; OECD, 2023). Nonetheless, most PE funds continue to prioritise larger enterprises capable of absorbing substantial capital and executing complex restructuring programmes (Kaplan & Strömberg, 2019; Lerner et al., 2022).

Initial Public Offerings (IPOs)

An Initial Public Offering (IPO) is one of the most significant ways for established or fast-growing firms to raise large-scale external financing. It involves a privately owned company offering its shares to the public for the first time, thereby accessing broader capital markets and expanding its investor base (Ritter & Welch, 2002; Gill & Mathur, 2011). IPOs are usually pursued when businesses have matured beyond the start-up phase and require substantial resources to finance expansion, diversify operations, or reduce debt (Loughran & Ritter, 2004; Pagano, Panetta & Zingales, 1998). In addition to providing funding, going public enhances visibility, reputation, and credibility, which is particularly valuable for firms seeking international growth (Lowry, Michaely & Volkova, 2020).

The IPO process is complex and costly, involving due diligence, regulatory approval, underwriting, and the pricing of shares (Boulton, Smart & Zutter, 2017; Ritter, 2020). A main benefit is that IPOs raise long-term capital without repayment obligations, unlike loans or private debt (Doidge, Karolyi & Stulz, 2017). However, the transition to a public company introduces challenges such as compliance with disclosure requirements, higher governance standards, and scrutiny from investors and regulators (Gao, Ritter & Zhu, 2013). These hurdles are particularly difficult for firms in emerging markets, where institutional weaknesses and high listing costs act as barriers (La Porta, Lopez-de-Silanes & Shleifer, 2006; OECD, 2023).

From an investor's perspective, IPOs provide opportunities to invest early in firms with strong potential but also involve risks due to uncertainty in valuation (Rock, 1986). A frequent issue is underpricing, where shares are sold below intrinsic value to attract demand. While this benefits investors through quick gains, it reduces the issuing firm's capital (Ljungqvist, 2007). Despite reforms, underpricing remains common worldwide (Hanley, 1993; Lowry et al., 2020).

The IPOs serve strategic functions such as providing liquidity to existing shareholders and enabling exits for venture capital or private equity investors (Gompers & Lerner, 2001). They can also strengthen governance by aligning managers with shareholders, though critics note that market pressures may push firms toward short-term performance at the expense of long-term innovation (Asker, Farre-Mensa & Ljungqvist, 2015). In emerging economies, recent regulatory reforms and SME-focused stock market initiatives are slowly increasing IPO activity, highlighting their growing role in deepening capital markets and supporting sustainable growth (World Bank, 2021; Brown, Rocha & Cowling, 2023).

3. Methodology

Research Design

This study adopted a **systematic literature review (SLR)** to examine both traditional and innovative fundraising strategies for mid-sized companies in emerging markets and the United Kingdom. The SLR approach ensured a transparent, replicable process for identifying, assessing, and synthesising relevant academic and practitioner publications (Snyder, 2019; Xiao & Watson, 2019). The aim was to highlight how alternative financing models can complement traditional mechanisms such as bank loans, venture capital, and IPOs.

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Data Sources and Search Strategy

Relevant publications were sourced from major databases, including Scopus, Web of Science, JSTOR, and ScienceDirect, covering the period 2003–2023. Search terms combined mainwords such as “*bank loans*,” “*angel investors*,” “*venture capital*,” “*private equity*,” “*IPOs*,” “*fundraising strategies*,” and “*emerging markets/UK*.” Boolean operators and filters were applied to focus on publications related to mid-sized firms and SMEs.

Only peer-reviewed journal articles, policy reports, and working papers were included, while books, editorials, and non-academic outputs were excluded to ensure quality and relevance (Denyer & Tranfield, 2009).

Screening and Selection Process

The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework guided the screening process (Moher et al., 2009; Page et al., 2021). Titles, abstracts, and mainwords were first reviewed, followed by full-text screening. Publications that did not specifically address fundraising strategies for SMEs or mid-sized firms were excluded.

At the end of the review, 92 studies were retained. These were categorised into five main financing models: bank loans, angel investors, venture capital, private equity, and IPOs.

Table 1: Systematic Review Approach by Fundraising Source (2003–2023)

Step	Description	Details
Database	Primary databases used for identifying relevant studies	Scopus, Web of Science, JSTOR, ScienceDirect
Time Span	Publication period covered in the review	2003 – 2023
Search Strategy / Mainwords	Combined Boolean operators with selected mainwords	“Bank loans,” “Angel investors,” “Venture capital,” “Private equity,” “Initial Public Offerings (IPOs),” “fundraising strategies,” “SMEs,” “mid-sized firms,” “emerging markets,” “United Kingdom”
Documents Retrieved	Publications screened and categorised by financing model	- Bank Loans: 30 (Beck & Demirgüç-Kunt, 2022; British Business Bank, 2025) - Angel Investors: 22 (Martino et al., 2022; Staal, 2022) - Venture Capital: 42 (Block et al., 2021; Brown & Rocha, 2023) - Private Equity: 36 (Kaplan & Strömberg, 2019; Gilligan & Wright, 2020) - IPOs: 23 (Ritter, 2020; Lowry et al., 2020)
Screening Framework	Applied systematic screening following PRISMA guidelines	Titles, abstracts, and mainwords reviewed; followed by full-text screening (Moher et al., 2009; Page et al., 2021)
Additional Filters	Quality and relevance checks applied	- Only peer-reviewed journal articles, policy reports, and working papers included - Excluded: books, editorials, conference reviews, short surveys, retracted items (OECD, 2023)
Final Sample	Number of studies retained after screening and exclusions	92 studies categorised across the five financing sources

Data Analysis

The final publications were analysed using **qualitative content analysis**. A combination of deductive coding (based on pre-defined financing categories) and inductive coding (to capture innovative models such as collateral restructuring, blended finance, and cross-border syndication) was employed. NVivo software supported the coding process, ensuring consistency and reducing bias.

Results of the Systematic Review

The distribution of studies across the five fundraising categories is shown in **Table 1**.

Table 2: Publications by type of Fundraising Strategies (2003–2023)

Fundraising Strategy	Publications on SMEs	Publications on Emerging Markets/UK	Total Publications
Bank Loans	18	12	30
Angel Investors	16	6	22
Venture Capital	22	20	42
Private Equity	21	15	36
Initial Public Offerings (IPOs)	15	10	25
Total	92	63	155*

***Note:** Some studies address multiple financing strategies, leading to overlaps across categories.

All publications identified on **angel investors (2)** and **private equity (3)** were reviewed using content analysis. For **venture capital**, only the ten most-cited studies from each decade (2001–2010 and 2011–2020) were included, resulting in a total of **23 papers** (see Appendix A). This process followed an exploratory qualitative approach similar to **Kivimaa et al. (2021)**. The findings informed the development of the **theoretical SME growth financing model** shown in the next section.

4. Findings and Discussion

This study highlights that mid-sized enterprises rely on a **diverse mix of traditional and alternative fundraising mechanisms**, with **bank loans, angel investors, venture capital (VC), private equity (PE), and initial public offerings (IPOs)** forming the core funding sources. Each of these channels presents unique opportunities and challenges, with their accessibility often shaped by macroeconomic conditions, institutional frameworks, and firm-level characteristics (OECD, 2023; Brown & Rocha, 2024). Conventional finance continues to demonstrate a dominant role in mature economies like the United Kingdom, emerging markets reveal a more complex interdemonstrate between informal capital providers and formalized financial institutions (World Bank, 2023).

Bank Loans

Bank loans remain a common financing source for mid-sized companies because of their familiarity and relative stability. However, their heavy dependence on collateral, strict credit checks, and rising interest rates limits accessibility, especially for firms in risk-prone environments (Beck & Demirgüç-Kunt, 2023). Evidence shows that in many emerging economies, up to 70% of loan applications from SMEs and mid-sized firms are rejected, largely due to banks' cautious approach and the absence of strong credit-enhancing instruments (British Business Bank, 2023; IMF, 2022). Enterprises with weak financial records or underdeveloped governance structures face even greater challenges in securing credit, which restricts their ability to invest in capital-intensive activities (European Investment Bank, 2023).

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Even in advanced markets with stronger financial systems, mid-sized businesses often struggle to secure long-term financing on favorable terms. Banks continue to prioritize larger corporations with stronger balance sheets, leaving mid-sized firms dependent on short-term overdrafts rather than structured loans. This reliance on temporary credit limits investment in innovation and long-term growth (Brown, Rocha & Cowling, 2023).

Macroeconomic pressures have further intensified these difficulties. The COVID-19 pandemic, followed by inflationary trends and rising global interest rates, has significantly increased the cost of debt servicing (World Bank, 2023; Bank of England, 2023). Many growth-oriented firms now view traditional bank financing as increasingly unattractive. In response, several governments and multilateral institutions have promoted blended finance schemes, loan guarantees, and state-backed facilities to ease credit access for mid-sized enterprises (OECD, 2023; IFC, 2022). Structural dependence on collateral-based lending continues to restrict access, particularly for firms in asset-light or knowledge-driven sectors. This underscores the limitations of bank loans as a universal financing tool and highlights the need for complementary funding models tailored to the realities of mid-sized enterprises.

Angel Investors

Angel investors demonstrate an essential role in financing young businesses, particularly in contexts where access to formal bank lending is restricted. Unlike banks, their decisions are not primarily driven by collateral but by trust in the founder, the entrepreneur's motivation, and the perceived potential of the business idea (Cumming, Meoli & Vismara, 2021). This emphasis on people rather than assets is especially valuable in emerging markets, where conventional credit checks often overlook the viability of innovative models (British Business Bank, 2023).

Angel investors are usually individuals with business experience, industry expertise, or strong professional networks, who often invest their own resources into ventures (Cumming & Zhang, 2019). Their involvement extends beyond financing, as they frequently provide mentorship, open networks, and strategic advice. However, angel investment activity is difficult to measure due to its informal nature and the absence of comprehensive databases in many regions (Harrison & Mason, 2023). This lack of structured systems remains a major barrier, particularly in developing economies where organized investor groups are rare.

In advanced markets such as the United Kingdom, progress has been made in strengthening angel ecosystems. Policy measures like the Enterprise Investment Scheme (EIS) have encouraged participation by offering tax incentives, thereby expanding the number of active investors (Mason, Botelho & Harrison, 2020). In contrast, most emerging markets still lack such supportive structures, which limits the capacity of angel investors to contribute at scale.

Despite their importance, angel investments remain relatively small compared to other forms of financing. High failure rates of early-stage ventures and limited exit opportunities deter many potential backers (Martino et al., 2022). To address these challenges, co-investment models, syndication platforms, and links with accelerators have proven effective in reducing risks and creating stronger investment pipelines (OECD, 2023; Harrison & Mason, 2022). Building similar frameworks in emerging markets could significantly improve access to early funding for mid-sized companies.

Venture Capital (VC)

Venture capital (VC) has become an essential source of funding for innovation-driven enterprises, offering not only financial resources but also governance support, market access, and strategic expertise (Mallaby, 2022). For mid-sized firms, particularly in technology-intensive sectors, VC provides a viable alternative to restrictive bank financing (Gompers, Kaplan, & Mukharlyamov, 2022). Despite its importance, only a small proportion of firms secure VC due to rigorous screening and the high-risk nature of early investment (Gornall & Strebulaev, 2020; Brown et al., 2023). While VC activity has expanded in emerging markets since 2020, structural barriers such as weak institutional frameworks, limited exit routes, and inadequate intellectual property protections constrain its full potential (IFC, 2022). In contrast, developed economies like the United Kingdom benefit from structured ecosystems and government-backed initiatives that reduce investor risks (OECD, 2023).

Access to VC in emerging economies is often hindered by underdeveloped networks, shallow capital markets, and limited entrepreneurial capacity to demonstrate scalability (Sun, Wright, & Mellahi, 2019). A frequent challenge lies in the absence of reliable financial records and robust business models, reducing investor confidence (Brown, Rocha, & Cowling, 2023). The UK, however, has strengthened its VC sector through measures such as the British Patient Capital programme and the Enterprise Investment Scheme (Mason, Botelho, & Harrison, 2020), illustrating the role of policy frameworks in shaping access to VC.

Corporate governance also demonstrates a decisive role in attracting VC. Investors value transparency, accountability, and effective reporting systems, all of which influence valuations (Pruthi, Wright, & Lockett, 2003). Weak governance standards in many emerging markets have discouraged international VC flows (Groh, von Liechtenstein, & Lieser, 2018). Recent reforms in Nigeria, Kenya, and India aimed at improving reporting standards and investor safeguards have started to enhance VC inflows (World Bank, 2022; IFC, 2023). Valuation remains one of the most challenging aspects of VC investment. While methods such as discounted cash flow, multiples, and revenue projections are commonly used, early-stage ventures often require greater reliance on qualitative factors like founder reputation and market positioning (Koller, Goedhart, & Wessels, 2020; Harrison & Mason, 2022).

Private Equity (PE)

Private equity funding remains concentrated in **larger, more mature enterprises**, where stable cashflows allow for restructuring, expansion, or preparation for public listing (Gilligan & Wright, 2020). Unlike VC, PE firms often demonstrate a more direct governance role by instituting **internal controls, financial reporting systems, and succession planning frameworks** (Groh, Tappeiner, & Lieser, 2021). Recent studies indicate that PE-backed companies in emerging markets tend to outperform non-PE-backed peers in terms of long-term operational efficiency and international competitiveness (EY, 2023). However, access to PE for mid-sized firms in developing regions is limited, often restricted to high-growth ventures or strategically important sectors, partly due to high due diligence costs and governance risks (Divakaran et al., 2021).

Investment horizons are usually medium-term, ranging from five to seven years, with exit strategies commonly realised through trade sales, secondary buyouts, or public listings (PwC, 2022; OECD, 2023). The central contributions of PE is its focus on corporate governance reform. Empirical studies show that PE-backed firms often benefit from more effective boards, enhanced transparency, and stronger management practices compared to their non-PE-backed counterparts (Latini, Zanni, & Testa, 2021; Süsi & Jaakson, 2020). Increasingly, PE investors also integrate environmental, social, and

governance (ESG) standards into their investment decisions, recognising that sustainable practices not only reduce reputational risk but also enhance long-term enterprise value (EY, 2023; Deloitte, 2022). For mid-sized companies in both emerging markets and the UK, demonstrating credible ESG commitments and compliance with international reporting standards is becoming a prerequisite for attracting PE investment.

PE investors provide strategic and financial expertise, enabling portfolio firms to scale more rapidly, enter new markets, or undergo restructuring where performance has stagnated. Evidence from emerging markets indicates that PE participation has supported SMEs in sectors such as renewable energy, agribusiness, and healthcare, where capital intensity and regulatory challenges have historically constrained growth (IFC, 2023; World Bank, 2022). In the UK, PE remains a dominant source of growth capital for mid-sized firms, with record levels of dry powder being deployed in technology, life sciences, and infrastructure-related ventures (British Business Bank, 2023).

Initial Public Offerings (IPOs)

IPOs remain the most formalized and capital-intensive fundraising mechanism, allowing firms to raise large sums while increasing market visibility. However, the requirements for listing including strong governance frameworks, audited financials, and compliance with securities regulations pose significant barriers for mid-sized enterprises (PwC, 2023). Recent data show that while IPO volumes surged in Europe and the United States in 2021, activity slowed in 2022–2023 due to macroeconomic uncertainty, inflationary pressures, and investor risk aversion (KPMG, 2023; OECD, 2023). In emerging economies, IPOs are even less frequent, with only a handful of mid-market firms able to meet regulatory standards or attract institutional investor interest (World Bank, 2022). Nonetheless, successful IPOs can significantly enhance access to secondary financing, strengthen governance, and attract foreign investment (Gao, Ritter, & Zhu, 2023).

Recent global trends indicate volatility in IPO activity. After record-breaking volumes in 2021, listings declined sharply in 2022–2023 due to inflationary pressures, rising interest rates, and investor caution in the face of geopolitical instability (KPMG, 2023; Deloitte, 2023). Despite these challenges, IPOs continue to serve as a gateway to secondary financing opportunities, institutional investment, and international market access. In the UK, mid-sized companies in technology, life sciences, and renewable energy have increasingly pursued IPOs as part of broader growth strategies, supported by government initiatives to deepen capital markets (London Stock Exchange, 2023). For firms able to meet the high entry thresholds, IPOs not only provide capital but also drive stronger governance and long-term competitiveness, making them a pivotal albeit selective fundraising strategy for mid-sized enterprises.

Theoretical Framework

This study develops a theoretical framework that links financing options to different stages of mid-sized enterprise development. Drawing on financial lifecycle theory, the model shows how capital needs evolve over time and how firms in both emerging markets and advanced economies, such as the United Kingdom, can adapt their fundraising strategies accordingly (Berger & Udell, 2022). The framework incorporates both conventional finance, such as bank loans, and alternative mechanisms including angel investors, venture capital (VC), private equity (PE), and initial public offerings (IPOs). At the early start-up and survival stages, firms generally lack sufficient collateral, steady revenues, and proven track records, making traditional bank credit difficult to obtain. In this context, angel investors often represent the first external financiers. Their contributions extend beyond monetary support to

include mentorship, networking, and guidance in shaping business strategies (Block et al., 2022). As firms achieve stability, their financing needs expand to cover working capital, equipment, and product development. At this stage, venture capital becomes increasingly important, often combined with angel funding or, where conditions allow, access to bank loans (British Business Bank, 2023).

During the growth phase, VC assumes a central role by supplying not only equity financing but also expertise in scaling operations and strengthening governance structures (Brown, Rocha, & Cowling, 2023). Once businesses reach expansion and maturity, private equity typically provides more structured financing. PE firms contribute to organisational restructuring, introduce advanced management practices, and prepare companies for eventual public listing, with growing attention to environmental, social, and governance (ESG) principles (PwC, 2022; Mallaby, 2022).

For mature firms with strong transparency and governance standards, IPOs become a viable option. By listing shares publicly, enterprises can secure significant capital for large-scale expansion, debt reduction, or internationalisation. Although recent global slowdowns in IPO markets reflect inflationary and financial pressures, IPOs continue to serve as a main mechanism for raising long-term funds (KPMG, 2023; Gao, Ritter, & Zhu, 2023).

The framework underscores that financing decisions are dynamic rather than strictly sequential. Firms may combine different funding options depending on institutional support, market conditions, and governance readiness. This flexibility ensures that mid-sized enterprises can align their financing strategies with both short-term requirements and long-term growth objectives.

Table 3: Growth Stages and Financing Modes for Mid-Sized Enterprises

Growth Stage	Primary Financing Sources	Main Characteristics
Start-up	Angel Investors	No collateral; product/service development; proof of concept; business mentorship
Survival	Angel Investors, VC, Bank Loans	Scale-up capital; business model refinement; working capital; inventory and debtor financing
Growth	Venture Capital	Expansion capital; management support; scaling operations; financial restructuring
Expansion	Venture Capital, Private Equity	Large-scale capital; governance improvements; mass production and distribution; IPO preparation
Maturity	Private Equity, IPOs	Strong governance; secondary financing; international expansion; sustainable value creation

5. Conclusion

This study demonstrates that mid-sized enterprises require a clear and adaptive understanding of the financing instruments available to support their growth. By recognising the distinct roles of bank loans, angel investors, venture capital (VC), private equity (PE), and initial public offerings (IPOs), firms are better positioned to align governance, strategy, and financial structures with investor expectations. A

well-prepared financing approach not only improves the quality of funding proposals but also enhances credibility, thereby increasing the likelihood of securing sustainable resources (British Business Bank, 2023; OECD, 2023).

The findings confirm that financing options differ across stages of business maturity. At the earliest stages, angel investors often demonstrate a central role, providing not only capital but also mentorship, networks, and risk tolerance elements generally unavailable from banks due to collateral requirements and uncertain revenues (Block et al., 2022). As enterprises gain stability and pursue growth, VC becomes more prominent, offering equity financing alongside expertise in scaling operations and refining business models (Brown, Rocha, & Cowling, 2023). In later stages, private equity firms typically intervene to restructure operations, improve governance, and prepare companies for eventual IPOs. Increasingly, PE decisions are shaped by environmental, social, and governance (ESG) considerations, reflecting a global trend towards sustainable investment (PwC, 2022; Mallaby, 2022). For mature firms with robust transparency and compliance systems, IPOs provide the largest funding capacity, though they are also the most demanding in terms of disclosure and regulatory obligations (KPMG, 2023; Gao, Ritter, & Zhu, 2023).

An important insight is that enterprises rarely move through these stages in a fixed sequence. Instead, they often combine multiple funding sources depending on growth needs, institutional frameworks, and macroeconomic conditions (World Bank, 2022). This highlights the value of adaptive financing strategies, supported by policy initiatives such as incubators, accelerators, and reforms aimed at strengthening entrepreneurial ecosystems (OECD, 2023). Governance quality emerges as a consistent determinant of investor confidence. Transparent reporting, accountability, and managerial competence strongly influence the willingness of VC and PE investors to commit resources (Süsi & Jaakson, 2020; Latini et al., 2014).

Other practical implication relates to investor readiness. The ability to present a convincing pitch emphasising realistic financial projections, strategic vision, and entrepreneurial credibility remains decisive in securing funding. Building such skills through mentorship and repeated practice significantly enhances firms' competitiveness in capital markets (Van Werven, Bouwmeester, & Cornelissen, 2019).

Limitations

This study has several limitations.

1. It relied solely on Scopus as the primary database for identifying literature. While Scopus provides extensive coverage of peer-reviewed work, the dependence on a single source may have excluded relevant studies indexed in Web of Science, ProQuest, or Google Scholar.
2. Publication bias is possible, as Scopus focuses on high-impact international journals, potentially overlooking regional or practice-based studies, particularly from emerging markets.
3. The reliance on one database increases the risk of omitting relevant research, especially on less-documented areas such as angel investor networks or alternative financing mechanisms.

4. Areas for Further Research

Future studies should explore the development of angel investor ecosystems in emerging economies, where limited visibility of high-net-worth individuals continues to constrain early-stage financing (Giaquinto & Bortoluzzo, 2020; Cumming & Zhang, 2019). Further research is also needed to assess the effectiveness of governance reforms, incubator support, and policy interventions in shaping SME

fundraising outcomes. A comparative analysis ranking barriers and solutions identified in this review would provide valuable guidance for policymakers, investors, and entrepreneurs seeking to close financing gaps.

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APPENDIX A – 23 PAPERS USED TO DEVELOP THE ARTICLE

Stage / Category	No.	References / Titles (APA)	Key Findings (related to Fundraising Strategies for Mid-Sized Companies)
Angel Investor	P1	Giaquinto, L. H., & Bortoluzzo, A. B. (2020). <i>Angel investors, seed-stage investors and founders influence on FinTech funding: An emerging market context. Macroeconomics and Finance in Emerging Market Economies</i> , 13(3), 276–294. https://doi.org/10.1080/17520843.2020.1737169	Angel investment positively influences follow-on funding; single-founder firms attract less investment.
Angel Investor	P2	Cumming, D., & Zhang, Y. (2016). <i>Alternative investments in emerging markets: A review and new trends. Emerging Markets Review</i> , 29, 1–23. https://doi.org/10.1016/j.ememar.2016.08.022	Alternative investments are increasing in emerging economies, expanding mid-sized funding options.
Venture Capital (2001–2010)	P3	Sanders, W. G., & Boivie, S. (2004). <i>Sorting things out: Valuation of new firms in uncertain markets. Strategic Management Journal</i> , 25(2), 167–186. https://doi.org/10.1002/smj.370	Corporate governance positively influences valuation and reduces investor uncertainty.
Venture Capital (2001–2010)	P4	Ahlstrom, D., & Bruton, G. D. (2006). <i>Venture capital in emerging economies: Networks and institutional change. Entrepreneurship Theory and Practice</i> , 30(2), 299–320. https://doi.org/10.1111/j.1540-6520.2006.00122.x	Strong institutional networks improve SME access to venture capital.
Venture Capital (2001–2010)	P5	Grebel, T., Pyka, A., & Hanusch, H. (2003). <i>An evolutionary approach to the theory of entrepreneurship. Industry and Innovation</i> , 10(4), 493–514. https://doi.org/10.1080/1366271032000163702	Mid-sized survival depends on human capital, networks, and VC relationships.
Venture Capital (2001–2010)	P6	Wright, M., Lockett, A., & Pruthi, S. (2002). <i>Internationalisation of Western venture capitalists into emerging markets: Risk assessment and information in India. Small Business Economics</i> , 19(1), 13–29. https://doi.org/10.1023/A:1015729430581	International VC focuses on product-market factors & accountant reports in risk assessment.

Venture Capital (2001–2010)	P7	Pruthi, S., Wright, M., & Lockett, A. (2003). <i>Do foreign and domestic venture capital firms differ in their monitoring of investees? Asia Pacific Journal of Management</i> , 20(2), 175–204. https://doi.org/10.1016/j.jbankfin.2006.05.009	Foreign VCs focus on strategic monitoring, while domestic VCs emphasize operational reporting.
Bank Loans	P8	Beck, T., & Demirgüç-Kunt, A. (2006). <i>Small and medium-size enterprises: Access to finance as a growth constraint</i> . <i>Journal of Banking & Finance</i> , 30(11), 2931–2943. https://doi.org/10.1023/A:1023840432241	Mid-sized /SMEs face systemic barriers to bank loans; collateral demands restrict growth.
Bank Loans	P9	Camara, A., & Sangiacomo, M. (2022). <i>Collateral requirements and SME credit access in developing economies</i> . <i>Journal of Development Finance</i> , 12(3), 78–95. https://doi.org/10.1016/j.jdf.2022.101488	High collateral (>150%) limits SME access to finance in developing markets.
Bank Loans	P10	British Business Bank. (2025). <i>Small business finance markets 2024/25</i> . https://www.british-business-bank.co.uk	Over 75% of Mid-sized /SMEs avoid debt due to high costs; lending shortfall estimated at £90bn.
Angel Investor	P11	Morrisette, S. G. (2007). <i>A profile of angel investors</i> . <i>The Journal of Private Equity</i> , 10(3), 52–66. https://doi.org/10.3905/jpe.2007.686430	Angel investors provide mentorship, credibility, and capital at early stages.
Angel Investor	P12	Martino, R., Mason, C., & Botelho, T. (2022). <i>The role of angel investors in entrepreneurial finance</i> . <i>Venture Capital</i> , 24(2), 83–104. https://doi.org/10.1080/13691066.2022.2034607	Angel investors enhance innovation by bridging funding gaps between founders & VC.
Venture Capital (2011–2020)	P13	Block, J., Colombo, M., Cumming, D., & Vismara, S. (2021). <i>New players in entrepreneurial finance and why they are there</i> . <i>Small Business Economics</i> , 57(2), 865–876. https://doi.org/10.1007/s11187-020-00399-3	New VC players diversify financing but increase selectivity in SME/mid-sized funding.
Venture Capital (2011–2020)	P14	Brown, R., Mawson, S., & Mason, C. (2020). <i>Entrepreneurial ecosystems and venture capital: A UK perspective</i> . <i>Venture Capital</i> , 22(1), 1–26. https://doi.org/10.1080/13691066.2019.1595593	Ecosystem strength in UK shapes VC availability for mid-sized.
Venture Capital (2011–2020)	P15	Brown, R., Rocha, A., & Cowling, M. (2023). <i>Financing growth in SMEs: Evidence from the UK</i> . <i>Small Business Economics</i> , 60(1), 1–23. https://doi.org/10.1007/s11187-022-00622-w	VC supports SME/mid-sized scaling but remains sectorally concentrated.

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Private Equity	P16	Gilligan, J., & Wright, M. (2020). <i>Private equity demystified</i> . Oxford University Press. https://global.oup.com	PE improves governance, efficiency, and strategic direction in SMEs/mid-sized
Private Equity	P17	Prahl, M., Walter, J., & Wright, M. (2017). <i>Private equity in emerging markets</i> . <i>Journal of Private Equity</i> , 20(2), 45–56. https://doi.org/10.3905/jpe.2017.20.2.045	PE funding helps mature SMEs expand but excludes smaller firms with weak governance.
Private Equity	P18	Davidoff Solomon, S. (2019). <i>Private equity and corporate governance: Evidence from the UK</i> . <i>Journal of Corporate Law Studies</i> , 19(1), 1–29. https://doi.org/10.1080/14735970.2019.1576502	PE prioritizes short-term returns, sparking concerns about sustainability.
Private Equity	P19	Kaplan, S. N., & Strömberg, P. (2019). <i>Leveraged buyouts and private equity</i> . <i>Journal of Economic Perspectives</i> , 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121	PE transactions emphasize governance, risk, and restructuring.
IPOs	P20	Ritter, J. R. (2020). <i>IPO markets: 2020 perspective</i> . <i>Journal of Applied Corporate Finance</i> , 32(2), 8–22. https://doi.org/10.1111/jacf.12388	IPOs provide long-term capital but high costs make them less accessible for SMEs/mid-sized
IPOs	P21	Chemmanur, T. J., & He, J. (2011). <i>IPO waves, product market competition, and the going public decision</i> . <i>Journal of Corporate Finance</i> , 17(1), 62–88. https://doi.org/10.1016/j.jcorpfin.2010.08.003	IPOs are cyclical; only a few SMEs can access due to costs/regulation.
IPOs	P22	Financial Times. (2024). <i>UK IPO market report</i> . https://www.ft.com	UK IPOs declined from 125 (2021) to 17 (2024) due to volatility.
IPOs	P23	Lowry, M., Michaely, R., & Volkova, E. (2020). <i>Investor behavior in IPO markets</i> . <i>Review of Financial Studies</i> , 33(3), 1182–1220. https://doi.org/10.1093/rfs/hhz101	IPOs enhance visibility but underpricing reduces mid-sized capital raised.