

## Financial Innovations for Companies Offered by Banks: Polish Experience

**Authors :** Joanna Błach, Anna Doś, Maria Gorczyńska, Monika Wieczorek-Koszala

**Abstract :** Financial innovations can be regarded as the cause and the effect of the evolution of the financial system. Most of financial innovations are created by various financial institutions for their own purposes and needs. However, due to their diversity, financial innovations can be also applied by various business entities (other than financial institutions). This paper focuses on the potential application of financial innovations by non-financial companies. It is assumed that financial innovations may be effectively applied in all fields of corporate financial decisions integrating financial management with the risk management process. Appropriate application of financial innovations may enhance the development of the company and increase its value by improving its financial situation and reducing the level of risk. On the other hand, misused financial innovations may become the source of extra risk for the company threatening its further operation. The main objective of the paper is to identify the major types of financial innovations offered to non-financial companies by the banking system in Poland. It also aims at identifying the main factors determining the creation of financial innovations in the banking system in Poland and indicating future directions of their development. This paper consists of conceptual and empirical part. Conceptual part based on theoretical study is focused on the determinants of the process of financial innovations and their application by the non-financial companies. Theoretical study is followed by the empirical research based on the analysis of the actual offer of the 20 biggest banks operating in Poland with regard to financial innovations offered to SMEs and large corporations. These innovations are classified according to the main functions of the integrated financial management, such as: Financing, investment, working capital management and risk management. Empirical study has proved that the biggest banks operating in the Polish market offer to their business customers many types and classes of financial innovations. This offer appears vast and adequate to the needs and purposes of the Polish non-financial companies. It was observed that financial innovations pertained to financing decisions dominate in the banks' offer. However, due to high diversification of the offered financial innovations, business customers may effectively apply them in all fields and areas of integrated financial management. It should be underlined, that the banks' offer is highly dispersed, which may limit the implementation of financial innovations in the corporate finance. It would be also recommended for the banks operating in the Polish market to intensify the education campaign aiming at increasing knowledge about financial innovations among business customers.

**Keywords :** banking products and services, banking sector in Poland, corporate financial management, financial innovations, theory of innovation

**Conference Title :** ICBEMM 2015 : International Conference on Business, Economics, Marketing and Management

**Conference Location :** Berlin, Germany

**Conference Dates :** September 14-15, 2015