

CHARACTERISTICS OF MODERN BUSINESS CONSULTING SERVICES IN THE SME SECTOR

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Key words: business environment, consulting services, professional visibility, international qualifications, digital transformation, business culture

Introduction

In the modern world, particularly in developed and developing countries, business consulting services are an integral part of the business environment. The consulting sector, both directly and indirectly, has a positive impact on the SME sector in terms of creating a business environment and providing an advanced knowledge-based business culture. Consulting services, according to narrow directions, are classified into: management, marketing, auditing, legal, human resource management, financial, tax, project management, IT support, strategic planning, professional training, etc¹.

International consulting networks, organizations providing outsourcing services in the B2B segment, state, private and public structures contributing to business development and, of course, independent consultants are considered participants and sectoral beneficiaries of the consulting market.

Despite the fact that the international consulting networks (PwC, KPMG, EY, McKinsey, Deloitte) continue to play a dominant position in the market, digital transformation, by reviewing the market situation, provides an opportunity for a more flexible approach in the SME consulting segment, to individual consultants and ultra-small organizations providing B2B services to present their services.

Methodology

The main objective of the article is to present the necessity and importance of consulting services for the SME sector. By studying the approaches, trends and views of the expert field used in international consulting practice, the recommendations were adapted as much as possible to the requirements of the business environment, particularly to the characteristics of the SME sector. Despite the fact that the solutions used during the provision of consulting services are mostly based on specific models, the identification of

¹ <https://www.indeed.com/career-advice/finding-a-job/types-of-business-consultants>

the peculiarities of each business project and the provision of individualized professional support are of key importance.

Literature review

The role of business consulting services has a key importance in terms of increasing the competitiveness of SMEs and overcoming the challenges in the market. On the one hand, these services contribute to the realization of enterprise goals, ensuring the performance of strategies, increasing financial indicators, and on the other hand, knowledge-based management of SMEs and reduction of managerial errors.

Business consultants in the B2B sector, through professional support, contribute to highlighting the problems in business processes, clarifying the directions for solving these problems, as well as developing road maps for business development.

Despite the fact that there are different approaches to business consulting in professional circles, the demand for these services is constantly growing in both developed and developing countries.

The following factors contribute to the development of consulting companies in the modern world: increased competition, fluctuations in the inflation rate, changes in the pace of economic development, political instability, the rapid development of multinational corporations, the introduction of modern technologies, and so on [Shirinkin 2023, 170].

For the successful development of small business, in addition to the assistance of consulting services, it is also necessary that small business become one of the priorities of state policy, a state approach is needed so that small business is designated as an object of strategic policy for the development of a competitive state [Urazgaliyeva 2022, 14].

Scientific novelty

In the field of business consulting, the main overarching problem at both the strategic, tactical and operational levels is to be guided by a model that will allow to fully highlight the development potential of the business idea, the roadmaps for achieving the set goals and, of course, the possible risks, both in the case of newly founded and existing businesses¹.

Studying the international experience of business planning in the field of SMEs and the approaches used in the market, the traditional, Canvas and One-Page models of business planning have received attention. These three models are generally highly efficient, but they have tangible problems from the point of view of consulting support, from the point

¹ McKinsey & Company- <https://www.mckinsey.com/capabilities/operations/our-insights/a-better-way-to-drive-your-business>

of view of planning business ideas and ensuring their performance in the market. Therefore, considering the strengths and weaknesses of the presented business planning models, as well as the current market trends, it is purposeful to be guided by the following model, which is a mix solution adapted to the needs of the SME sector.

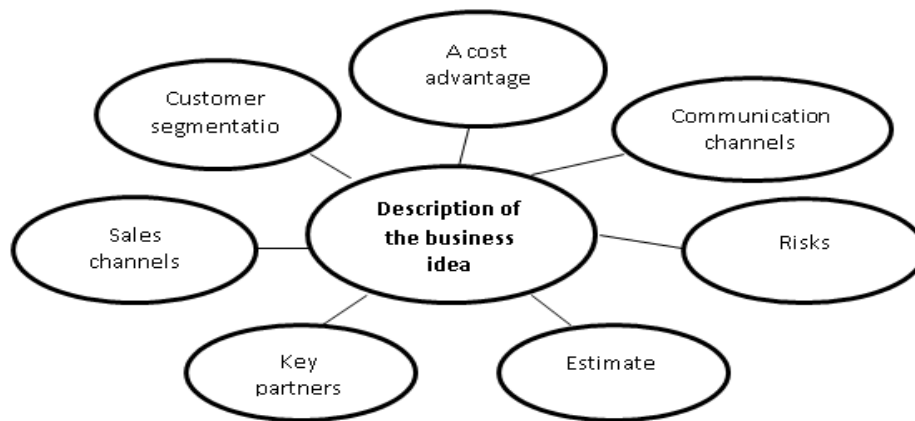


Figure 1. A business planning mix model adapted to the needs of the SME sector

The above proposed model is particularly applicable in manufacturing, agri-food and food industry, agriculture, service delivery, trade, HoReCa and other sectors.

Especially in the SME sector, this business model will provide an opportunity to get a clear idea of the presented business idea and assess the level of realism of the business project without additional obstacles.

Analysis

In the current market economy, one of the key directions of consulting services is the SME sector.

In the segment of business consulting, the main differences between SMEs and large businesses are that in ultra-small and small businesses, it is often required to apply operational non-standard solutions depending on the problems and characteristics of businesses, while in the case of large businesses, the main emphasis is placed on long-term strategy.

Unlike large businesses, SMEs are financially limited by the possibility of properly using consulting services, so the solution to this problem is essential from the point of view of the economic policy of each country and increasing the efficiency of the structures dealing with SME issues.

In certain cases, the consulting support provided to SMEs often comes through grant programs of state institutions, business support associations, as well as joint programs of the above institutions.

When looking at the peculiarities of the SME sector, the role of farms and rural households is also extremely important, which, although are often not counted as SMEs, but by their nature have no less importance in the development of the agricultural sector, raising the standard of living of the population and solving social and economic problems [Baghryan & Avagyan 2022, 380].

Narrow professional support in the form of consulting services is of key importance for the transition from traditional low-efficiency agriculture to precise knowledge-based agriculture. The fact that in the field of agriculture in developing countries the demand for affordable quality advice is growing at a steady pace. Therefore, the availability of remote consulting services with the involvement of highly qualified specialists in the agrarian sector is considered as a guarantee of competent agriculture [Baghryan 2023, 8].

A significant part of consulting services in the agricultural sector goes to enterprises operating in the agri-food system, both large organizations and SMEs. Consulting support in the agro-processing industry significantly contributes to the development of business plans, investment projects and development strategies, as well as the implementation of market research and competitive analysis. From the point of view of marketing consulting, the implementation of the Synchron model and the regular implementation of sales audits provide particularly high results.

As a result of the trends in the consulting market, the constantly growing demand for the services provided, and the high profitability of the sector, in order to provide relevant professional services, even the specialists with low abilities are trying to ensure their participation in the market. As a result, very often due to competent positioning both actual professionals and those acting as professionals present themselves on equal terms and provide professional visibility.

As a result of modern digitization, the large number of fake consultants appearing on the market has a key negative impact on both the negative experience of the consulting market and the competent management of SMEs. Due to the need for the long-term development of the consulting market and from the point of view of insuring the SME from possible risks, it is very relevant for the business environment and expert circles to clearly separate the actual experts from the fake experts through applied mechanisms.

Studying the most applied and highly effective methods of professional branding in the field of career market and business consulting services, special attention was paid to the following principles: the formal and informal education of a consulting specialist, the presence of international qualifications and certifications, the approaches that ensure professional visibility and, of course, the history of projects involved in parallel with the services provided by an expert.

According to narrow professional orientations, the availability of international qualifications and certifications implies globally recognized trainings in accordance with the highest international standards, among which ACCA, CFA, NIMA, PMP, CMC, Hub-Spot Academy, CIM, CIMA, CIPA, SPHR are considered the most popular in the career market, GPHR and others.

The professional visibility tools include: the website presenting the expert's services, the LinkedIn platform, professional interviews and reports, the availability of scientific publications, participation in field conferences, etc.

When looking at the education of business consulting professionals in the international market, special attention is paid to the availability of a PhD degree and an MBA qualification. In the current market, along with academic education, great importance is also given to non-academic educational programs, in particular Executive Education and continuing education units CEUs provided by leading universities and business schools included in the Financial Times by QS World University Rankings. However, in recent years, a significant number of professionals also prefer leading business schools at the regional level.

In consulting practice, particularly from the point of view of evaluating the actual experience of individual consultants, it is also important to consider whether the main part of the services provided were in the real sector of the economy or are the result of projects financed by various grant programs.

Conclusion

Along with the professional training of consultants to increase the efficiency of business consulting services, it is also very important the level at which consultants are informed about the nuances of the markets, sectors and branches where they provide relevant consulting services. The above nuance applies to both physical and remote consulting services. These services are classified according to their purpose: solving business problems and ensuring business development.

Thus, from the point of view of management consulting, it is extremely important not only to carry out an accurate diagnosis of an SME, but also to actually assess the feasibility of new business ideas through appropriate analyzes in order to avoid possible additional risks.

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