

QUANTITATIVE STUDY REGARDING THE SME`S ORGANIZATIONAL BEHAVIOUR AS REGARDS MANAGEMENT CONSULTANCY SERVICES

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Abstract: *The objective of this paper is to emphasize some of the most important results of a quantitative study, based on a survey implemented by the author herself. The current research investigates the attitudes, opinions and behaviour of the SME`s managers from Brasov, regarding management consultancy services. Research findings have indicated that the management consulting sector occupies a weak position on the market of business advisory services designed to micro, small and medium enterprises, in the county of Brasov.*

Key words: *management consultancy, services, quantitative research, SME`s.*

1. Research Methodology

The subjects chosen for this research were represented by companies based in the county of Brasov, which are part of the category of micro, small and medium sized enterprises, as a representative target group for management consulting services.

Given the important share owned by the Centre Region, regarding the distribution of national SME`s, I consider that the particular segment of companies chosen for this research may be a representative model in terms of behaviour and management strategies as regards the use of consultancy services.

Starting from this premise, I anticipated a low level of use of management consultancy services among the SME`s and the hypothesis was confirmed by the obtained results.

Overall, these results come to reinforce the general status of the Romanian

management consultancy sector, which is at an early stage of development, being far below the level recorded in the European Union and beyond.

2. Main Results of the Survey

Following research conducted on the sample of three hundred and eighty four SME`s, it has been established that most of the managers consider it appropriate to call on specialists from outside the organization to resolve the various issues facing the enterprise (58.3 % of respondents indicated an affirmative response in this respect).

This positive view is motivated by the managers` beliefs that specialists can provide access to specialized information. Another motivator is represented by the experience in multiple areas and objectivity that characterize this category of service providers.

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It is interesting to note how the responses of the interviewed managers were distributed as regards the reasons for not using a specialist in their company. In this respect, 41.7% of respondents indicated that using a specialist is not a real opportunity for the company, which can make us consider this an alarming percentage for the future of management consultancy services, in relation to the SME`s sector.

The explanation for this percentage is reflected by the financial management of the SME`s, as the services of a specialist are considered an "additional cost" for the company (24.4% of total responses) and, moreover, a cost too high for the financial capacity of the company (22.6% of total responses).

The conclusions drawn from this research also indicate an acute lack of information among the SME`s managers regarding the field of management consultancy services. This claim can be supported by the findings resulted from question number 8 from the questionnaire, in which respondents expressed how informed they considered themselves to be on the subject mentioned above.

The responses have shown that the level of information on business advisory services tends to be relatively low, the average level of information being 2.62 points on a scale range, with equal distances between levels, from 1 to 5 (5 = to a large extent). This is primarily due to an inefficient communication and information policy implemented by consulting companies, especially when it comes to informing their target groups on the content and benefits of their services.

However, managers are interested in learning more about the field of business consultancy, and the Internet is considered

to be the most useful source of information (26.60% of responses).

Emphasis should also be put on the interest of the SME`s towards seminars free of charge, organized by consultancy companies in order to supply information (24% of responses) and also towards newsletters sent by the same consulting firms (15.60%), issues highlighted in Figure 1.

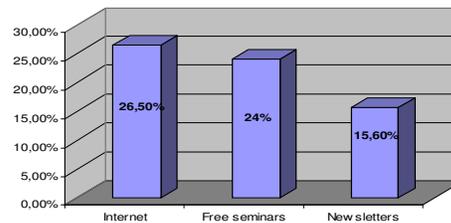


Fig. 1 *Source of information regarding business consultancy services*

Given these results, it is obvious that the respondents trust more the information provided directly by consulting services suppliers. Another aspect that detaches from these results is closely related to a financial component, because none of the three sources of information imply a significant cost for the company.

As regards the information that the analyzed companies would be interested to receive from the consultancy services providers, the category most frequently mentioned was "analysis and statistics regarding the industry in which the company is active" (30.3% of responses). There are also examples of interest for successful business projects (24.3% of responses), as well as for study cases relevant for the portfolio of business consulting companies (23.2% of total responses).

We can say that these last two categories of information help validate the experience of consulting business companies, becoming a relevant business card to the provider. Moreover, the options specified by the respondents confirmed that business consultancy companies are mainly considered to be knowledge providers.

Given the allegations made above, there is a chance that the most important selection criterion of a business consulting company, according to the respondents, be the success rate of the projects completed by the supplier.

In terms of how SME's evaluate business consulting companies, focus should be given to the opinion according to which the services provided by Romanian consultants, trained either abroad or in Romania, have a higher efficiency than the same kind of services provided by foreign consultants.

A possible explanation can be found in the managers' conviction that Romanian specialists are more familiar with the specific local business environment, the solutions they propose being significantly adapted to its particularities.

As for the perceived usefulness of advisory business services, the view of the SME's is predominantly positive, considering that this category of services may have a great utility as regards the improvement of the company's activity.

An important aspect of this research was represented by the aim to identify the amount of money that the managers of the investigated SME's would be willing to invest in management consultancy services.

From this point of view, two objectives have been pursued, namely the assessment of the SME's intention to achieve annual investment in business advisory services,

and also to identify the value that the managers would give to such business service. Thus, from the 229 subjects who provided a valid response, 22.7% indicated that they would be willing to annually invest an average sum of 100 Euros.

A relatively large number of subjects who have not responded to this question (40.4%) reinforce the idea that the investment in business advisory services is not a concern of small and medium sized enterprises from Brasov. Therefore, being asked to indicate an average sum that they would be willing to annually invest in business advisory services, respondents were in a difficult position, which was easily noticed by the operating interviewer.

One of the general assumptions of this research was that business consultancy services are used by a small percentage of micro, small and medium sized enterprises. The results in this respect have confirmed this hypothesis, where 81% of SME's have not contracted any business consulting services yet.

The statistical analysis on the number of employees of the questioned SME's and the use of business advisory services shows that the percentages recorded different values, which indicate a significant difference between the three categories of SME's.

It is noted that in the case of micro enterprises (firms with 1 - 9 employees), the percentage of those who had not contracted business consulting services is 85.6%, while only 14.4% of those companies have contracted such services.

The percentage of enterprises with up to nine employees, who have bought business consulting services, is significantly lower than for the other two categories of enterprises.

A determining factor for this situation could be the relatively low financial capacity of micro enterprises, which does not permit the allocation of financial resources for the purpose of contracting consulting services.

Thus, the share of those micro enterprises which used consulting services is only 14.4%, while 62.2% of small enterprises and 71, 4% of large enterprises contracted this category of services.

Therefore, we can conclude that the majority of the SME`s included in this research have used business consulting services, mainly by small and medium enterprises, which makes us believe that an increase in the size of the enterprise enhances the need to use advisory services.

3. Conclusions

Research findings have indicated that the management consulting sector occupies a weak position on the market of business advisory services designed to micro, small and medium enterprises, in the county of Braşov.

Although the sample is not representative for all the operators

included in this category, the common characteristics of SME`s make us appreciate that the presented situation is the same in other companies outside the county of Braşov.

Therefore, sustained action is needed from the suppliers of management consultancy services in order to promote the benefits of these services, taking into account that there is a strong need for a greater proximity between the two categories of business partners: suppliers and recipients of business consulting services.

These actions will be integrated in the marketing strategies applied by management consultancy companies, so that the promotion should be complemented with policies related to other elements of the marketing mix.

References

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