

DIGITAL BOOKLET

Promising sectors and Trends of Management Consulting

Business Consultants Council (Kosovo)

Management Consulting Association (North Macedonia)

Albanian Consulting Network (Albania)



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The **Digital Booklet** is a documented report for the initiatives, activities and strategies implemented by *Business Consultants Council (BCC)*, *Management Consulting Association (MCA 2000)* and *Albanian Consulting Network (ACN)*, during 2020.

This project is supported by Western Balkans Fund.

It aims to create linking opportunities for future collaboration between Kosovo, North Macedonia and Albania under the Regional Cooperation Committee, empowering business community and management consultants.

The Digital Booklet will highlight the spotlight activities undertaken by the three institutions and remark the digital perspective and digital transformation.

Business Consultants Council

BCC | Kosovo

BCC: Business Consultants Council is the only management consulting institution in Kosovo.

BCC's mission is to raise marketplace understanding of the industry's value and contributions; build local consultancy capacities; recognize standards of business ethics among industry firms and the broader Kosovar business community and advocate for a transparent business environment.

Already a full member at Global Institute of Management Consulting (ICMCI), two established professional committees, up to 100 professional members, innovative approaches towards the empowerment of management consulting sector and progressive programs portfolio, BCC remains a market catalyzer.

Market dynamics of digitalization services in Kosovo

In order to achieve the digitalization excellence, this report provides and examines the challenges facing today's businesses and how they can create optimal digital presence and environment for an effective digitalization operation.

This comprehensive survey highlights the core vocabulary that businesses should focus, analyzing some of the challenges and learning to design strategic responses. (ACCESS, Market dynamics of digitalization services in Kosovo, 2020).

This assessment was conducted by ACCESS Project of the **Market dynamics of digitalization services in Kosovo**, follows the main findings of the market assessment:

Current level of Digitalization among MSMEs.

Despite the enabling internet infrastructure, the current level of digitalization of MSMEs in Kosovo is very low to inexistent. Paper based processes (i.e. for accounting purposes) are present in most of the micro and small sized companies. An increase of company size and level of competitiveness increases the likelihood of the company adopting digital tools. Furthermore, digitalization of different sectors is progressing at a different pace, where every sector has unique starting point, specific demands, and are faced with divergent market constrains.

Digital tools usage.

Most frequently used digital tools are websites, social media, and basic accounting software. More developed MSMEs utilize advanced digital marketing tools and HR and financial management digital platforms. Other tools such as e-commerce, CRM, ERP, and advanced automatization and optimization tools are seen only occasionally.

Market Constrains.

The most concerning demand side market constrain, is the low awareness on the usage and benefits of digital transformation. This is than strongly related with the perceived high cost of adoption of digital tools. Companies that are aware of the benefits of digitalization are ready to pay any cost of digitalization. On the other hand, the biggest supply side market constrain is lack of interest of domestic digital service providers to offer services locally. This is specifically emphasized in terms of service provision for marginalized and micro companies with low budget for purchasing digital services. In terms of market supporting function, lack of specialized consultants capable of assisting companies during digital transformation, is the main constrain identified in this assessment.

Digital skill gap.

A major market constrain in terms of digital transformation of MSMEs is digital skill gap and skill shortage. Most of the local companies do not possess a highly skilled labor to face the challenges of digital transformation. Lack of adequate internal skills unsurprisingly leads to resistance to digital adoption and transformation and in considerably lower level of digital adoption and transformation. Business digitalization requires not only digital skills of employees but also new set of managerial and leadership skills. The evidence from the market assessment shows such skills are scarce among Kosovo MSMEs.

Market Access and Business Digitalization Services for Kosovo Companies

Every demand coming from clients, and every business operation can face unpredictability, and in this case the global pandemic Covid-19 and the necessity for a rapid digitalization. The economic interpretation and up-to date generated data for digitalization services, explore the today's implications and where businesses should pay attention to.

Drawing the parallels between the crisis response and staff management, these useful data provide short but cutting-edge information on how businesses are responding on stability and their continuity. (ACCESS, Market Access and Business Digitalization Services for Kosovo Companies, 2020)

On Market Access and Business Digitalization Services for Kosovo Companies – ACCESS

were generated some of the main findings of a recent study about the impact of the COVID-19 crisis on micro, small and medium-sized businesses (SMEs) in Kosovo and, in particular, their digitalization activities. The study was conducted in the framework of the ACCESS project.

Almost all of the SMEs experienced a decline in sales/turnover and have decided to shorten working hours to try and keep their staff. SMEs' reactions and strategies are mainly of a defensive nature. Besides reducing staff and working hours, many companies have also stopped investments and purchasing of inputs. A small number of SMEs have (temporarily) closed their business.

95% of SMEs experienced a decline in sales/turnover in the period of March to June 2020 compared to the same period in 2019. Many SMEs had only (or not even) half the sales figures of last year. Export sales decreased more than domestic sales (but only 5% of Kosovo SMEs are active in exporting).

SMEs are shortening working hours and trying to keep their staff.

Confronted with significantly shrinking sales, almost 50% of SMEs have shortened working hours. 25% of SMEs still had to lay off employees.

SMEs' reactions and strategies are mainly of a defensive nature.

So far, Kosovo SMEs have reacted to the crisis almost exclusively by reducing their level of business activity. Besides reducing staff and working hours, many companies have also stopped investments (24%) and purchasing of inputs (19%). 8% of SMEs have (temporarily) closed their business. By contrast, only 1% have started to adjust and change their product or service offer and only 1% have invested in digital tools (e.g. e-commerce), so deploying more aggressive and pro-active strategies to cope with the crisis.

Compensation of employee salary is the most important government support measure.

Around 55% of Kosovo SMEs have benefitted from the government's compensation of monthly employee salaries (170 €), which therefore is the most important support measure for SMEs. However, 32% of SMEs have not benefitted from any government support measure.

SMEs do not expect a speedy recovery

Almost 65% of SMEs in Kosovo expect the dampening economic effect of the COVID-19 crisis to continue until 2021. Only 35% expect their sales to return to pre-COVID-19 levels still in 2020. Hotels, restaurants, and personal services firms are particularly pessimistic in this respect.

Business goals: most SMEs focus on striving to survive and reducing costs

In the current COVID-19 context, 53% of SMEs in Kosovo say their main goal is simply “to survive” without any particular strategy and 33% say their main goal is to reduce costs. A significant share of more than 10% is actually considering closing their business.

Digitalization efforts remain modest

Kosovo SMEs seem to be somewhat hesitant with further digitalizing their businesses. Only 18% of SMEs are planning to advance and accelerate digitalization over the next two years and for only 6% digitalization has become a priority in the context of the COVID-19 situation.

Fields of digitalization to be promoted

Business digitalization is a multifaceted field. Supporting digitalization efforts is most needed and most effective in areas where SMEs see immediate applicability. Interest in applying more digital tools is most widespread (between 20% to 30% of SMEs), and the untapped potential is therefore largest.

Obstacles to digitalization are costs, lacking skills and expert services, data protection

SMEs need help in overcoming the major obstacles to using (more) digital tools. In addition, around 60% of SMEs have doubts regarding any benefits or advantages in making greater use of digital tools. This indicates a lack of awareness of the benefits of digitalization, which also needs to be addressed by appropriate measures.

General business support: access to finance schemes are most popular among SMEs

In general, support schemes facilitating access to finance are most popular and regarded as most useful among SMEs in Kosovo. Investments grants have been used by 8%, but are valued as useful by 57%. Credit guarantees have been used by 13% and are regarded as useful by 28%. Micro finance has been used by 12% and is seen as useful by 23% of SMEs. So far, other types of schemes, such as training, consultancy, online business plan tools, business parks and so forth have been used by only small fractions of SMEs (each less than 8%).

Most needed advisory services: marketing & sales

For SMEs in Kosovo, the most needed fields of advisory services include:

- *Marketing & sales (mentioned by 39% of businesses)*
- *Taxes, accounting, and controlling (27%)*
- *Financing (22%)*

Consultancy Market Review – Kosovo 2020

Consultancy Market Review – Kosovo 2020 conducted by European Bank for Reconstruction and Development. (EBRD, 2020)

This Market Review Report highlights some of the EBRD accomplishments in the Western Balkans, also for Kosovo in particular, and unfolds the digital perspective and demands for the management consultancy and some of the responses coming from Covid-19 crisis evaluation.

The big 3 of the most relevant areas for development for management consultants were listed as:

1. *New business models for consulting*
2. *General Digital Transformation*
3. *Digital, analytics and big data*

According to the responses generated, the conclusion can confirm that most of the management consultants are seeking to embrace the benefits of a digitalized business and ways of operation.

• *Online Service Delivery*

For this part there is a satisfactory feedback for the establishment and well-functioning approach to deliver online, with an 88% online delivery set-up and only 12% to non-online delivery.

1. *The affirmative that supports digital delivery, uses the services of Video conferencing tools, Collaboration tools, Project Management tools and Time Management tools.*
2. *The opposite that does not support digital delivery, lists why they do not do so and the reasons were: clients resistance to change, lack of the proper service for the client and the face-to-face interactions.*

• *Satisfaction level of the use of digital tools:*

1. *On the level of satisfaction of the use of digital tools, 79% responded with Yes and 21% with No.*

• *The reasons on how they could improve the digital solutions were:*

1. *Understanding of the functionality of different solutions (30%),*
2. *Partnership with more established online providers (27%),*
3. *Training on using specific platforms or software solutions (27%),*
4. *Better internet connection services in the country (17%)*

The main challenges emerging from Covid-19 crisis, relevant to Kosovo were:

1. *Cancelled projects*
2. *Late payments*
3. *Decreased demand*
4. *Stall of business operations*
5. *Financing needs*
6. *Lack of IT solutions*
7. *Poor Marketing*

Business Consultants Council Members reaction and coping-mechanisms for a better digitalization presence

Business Consultants Council shapes many of its programs, strategic plans and activities based on members feedback.

For more than 3 years, BCC is interested on impact and the identification of success stories.

And what a better way than to figure out the members bullet-proof strategy and responses on crisis management through digitalization.

Digital Kosovo - before and after COVID-19 – Donjeta Sahatçiu (Rrota)

Digital transformation enables the increase of sales and business value (competitive advantage) by reducing operating costs. The pandemics has given a reality-check to traditional business mindsets of the notion “Digital transformation is years away. I don’t see our company having to change anytime soon.” Especially in Kosovo, companies going online is no longer a question of ‘if’ but ‘when’ and ‘how’. While time-to-market is essential for competitiveness, businesses should understand that switching to online sales (e-commerce) is much more than finding the best technical solution.

The transition to e-commerce as much as it offers expansion it also allows opportunity for failure due to exposure of the operating chain. More than 80% of such a process is the adaptation of operations (business model innovation), logistics, customer care, and organizational culture. Maintaining stock (for businesses offering online products) or maximizing the value of service relative to cost (for businesses providing online services) requires investing in capable human resources and support for digital survival.

Another essential aspect of coping with digital sales & marketing in the long-run is understanding and working with the data it provides. Unlike traditional businesses, online business models must be attentive to the data and be flexible to adapt strategies. Failure to adapt to digital marketing in 2020-2023, results in an initial delay in performance which quickly after translates into obsolescence or complete exit from the market. Such needs have brought to surface the immediate need for new job profiles, hence increasing demand for new workforce.

While communication and collaborative tools have facilitated remote-work, the pandemics have also shown the need for brands to promote CSR principles and empathy by engaging audiences via authentic and trustworthy content. (Sahatciu, 2020)

Keys to a successful Digital Transformation – Arianit Fazliu (Kutia Software Company)

The journey of digital transformation is something that goes beyond “the business making” as we know it.

We are all witnessing the drastic change that has taken place around the world, as the experience of pandemic Covid- 19. Until the whole world was shut down, our attention exceeded its limits on the great importance of digital transformation.

Digital transformation has been a journey we have all been preparing for and a transformation from which visible and immediate results are expected.

To achieve real change and remain important, the digital future of our business needs to be constantly rethought, re-imagined and reinvented. If IT strategy doesn't drive our business strategy, then we are likely to get lost. (Fazliu, 2020)

Here are 4 elements we consider the most effective leads to a successful digital transformation:

1. Having the right leaders

During a digital transformation change occurs at all levels, especially when it comes to talent and capabilities. Many people state that the top teams in their companies shifted during the transformation, most specifically, when new members who are familiar with emerging technology joined the team.

The addition of such a leader is indeed one of the keys to successful transformation. So is the engagement of transformation-specific roles — namely, the leaders of individual initiatives and the program-management or transformation office leaders who are dedicated to the change effort in full time.

Another key to success is dedication to leadership. If people in key positions are more involved in a digital transformation than they were in previous change efforts, the effectiveness of a transformation is more likely.

Different research results indicate that when companies achieve transformation success, they are more likely to have certain digital-savvy leaders in place.

2. Developing talents – building the workforce of the future

Developing talent and skills throughout the organization—a fundamental action for traditional transformations - is one of the most important factors for success in a digital change effort. Three of our keys to success relate to the workforce's digital capabilities. First is redefining individuals' roles and responsibilities so they align with a transformation's goals, which can help clarify the roles and capabilities the organization needs. It is more likely to report a successful digital transformation when this practice is in place.

Other keys relate to the fact that there should be a potential bridge between the traditional and digital parts of the business. Integrators and technology-innovation managers are in the role of affording this bridge and help foster stronger internal capabilities among colleagues.

Integrators are workers who convert and incorporate into current ways of operating new emerging methods and processes. Since they usually have business expertise and recognize the technological complexities and market opportunities of emerging technology as well, integrators are well prepared to combine the business' traditional and emerging pieces.

Technology-innovation managers, for their part, possess specialist technological skills and lead work on a company's digital innovations.

Besides these three pillars to success, we believe that businesses with winning transitions have a more comprehensive and better financial approach to talent than others. Transformation is successful when organizations have invested the right amount in digital talent.

Performance is even more likely when companies improve planning and skill growth for their employees.

For example, people report positive transitions when their businesses set recruiting targets that are cross-functional or enterprise-wide based on different skill needs.

3. Inspiring employees to adopt new ways of working

Digital transformations require cultural and behavioral changes like calculated risk taking, increased collaboration and customer centricity.

Strengthening new habits and working practices through structured processes has long proven to be an activity that promotes organizational change. Another related key to positive change is the development of new forms of working practices.

Employees who claim their companies have developed at least one new way of operating, such as continuous learning or open work environments, are more likely to report positive changes as part of their initiatives for change than others.

Giving employees a say on where digitization can and should be taken is a very positive step that we would recommend. When employees generate their own ideas on where digitization could help the company, reporting a success is more likely.

Another approach to a successful transformation and empowering workers is ensuring that people in key roles play parts in reinforcing change. Success depends on both senior leaders and those engaged during the transformation.

One important aspect is to allow workers to question traditional ways of doing business. This is more likely to show performance for workers who say their senior leaders and the people involved in transformation-specific positions do this.

Another success factor relates to taking risks. Success is more likely when senior leaders and leaders involved in transformation are all motivating workers to experiment with innovative ideas by rapid prototyping and learning from their mistakes.

A third key to success is people in key positions who ensure their own teams collaborate alongside others while working on transitions. If workers tell that to their senior leaders and others in transformation-related positions, they're more likely to experience progress than others.

4. Upgrading daily digital tools

Digitizing technologies and systems should promote productivity so that companies should inspire workers to function in different ways.

When the transformation started, we asked workers about institutional improvements their organizations had made.

Three of these improvements – each involving the use of digital technologies a new corporate practice – have emerged as essential to success.

The first element is the use of digital technologies to make information more available across the enterprise, providing a successful transformation.

The second is the implementation of digital self-serve tools for staff, business partners or all groups to use; when companies do so, transition progress is twice as likely.

The third key is modifying standard operating procedures to include new technologies. Beyond these factors, an increase in data-based decision making and in the visible use of interactive tools can also make the process more successful.

Management Consulting Association MCA 2000 | North Macedonia

Background of the Association – Short introduction

MCA2000 is a Macedonian consulting association established in May 2000. It is a professional, independent, and not-for-profit organization of associated Management Consultant professionals. MCA2000 Management Consulting Association is the Macedonian national institute which is full member of ICMCI (International Council of Management Consulting Institutes).

MCA2000 main objective is to promote and ensure excellence in the management consulting profession. MCA2000 has 20 Certified Management Consultants (CMC) at present. The CMC certification was delivered in cooperation with the International Council of Management Consulting Institutes. MCA2000 cooperates and is a member of ICMCI since 2003.

MCA2000 is responsible for national CMC (Certified Management Consultant) designation; management consultancy and training; membership of professional management consultants.

MCA2000 has a second body of activities - Macedonian Evaluators Network - MEN.

MCA2000 contributes to building and improving management consulting as a profession and participates in supporting management consultants in Macedonia according to the highest world standards.

MCA2000 is aimed at:

- *Organized cooperation of management consultants for participation and joint performance in separate projects.*
- *Organization of Certification Exams for obtaining an internationally recognized title: CMC (Certified Management Consultant), according to the rules and procedures of the international organization ICMCI. Participation in organizing various forms of activities of the consultants - members of the Association.*
- *Cooperation with state institutions, local self-government bodies, professional and scientific institutions and organizations in Macedonia in order to contribute to the Macedonia in the integrative Euro-Atlantic integration processes.*
- *Cooperation with the business community (companies) from the country and abroad in building a competitive advantage of the Macedonian economy.*
- *Implementation of other activities for promotion and improvement of the profession of management consultant.*

Consulting Market – North Macedonia

For more than 20 years in the Republic of Macedonia there have been additional processes of change in the political and legal system, in the economy and in the society that makes them. In these processes, under the influence from the developed markets, one will gradually convey the need for it and through practice to build a professional profession of consultants. So far, about 100 companies have been established and about 200 individuals are engaged in consulting. Reacting to someone's potential is the most important reason why they started consulting. 39% of the surveyed consultants cite "Realizing the potential" as the number one reason to become a consultant - if you follow the two most popular answers according to "Be your own boss" (19%) and "Flexible schedule" (14%).

Making an analysis of the fields in which the consulting firms in Macedonia are directed and specialized, ie differentiating the relevant experience in a certain field, it can be noticed that out of the total number of consulting firms operating, very few of them are focused on Management consulting, and the others have another primary activity in which they provide consulting services according to their specialized activity. Among them there are companies that provide IT services and provide consulting services related to IT issues, specialized marketing companies provide consulting services exclusively for marketing, there are a small number of companies where their primary activity is consulting for corporate law and engineering consulting companies.

Most consulting companies provide exclusively consulting services for finance and accounting.

The consultants' teams are diverse by gender and ethnicity, which brings value and contributes to the mainstream of issues such as gender and cultural diversity. Trainings are conducted in Macedonian, Albanian and English.

According to the latest analysis, 67% of consultants are men and 33% are women. Although there is no significant difference between men and women when it comes to thinking.

They have advanced training and consulting delivery skills and hands-on experience, enabling them to prepare and conduct consultations designed specifically to meet customer requirements in addition to standard training.

Emphasizing the companies that perform management consulting and the specifications that the employees have, we can name a few:

- *Global Career Development Facilitator*
- *NLP Practitioner*
- *State Certificate for Adult Trainer and*
- *Trainer Art and Science of Coaching "(TASC)*
- *Strengths Deployment Inventory (SDI)*
- *Strength Deployment Inventory Facilitator*
- *Certificate for SDI (Strengths Development Inventory) Facilitator level II.*

The areas in which consultants work are diverse, ranging from accounting, environment, entertainment, technology, law (especially tax law), human resources, marketing, emergency management to food production, medicine, finance, life management, Economics, Public Works, Communication, Engineering, Sound System Design, Graphic Design, or Waste Management.

In line with these areas, opportunities for financial and non-financial support from budget programs and projects or donor projects that consultants in Macedonia are working on are calls from the U.S. Agency for International Development (USAID), European Commission, EBRD, Swedish International Development Cooperation Agency (SIDA), World Bank, Japan International Cooperation Agency (JICA), International Finance Corporation (IFC), AEF - the Agricultural Industry Electronics Foundation, Fund for Innovations and Technology Development (FITD), and many more.

Consulting industry in 2020

Uncertain times require bold answers, yet many large corporations tend to be timid and inert. To be successful, companies must make bold moves to unlock new sources of growth. Making the right moves involves using granular analysis to select the right sub-markets and to use the traditional approach to resource planning - people, money and management - in new areas.

Management consultants work with domestic and / or global clients (organizations, executives, leaders and teams) to identify and address complex business, organizational and operational problems and to define and improve processes.

The trend over the last few years has been for consultants to help companies achieve increased performance by improving the efficiency and effectiveness of the company's key business operations. Using their understanding of finance, risk management / compliance, IT systems, operations and human resources help their clients identify and implement cost-saving initiatives, improve governance and control, identify and manage risks and improve quality.

In addition to assisting with company management, consultants use proven methodologies, tools, templates, and extensive knowledge databases (such as global best practices) to assist in planning, project implementation, benefit realization, and change management; business flow analysis, modeling and estimates; feasibility and diagnostic studies; business case development; requirements and solution development; and implementation assistance to address a wide range of complex performance issues.

Management consulting has long been recognized as a useful professional service that helps managers analyze and solve practical problems faced by organizations, improve the performance of organizations, learn from the experience of other managers and organizations and dimension new business opportunities.

Hundreds of thousands of private business and public organizations operating around the world use management consulting services, individually or in combination with training, project management, technology consulting, financial advice, legal advice, auditing, consulting and other professional services.

However, management consulting is a dynamic and rapidly changing professional services sector. To be relevant and useful to customers, consumers need to keep abreast of economic and social trends, anticipate changes that may affect their customers' business, and offer tips that help customers achieve and maintain high performance in everything more complex, competitive and challenging environments. The knowledge-based economy generates growing demand and creates new opportunities for consultants. Management consulting is influenced by information and communication technologies, the Internet, globalization, market liberalization, major changes in geopolitics, the emergence of regional economic clusters, demographic change, the progress of education. Changes in consumer tastes and behaviors, changes in the role of governments and the public sector, and a number of other developments. Consultants need to be constantly "invented" to be able to advise clients on these increasingly complex and challenging issues. As a professional service sector, management consulting services also communicate closely with other professions. This interaction has many aspects, including cooperation and knowledge transfer in the interest of customers and strong competition in national and international markets.

A management consultant serves as an objective third party to conduct in-depth research and analysis, and then provides an unbiased opinion and perspective on difficult matters and complex business issues and problems.

Small business management and development consultations

The use of consultants by small businesses is now an established trend in business. As business-related activities become more complex, the need for outside help usually increases. Small business managers who want to stay competitive should make consultative use of consultants as they would use other support services, such as bankers, lawyers. Accountants and trade associations. Consultants can play an important role in economic development by helping people set up small businesses. For start-ups, the development phase is the most difficult: consequently, more and more consultants are focusing on this important aspect of the enterprise development. Small business development consultants and centers often organize training for entrepreneurs who intend to start new businesses. Existing small businesses use consultants mainly to solve specific operational problems. The duration of the consultants will depend on the specific problem, but most consultations can be achieved within a few months. Longer consultations may be needed if the problem is business expansion. Expansion takes time and the consultant can be involved periodically for one or two years. Each stage of business establishment and growth brings new challenges and opportunities for the small entrepreneur. New entrepreneurs need to be prepared for the extra demands that the business will place on their time and to balance their working hours with the time for their family and social activities. This can be particularly difficult for women entrepreneurs, as they often have responsibilities for childcare and household management. Within the economic policies applied to structural adjustment, trade liberalization and privatization, the small business sector is now recognized as key. Area to supply job opportunities and provide goods and services. As a result, there has been an influx of consulting tasks to meet these new requirements. This, in turn, introduced a new dimension in the field of economic and social development, ie the development of staff for counseling resources.

Training in new methods and techniques

A common element in awarding is training the client's staff on specific techniques. This assumes those staff members involved in the introduction and use of the technique (eg. timekeeping, statistical quality control, standard costs). Many people may need to be trained; this may require a precisely defined and scheduled training program that precedes implementation and can continue through its early stages.

Numerous approaches are possible, such as: on-the-job training by the consultant; training of trainers in the company by consultant; training of experimental groups whose members will then train the remaining staff; formal training courses in the company led by a consultant, by special trainers hired for this purpose or by internal trainers of the organization; participation of selected staff in Appreciation programs for external training courses for those who are not directly involved but need to be informed. (Kubr, 2002)

Consultants who often seek critical feedback see huge advantages over those who do not

Those who are constantly looking for critical feedback are more likely to do everyday activities with ideal clients, to take risks to be successful, to spend more time in marketing, to work with mentors and coaches, to feel more content with their lives and business activities, to feel less depressed, and report higher annual revenue for their business.

Consultants who work their way of thinking are much more likely to have conversations with ideal clients

Large percentage of consultants who work on their way of thinking, contact clients at least weekly. Some of consultants who do not work their way of thinking, address clients weekly.

Consultants who have crystal clear goals and aspirations are more likely to take risks to be successful

Consultants who write down their goals risk being successful. Of the consultants who are only somewhat clear about their goals and aspirations, only 30% of them risk being successful. Consultants who write down their goals and take more risks also earn higher annual income.

Macedonian companies do not use enough consulting services, which have a very important role in supporting the development of businesses. Only some large companies hire consultants - This was stated by Miha Schwent, Head of the Regional Program of the European Bank for Reconstruction and Development - EBRD to support small and medium-sized businesses in the Western Balkans and Southeast Europe based in Skopje in an interview with MIA. (Schwent, 2013)

Digitalization and IT

Digitalization is also often used as a synonym for automation. Thus, existing processes can be digitally mapped or automated in order to save work steps. Companies often already use the term digitization when they digitize and automate their processes. An example of such an automatic process would be as follows: An order is created, the shipping label is created, the invoice is sent and the warehouse is contacted to prepare the shipping. This allows complete processes to be transformed into a single automated workflow.

At Digital Business, we talk about digitalizing business units, business models and entire companies. These are changing due to digital technologies and digital possibilities. This involves constantly adapting to new technologies, adapting processes such as the supply chain and ensuring that people can network and exchange information with others.

When it comes to digital transformation, one also looks at the business areas and their processes, but the understanding goes much further than simply adapting them to the new digital technologies. In digital transformation, for example, solutions are sought or problems reopened that are solved with the help of technology. For example, the paper is not simply digitized and then processed, but it is considered, for example, whether the process is still needed or whether it cannot be simplified with the help of a new technology.

Digital transformation is therefore nothing more than solving problems with the best possible technical means. To a certain extent, this also applies to topics such as “agile”, “design thinking”, “brainstorming” and other new ways of working, since these are needed in order to take a differentiated look at the problems. Once one has an understanding of these issues, one can also solve them by technical means and use new technologies.

In Macedonia consultancy market the digital transformation is still in its early days. But, as the time goes by and as the new way of working in stressing each company due to Covid19 pandemic, more and more companies are really considering going digital.

MCA2000 is still looking for partnership for gaining more experience, transfer of knowledge and a certification process in order to provide a pool of consultants who can work with companies in their digital transformation.

Regional Cooperation

The B2B Matchmaking event was for most of the companies, first of its kind in manner of online B2B meetings. Most of them have some experience in B2B meetings in classic way and some were sceptic that this kind of event can be realized.

After the event all of them were very satisfied and full with positive impressions. They stated that the meetings went good, all of them shared important information with the matched company and all of them asked for more contact details in order to broaden and deepen the possible regional cooperation between the companies on the regional market.

Regional Cooperation Committee set up by the partners of this project, can fully be functioning in terms of common activities between the project partners - the Management associations. Also, the Regional Cooperation Committee obviously can be supporting different kind of consultancy companies in the region in manner of establishing contacts, facilitating cooperation between companies and open doors for internationalization of the companies from each country.

The internationalization doesn't have to be only on regional market, because with common expertise, portfolio and reference many of the companies who will make consortia can be present on European and even on world consultancy market.

This is the key issue why the initiative for Regional Cooperation Committee has to continue and develop even more.

Albanian Consulting Network ACN | Albania

About Albanian Consultants Network – ACN

Albanian Consultants Network brings together the local consultants operating in Albania, in an enhanced effort to introduce a new complete package of services offered by the Albanian Consultancy. This package includes the consultancy in the Management, Finance, Marketing, Standards, Human Resources, Engineering, Legal assistance, etc.

ACN is the official representative of the Albanian consulting community with the mission to encourage, promote and develop the consultancy services in Albania according to highest international standards through:

- *Implementing best practices to create and develop the knowledge and experience of local consultants*
- *Cooperation and exchange of experience among the members*
- *Establishing and enforcing of high professional and ethical standard*
- *Presenting and promoting the benefits from using consulting services*
- *Protection and advocacy for the consultants' rights and interests.*

ACN is devoted to serve the interests of its members in their effort to provide better service quality to their clients. All consulting companies, businesses, non-for-profit organizations, state and local administration, foreign donor programs and any potential beneficiaries of consultancy services can also profit from the ACN activities. As management consultancy can trigger the whole economy, the ultimate beneficiary of ACN is the Albanian economy.

All ACN members have equal access to all the services provided by the association. All services performed only in favour of the members are free of charge for them.

While being still a young organization, only 8 years old, ACN has already done a lot of activities and performed services in benefit of its members and in general consulting profession in Albania. This is mainly thanks to the high dedication and commitment of especially its founders, the Board and all members. Also, a very important role has been played by donors and stakeholders, especially EBRD advisory programme, which has been always helping ACN over the years. Important activities have been successfully organized, such as trainings delivered with EBRD on “Growing Consulting Business” in different subjects, such as “Management consulting Essentials”, “Marketing Consulting Business”, “Starting Consulting Business”, “Business Diagnostics”, “Change Management” for Consultants, etc. Through these very successful trainings, more than 80 consultants, mainly members of ACN and also aspiring members have been trained and developed their capacities.

Also other successful activities have been organized, such as the Consultants Forum, Forum on Internationalization of SMEs, Consultants Club, participations in events such as fairs, conferences, round tables, International consultants on 2020 etc.

Consultancy Market in Albania

Are you a management consultant? Answer these two questions:

- *What expertise do I have that others would be willing to pay for?*
- *Do I have (or could I develop) the required interpersonal skills?*

You need the content skills, specific knowledge or expertise and the process skills, strong communication, proven problem-solving skills, the ability to market yourself, excellent interpersonal skills, the know-how to run your business effectively. One of the most significant reasons for becoming a consultant is that one can create the lifestyle one chooses.

Becoming a consultant requires a complete re-focusing of skills, such as problem solving, project management, facilitation, client-handling etc, but also a stronger awareness of selling skills.

As ACN is a relatively new organization and also most of the consulting businesses in Albania are at early stages of their development. This market was almost new about more than 10 years ago, while it has passed through impressive development over time and the potential to grow is still high. Many Albanian experts with broad expertise and knowledge started their business and re-focused their skills to respond to the market demand. Nowadays, there is quite a more professional offer of consulting services in different fields and able to ensure quality and compete also internationally. The market is dynamic and competition increasing, prices vary depending on quality and types of services. There is always room to increase the quality, and efforts are being put in order to avoid bad performance and unfair competition.

The consultants in Albania did already show professionalism and adaptability to respond to current Covid-19 crises circumstances, able to change and transform their services to meet their clients' needs.

Consulting industry in 2020

ACN undertook a 2020 market survey with its members and in general the consultants' community in Albania, to better understand the situation and looking for best ways forward in supporting the market development. Of course, the main objective of the survey is to understand market development in the context of crises response, consolidating the standards and bringing them at higher levels.

Generally, the information collected through the survey shows intensive development in the consultancy market, also related to the new crises situation. 60 different consultants participated in the survey providing their feedback. As already expected, there is a concentration of the consultants in the capital, due to the general business concentration in Tirana. In the other regions, the clients generally lack understanding and do not have the management capabilities to absorb the assistance.

Based on current law regulations, the consultants in Albania operate as legal entities or as individuals. From the respondents, the major part of consultants, 58% have a legal entity status and 42% operate as individual consultants.

- **Ownership, maturity and size**

The consultants are relatively new in business, and all responding consulting companies are locally owned. The need for increasing capabilities and capacities is obvious, meaning the role of ACN becomes more important in offering trainings and promotion activities. The major part of the consultancy companies hire part – time consultants. The consultants work depends on projects volume and year period.

32 % of consultants reach a turnover of more than EUR 80k (the biggest companies), while 24% have a turnover of less than EUR 20k (the smallest).

More than 44% of the consultants confirm they didn't have impact in their business because of COVID-19, while 30% of them had a reduction of their turnover with more than 10%. Only 2% had an increase in their turnover by more than 10%.

- **Diversification of services**

As already mentioned in the beginning, the consultancy market in Albania, even though it has rapidly grown, it is still at development stages. The opportunities are high as the awareness about the benefits of the consultancy services is increasing. The clients are more aware of what they need and how to identify problems and following the pandemic crisis impact on Albanian SME-s they understand the need to develop new change strategies and scenarios, reducing costs, manage debts and restructure their business, etc. The consultants in Albania try to keep a diversified portfolio of services, which is related to the fact that the market is small and not yet mature. Also, the potential client companies have certain disorientation due to the changes in the laws and regulations, which are also reflected in the supply of consultancy services. The biggest share of consulting companies/individuals offer services in Project management, Strategic management, Marketing, Standards of quality and safety, Financial services, human resources, etc. The share of ICT service sector in this survey is 23 %, which would be interesting to look at in the near future as it is one of the most promising sectors with potential to grow, while also tourism related services are growing.

- **Training needs**

The consultants are always interested to attend trainings in order to deepen and broaden their knowledge. They have attended different training programs according to their expertise fields and were awarded with professional certificates. Currently, they see as more interesting to develop their capacities in responding to the crises impact.

- **Consultants contribution to ACN activity**

The role of ACN has been covered during the survey and results show high interest in its services. It is well noticed that consultants are in favor of the association offering a variety of services. The marketing of consultancy services is mostly made through direct contact and word of mouth. The services are promoted mainly through similar successful cases from past clients. Other means of marketing include usual marketing tools such as publicity, website etc. Contacts and collaborations with foreign operators, especially international consulting firms, have been very crucial in raising the standard of local consultants. It has brought know how and experience on job and more professionalism. The trust about the services offered by the local consultants is increased. Furthermore, the opportunities of entering other regional markets have risen.

The respondents (over 80% of them) see more active role of ACN in intensifying contacts and joint work between consultants. ACN can play an important role, especially in offering trainings for consultants and participation in joint projects, which is confirmed by over 70% of the respondents. In these areas, most of the consultants express their commitment to contribute to ACN activities.

• *Covid-19 impact and response*

The consulting industry has grown rapidly from the last financial crisis. The Covid-19 has pushed the clients delaying their projects as well as canceling future plans. Revenues are diminishing and this has hit the consulting industry. The current situation has affected the consulting industry, which in fact has quickly adapted to change and has become the first industry to pioneer remote working, as consultants need to work from different parts of the world for their projects.

Almost half of the survey respondents show that the current crises had a negative impact in their business, but only about 32% of them confirm drop in revenues over 10%. As a response to the new circumstances, more than 65% of them have undertaken measures such as investment in IT tools. It is worth mentioning that about 50 % of the consultants developed emergency plan.

• *Digitalization and IT*

The current digitization trend and adoption of technologies has become key in helping businesses survive during these challenging times. These technologies have made the job of consultants easier by bringing their clients and work closer to them. The companies are looking for IT solutions as the e-commerce is booming and they also need help to reorganize their supply chain. A large majority of consultants are working from home to serve their client's needs. This, in turn, creates a lot of work opportunities for consultants to tackle this pandemic situation. Both, individual but also business were forced to learn and use digital communication and information sharing tools. A number of SME and Enterprises had challenges to have the staff working remotely even on task that do not require physical presence. This was partially due to some security policies of having access remotely, lack of remote devices, and digital systems that could be operated effectively in a mixture of remote and on premise operating environment. The Cloud (SaaS, PaaS, IaaS) is becoming more acceptable. Therefore there are numerous opportunities for consultants to supply additional consultancy services in:

- a. *External (Customer, suppliers, etc) as internal process definition to enable digitalization and remote work;*
- b. *IT consultancy services in the areas of process automation and CRM;*
- c. *IT consultancy services in using of digital communication, collaboration and information sharing tools in an efficient manner.*

Firms must restructure and cut their costs to reduce losses, which is something consulting firms have been doing for a long time. As many other businesses in Albania, financial consulting during Covid-19 has undergone some difficulties, new experiences and opportunities. One of the most noticeable experiences was to work from home, and being able to provide the same quality service to the clients. Thanks to the information technology this was reachable. Some of the clients had to close their business, some others had to slow down their activities, whereas others have recorded high performance while working from home (call centers). Consultants were faced with special and unique requests from the clients, such as the need for reconfiguration of their business, the need for a contingent plan if things go worse, or delayed reopening.

Some others started thinking to account for such risks for the future and to set aside some special funds as legal reserves. On the other hand, operating in a small scale economy like Albania, the financial aid from the government was not sufficient and did not meet the needs and the expectations of the business, and unfortunately some business could not survive during the Covid-19 strike. After the opening (May 2020), many new businesses are recently registered and it seems like the lock down has helped people to develop new business idea.

Financial technology (FinTech) sector has been developing fast in the Western Balkans in the last few years. This industry is likely to continue strengthening its position in the market due to the challenges that the pandemic has brought – as more institutions and businesses opt for “digital-only” services. Convenience and Versatility are the two competitive advantages of the FinTech industry, which are essential to cope with the nowadays economic uncertainties. E-commerce has become an important opportunity nowadays, since it enables the market players to reach more customers, provide greater choice and convenience, boost market competition, as well as create new job opportunities. There are no exact evidences of the e-commerce volume transactions in Albania, but from observing the today market situation, e-commerce platforms will offer an essential potential to all players. FinTech institutions through their payment services can effectively and efficiently connect entrepreneurs with banks, their employees, suppliers, as well as with the whole market. Also, the digital payment services provided by FinTech may help government organizations to respond to the needs of distinctive group of individuals and small businesses, in a very short time.

Covid-19 has also created problems with human capital for businesses. **HR consultants** are in high demand to tackle these consequences, while there is a clear need from the businesses to identify solutions to their complex current problems, which creates an opportunity for consultants to add value during the crisis.

Standards and regulations, are all around us and support businesses, individuals and the society in reaching their goals in different sectors starting from the basic ones and going on with the latest developments in the technology. Lots of standards are focused on issues of quality and safety: quality management, quality assurance in laboratories, food safety, road safety, toy safety, medical devices, occupational health and safety, and more.

As such, a lot is done ahead before Covid-19 but the near future would ask for even more progress. Quality and Safety Standards will soon be adapted to include more issues related to COVID-19 pandemic effects. Following that, the sectors where standardization is going to play an important role will be health management, digitalization, business continuity for the business caught off-guard; protective equipment's production and use; safety of using hi-tech for all issues personal and business related; addressing workplace challenges related to health and safety at work, remote working, etc. In the other hand, the implementation of standards in those respective sectors, need to be monitored and audited, also in a new way online, remotely in order to check and guarantee their performance. Remote audit, is now an innovative tool to be used by companies who assess the implementation of the standards in the business. Standards have regulated also this area, with rules on the safe surfing on-line, using the safest tools and platforms, managing the time and also the different perception created by not meeting face to face.

To adapt to these methods of working, new “digital” and “soft” skills would be needed for quality and safety managers, as well as top managers and companies staff. The training of such skills is another direction where management consultancy can and should play an important role.

New challenges always open new opportunities and ACN consultants, auditors, trainers are ready and working to meet all the demands, supporting businesses to tackle the new future.

- ***New Strategies and ACN Role***

Following the impact of the corona crises, the collapse of the economy has pushed the consulting sector to reinvent itself. Consulting firms will need to look at providing their services and value remotely by creating virtual consulting platforms. This change shall reflect on response to clients' needs so they are assisted to reshape their business strategy to establish multiple scenarios and modify the plans to stay agile. Businesses will need to create capacities for remote work and if not possible, to provide protection to workers against infection. New communication and marketing strategies are important with employees and clients, suppliers to find alternative solutions. Lot of assistance will be needed to help companies maximize use of government policies and support programs.

Creation of a contingency plan will be very important for the businesses after executing the plans to sustain themselves, to build resilience. Having a stronger and vibrant professional association and that goes beyond the expectations of the members, becomes crucial.

- ***Regional cooperation***

During its years of activity, ACN has participated in several regional cooperation, the latest one being the B2B Matchmaking event organized in collaboration with BCC, Kosovo and MCA2000, Northern Macedonia. As the first B2B online event of the consultants of the region, it was much-awaited and quite well perceived. The Albanian participant companies from the three sectors of consultancy: Digital Marketing, IT and Accounting participated actively and reviewed quite positively the activity and the efforts made by the three Consultants associations for the regional cooperation. Also, the other online activities conducted by the three organizations this year, were quite well perceived by the Albanian consultants who are willing to cooperate in the region and exchange know-how, tools and their respective networks.

As also outlined above, regional cooperation is becoming important for the local consultants. A common Committee that can facilitate this cooperation is an important element in further development that can also influence in the following:

- *Establishing contacts with consulting associations in the nearby regions and in Europe and to identify and apply for a joint project;*
- *Increasing capacities through further trainings and adopting best international practices for more qualitative services of regional consultants;*
- *Elaborate a common consultant's database to facilitate the identification of consultants for the regional businesses.*
- *Promoting and lobbying consultant's services in each country but also further more;*
- *Networking with foreign partners and organizations in the region and in other foreign markets.*

Like many other things in life, developing a successful career in consulting is a journey. Even more interesting the regional cooperation who can bring new horizons to consultants. Enjoy it! Good luck!

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