

# Developing Consultancy Markets for SMEs in Poland Project *FIRMA 2000*

3rd Annual Seminar on Business  
Development Services  
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## FINANCIAL SERVICES

Commercial Banks  
Cooperative Banks  
Development Banks  
Seed Capital  
Venture Capital  
Savings Associations  
Guarantee Funds  
Micro-Loan Funds

## MANAGED WORK SPACES

Business Incubators  
Industrial Parks  
Free Trade Zones

## ADVISORY SERVICES

Business Support Organizations  
Environmental Services  
One-Stop-Shop Centers  
Technology/Innovation Centers  
Export Promotion Centers

## HUMAN RESOURCE DEVELOPMENT

Management  
Firm Level Assistance  
Consultants/Trainers  
University Faculty  
Executive Courses  
Continuing Education  
Training Centers  
On-the-Job Training

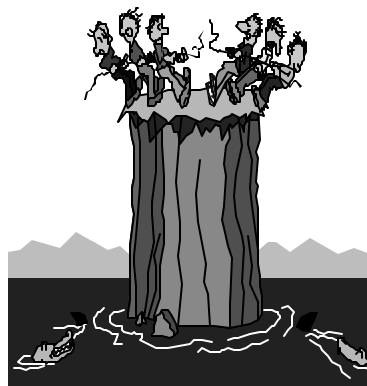
## NETWORKS & ASSOCIATIONS

Trade Associations  
Cooperatives  
Business Clubs  
Business Associations



## Business Support Program Purpose

To assist Poland's private sector to deal with an increasingly competitive business environment by developing the business services sector to support the more sophisticated needs of maturing Polish small and medium-sized enterprises



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## Business Support Program Objectives

- ⑤ build the capacity of 30 BSOs to deliver assistance to SMEs on a full cost recovery basis
- ⑤ develop and expand the technical and business consulting skills of 90 BSO-affiliated business consultants
- ⑤ provide on-the-job training for the Polish consultants by teaming them with U.S. volunteers delivering technical assistance to at least 300 selected SMEs on a fee-basis
- ⑤ facilitate access to debt and equity financing

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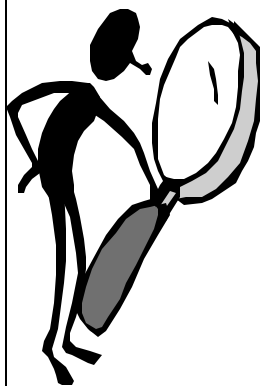
## Profile of 30 Selected BSOs at Beginning of Project

- ⑤ 18 not-for-profit BSOs (0 above break-even)
- ⑤ 12 for-profit BSOs (3 above break-even)
- ⑤ Average BSO margin of profitability = -24.5%
- ⑤ only 20 BSOs were providing consulting services
- ⑤ only 10 BSOs were providing finance-related consulting services
- ⑤ only 15 BSOs regularly provided training services

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## BSO Needs Assessment



- ⑤ New consulting services and training products
- ⑤ Product/Market diagnosis
- ⑤ Target market identification and focus
- ⑤ Pricing consulting and corporate training programs
- ⑤ Pricing open-enrollment training programs
- ⑤ Strategic selling and pipeline development
- ⑤ Marketing strategies/plans and promotional materials
- ⑤ Time/resource management
- ⑤ Budgeting and financial forecasting

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## Results of Consultants' Self-Assessments

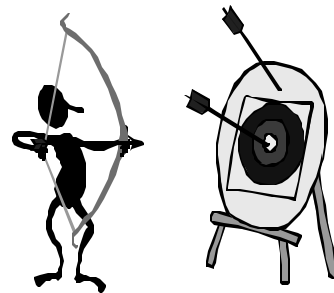
- ⑤ 30% lacked basic skills to analyze financial data
- ⑤ 36% unable to apply financial ratios
- ⑤ 39% incapable of preparing cash flow projections
- ⑤ 40% not equipped to conduct basic market research
- ⑤ 27% lacked the ability to analyze market data/conditions
- ⑤ 42% had difficulty analyzing organizational structures
- ⑤ 69% unable to analyze production processes
- ⑤ 68% unable to construct or manage a data base
- ⑤ 72% had no or very limited Internet skills

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## Highlights of FIRMA 2000 Approach

Help each BSO to identify core competencies and develop an array of specialized services and programs that can be targeted to companies, depending on their stage of development



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# Highlights of FIRMA 2000 Approach

Develop "taster" services  
and promotional training  
courses to educate the  
market regarding quality  
and value of services



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# Highlights of FIRMA 2000 Approach



Target mid-sized  
clients (50 to 250  
employees) for  
consulting services



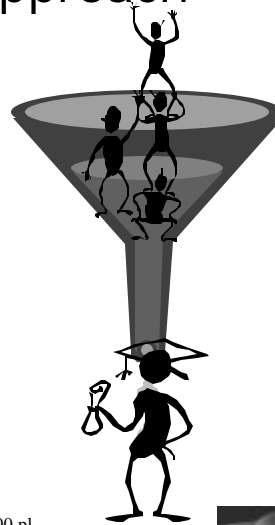
Deliver training and  
group counseling  
services to start-ups,  
micro and small-sized  
firms

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## Highlights of FIRMA 2000 Approach

Use training as a  
feeder for consulting  
services

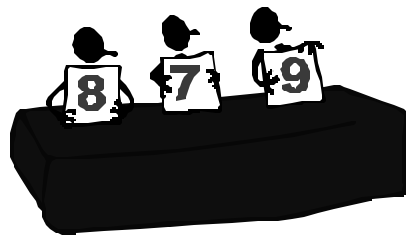


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## Highlights of FIRMA 2000 Approach

Use end-of-course  
evaluations to further  
research the market  
and guide new product  
development

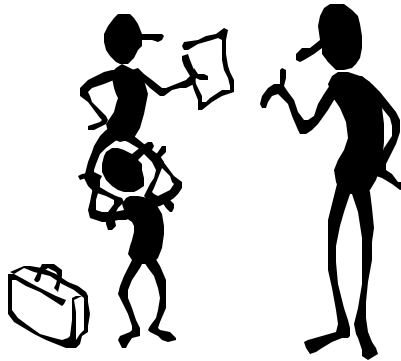


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## Highlights of FIRMA 2000 Approach

Use effective follow-up  
marketing techniques  
to increase repeat  
business and to  
introduce new services  
and programs

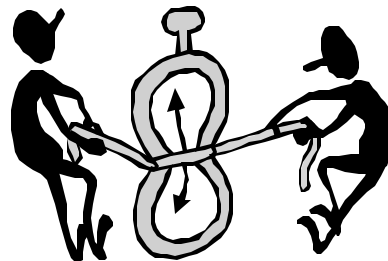


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## Highlights of FIRMA 2000 Approach

Reduce the scope of work  
and the duration of  
consulting engagements  
and the length of courses  
to make services more  
affordable and of higher  
quality



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## Highlights of FIRMA 2000 Approach



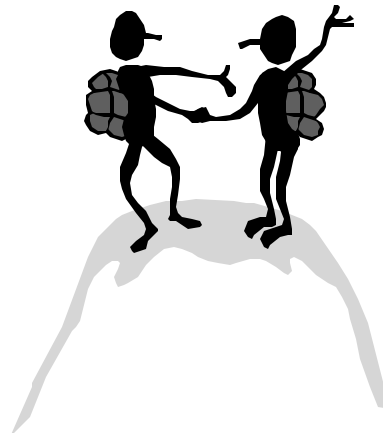
Develop purpose-specific promotional materials and help BSOs learn how and when to use them

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## Highlights of FIRMA 2000 Approach

Help BSOs develop strategic alliances with other BSOs and service providers



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## Highlights of FIRMA 2000 Approach

Target and recruit  
women leaders and  
help them organize  
specialized programs  
for other women  
business owners and  
professionals



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## Profile of 30 Selected BSOs at End of Project

- ⑤ 20 not-for-profit BSOs (11 above break-even)
- ⑤ 10 for-profit BSOs (10 above break-even)
- ⑤ Average BSO margin of profitability = 32.5%
- ⑤ 27 of the 30 BSOs were regularly providing consulting services (35% increase)
- ⑤ 16 BSOs were providing finance-related consulting services
- ⑤ All 30 of the BSOs regularly provided training services

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