

BUSINESS CONSULTING SUPPORT TO SMALL AND MEDIUM ENTERPRISES IN LITHUANIA

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The sector of small and medium enterprises (SMEs) is important to the Lithuanian economy and its social development. However, small and medium enterprises are rather vulnerable due to their limited resources and other specific characteristics. Therefore they often are supported by governmental and international organisations. Many support programs concentrate on providing additional financing; others concentrate on the educational aspect, which includes training and business advice. Encouragement to use professional business consulting services belongs to the latter group and is rather unique. This impacts the overall outsourcing, transparency of operation and partnership in general. This educational aspect is specifically important to SMEs in transition economies, where traditions of using services of business consultants are very short.

The article analyses how SMEs selected various types of business advice during a relatively long period of Lithuanian economy transformation. Choice differences between decisions of small (up to 50 employees) and medium (50–249 employees) companies are observed and analysed. The article analyses also the effects of consulting services on SMEs growth in terms of their sales and number of employees. This analysis allows indicating types of business consulting services that influenced the growth of enterprises more than others.

The research is based on a survey that included over 300 Lithuanian small and medium enterprises.

Keywords: small and medium enterprises (SMEs), business consulting services, SME growth

Introduction

Small and medium enterprises (SMEs) have recently compelled researchers' attention. There is a strong agreement about the importance and complexity of this sector, though even the definition of SME is not absolutely uniform. The definition of SMEs is typically based on employment, sales and some industry-specific criteria. However, often only employment is used. The number of employees is the simplest indicator

not dependent on any methodological or legal specifics. According to this criterion, the majority of countries agree that the SME sector covers companies that employ less than 250 employees. Quite often the group is subdivided into segments of small (up to 50 employees) and medium (50–249) enterprises.

Attention to small and medium enterprises is based on the fact that the SME sector plays a very important role in the economies of many countries. Small businesses are well recognized

and acknowledged as significant contributors to economic development, job creation, and the indicator of general health and welfare of economies. In all countries of Europe, SMEs account for more than 99% of all registered companies. In 15 countries of the EU (before its recent expansion), SMEs on average produced about 3/4 of GDP. In Lithuania, SMEs also account for more than 99% of registered companies, produce almost 70% of GDP, and employ about 70% of labour (Darulis et al., 2004).

The SME sector was analysed by numerous authors, and very different aspects of its operation were covered. Attention is typically focused on SME strategies, competitiveness and growth issues.

The strategies and management of small and medium enterprises have their specific features, since smaller companies often see development of their competitive advantages through cooperation (Ishikawa, 2004) and networking (Elfring, Husink, 2003). At the same time, development of SMEs is not limited to selling in their domestic markets. Even newly established SMEs have some potential of joining international value chains and developing their own marketing strategies (Johnson, 2004; Chen, Huang, 2004). Efficient strategies can be created only on the basis of rather professional planning activities that also have certain specifics in SME sector (Ibrahim, Angelidis, Parsa, 2004). In addition to the use of information, SMEs more frequently base managerial decisions on managers' intuition (Enright, 2001). In general, SME development is significantly related with personal characteristics of a specific entrepreneur (Aidis, Mickiewicz, 2003).

Another important aspect of SME analysis is related with removing barriers to growth for these companies. The most typical issue is increasing the availability of financing resources to SMEs (Andriejute, Snieska, 2004). Quite often, re-

searchers see some advantages of training (Storey, 2004) or possibilities to adjust the managerial models that are typically used by larger companies (Naylor, Hawkins, Wilson, 2001; McLarty, 2003). This also relates to analysis of the factors that influence formation of SME strategies (Gibbons, O'Connor, 2005).

Since SME sector is that important, its dynamics significantly influences the overall development of national economies and even social sphere (through employment) in many countries. This forces to constantly analyse facilitators and obstacles of SME growth. Numerous support programs were developed in various countries for reducing/removing obstacles for SME growth. Most often, they concentrated on financial support (loan programs) or educational influence. These influences together with SME support programs' activities have been rather well analysed and documented (Chrisman, McMullan, 1996). However, many other influences on SMEs development and growth can also be observed. One of them is the use of professional business consulting services that bring additional expertise and give a certain push to SME growth. This happens because consulting integrates informational, technical, training and other external influences with characteristics of individual companies.

By their definition, business consulting services cover a very broad range of efforts directed to improving the performance of a client organisation. Many services are limited to providing information, and the further use of this information is a direct function of the client company personnel. Often these projects include continuous or periodical market measurements, annual audits, etc. In general, the group of consulting services is limited by delivering rather routine information without direct influence on client business operation. If the personnel of the company is less professional or not very much experienced (as in many SMEs), the use of these services is

very limited or inefficient. Also, some of these services (audits, labour safety measures) are used only because they are required by law. Therefore enterprises often use them just in some formal way.

However, there is a large variety of consulting services that are directly targeted to improving certain aspects of business operation and management. They can be defined as ad-hoc type consulting, since often are more or less customised to address needs of a specific customer. These consulting services can be very important to SMEs, and they may really remove some barriers to SME growth.

There are many methods how business consulting (advice) services may be classified. However, none of them is entirely precise, since many consulting projects include a few types of advice. Also, some parts of a larger project in other circumstances can be considered as separate projects of more specialised content. The most typical example is development of strategic plans which often include market research, engineering developments, financial forecasts, process engineering, etc. In other cases, feasibility studies serve not just as a tool to attract financial resources, but also play a role of development plans. Therefore, classification of consulting projects is partially based on managerial judgements about the main aspect of a consulting project.

In this article, we classify business consulting services into nine categories:

- feasibility studies and investment plans,
- strategic development planning,
- company reorganisation/restructuring,
- quality improvements and quality systems' implementation (mainly ISO 9000 and ISO 14000),
- market analysis and marketing planning,
- implementation of computerised information systems,

- implementation of computerised manufacturing systems,
- engineering studies and engineering development,
- others.

The ninth category ('other') includes very different and often one-client-specific projects. This makes the whole category inconsistent, and does not allow using it in analysis. Therefore all further analysis in this article is based on eight categories of business consulting services.

The use of business consulting services in the SME sector has not been given extensive studies. There are some surveys concerning general outside assistance (Chrisman, McMullan, 2004), but they do not explore the use of various types of business advice. The issue has not yet been studied in Lithuania or in neighbouring countries. Therefore, the main objective of this article is to analyse how SMEs were selecting and using business consulting services in a transition economy (Lithuania) during the different phases of its development. Though the overall SME dynamics during economic transition has already been to some extent analysed (Navickas, Bagdonaitė, 2004; Aidis 2003), previous analysis did not cover the issue of business consulting services selection and results.

Authors of the present paper wanted to analyse whether the external (not necessarily cyclical) change of economic conditions influences the choice of business consulting services by SMEs. It is assumed that SMEs in transition economies went through a certain process of learning that started with familiarising with consulting alternatives and continued into a more efficient selection and use of consulting services. Although every enterprise and every manager went through this individually, there must be some typical patterns observed. Since this aspect of analysis is relatively new, we concentrate on

the exploration of consultancy usage patterns during various periods rather than on measurements of concrete relationships between macro-economic indicators and the types of consulting services used.

Also, we analyse how different types of business consulting services influence SME growth in terms of sales volume and employment. This is a rather simplified measurement of SME performance, but sophisticated measurements have their imperfections (Abouzeedan, Busler, 2004). Growth in relation to small businesses represents a complex matter and is multidimensional in scope and character. It embraces a convergence of owner-manager ambitions, intentions, and competences; internal organizational factors; region-specific resources and infrastructure; and numerous external influences (Morrison, Breen, Ali, 2003). Many of these influences have been relatively well analysed (Rodríguez et al., 2003), but they do not include the use of business consulting services. Though an exact differentiation of various influences on SME growth is rather difficult, statistically significant differences in the growth of the SMEs that used different types of consulting services allow stating the relationship between the consulting services and growth. Consultancy is assumed to generate at least a significant part of the observed growth effects, though absolute control of other factors is impossible.

However, the analysis has certain limitations which are mainly related to the specifics of sampling procedure and the lack of comparison basis for the findings. The overall population of the Lithuanian SMEs that used professional business consulting services during the study period was very small, and the sampling procedure rather meant an active search for companies showing interest to consultancy. Though this judgemental (to some extent) sampling allowed to cover relatively well the majority of consultancy

and SME types, the procedure did not comply with formal random sampling requirements. This reduces the accuracy of the representation, but still allows observing and interpreting the general patterns and trends. Also, the sampling procedure did not allow to formally eliminate a certain possibility of a self-selection bias, though this can have just a minimal influence on the exploratory aspect of the research.

1. Research

Investigations of the SME sector present certain difficulties because of the large and diverse general population, imperfections of information handling in SMEs, and many other factors (Newby, Watson, Woodliff, 2003). The personal characteristics of a SME manager have also to be taken into account (Mitchell, Busenitz, Lant et al., 2002). Therefore, every SME research scheme requires certain innovations. For example, it is beneficial to relate a survey procedure with SME support programmes which have advantages in contacting SMEs. Some of these possibilities were used in this survey, which allowed covering a relatively large sample of SMEs and keep the process of survey going during the period of nine years.

The sample of SMEs included 304 small and medium enterprises that used business consulting services of consulting companies during the period from 1995 to 2004. Out of them, 134 belong to the category of small (below 50 employees) and 170 to medium (50–249 employees) enterprises. All SMEs were registered in Lithuania, were primarily private and primarily locally owned. Therefore their activities reflected the attitudes of local entrepreneurs and managers to business consulting and overall business development. This differs from the approach of some authors (Burca et al.) who consider branches of multinationals also belonging to the SME sector.

Since the same enterprise had a possibility to undertake several consulting projects, the overall number of registered consulting cases is 366. Even though the same company could have several consulting projects, the projects did not overlap in time, since only one project with a company at a time was recorded.

The researchers had two in-depth interviews with representatives of each company. The first interview was performed before starting a consulting project and the second one year after the consulting project had been formally finished. The first interview was related with the possibility of granting a subsidy for partial coverage of business consulting costs, therefore managers were strongly motivated to specify their expectations about the planned consulting project. Therefore in each case researchers received extensive qualitative information about each company and each consulting project. During the first interview, respondents also provided quantitative information about a SME's sales volume and number of employees. The second interview was held a year after the business consulting project with a consulting company had been completed. The main topic of discussion was evaluation of the benefits of the undertaken project, which in turn generated an extensive amount of qualitative information. In addition to this, SMEs again provided quantitative data about sales volume and the number of employees. In this work, only these two quantitative indicators of SMEs were used to measure enterprise growth. Changes of these indicators during the period between the two interviews could be at least partially related with the consulting project the enterprise was undertaking. The qualitative part of information from all interviews was used for interpreting the findings and including SME managers' attitudes to the phases of Lithuania's economic development from the point of view of SME development.

In all cases, the respondents were managers or owners-entrepreneurs of respective SMEs. Therefore they had all rights and competences to discuss the development of their companies and all issues regarding the relevant business consulting projects.

2. Overall choice of business consulting services

The classification of business consulting services suggested in this paper defines nine types of business consulting services. It proved to be convenient for further analysis, except 10 consulting projects that were classified as "other". Since this small group lacked internal consistency, it was impossible to analyse the group the same way as all others. Therefore the category "others" was totally removed from further consideration. As a result, our analysis is based on 356 business consulting cases to SMEs, which fall into eight categories of consulting services. Since in some cases ISO consulting and ISO certification were combined into the same project, these activities are included into the same category.

The study enterprises based the selected business consulting projects only on their needs and priorities. Most of various types of consulting projects were covered by computerised information system and quality system implementation projects (Table 1)

It is important that differences in the choice of consulting services between small and medium enterprises were only minimal. However, some statistically significant differences were observed on the basis of SME types of activity (Table 2).

Logically, trade companies were not interested in engineering projects. Almost half of them used business consulting services of implementation of computerised information systems. At a certain stage of their development, ability to follow the flow of goods and to pro-

Table 1: Choice of business consulting services by two groups of SMEs

<i>Types of business consulting services</i>	<i>Per cent of the total</i>	
	<i>Small enterprises</i>	<i>Medium enterprises</i>
Feasibility studies	6.9	6.1
Computerised manufacturing systems	13.8	10.2
Engineering studies	4.4	5.1
Market analysis & planning	13.8	15.3
Computerised financial information systems	18.8	25.0
Development planning	6.3	9.7
Reorganisation	13.8	7.1
Quality management & certification	22.5	21.4
Total:	100.0	100.0

Table 2: Business consulting services by SME activity type

<i>Types of business consulting services</i>	<i>Activity</i>		
	<i>Manufacturing</i>	<i>Service</i>	<i>Trade</i>
Feasibility studies	8.7	5.7	2.6
Computerised manufacturing systems	11.0	18.9	3.9
Engineering studies	8.2	2.8	0.0
Market analysis & planning	18.6	8.5	14.1
Computerised financial information systems	18.6	9.4	47.4
Development planning	5.8	8.5	12.8
Reorganisation	5.8	18.9	7.7
Quality management & certification	23.3	27.3	11.5
Total:	100.0	100.0	100.0

perly manage inventories was the key factor for the increase of their efficiency, competitiveness and growth. Implementation of computerised information systems was addressing this very important objective.

Manufacturing companies rarely related their development with implementation of computerised information systems. These SMEs more frequently were interested in market analysis, implementation of quality systems and, to some extent, of computerised manufacturing systems.

Service companies varied most. However, so-

me patterns of employing business consulting services could be traced even in this group. Service companies paid significant attention to the quality systems, company reorganisation and computerised manufacturing systems' implementation. Implementation of ISO systems was specifically important in fighting the natural characteristics of services, such as variability and intangibility. The certificate was perceived as some tangible asset that could be used as a proof of service quality and sustainability. The need of reorganisation perhaps reflected the

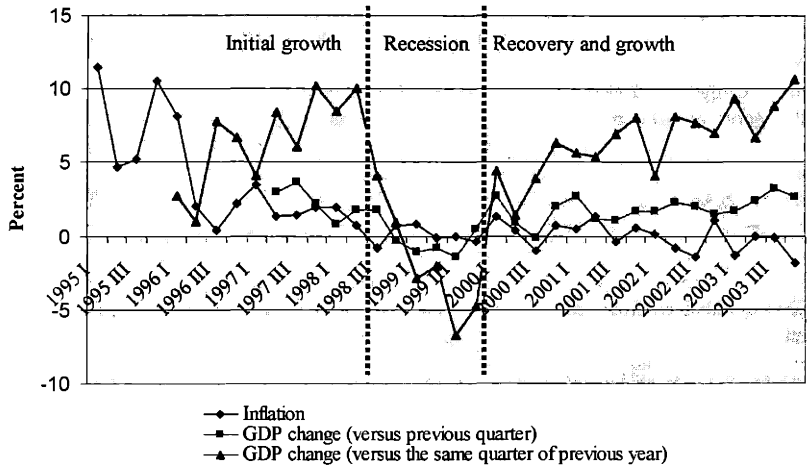


Fig. 1: Three phases of recent development of Lithuanian economy

overall growth and geographical expansion of service companies. Implementation of computerised manufacturing systems was employed mainly by design / projects development firms (architectural, technical, landscape planning), which needed computerised tools for a higher accuracy and speed of their functioning.

3. Preference of business consulting services during different phases of economic development

Transition economies are often characterised by rather similar phases of economic development. The recent Lithuanian development has also certain periods. Based on analysis of general economic indices and (more importantly) on the attitudes and perceptions of interviewed SME managers, we suggest four phases of the recent economic development in Lithuania:

1. Initial development of market economy
2. Initial growth

3. Recession

4. Recovery and growth.

The first period starts with the moment when Lithuania regained its independence in 1991 and continues to approximately 1996. In terms of economy and business development, it is mainly characterised by the change of the overall system of economy, privatisation, gradual reduction of the initially very high (200% and above) inflation, establishment of the new economic basis and some stabilisation of the economy in general. During this period, a number of new private SMEs were established, the first local business consultants appeared. This period is not analysed in the current article, our attention being concentrated on the three others (Fig 1).

The first period (of initial growth) covers the time when the number of private SMEs was increasing both because of continued privatisation and the emergence of new private companies.

During this period, the development of SMEs was rarely based on efficiency and business excellence. More frequently, successful SMEs used new and historical business contacts, developed the opportunities offered by imperfections and disproportions of Lithuanian economy and the economies of neighbouring countries. At the same time, a need for business consulting arose, but the use of business consulting services remained very limited. The sector of business consulting services was growing, but the choice of services remained rather simplistic due to the limited resources of SMEs and minimal experience of local consultants.

The recession was mainly triggered by factors outside Lithuanian economy (in Russia), but it had a major influence on Lithuanian economy and therefore even on the SMEs that had almost no international contacts. The start of this period is very clear (mid 1998), but the end of it can hardly be indicated very precisely. We believe that many SMEs were able to somehow withstand the problems and stabilise their operations by the end of 1999.

In general, this period sorted out the companies that were able to be flexible and efficient, had enough resources and expertise to survive the difficult period. During this period, business consulting services were mainly used for fighting the business problems rather than for removing barriers for SME growth.

The next period perhaps can also be subdivided into smaller parts, but in terms of the SME sector and consulting business development the period from the start of 2000 till now is characterised by continuous evolutionary changes. The SME sector was already different at the start of the recovery period both in terms of its structure and the very different attitudes of SME owners managers. At that point, differences between privatised and newly established enterprises practically disappeared. The differences of histori-

cal evolution were replaced by the aspect of efficiency: in both categories a more significant distinction occurred between efficient and less efficient companies. The most advanced SMEs were successfully overcoming the problems of recession by increasing efficiency and developing contacts with partners from developed countries. This gave a new impetus to developing more sophisticated managerial techniques and strategies; more attention started to be paid to the output quality. This raised the demand of the new types of consulting services, ISO systems implementation in particular.

In general, this period can be characterised by the further stable growth of GDP and by the surprisingly low or zero inflation (or even deflation). In these conditions the development of SMEs was much more predictable. SMEs continued developing niches, using more and more sophisticated technologies. They started also employing better professionals and therefore could request more specialised and professional consulting services.

Environmental characteristics influenced the business priorities of SMEs and predetermined the use of business consulting services. Responding to the environmental changes, during the three latest periods of Lithuanian economic development SMEs employed rather different types of business consulting services (Table 3).

Feasibility studies and development planning projects were more typical of the initial growth period. Most probably this was related with some over-optimistic planning of companies' development, often relating it only with obtaining additional financial resources. This was more typical of medium-sized companies, since small enterprises undertook these projects less frequently. As is already analysed, these consulting projects often ended in significant disappointments, reduction of both sales and employment. This was not necessarily related with the quality of consulting projects or overall performance of

Table 3: Employment of various types of consulting services in three periods

<i>Types of business consulting services</i>	<i>Periods</i>		
	<i>07.1995-06.1998</i>	<i>06.1998-12.1999</i>	<i>01.2000-12.2002</i>
Feasibility studies	13.3	2.3	4.7
Computerised manufacturing systems	6.1	11.4	15.3
Engineering studies	5.1	5.7	4.1
Market analysis & planning	13.3	19.3	12.9
Computerised financial information systems	34.7	21.6	15.3
Development planning	15.3	5.7	5.3
Reorganisation	0.0	5.7	18.2
Quality management & certification	12.2	28.4	24.1
Total	100.0	100.0	100.0

SMEs: often it was just the reflection of managers' inexperience in dealing with underdevelopment of the financing infrastructure of that period. The negative managerial experience resulted in a significant reduction of these projects during the other two periods.

The share of the implementation of computerised financial information systems was rather large during all periods, but it was steadily declining. However, the trends in small and medium companies are rather different. Almost 40% of consulting projects chosen by small enterprises during the first period dealt with implementation of computerised financial (or accounting) systems. In almost all cases, these systems represented the first stage of computerisation in these companies and mainly had to replace manual operations. Medium companies during this period chose implementation of computerised financial systems a little less frequently (33.4%), possibly because of the fact that many medium-sized enterprises at that period already had some computerised systems in place and were more concerned with solving other issues.

The situation underwent significant changes during the two following periods. During both of them, computerised financial systems were chosen by medium enterprises more frequently

than by small companies (26.0% versus 15.7% and 25.0% versus 14.0% respectively). This means that from the period of recession larger companies started to look for efficiency, and a more efficient handling of financial information was one of important priorities for them. Additional requirements for better information handling were created by the increased overall scale of operation, the need for faster decision-making, which had to be based on timely and precise information. In the majority of instances, medium-sized companies replaced simplistic computerised information systems by more sophisticated ones.

The recession triggered a significant leap in the use of quality-improvement-related business consulting projects. Before it, this type of the project had been undertaken mostly by medium-sized enterprises, while later there was almost no difference among companies of different size. The share of these projects more than doubled in the period of recession and remained almost stable later. The importance of these projects for SMEs can be better understood knowing that a typical ISO system implementation project was significantly more expensive than many others, and that during the recession SMEs had especially scarce financial resources. A lot of research allows to

state that ISO system implementation can be driven not only by the primary objectives of ISO existence, i.e. quality and related managerial improvements. Many empirical studies confirm that management might have expectations that are not much concentrating on improvements inside the company. They believe that the ISO system has to generate marketing and sales effects (Ivanauškienė, Urbonavičius, 2003; Urbonavičius, 2004) or, more precisely, to help improving company image, developing partnerships, etc. (Carlsson, Carlsson, 1996; Escanciano, Fernandez, Vasquez, 2001, Dissanayaka et al., 2001). Also, these projects started together with the necessity to join international supply chains in more quality-demanding countries. The internationally recognised ISO certificate signals to the potential partners that a company is managed according to broadly accepted rules, which makes its operation stable in terms of procedures and, consequently, in its output quality.

The recession had a very interesting effect on the selection of marketing analysis and marketing planning related consulting projects. In general, during recession this type of business advice was considered by SMEs significantly more often. However, solving the marketing problems with consultants' assistance during recession became more important only for medium-sized enterprises, and for them the share of this type of consultancy doubled in comparison with the previous period (13.0 and 26.0%). For smaller companies, the result was opposite: the share of marketing-related consulting projects declined from 13.8% to 10.5%. It is possible that the managers of smaller companies did not see a possibility for breaking through the recession problems via knowledge and the development of markets. In difficult periods, smaller companies tend to look for either more technical and tangible (computerised manufacturing systems, ISO) or very radical projects (reorganisation).

Reorganisation projects were non-existent during the first period, but this type of consulting services was rapidly developing and was the second largest in the latest period. The main explanation of this trend is based on the overall search for efficiency and increasing attention to management of SMEs, while earlier the key issues were related with financing and manufacturing. However, it is rather difficult to explain the distribution of reorganisation projects between small and medium companies. It is logical to expect that larger enterprises are more concerned about their structure and processes, but selection of consulting projects does not confirm this idea. There were no restructuring projects undertaken during the first period; all restructuring projects during recession were undertaken only by small enterprises: reorganisation projects have much larger share for smaller companies than for medium-sized during the last period (18.3% versus 7.1%).

Introduction of computerised manufacturing systems is one more solution of recession period problems for SMEs. A significant growth of the relative importance of manufacturing systems started during the recession, but continued also after it. In many cases, the introduction of manufacturing control software was a logical continuation of the previously implemented computerised financial systems. But this explains only part of the undertaken projects. For example, it is rather hard to understand why these projects were always more popular among small enterprises than among medium ones, and this difference was extremely big during recession.

Of all types of business consulting services, only engineering studies seem to be not influenced by environmental changes in different periods of time. Also, these consulting projects had a surprisingly similar share among the consulting projects undertaken by smaller and medium enterprises.

4. Results of using business consulting services

4.1. Change of sales volume

The development of SMEs is influenced by a number of various factors that mostly are relatively well researched. However, there is a statistically significant relationship between the use of business consulting services and the growth of sales. More specifically, different sales change patterns are observed among the small and medium-size companies that have used business consulting services. Just a little more than one-fourth of small companies have reduced their sales in the period between the two interviews (before the consulting project and one year after its completion), obviously influenced by a number of the internal and external factors that are not necessarily related with the undertaken consulting project. However, medium companies were stronger influenced by these factors, and their sales went down in almost 35% of them. The largest group of the companies increased their sales by no more than 50%. There are almost no difference between the small and medium companies here, but the groups that were growing faster are dominated by small compa-

nies. This allows concluding that the smaller companies that have used business consulting services:

- less frequently reduce sales during the consulting periods and one year after it,
- more often experience a relatively larger sales growth than bigger companies during the same period.

However, business consulting services are very different, and SMEs use them in solving rather different problems. Therefore it is important to analyse the change of sales volume in relation to the type of consulting service used. Table 4 summarises the use of eight types of business consulting services by the sample companies.

There are some patterns regarding the results of some types of consulting services.

Feasibility studies and investment plans clearly fall into the category of the most unsuccessful consulting, since more than half of companies that used this type of service have reduced their sales. In the cases of sales increase, it was slower that after using any other type of consulting. A series of qualitative interviews allow to explain this phenomenon. Feasibility studies and investment generating projects generate "selling" documents that have to attract financing.

Table 4: Change of sales after implementing consulting projects of various types

Types of business consulting services	Change of sales after a project			
	Decrease	Increase up to 50%	Increase by 50.1–100%	Increase by more than 100%
Feasibility studies	52.2	26.1	17.4	4.3
Computerised manufacturing systems	31.0	50.0	14.2	4.8
Engineering studies	29.4	35.3	23.5	11.8
Market analysis & planning	36.5	38.5	19.2	5.8
Computerised financial Information systems	29.1	48.1	12.7	10.1
Development planning	37.9	27.6	13.8	20.7
Reorganisation	16.7	36.1	25.0	22.2
Quality management & certification	26.9	29.5	19.2	24.4

However, a good quality document cannot automatically guarantee a favourable attitude of investors (or banks) and the investment itself. It is just a pre-requisite for loan or investment, which might never happen if financial resources are too limited or priorities of financial institutions are different. This was the most typical reason for the failure of feasibility-studies-type consulting services. Consequently, some companies simply were unable to continue their growth without receiving planned financial resources.

The most successful, in terms of sales generation, are restructuring and quality improvement (quality system implementation) consulting projects. In the case of both types of consulting services, over 20% of SMEs more than doubled their sales during the study period. Enterprises that were involved in reorganisation almost always experienced at least some growth of sales (sales decreased only in 16.7% of companies), while 27.7% of enterprises that performed quality improvement projects did not achieve sales increase. This can partially be explained by the peculiarities of ISO projects. The firms that received ISO certification did not, on average, see their absolute performance improve, but they did see their relative performance improve substantially, compared to their uncertified peers (Corbett et al., 2002).

Analysing other types of business consulting, it is obvious that implementation of computerised manufacturing and computerised information systems generates almost the same results in terms of sales. In both cases, approximately half of companies experienced a moderate (0–50%) sales increase, about 30% saw sales decrease, and only the minority had a significant sales growth. The possible interpretation can be related with the content of these projects; typically they were not directly oriented to sales increase objectives but rather towards preciseness and accountability improvements inside the enterprises.

It is rather surprising that more than one-third of the enterprises that had been involved in market research and strategic planning projects experienced sales decrease. By their content, these types of business consulting are more oriented to sales increase.

There are only very few instances when the effect of a certain type of consulting services on sales growth was different for small and for medium companies. One of them is the most unsuccessful category of feasibility studies and investment plans. Though sales decrease was rather typical of all enterprises that used this type of consulting, for medium-sized companies it was noticeably bigger than for small companies (58.3 and 45.5%, respectively). A similar pattern was observed in almost all types of consulting services, i.e. small companies of the sample more often increased their sales than did medium ones. Since this is almost independent of the type of business consulting, it is possible to conclude that smaller companies experience larger benefits from any type of business consulting services than the bigger ones in terms of sales growth.

4.2. Change of the number of employees

After employing business consulting services, the number of employees grew in approximately 60% of SMEs. However, significant differences occurred between small (up to 50 employees) and medium (50–249 employees) enterprises.

A decrease in the number of employees was observed only in 24% of small companies, while this percentage among medium companies was almost twice bigger (42%). Besides, about 30% of medium-sized companies increased their number of employees by no more than 25%, i.e. grew only moderately. This might mean that two-thirds of medium-sized companies used business consulting services for increasing effi-

Table 5: Change of the number of employees after implementing consulting projects of various types

<i>Types of business consulting services</i>	<i>Change of number of employees</i>			
	<i>Decrease</i>	<i>Increase up to 25%</i>	<i>Increase by 25.1–100%</i>	<i>Increase by more than 100%</i>
Feasibility studies	52.2	13.0	30.4	4.3
Computerised manufacturing systems	31.0	47.6	16.7	4.8
Engineering studies	47.1	23.5	23.5	5.9
Market analysis & planning	38.5	28.8	26.9	5.8
Computerised financial information systems	34.2	26.6	31.6	7.6
Development planning	41.4	31	20.7	6.9
Reorganisation	25.0	16.7	47.2	11.1
Quality management & certification	26.9	32.1	33.3	7.7

ciency rather than for generating extensive growth. A significant increase of employment was observed mostly in small companies.

Again, employment changes depend on the type of consulting service an enterprise has used. As in the analysis of sales, feasibility studies and investment plans were the most unfavourable categories. They more often resulted in employment decrease than increase. However, employment reduction can be evaluated as a positive outcome of business consulting, but this is correct only when consulting is targeted to increasing operational efficiency. However, there is no statistically significant relationship between the type of consulting services and change of efficiency (measured by sales-per-employee change). There are even some controversial observations. For example, restructuring, being one of the most efficiency-oriented types of consulting, generated the smallest decrease of employment. Almost the same result was achieved by quality system implementation projects, though they also often suppose some restructuring in a company. In general, these two types of consulting services generated the largest increase in the number of employees (Table 5).

There are many observations that can hardly be interpreted without taking into account the influence of some other factors. For example, a large number of companies that had used engineering consulting decreased their number of employees. This might be related with implementation of modern technologies, but the same pattern could be expected after implementation of computerised manufacturing systems. However, this type of consulting typically resulted in a small increase of employment. Strategic planning also often impelled SMEs to decrease employment, while logically this type of consulting is directed rather towards enterprise growth.

However, many of these seemingly not very logical ratios become clearer in analysing small and medium companies separately (Table 6).

Feasibility studies and investment projects resulted in employment decrease for 83% of medium-sized enterprises and only for 18% of small enterprises. Typically, after this consulting project, small companies increased their number of employees by 100%.

Strategic planning projects resulted in employment decrease only for 20% of small-sized companies and by more than half in medium-size

Table 6: Change of the number of employees in small and medium enterprises

Types of business consulting services		Change of employees				Total
		Decrease	Increase up to 25%	Increase by 25.1–100%	Increase by more than 100%	
Feasibility studies	Small enterprises	18.2	18.2	54.5	9.1	100.0
	Medium enterprises	83.4	8.3	8.3	0.0	100.0
Computerised manufacturing systems	Small enterprises	36.4	40.9	13.6	9.1	100.0
	Medium enterprises	25.0	55.0	20.0	0.0	100.0
Engineering studies	Small enterprises	42.9	42.9	14.2	0.0	100.0
	Medium enterprises	50.0	10.0	30.0	10.0	100.0
Market analysis & planning	Small enterprises	36.4	22.7	36.4	4.5	100.0
	Medium enterprises	40.0	33.3	20.0	6.7	100.0
Computerised financial information systems	Small enterprises	23.3	20.0	40.0	16.7	100.0
	Medium enterprises	40.9	30.6	26.5	2.0	100.0
Development planning	Small enterprises	20.0	50.0	20.0	10.0	100.0
	Medium enterprises	52.5	21.1	21.1	5.3	100.0
Reorganisation	Small enterprises	27.3	13.6	45.5	13.6	100.0
	Medium enterprises	21.4	21.4	50.0	7.2	100.0
Quality management & certification	Small enterprises	11.1	30.6	47.2	11.1	100.0
	Medium enterprises	40.5	33.3	21.4	4.8	100.0

enterprises. In terms of employment increase, quality system implementation projects were very successful for small companies, while almost half of medium-sized companies after this type consulting experienced employment decrease. Market research and marketing planning projects, computerised information systems implementation projects also more often resulted in employment increase for small enterprises.

Taken together, all these observations allow to conclude that in terms of employment change small enterprises are more responsive to the influence of various types of business consulting. However, often the same type of business consulting generates different changes of employment in smaller and larger SMEs.

Conclusion

This analysis is rather unique in terms of the analysed issue and of the method of analysis. The analysis covered a rather long period and a broad range of SMEs that had used business consulting services. This allowed identifying some patterns and relationships in a transition economy. However, due to the limitations of the research, the findings are mainly of exploratory nature and the conclusions rather indicate the patterns and outline the directions of further research.

First, it has been confirmed that SMEs select various business consulting services mainly according to the type of their activity (manufacturing, services, trade). There are no significant

differences in the choice by small (up to 50 employees) and medium (50–249 employees) enterprises, though they were expected.

Second, four rather different phases of the recent economic development can be defined in Lithuania. Authors related the development of basic economic indices with the qualitative changes in the SME sector, and differences among various phases became even more obvious.

Third, analysis shows that the phase of overall economic development significantly influen-

ces the choice of consulting services in the SME sector. In the majority of cases, types of consulting services could be related with the typical objectives of SMEs in the particular economic circumstances.

Fourth, business consulting services influence SMEs' growth. Though the effects of business consulting services are intermixed with numerous other effects, it has been confirmed that the SMEs that used different types of business consulting experienced different growth in terms of sales and the number of employees.

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SMULKIŲJŲ IR VIDUTINIŲ ĮMONIŲ NAUDOJAMŲ VERSLO KONSULTACIJŲ SPECIFIKA PEREINAMOJO LAIKOTARPIO EKONOMIKOJE

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Santrauka

Pagrindiniai žodžiai: smulkiosios ir vidutinės įmonės (SVĮ), verslo konsultacijos, SVĮ augimas

Smulkaus ir vidutinio verslo svarba beveik visų Europos šalių ekonomikoje didžiulė tiek sukuriamos pridėtinės vertės, tiek ir įdarbinamos visuomenės dalies požiūriu. Tačiau visuotinai pripažįstama, kad egzistuoja nemaža barjerų, kurie gali stabdyti smulkiojo ir vidutinio verslo plėtrą. Greta tradiciškai analizuojamų finansavimo kliūčių, ne mažesnę įtaką daro ir paties verslo organizavimo bei valdymo lygio didinimo sunkumai. Čia žymią įtaką gali daryti profesionalių verslo konsultacijų samdymas. Verslo konsultacijų naudojimo problematika moksliniuose darbuose nagrinėta labai mažai. Ši sritis beveik niekada nesiejama su smulkaus ir vidutinio verslo dinamika, juo labiau – pereinamosios ekonomikos šalyse.

Stripsnyje nagrinėjama, kaip keitėsi aptariamų įmonių verslo konsultacijų poreikis priklausomai nuo visos ekonomikos būklės. Remdamiesi baziniais ekonomikos rodikliais, autoriai skiria tris Lietuvos ekonominės raidos laikotarpius, per kuriuos verslo konsultacijų naudo-

jimas žymiai kinta. Pirmasis laikotarpis apima pirminės stabilizacijos ir pradinio ekonomikos augimo tarpsnį, antrasis – nuosmukį, dažnai siejamą su vadinamąja Rusijos krize, trečiasis – ekonomikos augimo periodą po jo.

Pirmuoju laikotarpiu santykiškai daugiau įmonių rengė investicinius projektus (verslo planus), kurie pasirodė bene neefektyviausia verslo konsultacijų rūšimi. Tiesa, tai negali būti tiesiogiai siejama su šių konsultacijų kokybe, nes tuo metu egzistavo itin ribotos smulkiojo ir vidutinio verslo finansavimo galimybės. Tačiau net ir kokybiški investiciniai projektai (verslo planai) galėjo nesulaukti bankų paramos, o kitų finansuojančių organizacijų tuo metu beveik nebuvo. Kompiuterizuotos apskaitos ir finansinių sistemų diegimas buvo dažnas per visus laikotarpius, tačiau jo santykinė svarba tolydžio mažėjo. Kokybės valdymo sistemų, kompiuterizuoto gamybos valdymo sistemų diegimo bei įmonių reorganizavimo konsultacijų dalis šiuo laikotarpiu išaugo krizės laikotarpiu. Panašiai krizės metu padidėjo ir rinkos tyrimo bei marketingo

planavimo konsultacijų poreikis, tačiau šių konsultacijų dalis pastaruoju laikotarpiu vėl sumažėjo. Iš nagrinėtų 8 verslo konsultacijų rūšių tik vienos rūšies konsultacijų (inžinerinių) skirtingais ekonomikos raidos laikotarpiais išliko beveik pastovi. Pažymėtina, kad beveik visų konsultacijų atveju pastebėta reikšmingų skirtumų ir tarpusavyje lyginant smulkiąsias (iki 50 darbuotojų) įmones su vidutiniosiomis (50–249 darbuotojai).

Straipsnyje taip pat nagrinėjama, kokią įtaką įvairių rūšių verslo konsultacijos turi smulkių ir vidutinių įmonių augimo rodiklių (pardavimo apimtys ir darbuotojų skaičiaus) pokyčiams. Nepaisant lygiagrečios daugelio kitų veiksnių įtakos, galima pastebėti statistiškai reikšmingus įvairių konsultacijų poveikio šiems dviem rodikliams skirtumus. Pažymėtina, kad kai kurių konsultacijų naudojimas visiškai neprisidėjo prie pardavimo apimtys augimo. Pavyzdžiui, net daugiau kaip

pusės investicinius projektus rengusių įmonių pardavimo apimtis sumažėjo. Įmonių reorganizavimo ir kokybės sistemų diegimo konsultacijos labiau didino pardavimo apimtį. Didžiausią smulkių ir vidutinių įmonių augimą darbuotojų skaičiaus didėjimo požiūriu lėmė įmonių reorganizavimo bei kokybės sistemų diegimo konsultacijos, nors teoriškai reorganizavimas gali būti vykdomas siekiant efektyvumo ir norint sumažinti darbuotojų skaičių.

Tyrimas apima devynerių metų laikotarpį, kurio metu atlikti giluminiai interviu su daugiau kaip 300 verslo konsultacijąs naudojusiu smulkiųjų ir vidutinių įmonių vadovais. Kiekvienos įmonės pagrindiniai dydžio rodikliai buvo fiksuojami prieš verslo konsultaciją bei praėjus vieneriems metams po konsultacinio projekto pabaigos. Tokia metodika leido įvertinti įmonės dydžio kitimo kryptį ir tempą.

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