

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

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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

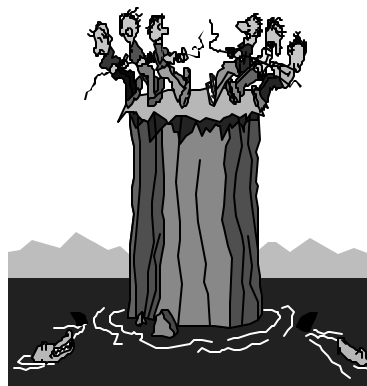
NETWORKS & ASSOCIATIONS

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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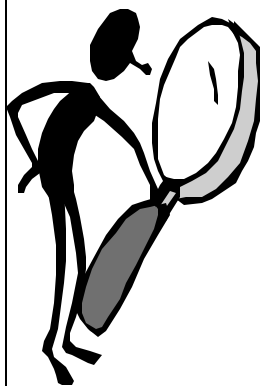
Profile of 30 Selected BSOs at Beginning of Project

- 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

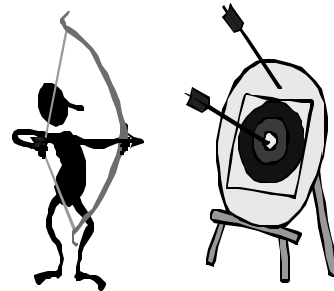
- ⑤ 30% lacked basic skills to analyze financial data
- ⑤ 36% unable to apply financial ratios
- ⑤ 39% incapable of preparing cash flow projections
- ⑤ 40% not equipped to conduct basic market research
- ⑤ 27% lacked the ability to analyze market data/conditions
- ⑤ 42% had difficulty analyzing organizational 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



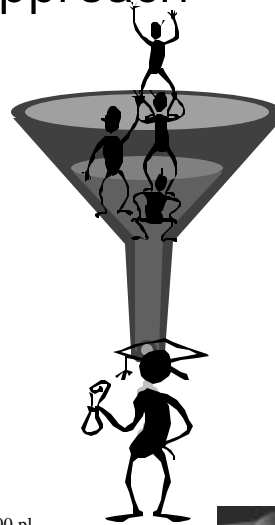
Deliver training and
group counseling
services to start-ups,
micro and small-sized
firms

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Highlights of FIRMA 2000 Approach

Use training as a
feeder for consulting
services

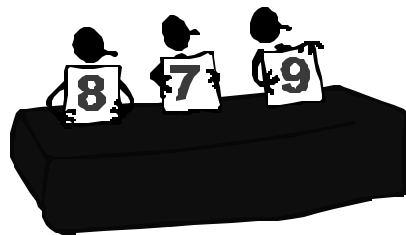


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Highlights of FIRMA 2000 Approach

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

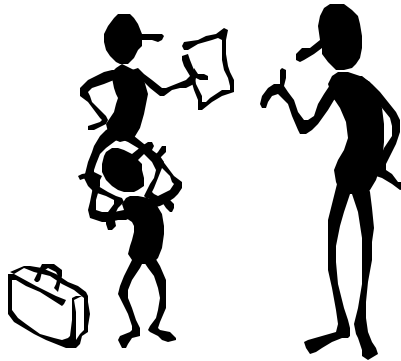


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Highlights of FIRMA 2000 Approach

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

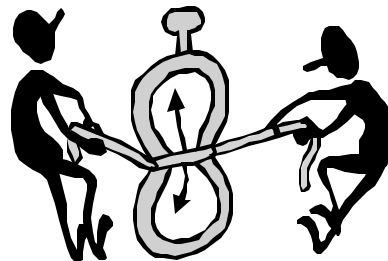


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Highlights of FIRMA 2000 Approach

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



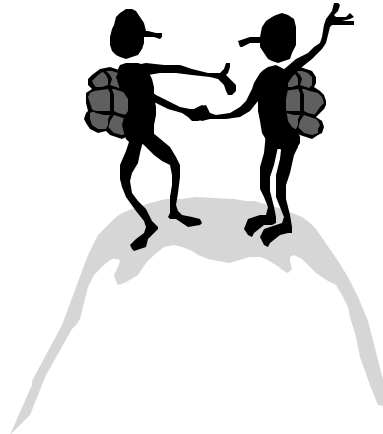
Develop purpose-specific promotional materials and help BSOs learn how and when to use them

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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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