



SIM 2015 / 13th International Symposium in Management

Specificity of Managerial Consultancy for SMEs and its Status in Romania

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Abstract

Due to the fact that SMEs are the engine of economic growth in most countries of the world, and their performances are impacted more and more by appealing to consultancy services, highlighting the specificity of management consultancy for SMEs and its status in Romania is of particular importance. This paper approaches the concept of managerial-entrepreneurial consultancy, situations and requirements of SMEs for consultancy, selection of consultant and consultancy negotiation, stages of managerial-entrepreneurial consultancy, and status of entrepreneurial-managerial consultancy in Romania. It ends with formulating a set of recommendations in order to increase professionalism and performance of management consultancy in Romania

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Peer-review under responsibility of SIM 2015 / 13th International Symposium in Management

Keywords: consultancy; SMEs; managerial; managerial- entrepreneurial; entrepreneurial; consultant; specificity.

1. Introduction

One of the main manifestations of the transition to knowledge-based economy and organization is represented by the proliferation and intensification of consultancy activities in all fields of society. In fact, consultancy consists of providing knowledge adapted to the specificity of organizations, by people with high skills in certain areas. By doing so, they help companies satisfy certain needs related to the status of the respective system and contouring solutions which generate an increase of the company's functionality and performance through the client organization implementing the strategies. The last two decades are marked worldwide -by the amplification of consultancy in its various forms with higher intensity in developed countries. Basically, consultancy may be offered in any field of

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activity, because there is no area in human activity that does not need to be more efficient and to use more practical knowledge.

The most common areas in which consultancy are used are: financial, commercial, technical, human resources, accounting, ecological, managerial. Although listed last, consultancy in the managerial domain is one of the most widely used and effective. Practice shows that the percentage of organizations that make use of financial, commercial, human resources, etc. consultancy, although very high, is nonetheless lower than the percentage of organizations that need and use management consultancy. Almost any organization that uses consultancy for a particular area - technical, commercial, financial, and so on - also needs managerial consultancy. Performing consultancy in a particular area often reflects managerial shortcomings in that area. Implementation of specialized consultancy in a domain often changes the structure and functionality of the organization, which requires making professional managerial changes so that the organization will be more efficient and sustainable.

The largest amount of consultancy (in general and particularly managerial consultancy) is required in economy, where the GDP is almost entirely created and where the majority of human resources focuses in every country. Within commerce, the larger type of organization where the majority of human resources work is represented by SMEs. Therefore, it is very important to know the content, issues and specific requirements of consultancy for these types of organizations.

This scientific paper aims to deepen the understanding these aspects, thereby contributing both to the development of theory and art of entrepreneurial-managerial consultancy, as well to increase the accessibility, quality and performance of specific consultancy to SMEs, considering the low intensity and frequency of its use in Romania.

2. The Concept of Managerial-Entrepreneurial Consultancy

Managerial consultancy - like all types of consultancy and counselling - was first used for large companies, where the needs of more and better information were higher and where - secondly - there were substantial resources to pay for this knowledge. Also, consultancy was originally conceived according to the requirements of this type of organization which are significantly different from those of SMEs.

Under these circumstances, we believe that it is necessary and important that the design and exercise of managerial consultancy be made according to SMEs' particularities, resources, activities, functionality and performance. This specific type of consultancy is called entrepreneurial-managerial consultancy.

Despite its frequent use in SMEs, we have not identified specific definitions in the literature for managerial-entrepreneurial consultancy nor for managerial-entrepreneurial counselling. In our opinion the managerial-entrepreneurial consultancy represents assistance in the form of knowledge related to the beginning, content, structure, unfolding and performance of SMEs' activities, provided by an external person or group of persons, directly or indirectly paid. This is done under conditions that the consultant shall not be responsible for the execution and results of the provided recommendations, but can collaborate with the company's staff to implement them. From this definition entrepreneurial management consultancy follows five basic features:

- consultancy represents an assistance given to the entrepreneur and his/her team in the form of managerial-entrepreneurial knowledge referring to the inception, content, structure, functionality and performance of the business;
- consultancy can be provided by one or more specialists who are not direct employees of that company;
- consultancy is always paid directly in the form of cash, or indirectly in the form of shares, products, services, etc. by the client representing the SME;
- the consultant who completes consultancy in the form of analysis and recommending approaches, decisions, actions, behaviours and so on, does not implement them directly and is not held responsible for the results they generate within SMEs;
- the consultant can collaborate – depending on the content of the consultancy contract – with the staff of company regarding the implementation of policies, by providing professional assistance.

For solving increasingly complex managerial-entrepreneurial issues that SMEs are facing, they frequently make use of managerial-entrepreneurial counselling, which has some similarities with managerial-entrepreneurial consultancy, but the two should not be confused. Based on the performed analyses and considering the approach of

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