



Business & Consulting: facing challenges and crises together

by Stavros Damianidis *, April 2008

The most famous investors –and thus the most successful ones- have at times said that the greatest investment and business opportunities appear in times of financial crisis. Warren Buffett did not sweat at all when America’s “new economy” took a deep dive, but instead identified a chance to increase his investment performance. In a similar manner, perceptive entrepreneurs worldwide see financial crises not just as a threat but as an opportunity to expand to new services, new sectors and new regions. The posed question is why a management consultant is involved. The fact is that a consultant is required in most activities and can support its client in most circumstances and definitely in all evolution stages of its enterprise. The consultant is not involved in the decision making process; this is only done by the company owner. The consultant’s role is to prepare the grounds for the client to make mature and calculated decisions aiming at its long term survival, facing both challenges and crises.

Amidst globalization, so advertised but yet so real, a perceptive enterprise needs to make its decisions based on professional assistance, since the markets reform rapidly and the business requirements evolve constantly. In order for the enterprise to keep up with the global pace, it has to possess a structured strategy and a prompt organisation so that can follow the rapid changes and its customers’ needs instantly.

As an example, let us assume that a specific market sector in which a company is active is undergoing an international crisis. The personnel in this sector is vulnerable and exposed to potential let go. The managing director is presented with two options: it can either fire the respective personnel or reorient it to another relevant or complementary sector. In order to decide in its best interest, he can either use its own executives or assign the process to a consultant, who will analyse the prospects of the alternatives, perform a feasibility study and propose a specific structure and job description forms for the existing or extra personnel.

It is in our belief that if a senior consultant is assigned this issue the final decision taken will be much more mature and wise. Amidst a crisis the company director may be forced to decide without the objective view of a third outsider party.

Supplementary to the above example of provided services in times of crises, the consultant can prove useful to any enterprise in times of calmness. When exploring new opportunities, a consultant provides a company with services relevant to business structure and organisation, strategic planning, as well as business planning. The later may sound quite trivial, but it is in the best interest of any company to adjust and renew them at least every two years, introducing the company’s standard and the new ideas that can arise by the consultancy support.

Furthermore, another important consulting service is the formulation of business plans and their application to business funding programmes (e.g. Development Law), in which the



successful outcome depends on the structure and the clarity of the business plan submitted.

The long-standing problem for management consultants in Greece is their low acknowledgement by the private sector. Indicative to this is the fact that the annual turnover originating from private companies of the consultant's sector as a GDP percentage is much lower than in most European countries.

It has to be acknowledged though that services are provided by Greek management and business consulting companies to foreign investors –being industries, commercial businesses or real estate development agencies-. Although it may seem simple, consultancy for foreign companies entering the Greek market proves in cases life-saving. Greece may seem hospitable for tourism but it is definitely quite hostile for business, preserving numerous difficulties and particularities, which are necessary to confront for a regular operation and a healthy business development. Foreign companies, especially originating from the Western world, are quite accustomed to hiring consultants.

On the other hand, small and medium size enterprises, being the backbone of the Greek economy, are not usually receptive to consultancy services, excluding cases of investments or funding tools.

The contribution of the consultants has been often misinterpreted in Greece. This is partially justified since the Greek market was not until recently ready to accept the idea of consultancy services and also Greek consulting firms has not promoted sufficiently its value and its contribution to the development of Greek economy. The efforts under progress by Greek consulting companies and the Hellenic Association of Management Consulting Firms are expected to strengthen the connection between companies and consultants, as well as support the economic development.

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