



SURVEY OF BUSINESS CONSULTANTS IN KOSOVO

2023



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Executive summary

In August 2023, UBO Consulting, on behalf of BCC, and commissioned by the Economic Initiative for Kosovo (EClKS), crafted a comprehensive report examining the dynamic landscape of the consulting market in Kosovo. The purpose of this report is to analyse and elucidate the evolution of the consulting market in Kosovo, encompassing its historical trajectory, present condition, and emerging trends.

For the purposes of this study, a total of 65 consultants were surveyed (46% women). The questionnaires were sent electronically via email and members then completed them. UBO Consulting has utilized the resulting database for further analysis. Attached to this report are also the summaries of interviews conducted with business consultants from ethnic non-majority communities (see [Annex 1](#)).

The following section presents the main findings drawn from surveys conducted with business consultants.

Key Findings

- The most provided services by business consultants in 2023 were management and leadership (71%); training of company staff (45%) and digitalization services (42%).
- The majority of clients of the surveyed consultants operate in the education and qualification sector (51%), followed by manufacturing (48%) and production of food, beverages and tobacco products sectors (46%).
- Around 37 percent of respondents indicated that consultants' support is particularly important during business growth, while 26 percent maintained that this support is crucial during the start-up phase.
- The location/premises of the business was identified as a strength for their business clients, by 49% of respondents.
- The support needed by SMEs to enhance their innovation performance, chosen in 66 percent of cases, centres on access to new technologies and technical expertise, and training and education in innovation management.
- More than half (63%) of the respondents rate the financial literacy level of their business clients as average. The same rating was given regarding innovation performance by 65 percent of the respondents.
- Around 28 percent of the surveyed consultants' daily rate of services, on average, is 150-199 EUR, while 23 percent reported that it falls between 200-249 EUR. This is a notable difference when comparing with 2021 report, where almost half of the respondents (43%) declared 100-149 EUR daily rate of services.
- More than half of surveyed consultants (66%) claimed that their services are subsidized by public or international donor schemes, primary from EBRD, USAID and EU.
- Consultants rated the highest their management skills/soft skills and project management skills, with an impressive average score above 4.52, aligning with the top skills demanded

the most by businesses: digitalization services, management skills/soft skills, and project management.

- The vast majority of respondents (75%) have completed a specific training or certification in the field of consultancy, where digital transformation stands out as the most completed training.
- The most important criteria when selecting a consultant are: references, recommendations of the consultant and previous positive experience with the consultant.
- Limited access to professional networks and mentorship opportunities as well as barriers to networking and business development opportunities are two of the main constraints that prevent individuals from non-majority communities to join the consulting industry.

Introduction

During the past 10 years, through the support of various donors, BCC has assessed the needs and capacities of consultants in Kosovo. After the studies conducted in 2013, 2017, 2019, and 2021 this is another research conducted with the purpose of identifying the needs of consultants in the field of professional training, current and desired capacity, and trends in the consulting market. The insights derived from this research serve not only to BCC but also other donors to design their activities in the field of consultancy.

The survey this year was completed by a total of 65 Business Consultants Council members. The questionnaire was sent via email. After completing the questionnaires, the data was obtained for further analysis. We have cleaned and classified the datasets obtained for certain years to proceed with a quantitative analysis in order to provide concrete results.

Methodology

For the purpose of this study, UBO Consulting used the quantitative method of research, which is used to quantify attitudes, opinions, behaviours, and other defined variables – and generalize results from a larger sample population. Quantitative research uses measurable data to formulate facts and uncover patterns in research. The survey was conducted electronically via email by Business Consultants Council.

A questionnaire consisting of close-ended questions was utilized as the survey instrument and covered the following areas:

- Services offered
- Skills and Digitalization
- Constraints and Challenges
- Supply of Consultants from Marginalized Groups

Study Results

This section presents the results from 65 interviews with freelancers and representatives of consulting companies in terms of the current state and trends in the consulting market in Kosovo.

Demographic statistics of consultants

The first part of this section includes the demographic statistics of surveyed consultants, such as: gender, age, location, ethnicity, level and type of education, starting year of operation as a consultant and type of operation. Based on the results, more than half (54%) of surveyed consultants are male and 46% of them are female.

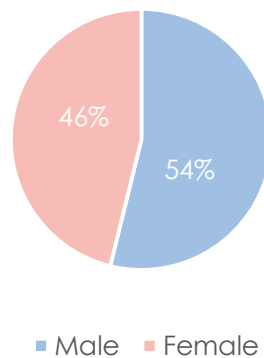


Figure 1. Gender

The vast majority of the respondents (91%) live in an urban settlement. As for the consultants age, most of them (70%) are middle-aged 35 to 54 years old, followed by 25 percent who are younger 25-34 years old and only 6 percent are older 55+. While regarding ethnicity, almost all respondents (95%) declared themselves as Albanians and only two of them were declared as Serbs.

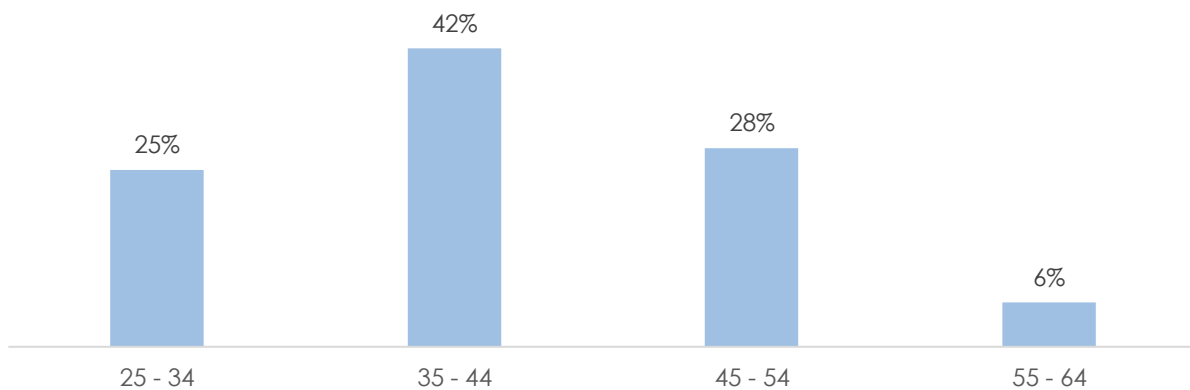


Figure 2. Age

Another important demographic variable was the level and type of education of the consultants. As for the level of education, the vast majority (74%) of consultants had a master's degree, followed by 14 percent with PHD and 12 percent of them with bachelor degree. There is not a significant difference among genders regarding the level of education.

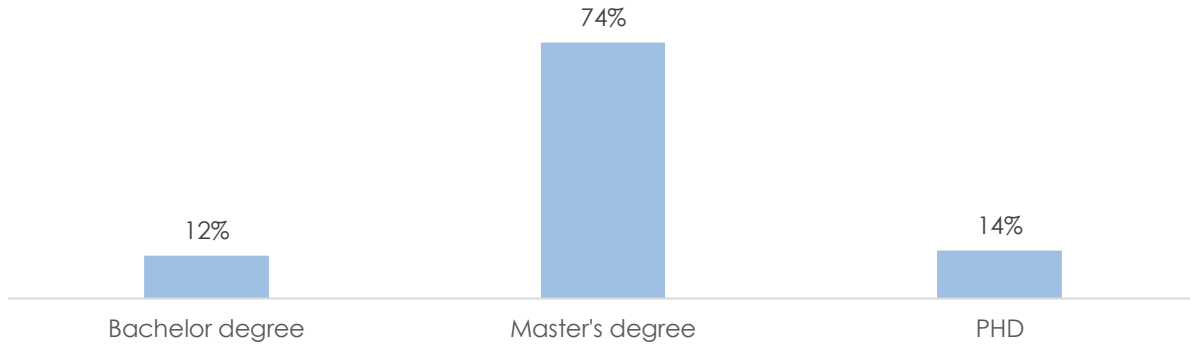


Figure 3. Level of education

While regarding the type of education, most of consultants (68%) had background in Business and Management, followed by law and political science (17%), engineering and information/communication technology (11%) and other fields such as: economics, marketing, public administration and sociology.

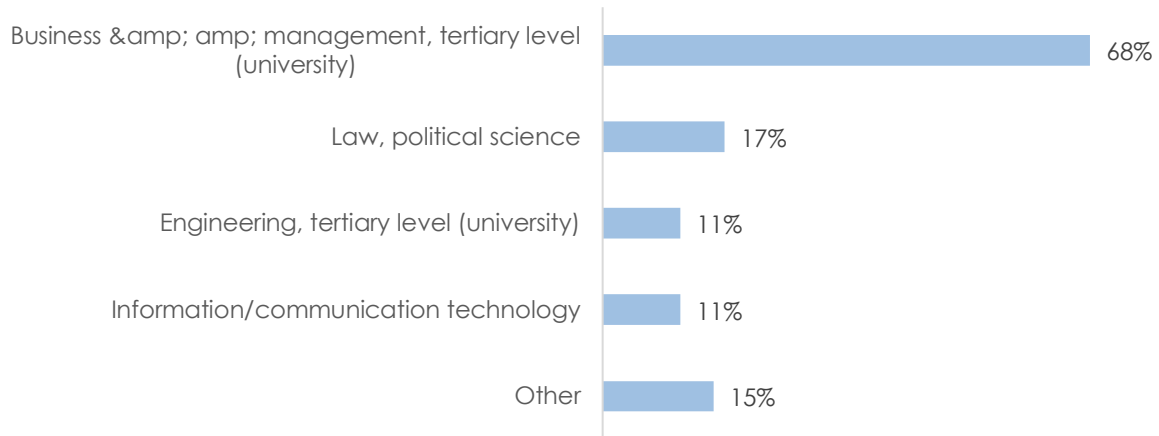


Figure 4. Type of education

Respondents were also asked about the starting year of working as a business consultant. As can be seen in the graph below, the consultants have started their operation mainly since 2000 (after the war), continuing gradually year after year. A slight increase in the number of consultants is observed during the years 2017-2020, where about 32% of the respondents in this study started operating between these years.

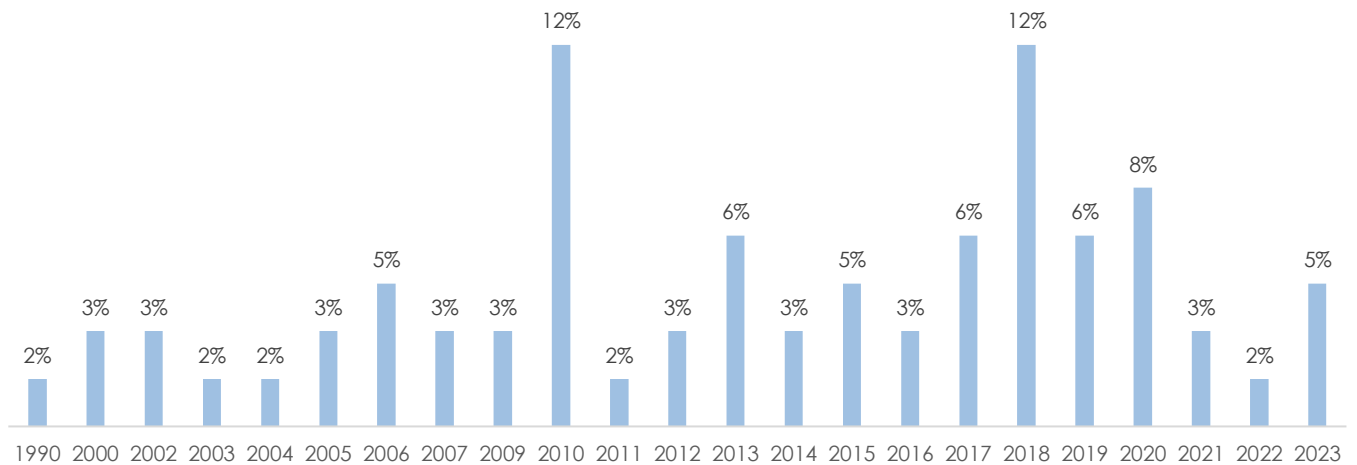


Figure 5. Starting year of working as a business consultant

The consultants were asked about the way of operation in the consulting market. Most of them (58%) declared that they operate independently as freelancers, while 42 percent of them operate through consulting companies.

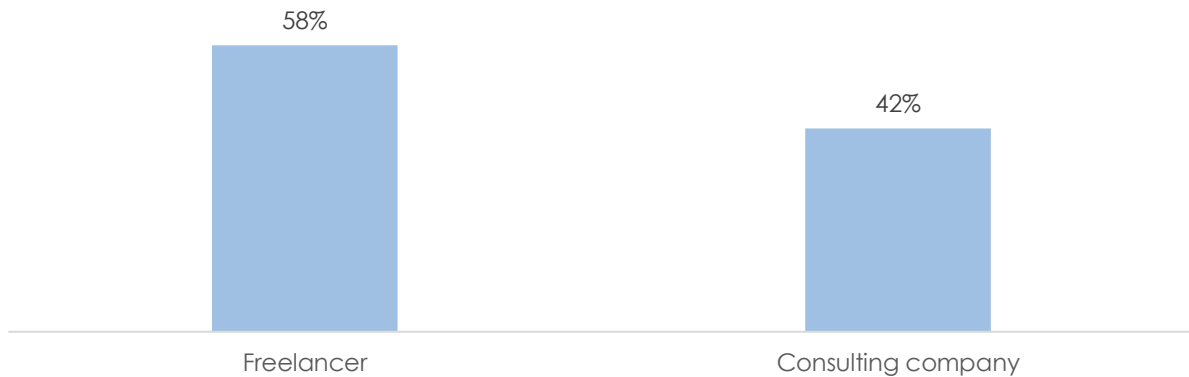


Figure 6. Operating as:

Services offered

Surveyed consultants were asked to specify the areas in which they provide business consultancy services. Most of the surveyed consultants (71%) mentioned management and leadership as the most provided services in 2023, followed by training of company staff (45%) and digitalization services (42%). Services such as business planning (40%), start-up / formation of a business (37%), marketing and sales / public relations (29%) and innovation of products / processes (26%) were among the mentioned services from the business consultants. When comparing the results received in this study to the study conducted in 2021, it can be confirmed that the areas of services mentioned now are almost the same in the consultancy study of 2021, except that this year there

is an increase in the field of management and leadership from 48 percent in 2021 to 71 percent in 2023.

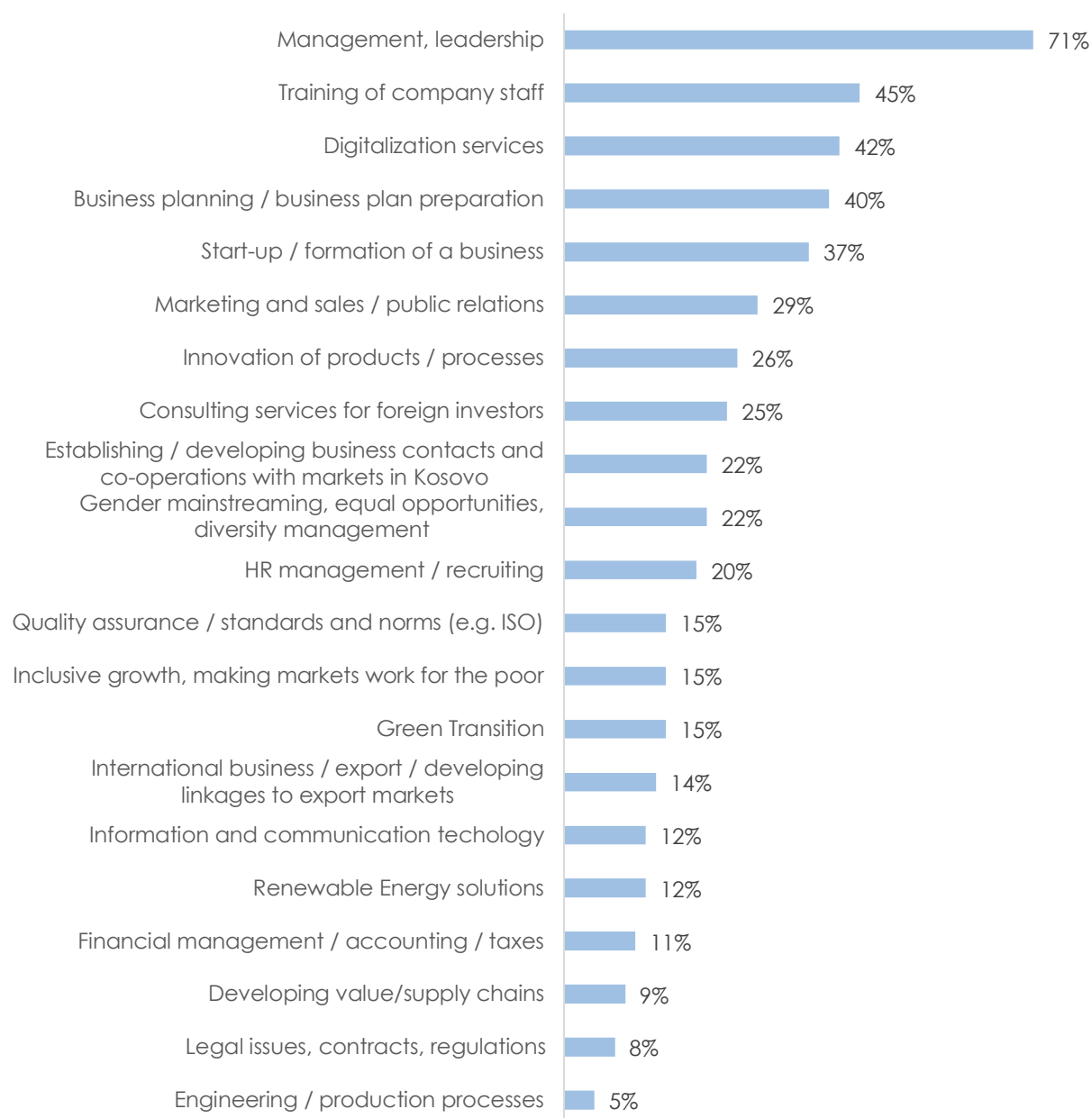


Figure 7. Please specify areas in which you provide business consultancy services?

When analysing the results by gender, it is noticeable that in addition to management, leadership and training of company staff, women also provide business consultancy services in the field of business planning / business plan preparation and marketing and sales / public relations. The biggest gender difference is observed in the field of consulting services for foreign investors, where men dominate in 40 percent of cases compared to women with only 7 percent.

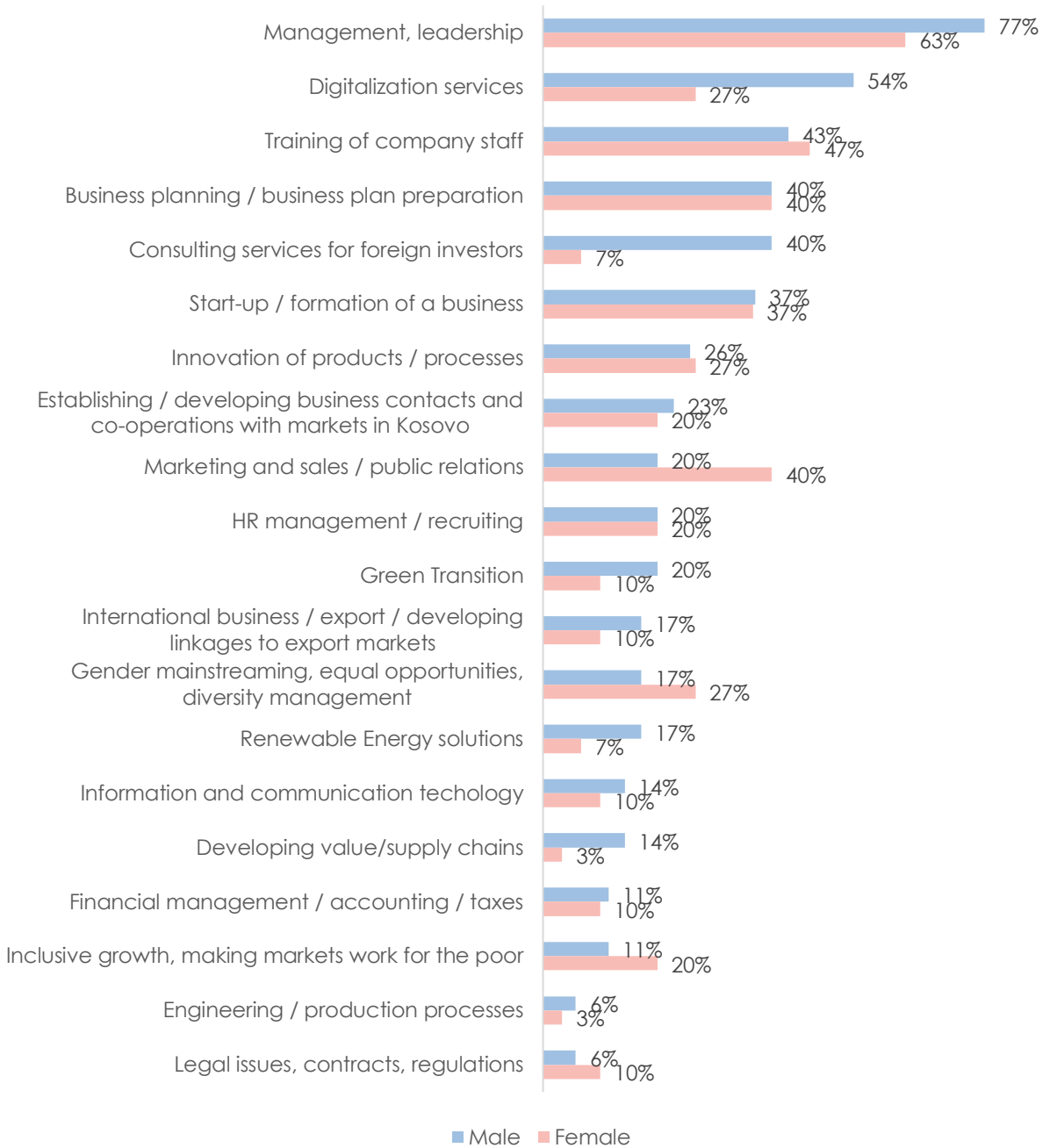


Figure 8. Please specify areas in which you provide business consultancy services? - by gender

The most common type of consultants' business clients during 2023 consist of domestic micro-enterprises (63%) and NGOs (62%), followed by domestic small-enterprises (57%) and domestic medium/large businesses (40%). In comparison with 2021, there was an increase of domestic micro-enterprises clients (63% from 53% in 2021); NGOs (62% from 58% in 2021) and governmental institutions (45% from 19% in 2021). Meanwhile domestic small businesses (57% from 79% in 2021), domestic medium/large businesses (40% from 58% in 2021) and foreign-owned businesses (31% from 43% in 2021) were among the type of clients that were served less in 2023.



Figure 9. Please specify in the table below your type of clients

Surveyed consultants were asked to report the average number of clients they had during the one-year period. As it is seen in the graph below, the highest number of clients served within the year were NGOs, where an average of 32 clients were served during 2023, followed by foreign-owned business (21 clients) and domestic small businesses (20 clients within a year).

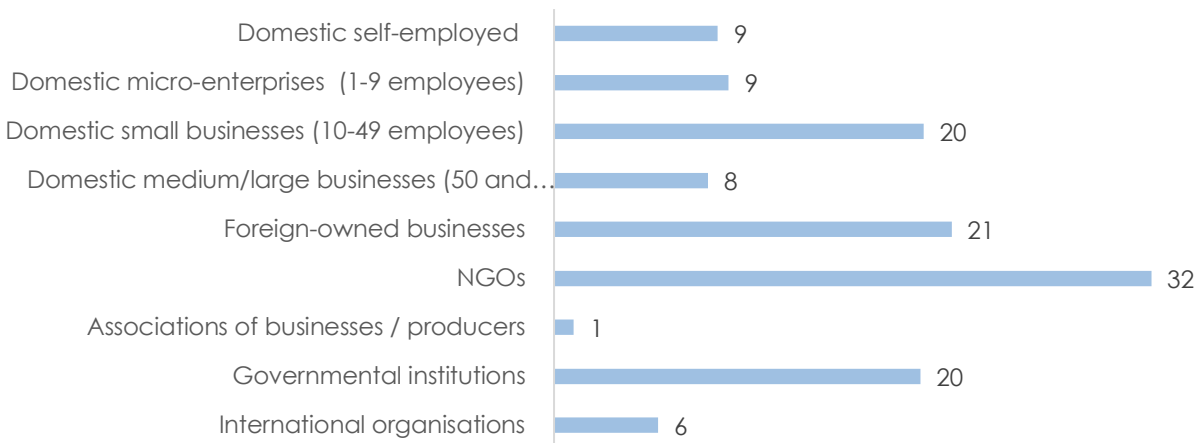


Figure 10. Please specify for the different client types the average number of clients served within a year?

The majority of consultants' business clients operate in the sector of education and qualification (51%), followed by manufacturing (48%), production of food, beverages and tobacco products (46%) and information and communication (43%). Other sectors mentioned by the consultants were: international organisations and bodies (38%); wholesale and retail trade (29%); agriculture, hunting and forestry (26%); hotels and restaurants (23%); health and social care (18%), etc...

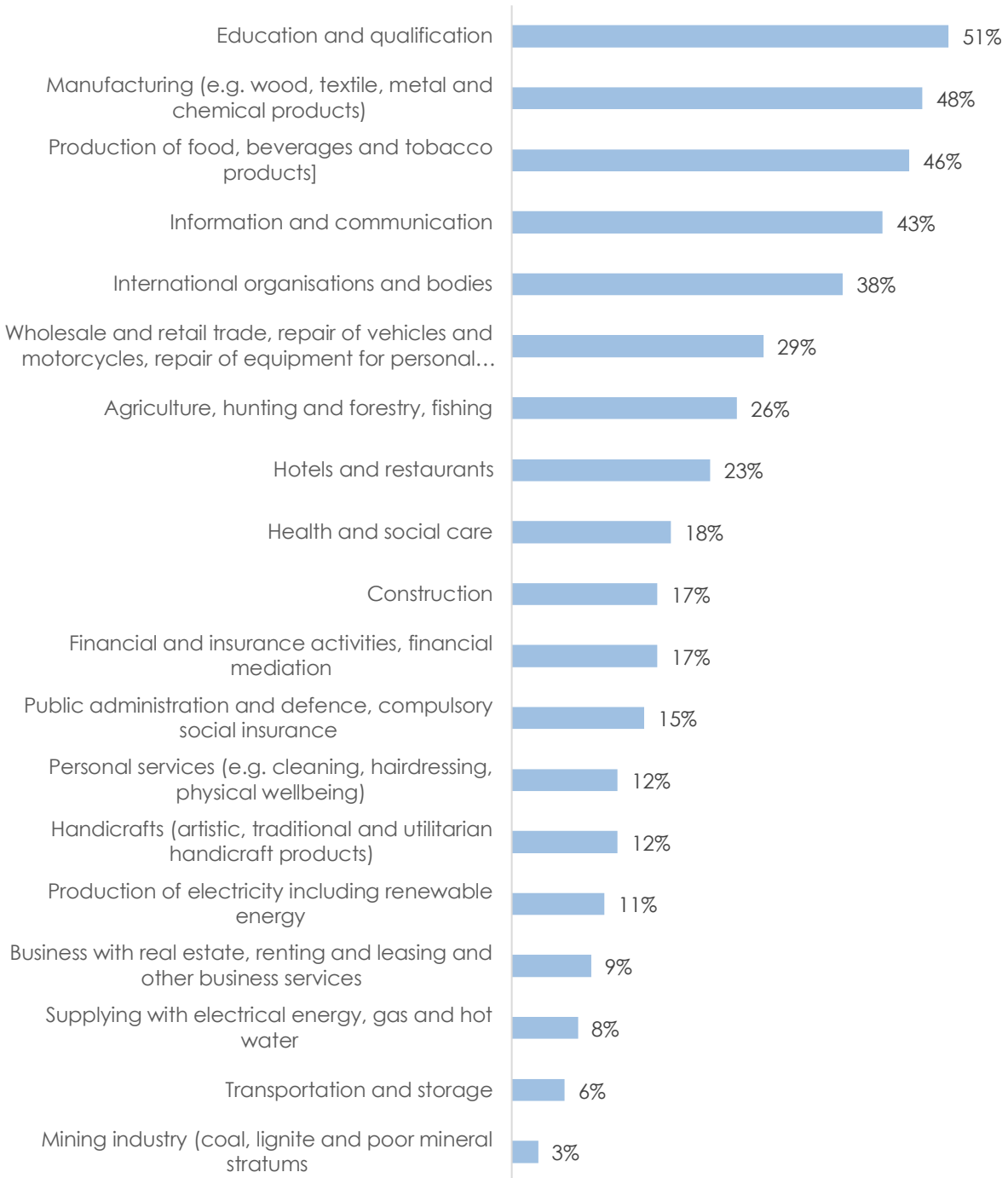


Figure 11. Please list the sectors where your clients belong. Please select the most important ones

Most of the gender based differences are evident in the sector of production of food, and hotels and restaurants where in both sectors most of the clients, 53 percent and 40 percent of the cases respectively, are served by women consultants.

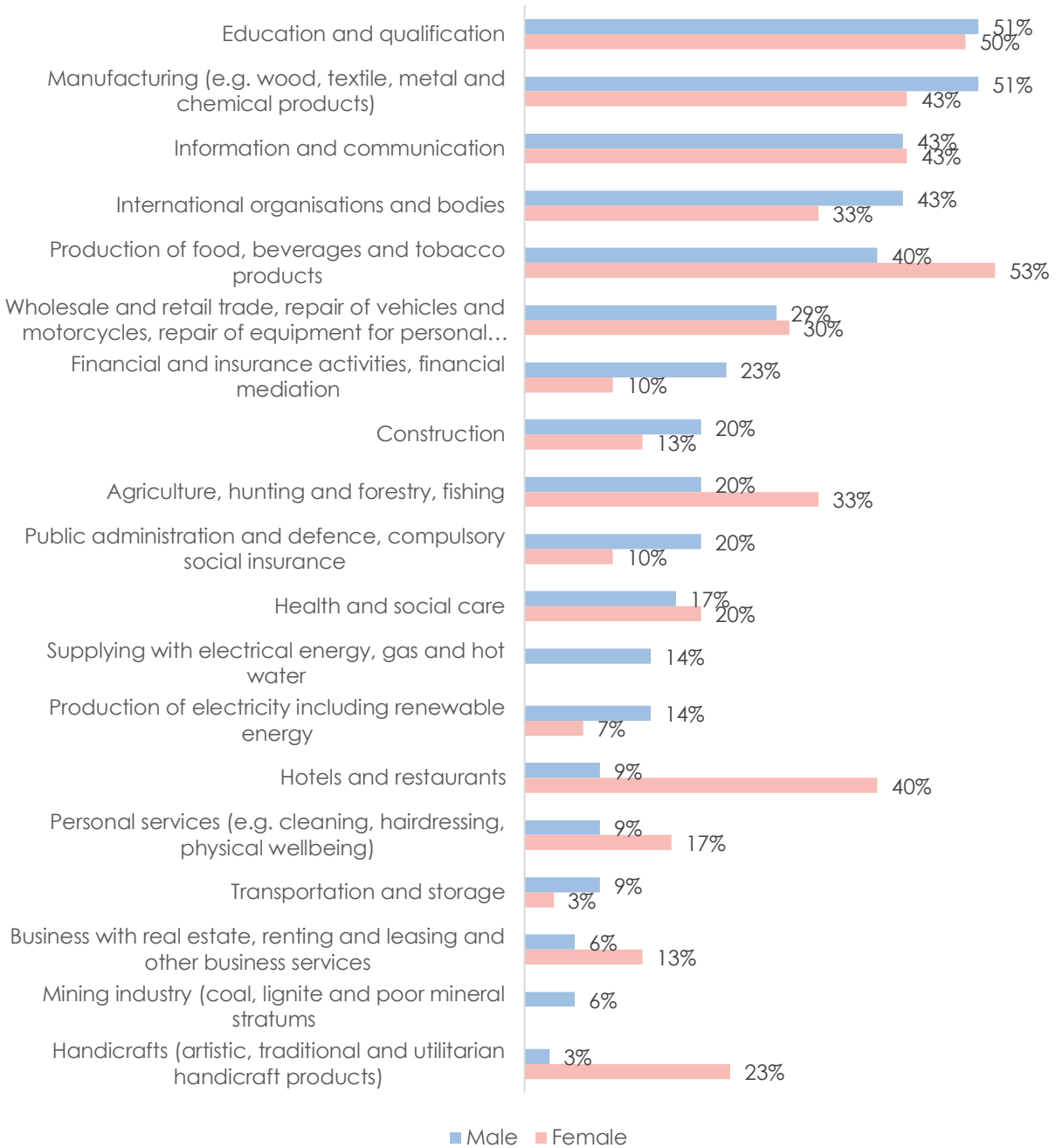


Figure 12. Please list the sectors where your clients belong. Please select the most important ones. - by gender

When asked about the client's gender, surveyed consultants declared that they have a total of 1739 women clients. After we have grouped the respondents' answers, we can see that most of them (38%) have stated that they have 6 to 30 women clients, followed by 28 percent of consultants who have 31 to 50 women clients. From the total of 1739 women clients, more than half of them (923) are served by women consultants and the remaining 816 women clients are served by men consultants.

As for the clients' ethnicity, consultants counted more than 400 clients from non-majority communities during 2023.

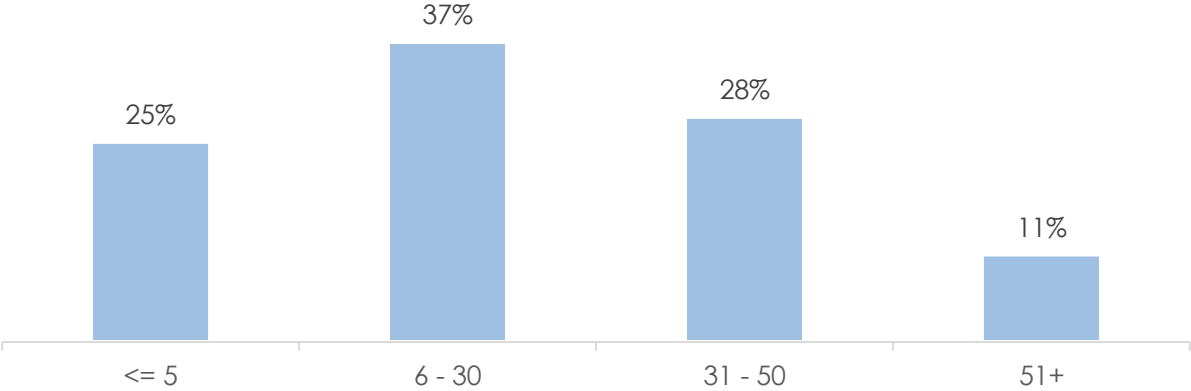


Figure 13. How many of your clients are women? (Grouped)

Consultants were asked about the differences in Business Development Services (BDS) needs among women and men entrepreneurs. A total of 63 percent of consultants stated that they do not see any difference in this aspect, compared to 37 percent who affirmed that there are gender differences in terms of BDS needs. They mentioned several topics where gender differences appear such as: training and education, access to finance, work-life balance, access on markets, networking and mentoring and low self-esteem.

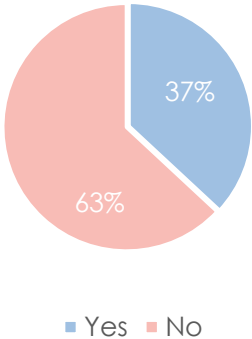


Figure 14. In your experience, do you see any difference in the Business Development Services (BDS) needs among women and men entrepreneurs?

In addition to gender differences, consultants were also asked about the differences of ethnic groups in terms of BDS needs. The vast majority of the respondents (77%) stated that they do not see any difference, compared to 23 percent who said that there are ethnic differences and mentioned discrimination, cultural aspects (language, mentality, stereotypes), lack of information, access to education and finance and capacity-building opportunities.

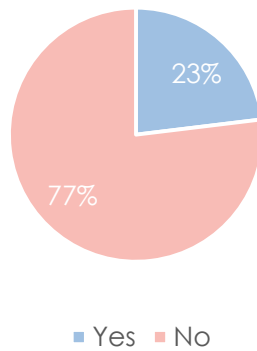


Figure 15. In your experience, do you see any difference in the BDS needs among entrepreneurs from different ethnic groups?

A majority of respondents (58%) do not possess specific experience in providing business consulting services tailored specifically to groups such as women, non-majority communities, informal businesses, entrepreneurs / farmers / processors in (isolated) rural areas etc. Conversely, 42 percent of respondents have such experience. Respondents who declared that they had experience in providing business consulting services tailored specifically to groups such as: women-owned businesses, non-majority communities, etc., also indicated the type/scope of the consultancy offered. Most of them mentioned trainings and coaching in different fields such as: communication, public speaking, data analysis, project-proposal writing, taxes. However, some of them provided services for these groups in other fields such as marketing activities and PR, fundraising activities, management and leadership and digital transformation as well.

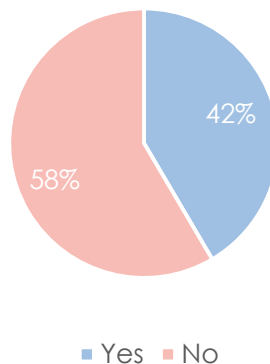


Figure 16. Do you have specific experience in providing business consulting services tailored specifically to groups such as women, non-majority communities, informal businesses, entrepreneurs / farmers / processors in (isolated) rural areas etc.?

Around 37 percent of respondents indicated the necessity of consultant support during business growth, while 26 percent regarded these services as crucial during the start-up phase. Additionally, 22 percent of respondents highlighted the need for consultant support during business restructuring.

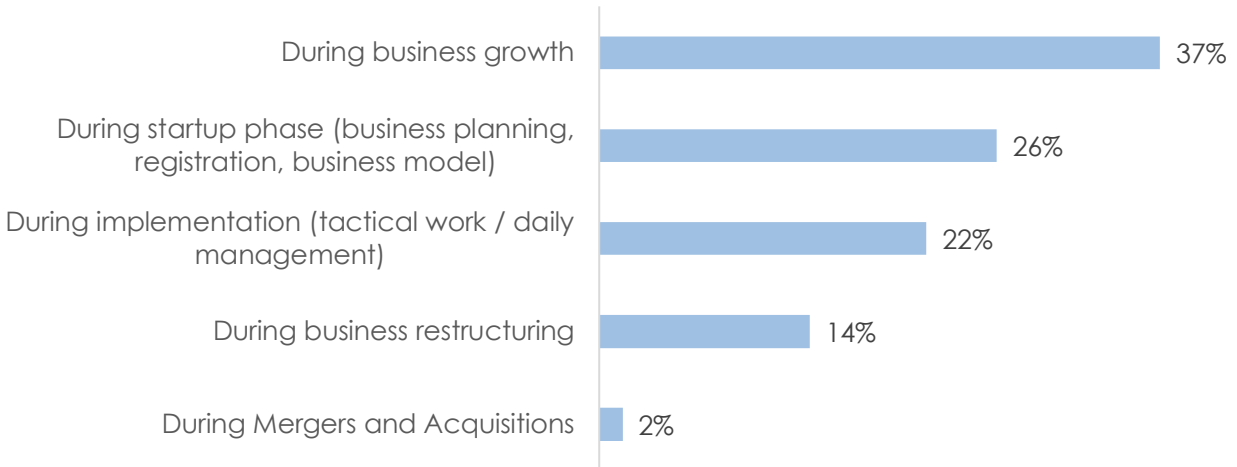


Figure 17. In which phase do businesses need a consultant's support the most?

Almost half of the men consultants (49%) believed that businesses need their support the most during the business growth, on the other hand 40 percent of women consultants believe that consultants support is needed the most during start-up phase (business planning, registration, business model).

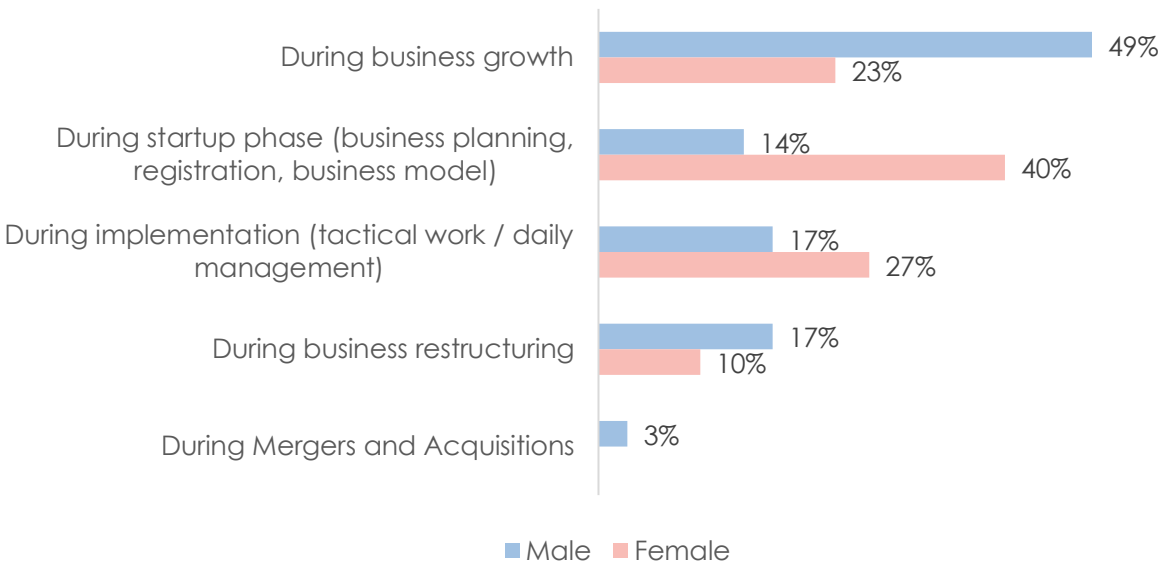


Figure 18. In which phase do businesses need a consultant's support the most? - by gender

According to the respondents, the location/premises of the business was identified as a strength for their business clients. On the other hand, business connections and networks, management capabilities, ICT and digital tools, and financial resources were regarded as weaknesses for their business clients.

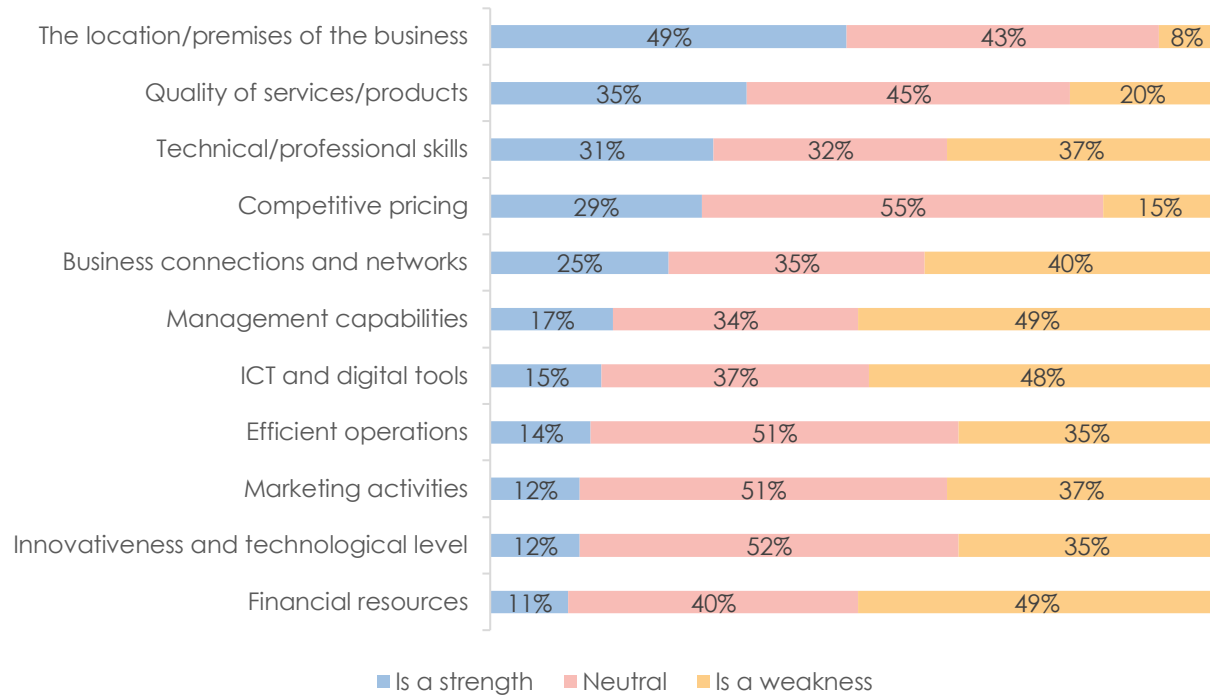


Figure 19. What are the relative strengths and weaknesses of your business clients?

The majority of respondents (63%) evaluated the financial literacy of their business clients in Kosovo as average. Approximately 34 percent of consultants considered the financial literacy levels of their business clients as low, whereas only 3 percent maintained that the financial literacy is high among business clients.

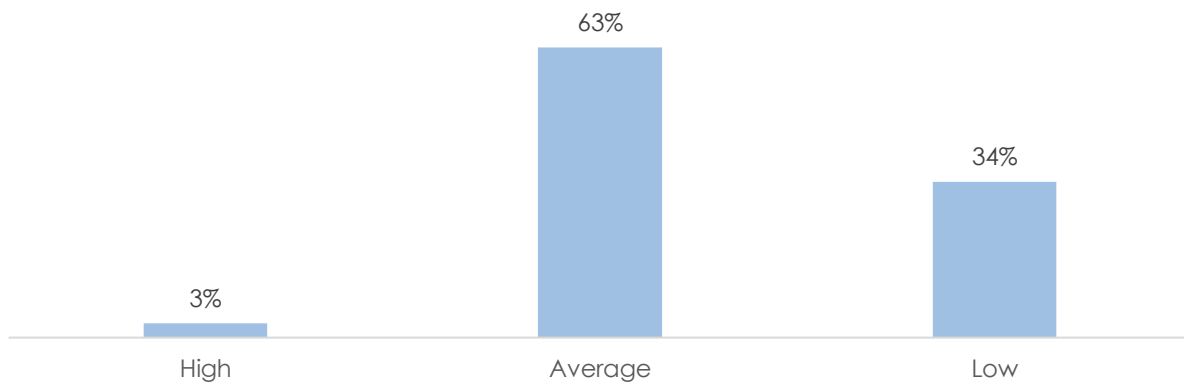


Figure 20. How would you rate the financial literacy levels of your business clients in Kosovo?

About 31 percent of respondents think their business clients could benefit the most from networking/access to markets, followed by education on financial topics (18%), and information on grant and support schemes (17%). Only 3 percent of them reported stress release, wellbeing of employees, and burnout prevention as beneficiary.

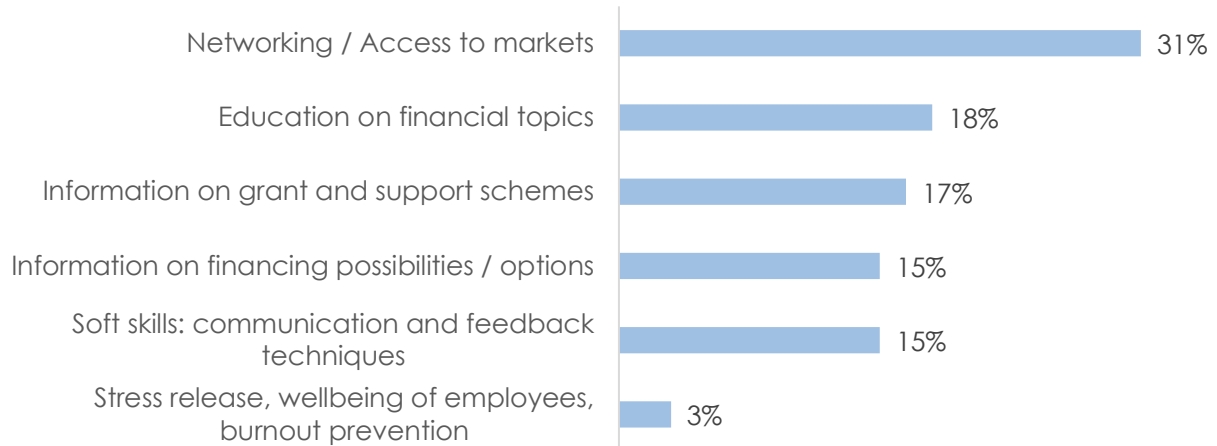


Figure 21. From which non-financial services (NFS) do you think your business clients could benefit the most?

The majority of respondents (65%) assessed the innovation performance of their business clients in Kosovo as average, 22 percent rated it as low, whereas 11 percent rated it as high. Only a small percentage (3%) rated it as very low.

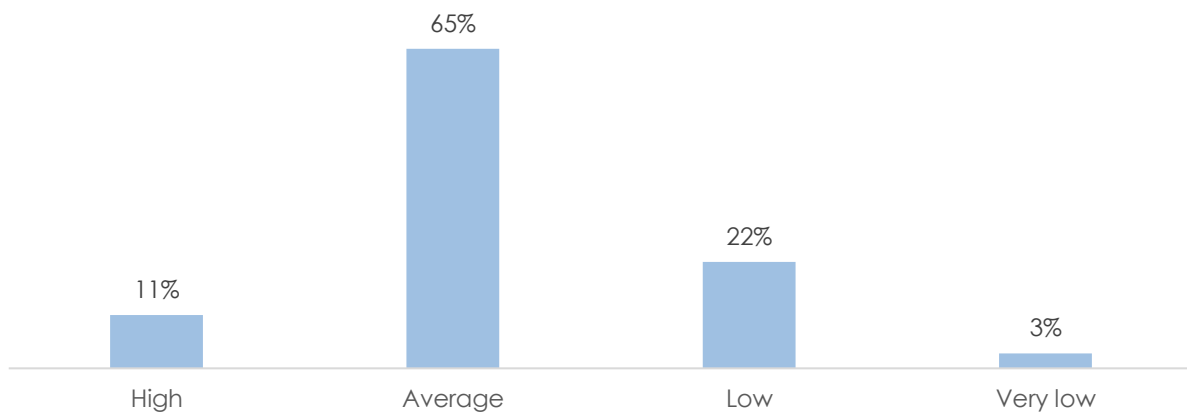


Figure 22. How would you rate the innovation performance of your business clients in Kosovo?

According to respondents, the support needed by SMEs to enhance their innovation performance, chosen in 66 percent of cases, centres on access to new technologies and technical expertise, and training and education in innovation management. This is followed closely by collaboration opportunities with foreign companies, selected in 62 percent of cases.

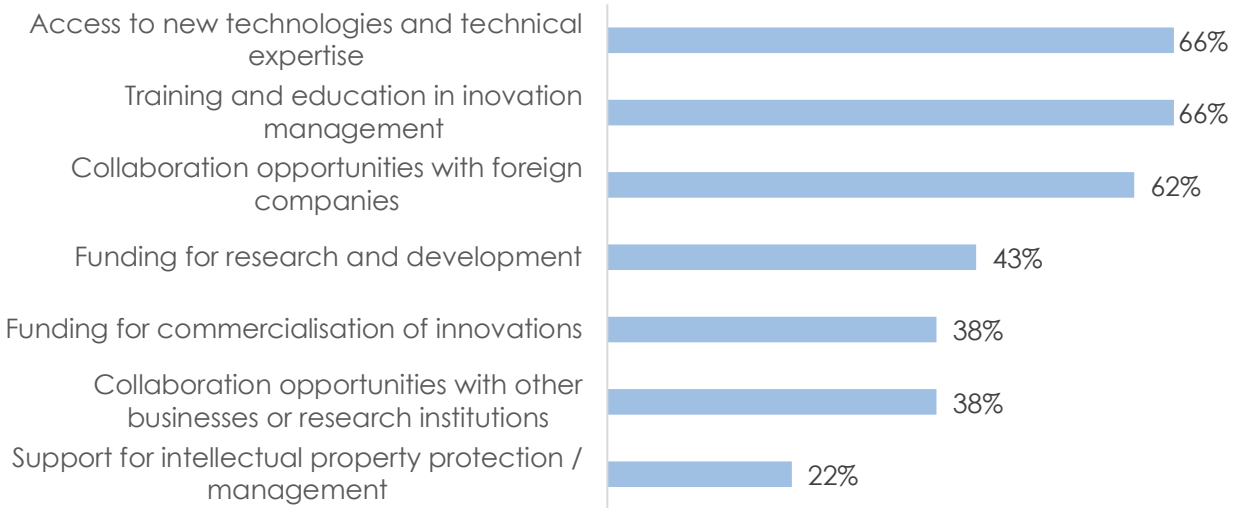


Figure 23. What forms of support do SMEs in Kosovo need to enhance their innovation performance?

Around 28 percent of the surveyed business consultants reported that their daily (average) rate for services falls within the range of 150 - 199 €, while another 23 percent reported that it falls between 200 - 249 €. In comparison to the 2021 results, where a majority of consultants reported their daily average rate to fall within the range of 100 – 149 €, the current rate has notably increased.

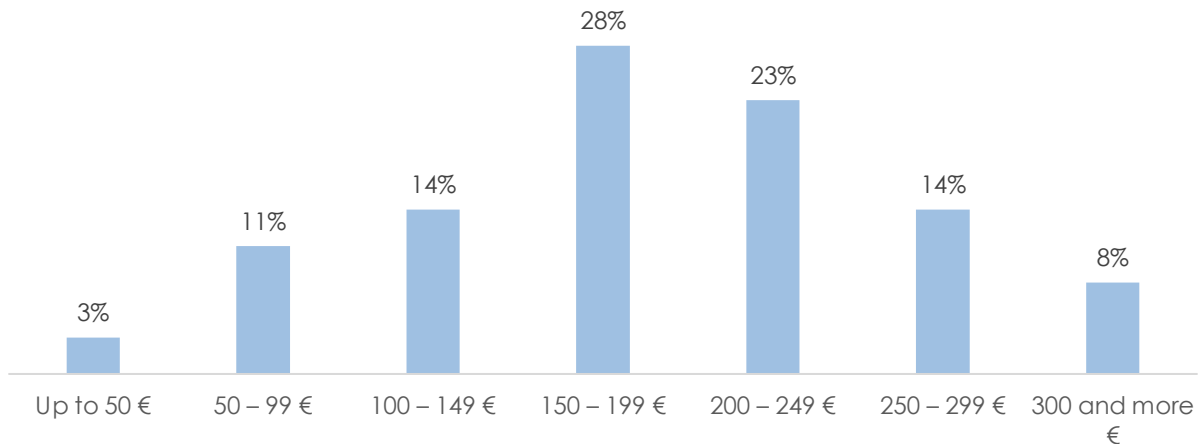


Figure 24. What is your daily (average) rate for business consulting services? (In Euro)

Differences in daily rate are present also in terms of gender. As can be seen in the graph below, most of the women consultants (33%) reported their daily rate for consulting services within the range of 200 – 249 € compared to men consultants where 29 percent of them reported that it falls between 150 – 199 €.

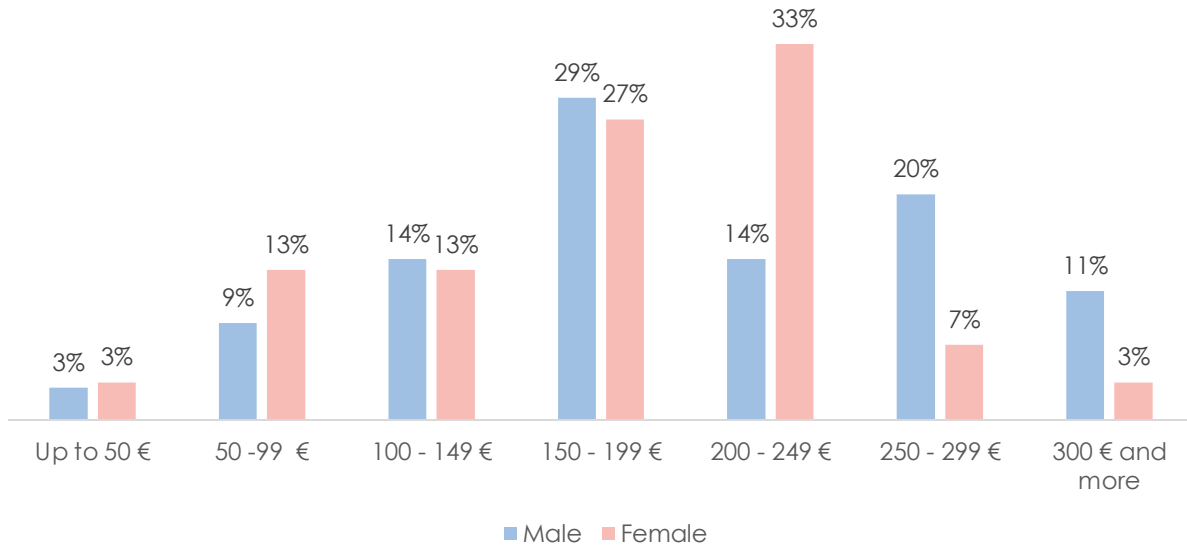


Figure 25. What is your daily (average) rate for business consulting services? (In Euro) - by gender

A large segment (43%) reported that their services are in some cases subsidized from public or international donor schemes on an intermittent basis. Notably, a significant proportion (34%) stated that their business consultancy services have never been subsidized or co-financed by such schemes, while 23 percent of them reported to receive support in most cases. Differences do not appear even when analysing based on gender, where the majority of men and women consultants (66% and 67% respectively) were mostly or in some cases subsidized or co-financed by any public/international donor support scheme.

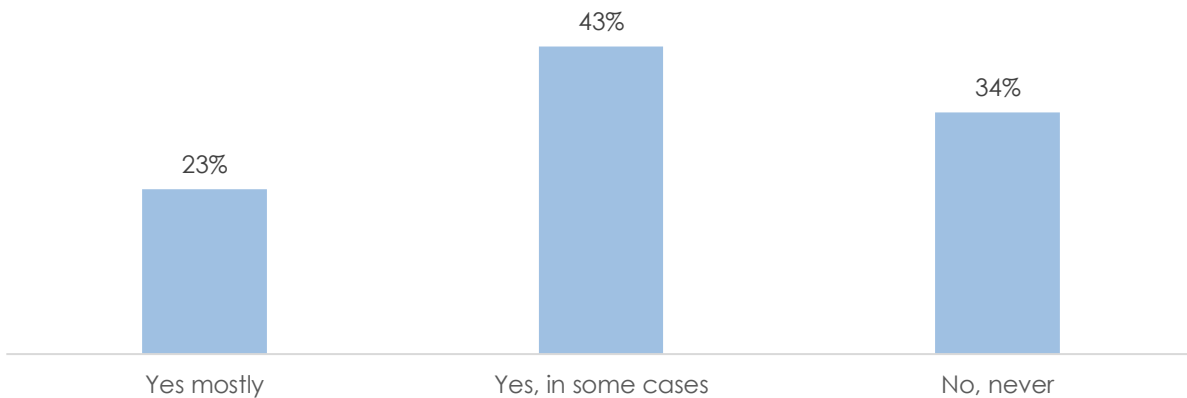


Figure 26. Are your business consultancy services subsidized or co-financed by any public/international donor support scheme?

The majority of respondents indicated receiving this form of support primarily from the European Bank for Reconstruction and Development (EBRD), followed by the United States Agency for International Development (USAID) and the European Union (EU). In the other group of mentioned donors, the most frequently cited sources were the Council of Europe (CoE), governments, and the Innovation Centre Kosovo (ICK). Concerning the specific schemes utilized, respondents exhibited hesitation in providing more detailed information.

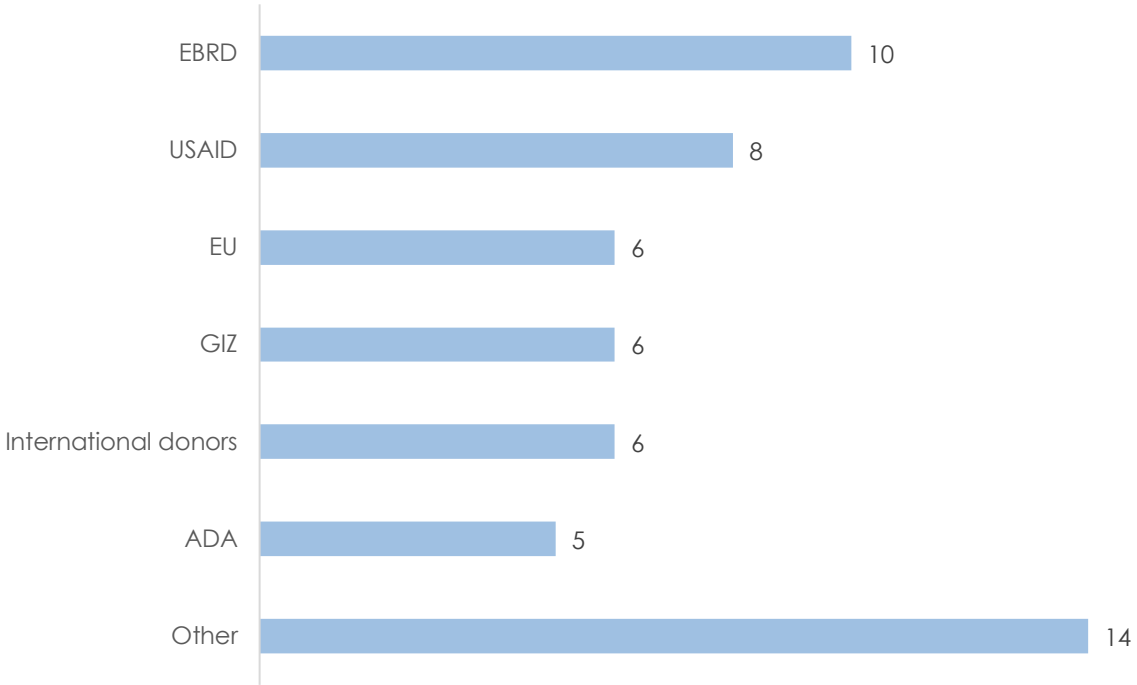


Figure 27. By whom and what schemes?

Approximately 54 percent of respondents indicated that clients are somewhat willing to pay consultants out of their own funds, while 32 percent reported clients as willing to do so, and a mere 11 percent mentioned that clients are not willing to engage in such funding. This indicates that a significant portion of clients have a willingness to utilize their own funds for hiring consultants.

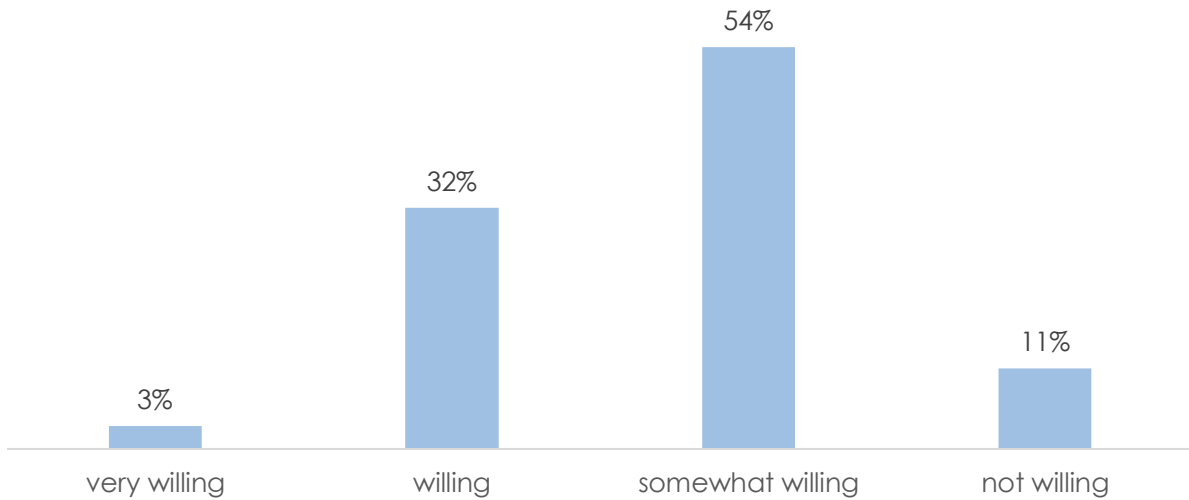


Figure 28. How willing are clients to pay the consultant out of their own funds?

Skills and Digitalization

The second part of the questionnaire aimed to gauge the skills and digitalization of business consultants in Kosovo. According to the surveyed consultants, the top three skills demanded the most by business consultants are digitalization services (54% of cases), management skills/soft skills (51% of cases) and project management (48% of cases).

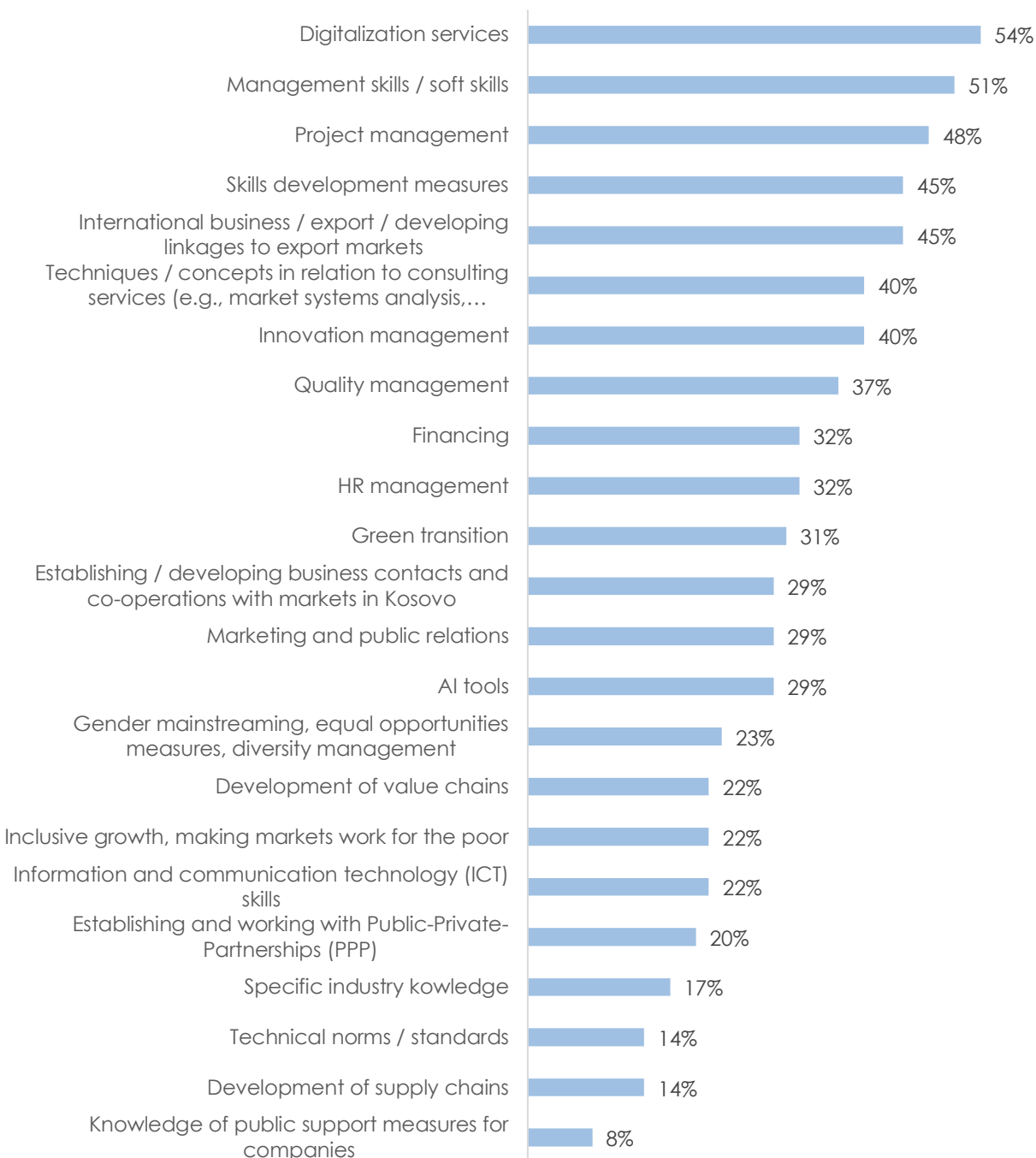


Figure 29. Please specify which are the skills needed/demanded the most by business consultants?

In addition to digitalization services, management skills and project management as the most demanded skills by both consultant's gender, women consultants also mentioned skills development measures, international business, and marketing and public relations as the most needed/demanded skills by business consultants. On the other hand, a higher percentage of men consultants mentioned skills such as: quality management and HR management as the most needed/demanded skills.

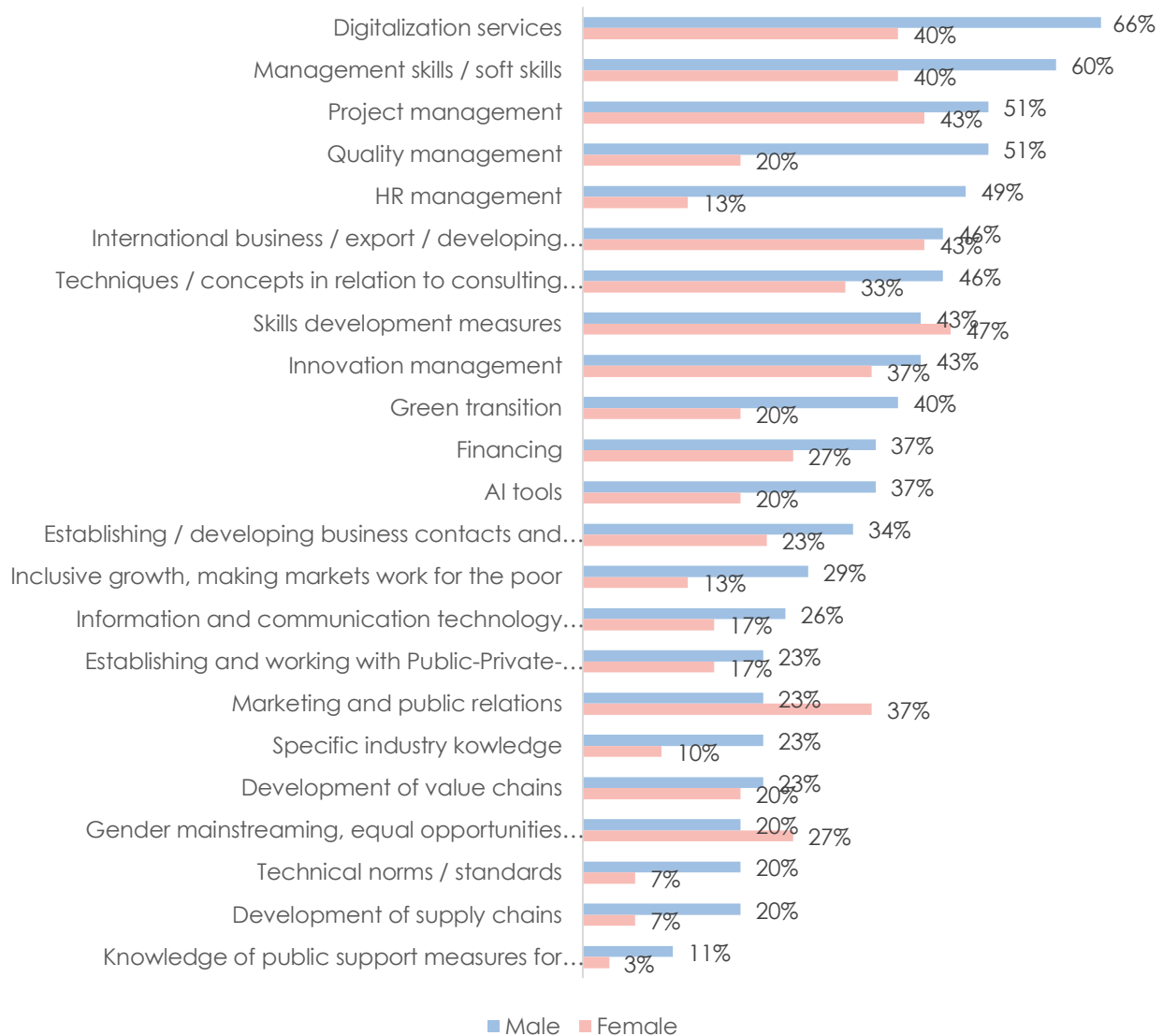


Figure 30. Please specify which are the skills needed/demanded the most by business consultants? - by gender

Consultants rated the highest their management skills/soft skills and project management skills, with an impressive average score above 4.52, aligning with the top skills demanded: digitalization services, management skills/soft skills, and project management. Conversely, it is confirmed that consultants largely lack AI tools relevant skills, with an average score of 2.82, as well as international business and establishing and working with Public-Private Partnerships (PPP), both with an average score of 2.80.

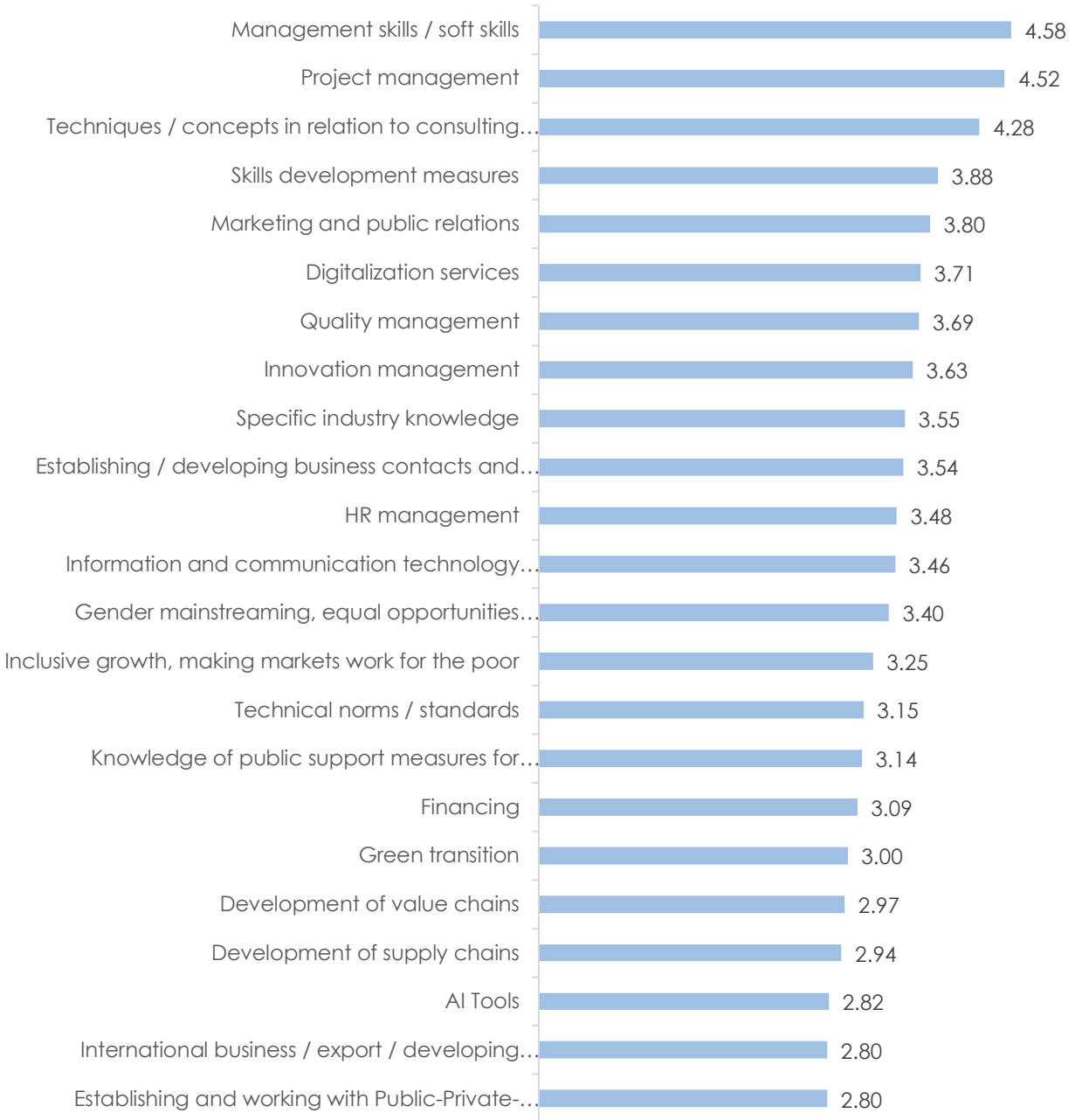


Figure 31. Please rate your level of expertise in the following skills on a scale of 1 to 5, with 1 being "no expertise" and 5 being "expert"

About three in every four of the respondents, regardless of gender have completed a specific training or certification in the field of the consultancy, whereas the remaining have not.

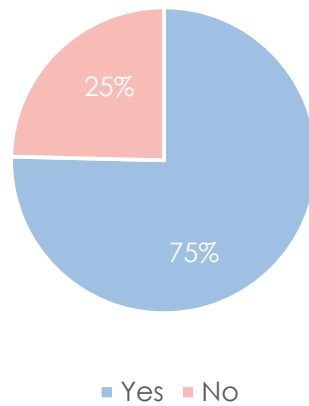


Figure 32. Have you completed specific training or certification in the field of consultancy?

Digital Transformation stands out as the most completed training among consultants (65% of cases), followed by Certified Management Consultant (CMC) training (52% of cases) and Project Management Professional (PMP) training (40% of cases). In terms of gender, there is a greater focus of the women consultants in Project Management Professional (PMP) training.

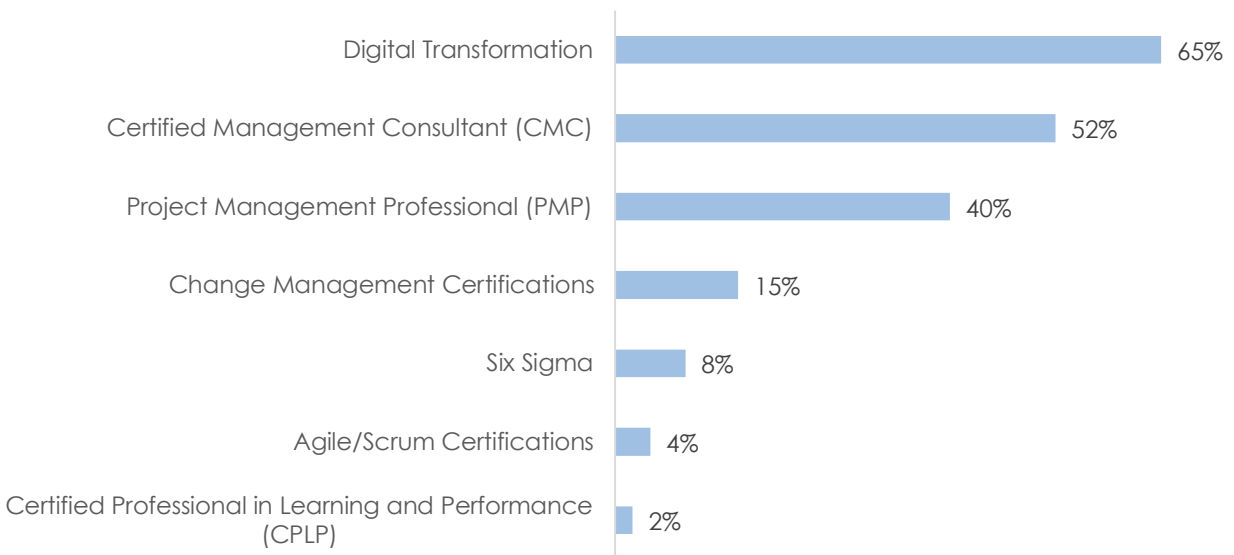


Figure 33. If Yes; Which trainings have you completed?

The main reason the consultants did not obtain a digital transformation certificate is their prioritization of other career or personal goals, chosen in 59% of cases, followed by a lack of awareness about such programs (34% of cases) and cost barriers (24% of cases).

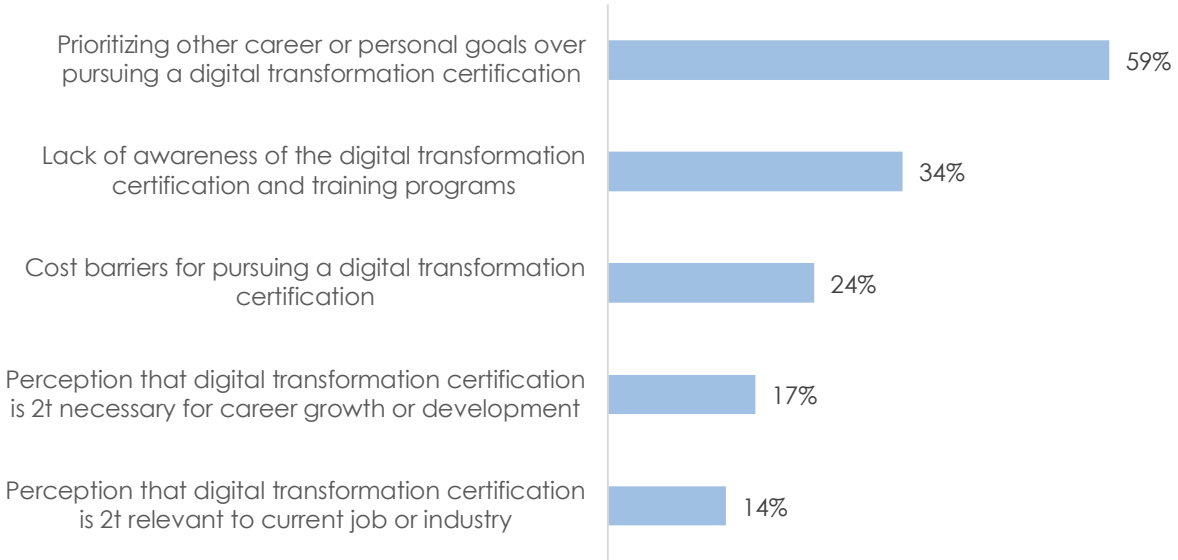


Figure 34. Why did you not obtain a digital transformation certificate?

Based on the results, a significant gender difference is observed regarding the reasons not obtaining a digital transformation certificate. The vast majority of men consultants mentioned prioritization other career or personal goals as the main reason for not obtaining a digital transformation certificate. In addition to that, women consultants mentioned lack of awareness and cost barriers for pursuing a digital transformation certification.

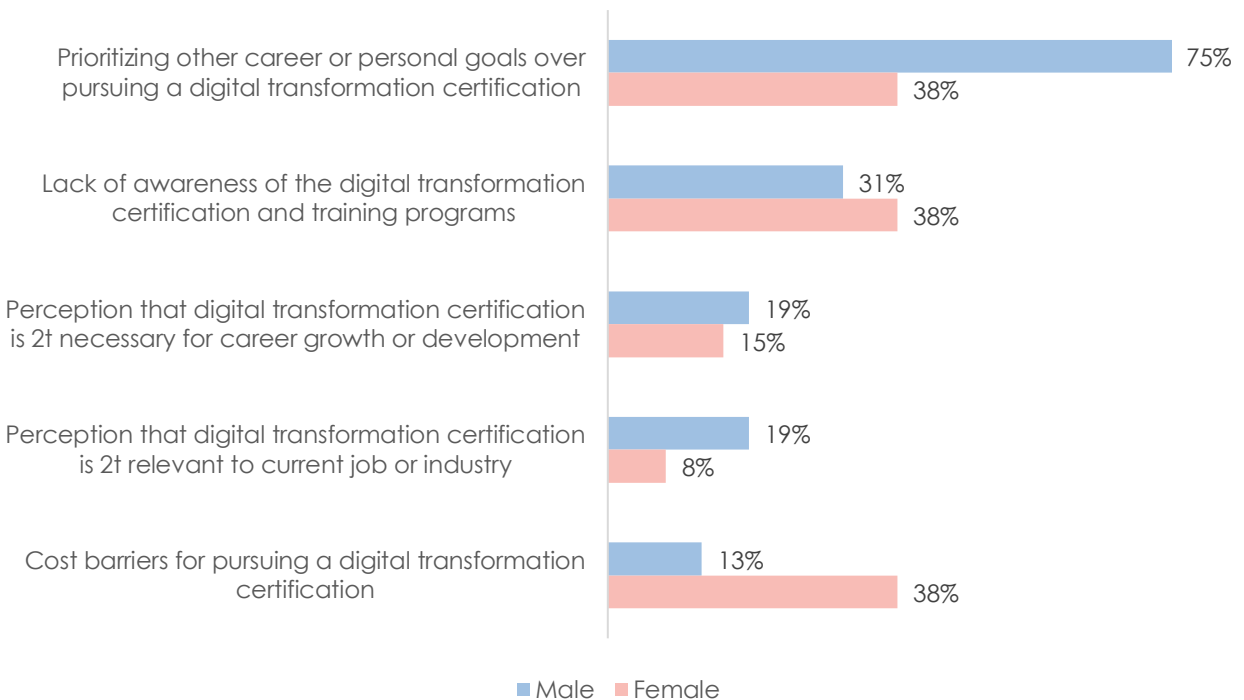


Figure 35. Why did you not obtain a digital transformation certificate? - by gender

Majority of the respondents (77%) stated that the digital transformation certification they obtained helped them acquire new clients.

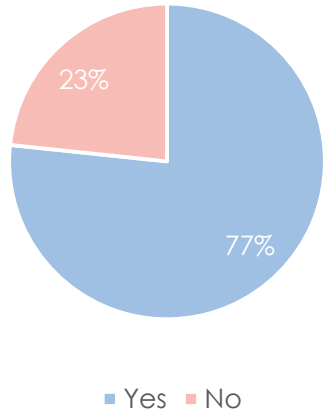


Figure 36. If Q22=Digital Transformation, Did the digital transformation certification (s) obtained help you acquire new clients?

In 61 percent of cases, the respondents reported that their services led to increased revenue, the introduction of new sale channels and access to new markets, and facilitated the digital transformation for their new business clients.

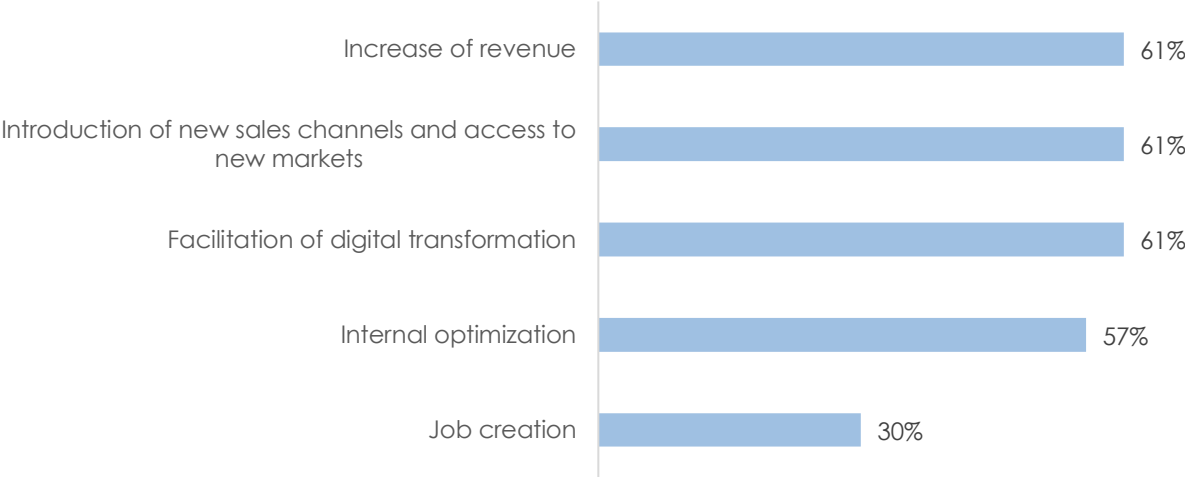


Figure 37. What impact did your services have on these new business clients?

Constraints and Challenges

Another important part of the questionnaire was dedicated to evaluating the constraints and challenges faced by business consultants in Kosovo. The three main factors identified as hindrances to the demand for business consultancy services in Kosovo's private sector include the

perception that enterprises/organization are not aware of their needs (74% of cases), enterprises lack financial means (55% of cases) and enterprises lack trust in consultants due to lack of standardization (51%). These factors were identified by both genders in the same order.

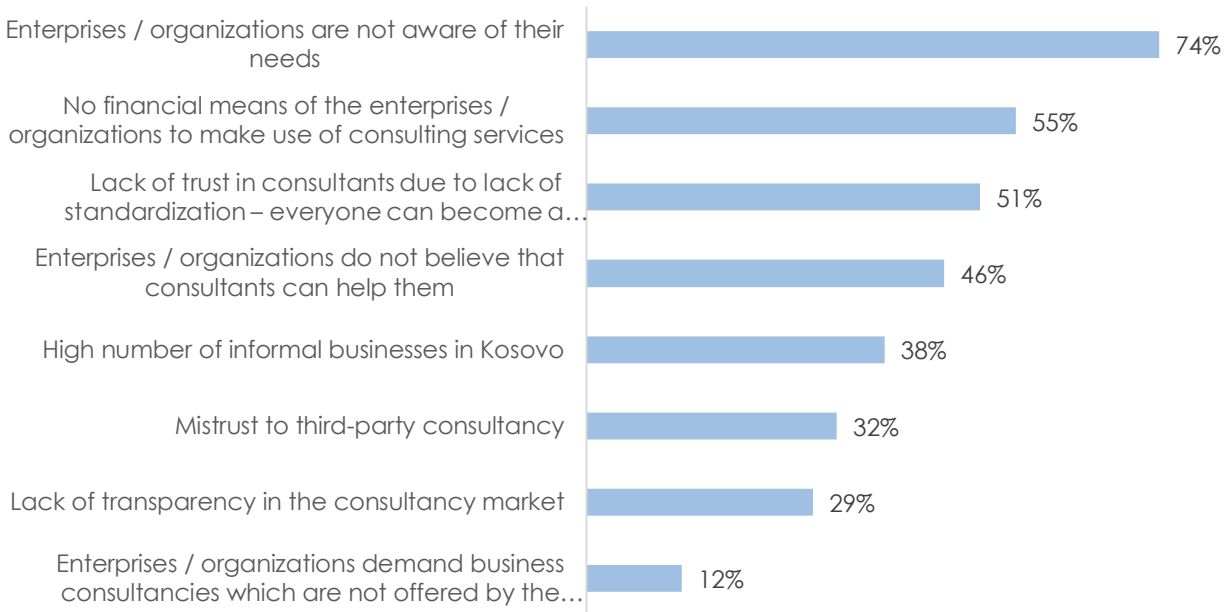


Figure 38. Please specify the main factors hampering the demand for business consultancy services in the private business sector in Kosovo

The results underscore that for businesses the most important criteria when selecting a consultant are references, recommendations of the consultant and previous positive experience with the consultant, each selected in 82 percent of cases. Conversely, familiarity with legal issues/regulations ranks as the least significant criterion, selected in only 17 percent of cases.

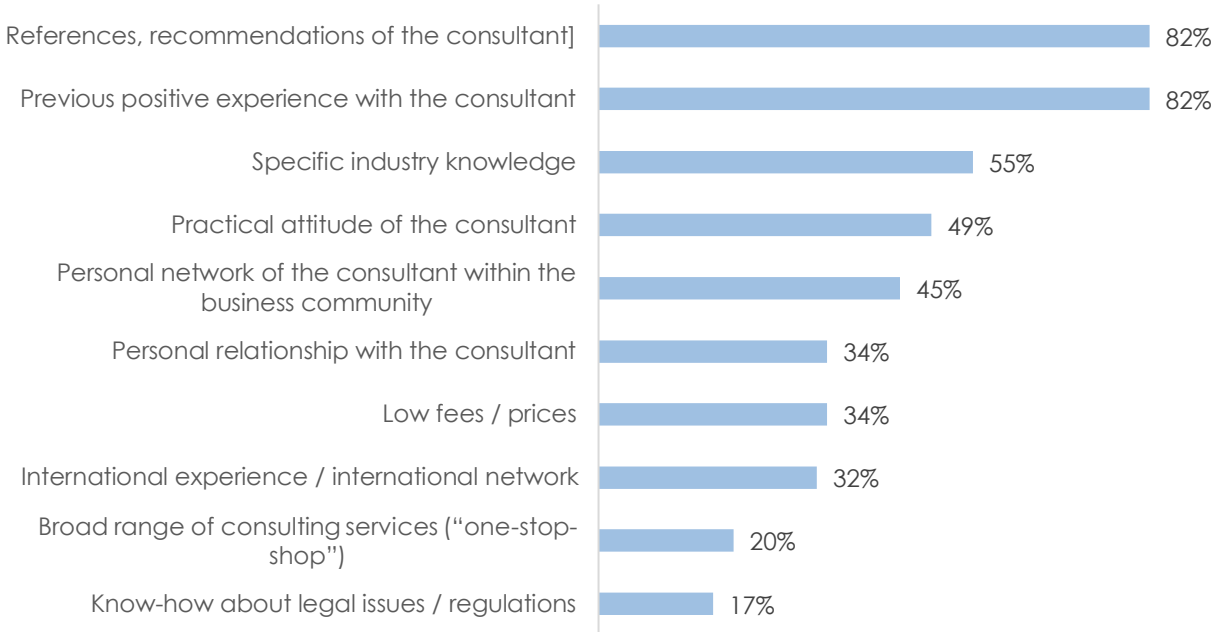


Figure 39. Most important criteria for businesses when selecting a consultant / consulting company are?

Differences based on gender are notable on two criteria that include personal relationship with the consultant and low fees / prices, where men consultants believe that these criteria are very important when selecting a consultant, while women consultants see them as less important.

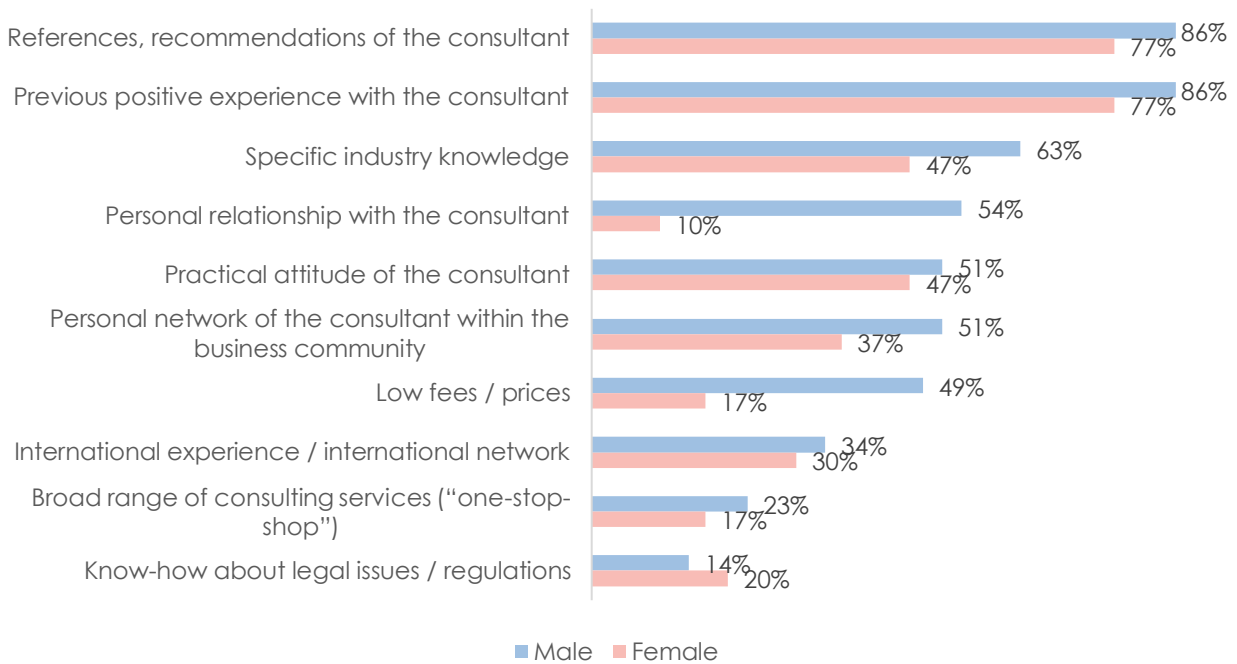


Figure 40. Most important criteria for businesses when selecting a consultant / consulting company are? - by gender

When it comes to the significance of gender when selecting a consultant, the majority (46%) maintain a neutral stance, suggesting it holds limited influence on their choice. Around 23 percent of them consider it an important factor in their decision-making, while only 8% deem it very important. Conversely, 12 percent perceive gender as very unimportant, and 11 percent find it somewhat unimportant in consultant selection. This array of viewpoints underscores the intricate nature of considerations related to gender within the context of consultant selection.

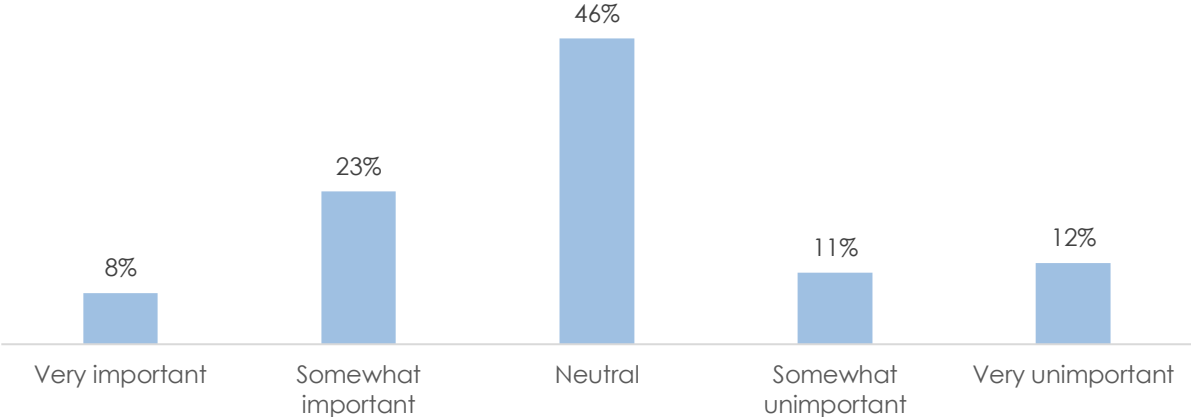


Figure 41. How important is gender when choosing a consultant?

When looking at the results in terms of consultant's gender, we see that most of the women consultants (46%) believe that gender is somewhat or very important when choosing a consultant compared to only 17 percent of men consultants who share the same perception.

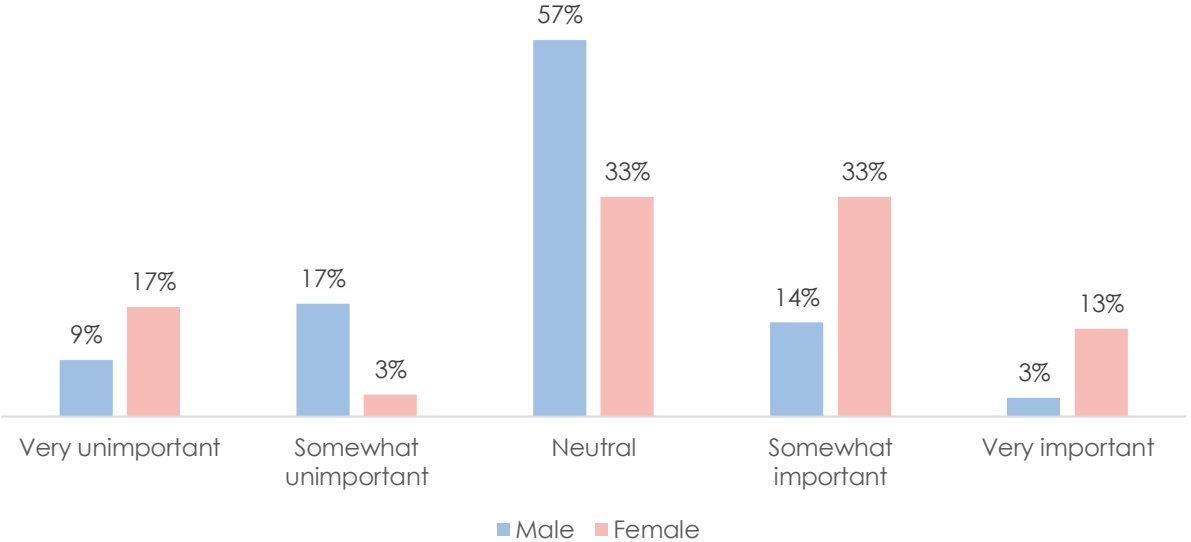


Figure 42. How important is gender when choosing a consultant? - by gender

Regarding the importance of ethnicity when choosing a consultant, the majority (40%) maintain a neutral stance, implying that it has limited influence on their choice, a larger group (28%) views it as an important factor in their decision-making and only 8% consider it very important. On the other hand, 14 percent find ethnicity very unimportant and 11 percent regard it as somewhat

unimportant when selecting a consultant. This diversity of perspectives emphasizes the multifaceted nature of considerations surrounding ethnicity in the context of consultant selection.

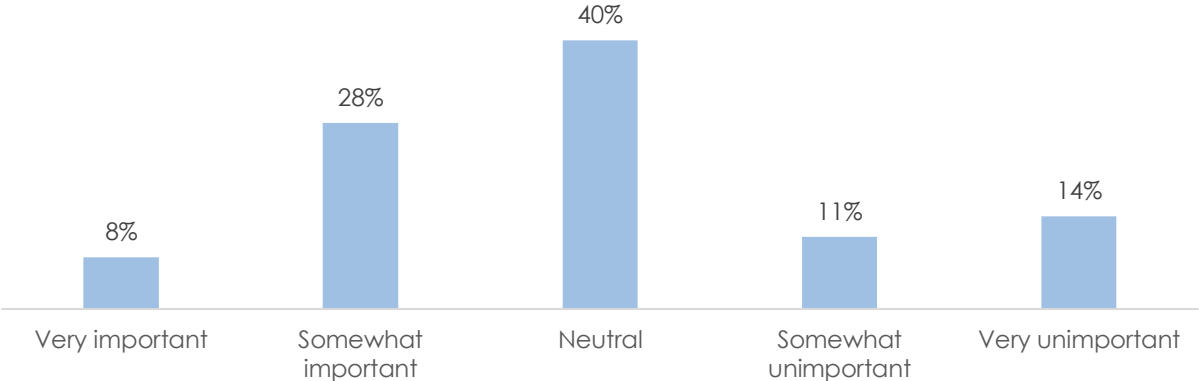


Figure 43. How important is ethnicity when choosing a consultant?

The respondents have predominantly assigned a medium-level rating to the attributes considered in the evaluation of the business consultancy market in Kosovo. These include price-competition, competition within the consultancy market, the number of consultants, the quality of consultancy services, competition by international consultants, and the quality of education/training for consultants. This collective assessment reflects a balanced and moderate landscape across these attributes within the market.

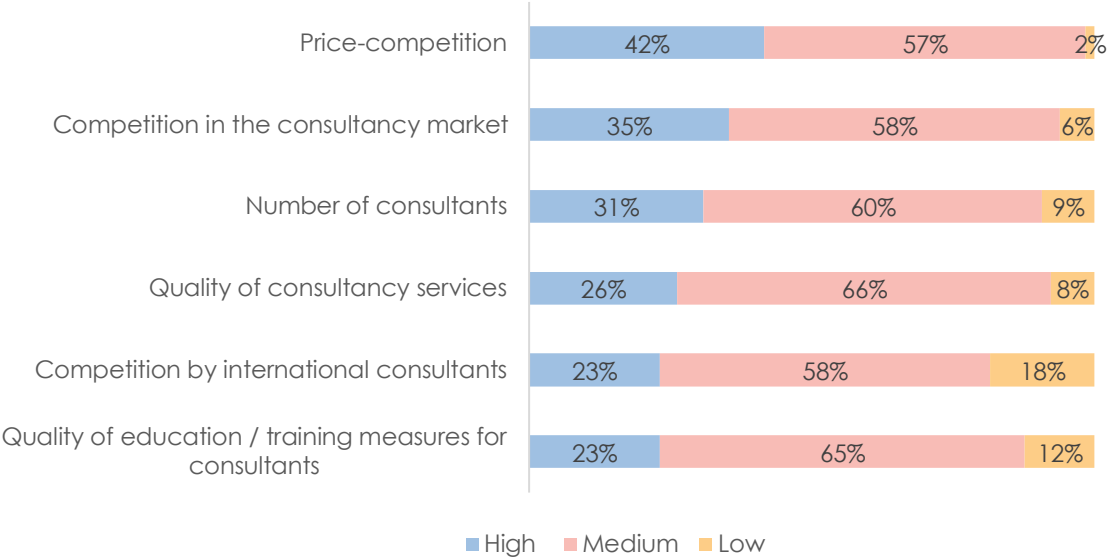


Figure 44. Please assess the supply and competition in the business consultancy market in Kosovo?

Approximately 48 percent of respondents agree and 23 percent of them strongly agree that local consultants are experts in their respective fields, whereas only 5% disagree.

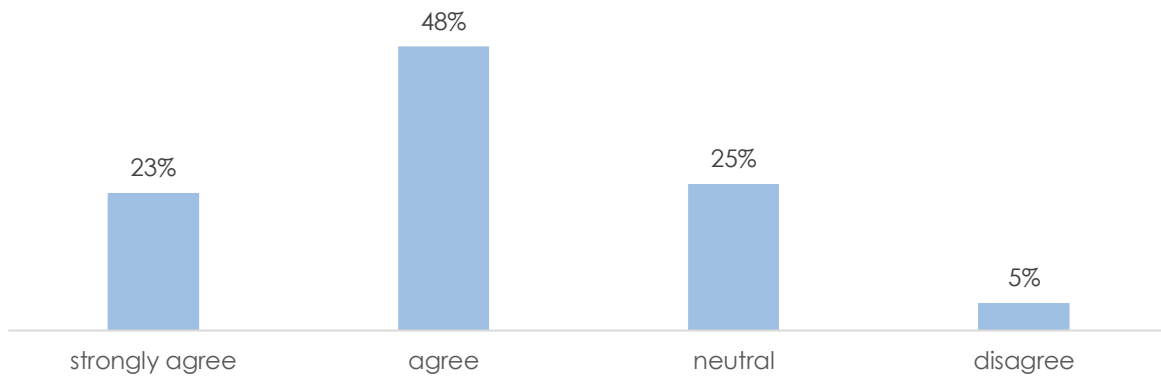


Figure 45. Based on your experience how would you rate the following sentences? [a. Local Consultants are professionals of their fields]

A significant number of respondents - 46 percent - agree that local consultants have the potential to enhance business success, while only 3% disagree.

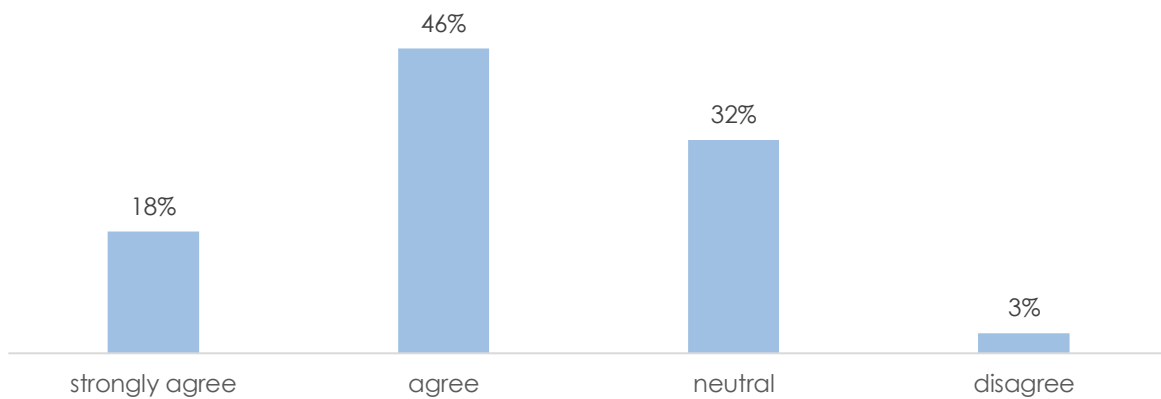


Figure 46. Based on your experience how would you rate the following sentences? [b. Local consultants have what it takes to make businesses more successful]

The majority of business consultants - 31 percent agree and 20 percent strongly agree - that local consultants are better suited for business growth compared to international consultants, while only 2 percent strongly disagree.

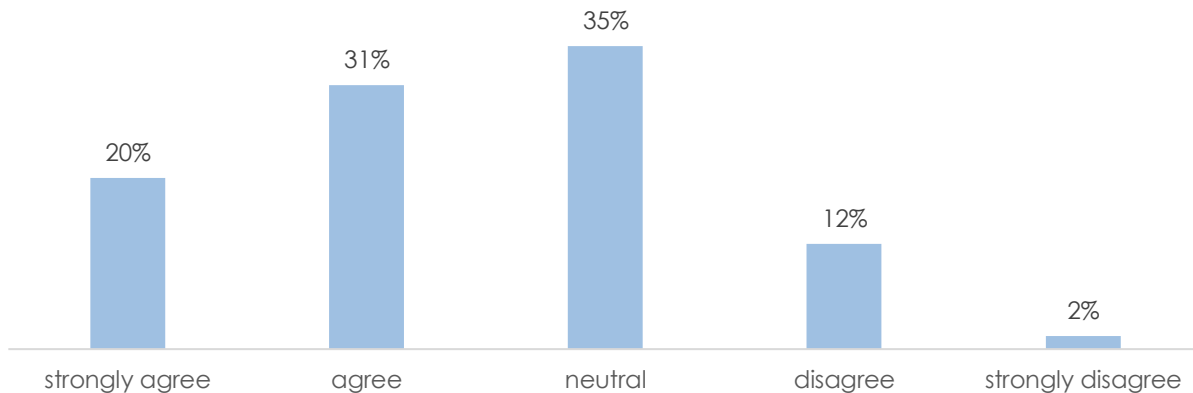


Figure 47. Based on your experience how would you rate the following sentences? [c. Local consultants are better suited to help business grow compared to international consultants]

A majority of respondents (52%) are not part of any business consultant association or formal network, while 48 percent are active members. The majority of those that confirmed to be members of associations, claimed to be members of Business Consultant Council (BCC), but also some other organizations were mentioned such as: EBRD, PECB, CSR Kosova, Association of Masters of Business Administration (AMBA) and ESOMAR.

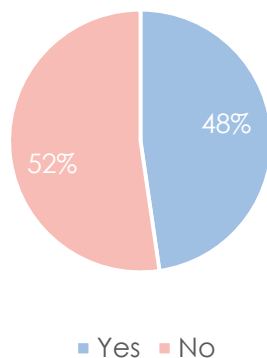


Figure 48. Are you a member of any association or formal network of business consultants?

Supply of Consultants from Marginalized Groups

The last part of the questionnaire sought to assess the supply of consultants from marginalized groups. A significant majority (92%) of respondents are not acquainted with any consultant from non-majority communities, while a mere 8% claim to know consultants from ethnic non-majority groups.

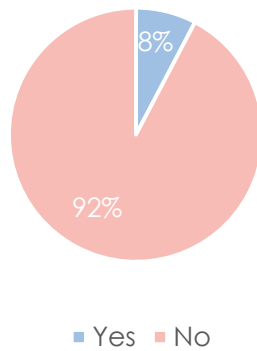


Figure 49. Do you know any consultant from non-majority communities?

More than half of the respondents (52%) believe that the lack of diversity in the consulting workforce does not affect the quality and effectiveness of the consulting services offered, while an opposing viewpoint is held by 48 percent of them.

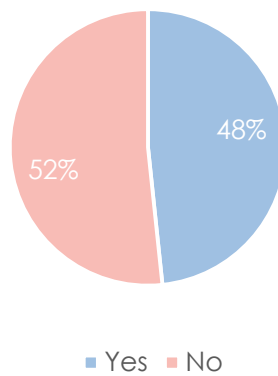


Figure 50. In your opinion, does the lack of diversity in the consulting workforce affect the quality and effectiveness of the consulting services offered?

The main constraints identified as preventing individuals from non-majority communities from joining the consulting industry include limited access to professional networks and mentorship opportunities and barriers to networking and business development opportunities, each selected in 55 percent of cases. The low number of non-majority-owned businesses (50%) and lack of awareness about the industry (48%) are also significant hindrances. Addressing these issues is crucial for fostering diversity and inclusivity in the consulting sector.

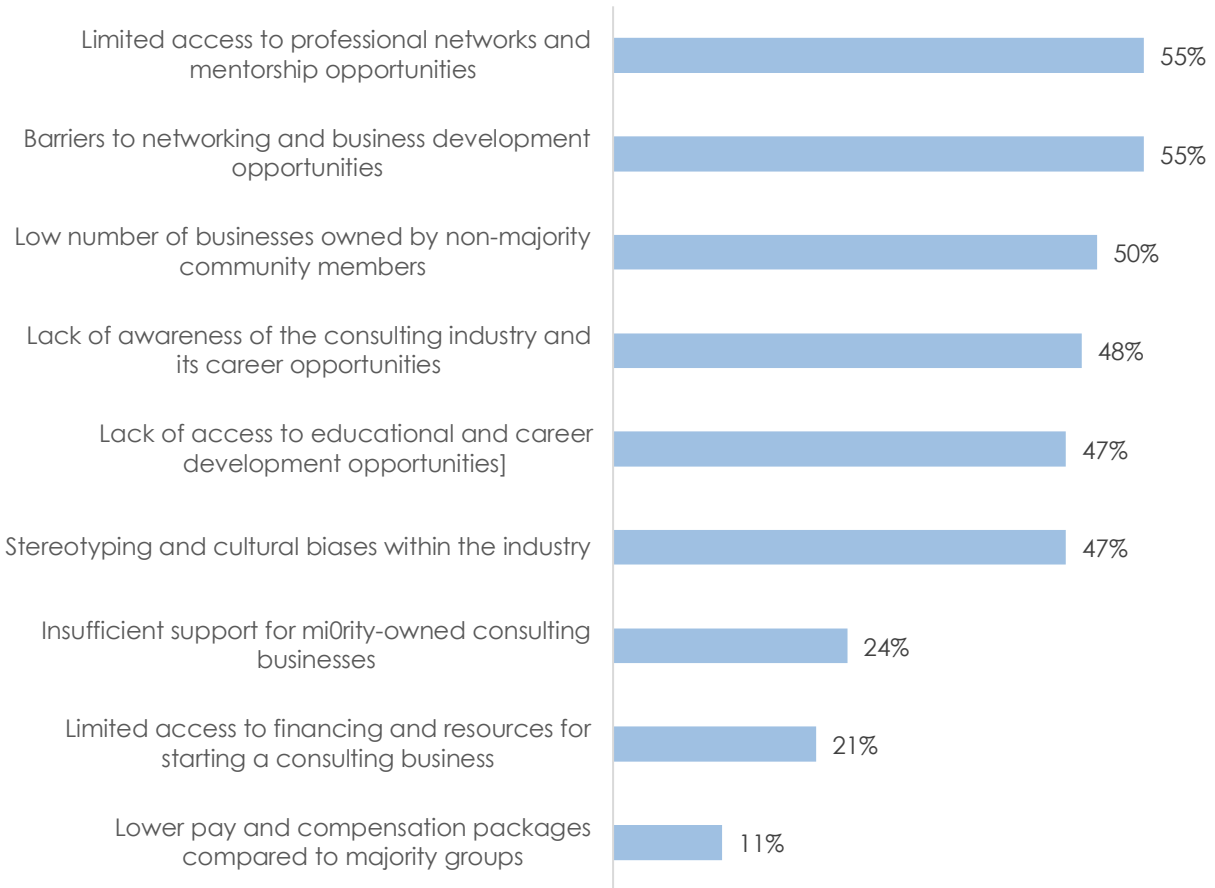


Figure 51. What is the main constraint preventing individuals from non-majority communities from joining the consulting industry?

The primary obstacles for ethnic non-majority individuals in digital transformation certification include lack of awareness of certification and training programs (57% of cases), cost barriers for pursuing these programs (54% of cases) and language barriers for non-native speakers (51% of cases). Only in 13 percent of cases, respondents hold that the perception that digital transformation is a field dominated by majority groups prevents ethnic non-majority individuals from getting trained and certified in digital transformation fields.

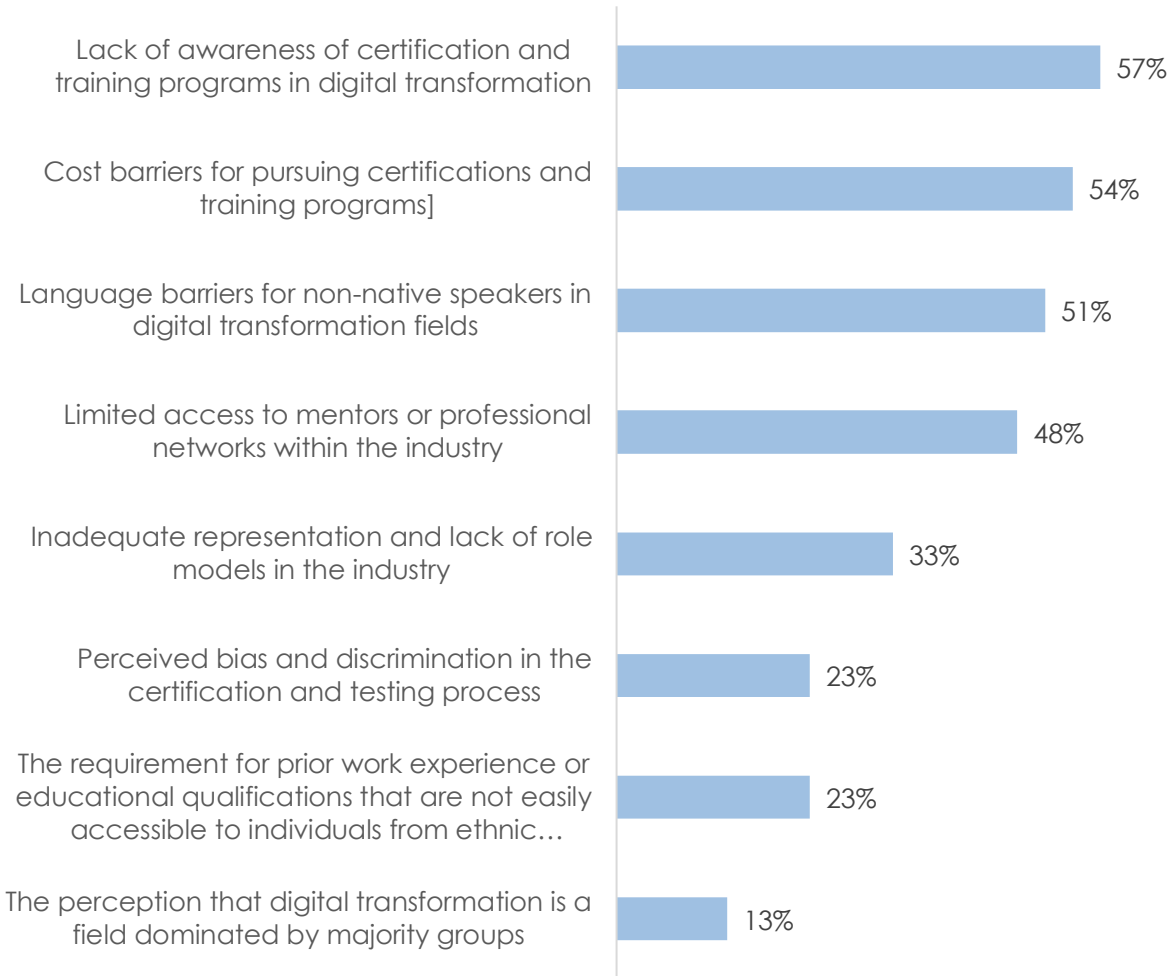


Figure 52. In your opinion, what is the main constraint preventing individuals from ethnic non-majority groups to get certified in digital transformation fields?

Mentorship programs that provide guidance and support throughout the certification process are regarded as the most effective incentives for ethnic minority consultants to pursue digital transformation certification (79% of cases), followed by financial incentives (64% of cases) and networking opportunities with industry leaders (62% of cases). These insights highlight the

importance of mentorship, financial support and networking in fostering diversity and participation in certification programs.

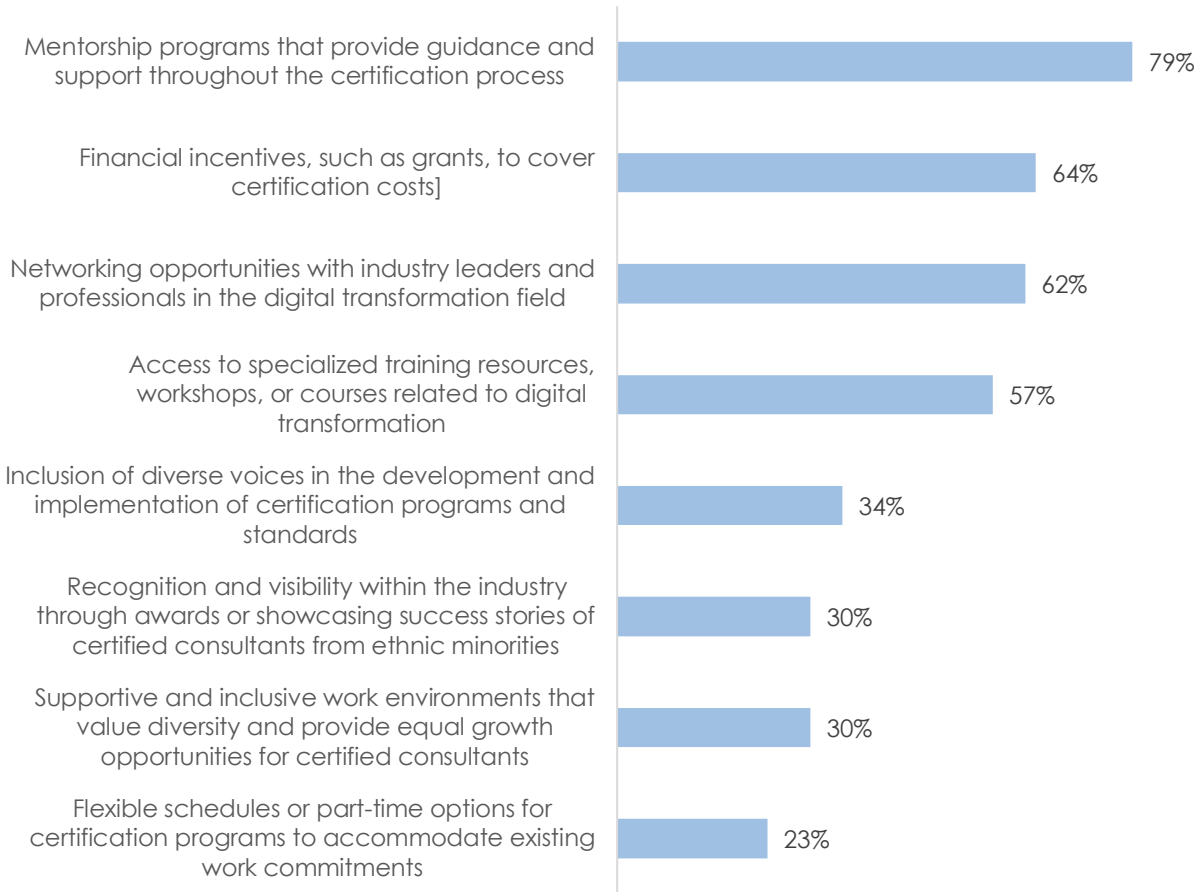


Figure 53. In your opinion, what type of incentives would encourage consultants from ethnic minorities to get certified in digital transformation?

Conclusions

This study, in addition to identifying and explaining the state of the consulting market in Kosovo, provides insights on services offered, skills and digitalization, constraints and challenges and supply of consultants from marginalized groups.

In general, the most provided services in 2023, turned out to be management and leadership, training of company staff and digitalization services. Other services included: business planning, start-up / formation of a business, marketing and sales / public relations, and innovation of products/processes.

In comparison with 2021 results, this year, more than half of respondents (58%) do not possess specific experience in providing business consulting services tailored specifically to groups such as women, ethnic minorities, informal businesses, entrepreneurs / farmers / processors in (isolated) rural areas. As for the most important phase when businesses need support, almost half of the men consultants (49%) believed that businesses need their support the most during the business growth, on the other hand 40 percent of women consultants believe that consultants support is needed the most during start-up phase.

Moreover, there was a significant increase in the daily average rate for business consultant services during 2023, where 28 percent of the surveyed consultants reported that their daily rate falls within the range of 150-199 EUR. This is a notable difference when comparing with 2021 report, where almost half of the respondents (43%) declared 100-149 EUR daily rate of services. Differences in daily rate are present also in terms of gender, where most of the women consultants (33%) reported their daily rate for consulting services within the range of 200 – 249 € compared to men consultants where 29 percent of them reported that it falls between 150 – 199 €.

Gender differences were observed also in the importance of gender when choosing a consultant, where 46 percent of women consultants consider it somewhat or very important while only 17 percent of men consultants share the same opinion.

The fact that “enterprises / organizations are not aware of their needs” was considered to be reason on what is hampering the demand for business consultancy services, by the majority of respondents in both years (2021 and 2023).

Lastly, the main constraints preventing individuals from non-majority communities from joining the consulting industry are identified as limited access to professional networks and mentorship opportunities and barriers to networking and business development opportunities.

Annex 1. Interviews with business consultants from ethnic non-majority communities

Summary of interview with Dragiša Mijačić

Dragiša Mijačić, the Director of the Institute for Territorial and Economic Development, provided a comprehensive overview of his organization's consultancy services during the interview. The Institute, a regional entity operating for nearly two decades, delivers a wide array of consulting solutions to businesses, institutions, and international organizations. Their services encompass diverse analytical domains such as business plans, implementation studies, socioeconomic assessments, and strategic analyses. Operating primarily in the Kosovo market, the Institute also extends its reach to neighboring countries like Serbia, Macedonia, Montenegro, and Bosnia and Herzegovina. Mijačić outlined the organization's collaborative projects, including engagements with economic associations in the Serbian communities of Kosovo, as well as significant partnerships with entities like German GIZ. Notably, he highlighted the Institute's contributions to substantial projects, including the construction of a scientific technological park in Prizren, previously a military base, which has been transformed into a thriving hub for innovation. Mijačić emphasized their diverse portfolio, ranging from feasibility studies for electronic construction permits to the drafting of strategic business documents, demonstrating their impactful presence in the consultancy landscape.

In addressing the challenges faced in the consultancy field, the interviewee highlighted a variety of issues that depend on the specific context. For businesses, mainly small enterprises, there's often a lack of recognition of consultancy's value and reluctance to allocate funds. Smaller projects arise from assisting these enterprises in developing business plans for loans, but these can't sustain the consultancy business. The primary market lies with bilateral and international organizations needing analytical support. This market is mainly concentrated in Pristina, with limited reach to other parts of Kosovo, particularly Serbian communities. Here, the importance of consultancy is often overlooked, leading to a more ethnically-oriented economy. Despite these challenges, the organization has undertaken projects unrelated to Serbian communities, yet breaking barriers and prejudices remains a complex endeavour.

Mijačić stated undoubtedly that digitalization holds immense importance. Businesses must constantly evolve to stay relevant, and this applies to our regional organization as well. The Western Balkan market's small size necessitates expansion into larger markets. Digital tools are pivotal in this regard, enhancing communication, efficiency, and cost reduction. He highlighted how the COVID-19 pandemic accelerated the adoption of tools like Zoom and MS Teams, revolutionizing communication and reducing travel expenses. His recent meeting with Dutch clients exemplifies this, where digital tools are indispensable. His organization, with over two decades of digital literacy and a programming background, considers digital tools integral to their strategic approach.

Mijačić provided insights into clients' digital transformation requests, highlighting that digitalization needs within Serbian communities were often rudimentary, centered around accounting and website creation. They had a request of this type from Vojvodina a few years back, prior to the pandemic. He pointed out that in Kosovo, such inquiries seem scarce. He then anticipated that the field of digital transformation, especially with the integration of Artificial Intelligence, would

revolutionize business processes.

Considering resources for further education in digital transformation, Mijačić shed light on their selective approach. While investments in education were geared towards in-house experts, external experts were typically not targeted for educational initiatives. He welcomed potential support for education and training, particularly if tied to evolving tools and techniques.

In addressing the unique needs and aspirations of ethnic minority business consultants in Kosovo, Mijačić highlighted a significant challenge concerning the economic integration of ethnic minorities within the broader market and production chains of Kosovo. He identified this as a complex issue rooted in various factors beyond mere economics, including political dynamics and prejudices. This challenge necessitates better integration of markets within Kosovo's borders. While some ethnic minority businesses thrive in foreign markets and even compete on a global scale, Mijačić stressed the importance of integrating local supply chains.

He emphasized that resolving this issue requires political stability, as well as a reframing of economic cooperation to prevent its manipulation for political purposes. Mijačić pointed out the need for the establishment of business associations in ethnic minority communities that collaborate closely with counterparts from the majority population. He lamented the lack of progress in this area despite extensive international assistance, attributing this to centralization in Pristina and the limited recognition of the unique challenges faced by Serbian communities. Mijačić concluded by underlining the cyclical nature of the challenges and the persistent lack of substantial results, citing a disconnection between international efforts and the practical needs of Serbian businesses. This discourse reinforced the urgent need for holistic approaches to overcome economic integration barriers and promote a more inclusive and balanced business environment within Kosovo.

The interview concluded with mutual appreciation and a commitment to continued engagement.

Summary of interview with Dusan Radakovic

The interviewed business consultant Dusan Radakovic has over two decades of experience in providing consultation services to municipalities and NGOs in Kosovo. The consultant's main focus has been on providing consultation services to Serbian municipalities, offering guidance on diverse areas such as budget management, municipal assemblies, and the overall functionality of municipal structures. His experience extends beyond municipalities to encompass work with international organizations and NGOs, with only limited interaction with businesses. This emphasis on the public and non-profit sectors has shaped his perspective and expertise.

Key challenges encountered by the consultant in his role include the intricate task of aligning local practices with international standards, particularly those set by the European Union and other established states. Radakovic highlighted that while the legal framework often supports these standards, their practical implementation is hindered by resistance to change among municipal officials, especially in small municipalities like Partesh, Ranillug or similar. The process of integrating new innovations, especially digital platforms, is compounded by financial constraints and lack of familiarity with modern systems. He evaluated this process as the biggest barrier at work.

Delving into the realm of digital transformation, Radakovic conveyed an enthusiastic endorsement for the adoption of digital platforms and technological functionalities. This endorsement was deeply informed by the tangible conveniences these tools provide; a fact

made especially evident during the throes of the COVID-19 pandemic. With much of their professional engagements shifting to online platforms, Radakovic recognized the pivotal role that digital transformation played in ensuring the continuity of their work despite the unprecedented circumstances. However, amid this commendation for technological advancement, he candidly highlighted a significant challenge. He pointed out the intricacies of encouraging long-standing municipal employees, many of whom have accumulated decades of experience in traditional practices, to embrace these new digital paradigms. This obstacle stems from a blend of factors, including a natural resistance to change, a generational gap in technology literacy, and a certain comfort that comes from familiar, well-established routines.

Radakovic detailed specific instances where they had been approached by clients for guidance on digital transformation-related matters. One notable request involved aligning electronic platforms with municipal performance indices, rectifying discrepancies that arose due to the platforms being initially designed for larger towns. Additionally, he assisted clients with navigating digital application processes for various projects and adapting to new procedures during the pandemic, including holding online public debates.

In the realm of skill acquisition and certification for digital transformation, Radakovic noted a reluctance among some peers to embrace these changes, particularly among older individuals less familiar with technology. Technical barriers also emerged, including challenges related to internet connectivity and language translation, underscoring the need for comprehensive support systems.

Radakovic underscored the relevance of diverse aspects of digital transformation for their work, especially the convenience of conducting operations remotely, utilizing electronic signatures, and managing documents online. He also raised the absence of an electronic stamp in Kosovo, suggesting creative workarounds using scanned images of physical stamps.

Addressing the resources necessary for further education in digital transformation, Radakovic expressed the importance of ongoing training and projects that financially support municipalities and institutions in adapting to new paradigms.

Regarding the unique needs or aspirations of ethnic minority business consultants, he emphasized the importance of inclusivity in digital platforms created by the government. He stressed the necessity for information to be available in Serbian language to adhere to Constitutional and Article 5, which according to the consultant ensures equality between Serbian and Albanian language. His recommendation highlighted the need for user-friendly interfaces that cater to individuals of all digital literacy levels, promoting equal access and participation.

In conclusion, Radakovic's insights shed light on the multifaceted landscape of digital transformation within the consultancy sector in Kosovo. His perspectives underscore the transformative potential of digital tools while acknowledging the challenges related to adoption, training, and inclusivity, particularly for ethnic minorities.

Summary of Interview with Almir Muhovic

The interviewed business consultant Almir Muhovic, who has been active since 2011, outlined his experience primarily working with young entrepreneurs and start-up businesses, as well as assisting international organizations. He considers the main barrier of their job is the larger companies often monopolizing the market, making it challenging for smaller entities like them to

secure contracts. He also discussed the lack of transparency in project allocations, stating that the public opinion is limited, there is lack of information which makes the projects not transparent.

Regarding digital transformation, Muhovic acknowledged its significance and how it has positively impacted their work, streamlining various tasks and trends. He noted that many of their clients struggle with digital transformation, especially older clients and some younger individuals who lack knowledge in this area. According to him this comes as a result of lack of training in this area. While specific client requests related to digital transformation were not mentioned, Muhovic shared a scenario where start-ups sought help with simple tasks such as tax declaration due to fear of making mistakes. The task was simple: registering and declaring taxes with the Tax Administration in just three steps. Surprisingly, the start-up paid hefty fees, ranging from thirty to fifty euros, to Muhovic's company for a task that takes mere minutes—entering a username, password, and clicking the tax declaration option. Despite the straightforward process, the fear of errors or unfamiliarity with the digital platform prompted such businesses to seek external help, highlighting a broader trend of hesitancy in handling digital systems.

Challenges faced by Muhovic's peers in acquiring digital transformation skills or certifications included difficulties in finding suitable online courses and platforms that provide recognized certificates. Muhovic highlighted the relevance of digital transformation areas, particularly social media for business promotion and mobile banking for expediency. He expressed a desire for the introduction of a digital stamp since there is no legal provision (law) on valid digital stamp, stating that it would greatly simplify transactions and make their work easier and faster. In terms of resources for certification and further education in digital transformation, Muhovic mentioned equipment support such as laptops and tablets, as well as software for accounting and financial reporting such as Crick Book. These resources would enhance their work efficiency and help them expand their market reach by creating network, conducting new clients and conquering new markets. Regrettably, Muhovic expressed that such solutions tend to be prohibitively expensive, and their current circumstances do not allow them to pursue these options further. Muhovic pointed out that there is a very small number of people from ethnic minority community who participate in this business world. Addressing the unique needs of ethnic minority business consultants, he touched upon the challenges faced by this community, including language barriers, limited access to funds, and difficulties in validating diplomas earned abroad, particularly those who have obtained degrees from foreign faculties before 1999. He mentioned a personal experience with the diploma validation issue when applying for a job as a professor at the University of Mitrovica, where as a result he didn't get the job. Additionally, he emphasized the importance of validating diplomas for integration into the society.

To sum up, the interview offered valuable insights into Muhovic's viewpoint regarding the role of digital transformation and its obstacles within the business consultancy sector in Kosovo. Additionally, it illuminated the hurdles and ambitions of ethnic minority business consultants in the area.