Chapter 5
Consulting as a Factor of Enterprises’ Development in Serbian Agribusiness

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ABSTRACT

The subject of this chapter is consulting in Serbia, which is analyzed through a prism of factors in its development and its influence on enterprises’ performance in agribusiness. In order to realize the analysis successfully and to get relevant results, it is necessary to move the observed problem into the wider context of economic events, the basic influences on agribusiness development ways in Serbia, which is the goal of this study. At the end, regardless of the level of research success, this chapter represents the basis for future studies of the consulting services and their support to business management.

INTRODUCTION

The subject for this chapter was imposed by, among other things, the latest circumstances in Serbia, in its economy, especially in agriculture. That is to say, Serbian economy founded its self pretty surprised, almost quite unqualified for what was waiting in the period of transition, it started to pass through. Many circumstances have significantly influenced to its collapse, and just initiated, more as an indication, the consulting market, insufficiently developed, had not been able to accept increasing burden, so roaming in searching for stabilization and development origin in new conditions had been so much greater.

In competitive environment, in order to survive, enterprises must ceaselessly change and develop. The survival and development imply doing the utmost effort in re-evaluation and re-affirmation of competitive advantages of enterprises and their positions on the market. In order to achieve it, bigger and more famous world-class firms on developed European market hire the well-known consulting houses to help, setting aside significant assets. This way also Serbian economy had to gone, while it was the only way which had led to accession to the European community’s economy, i.e. to survival, stabilization and development.

However, changes introduction requires from employees in the firm to adopt knowledge, collect as more as possible information, to cope with the new tasks, to improve their skills, to often change
their working habits, values, and attitudes. This includes changes in humans – management and employees, their abilities, motivation, behaviour and efficiency at work. At the same time includes also the changes in organizational culture – values changes, settled habits, information relations, influences, and management style. As it is a whole process of radical changes – it does not develop by its self: there is inevitable to learn, time, effort, persistence, ability, and loyalty to the work. Although, it all cannot be accomplished, at least for some time, without support of those who have already collected great knowledge, gained experience, and could pass it successfully to the others.

In west Europe countries, the consulting services have developed for decades behind, and nowadays have been active numerous consulting firms which mutually differ by funding model, organization and the process of consulting. Although, the market of consulting services has been very atypical, with many small consulting firms and extremely small number of big companies. Taking into consideration the other markets substantially defined, the consulting market is susceptible to continuous changes, which is natural due to businesses peculiarities it does and a need to constantly research for new forms of organization and to be ahead of practice.

Exposing the consulting firms to various combinations of business circumstances and experiences of different companies has provided an accumulation of precious knowledge and business experience. Their goal is to be continuously informed and to keep pace with innovations in the field of theory, concepts, methods, and management system. Entire consulting „know-how“ and business ideas, which are the result of business experience and research, are available to entrepreneurs and managers, aiming to carry out different initiatives, innovations and improvements in many fields and business functions.

The consulting has had very accelerated developed in past two decades. According to the utmost number of evaluations anticipates that, in every following year, the growth rate of the consulting sector will amount 15-20% on the global level. Whether it is about restructuring, implementation systems, development of employees, business procedures changes, other companies purchase, or launching new products and services – the consulting support will be inevitable in different forms.

East Europe countries have different maturity of the consulting market, which intensive development has started just after 1990. The first branch offices of the international consulting companies were established in the countries, which had common frontiers with developed consulting markets of west Europe. During last years has started the second surge of market penetration, by which remote markets of Southeast Europe has become more attractive.

According to the FEACO evaluations (European Federation of Management Consultancies Associations), the most significant starters of the consulting market development in central and south-east Europe are privatization and reorganization of public (government) enterprises, enlargement of the EU to the east region and liberalization of national markets. The most of these starters are present in Serbia, too, but they do not act so efficiently as in other countries: Serbia is not a member of this association, economic system has numerous peculiarities in regard to the other countries in surrounding, while the transition lasts too long. Preliminary research shows that the consulting firms are mostly concentrated in university centres: Belgrade, Novi Sad, Kragujevac and Nis. Present state in the sector of the consulting services points out to a necessity of decentralization and consulting work networking. Important support to the process should be decentralization of some ministries and Serbian Chamber of Commerce’s extension services, in order to make conditions for more adequate answers to the enterprises needs, i.e. the opportunity for partner approach in solving business problems. Aimed at efficient resources allocation, here will determine the opportunity of experts’ regional exchange, which implies