



LEONARDO ECON-IT
Market Assessment Report
Valencia-SPAIN



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Contents

1	INTRODUCTION.....	3
2	BACKGROUND INFORMATION.....	4
3	METHODOLOGY.....	6
4	QUANTITATIVE ANALYSIS.....	7
4.1	Questionnaire for Business Advisors	7
4.2	Questionnaire for Business Support Organizations.....	9
5	CONCLUSIONS.....	10
6	RECOMMENDATIONS.....	12
1	ANNEX 1 – LIST OF PARTICIPANTS	13

1 INTRODUCTION

This document is produced within the framework of the LEONARDO ECON-IT project, as a country-specific report for Work Package Wp01, Market Assessment, with the purpose of providing a general overview of the Business Advisors' sector in the Valencia Region (Spain), especially addressed to the analysis of their training needs.

The report is structured in the following way:

- Section 2, *Background Information*, describes in a very general way the structure of the sector
- Section 3, *Methodology*, explains the steps followed for the preparation of the report
- Section 4, *Quantitative Analysis*, presents the numeric results from the application of the questionnaires
- Section 5, *Conclusions*, merges the output of the questionnaires with the focus group and desk-based research outcomes to provide the picture of the Business Advisors training environment
- Section 6, *Recommendations*, summarizes in a structured way the results of the two previous sections
- Annex 1, *List of Participants*, contains the list of organizations involved in the study. IEP wants to thank all of them for their readiness and availability.

2 BACKGROUND INFORMATION

The first aspect that must be taken into account when studying the situation of any sector in Spain is the political structure of the country. Spain is a very decentralised country, composed by 52 Provinces distributed into seventeen Autonomous Regions, quite different in geographical, industrial, cultural and socioeconomic terms, and with very strong competences assigned to the Regional Governments. In fact, with the exception of national legislation, defence and external affairs, all other activities of the State have been partially or totally transferred to the Regional Governments. However, the Central Government retains obviously an overall control of affairs and provides certain homogeneity in key fields. Provincial power is quite weak, and municipal responsibilities are quite high, although usually hampered by a traditional lack of money, especially in small and medium municipalities.

On the other side, globalisation not only happens among nations, so fortunately there is no much difference in the way business are carried in the different regions, and there is a lot of permeability among them. This has allowed building the report around inputs obtained basically in the Valencia Region, where IEP is located, simplifying very much the logistics of the study, but still providing a picture that can be adopted by any other region just changing some names and circumstances.

The **Business Advisors'** professional Sector is made up by three different and stratified categories of organizations:

- The big corporations, with Spanish or foreign capital, working in the whole national territory. They provide all kind of services, from the most sophisticated ICT application to the most traditional accounting or auditing services
- The medium-sized companies (in any case still small by EU standards) whose main market is the regional one, although trying, with more or less success, to expand into the national market. Their range of services is quite variable, but the most successful specialise in one sub-sector and try to go in-depth in it (ICT, Human Resources, Training, Quality Control...and a long etc.)
- The small companies – sometimes made up by a single business advisor operation on his/her own – working mainly on a local basis (municipality or group of municipalities). This category, by far the most in need of any kind of support, including continuous improvement and training, provides usually the most traditional services to SMEs (accounting, financial, personnel). Their portfolio of customers is quite stable and fidelity and trust are the main features of their relationship.

These three categories are in fact different worlds, with practically no contact among them. Their problems and the solutions they adopt to solve them are completely different also. By obvious reasons, our study addresses the two last categories

There is no Business Advisors Register at any level, and statistics and consolidate information about the sector is non-existent. There is no representative body either, and even the own definition of what means a Business Advisor is not agreed, There is of course a National Consultants'

Association, and similar bodies in the regional environments, but there is no compulsory affiliation that, in any case, is quite often reduced to big or medium-sized companies.

Business Support Organizations is a very fragmented and heterogeneous world in Spain. Among the most relevant we find:

- Regional Development Agencies. Reporting in different ways to the Regional Governments, they adopt different legal structures (public administration department, foundation, public-private status). They usually implement the strategies and policies of the Regional Government in terms of support to regional business (R&D and innovation initiatives and programmes, support to the creation of new businesses, sectorial plans, etc). CEEIs and BICs can be included also in this area.
- Local Development Agencies. Reporting to a Municipal Council, they provide support to local businesses and industries. Their general lack of resources is one of their main problems.
- Sectorial Business Associations. They operate at national, regional and provincial level, but with total autonomy in each one. They provide services to their associate companies, either with their own means, or using informal business advisors' networks. Some examples: Metal-mechanics, Building and construction, Textile and garment...
- Professional Associations. They provide services to their registered members in an individual way and, by extension, to their companies, if applicable. These Associations also have a National, Regional and Provincial representation and are also quite independent from one level to the other. Some examples: Association of Engineers, Association of Economists, Association of ICT graduates... and a long etc.
- Chambers of Commerce. They usually have a provincial distribution and provide services to their affiliate companies.
- Education and training organizations of any kind and size, from public universities to private business schools and companies especially devoted to training.

3 METHODOLOGY

Following the structure described in the ECON-IT application submitted to the LEONARDO Programme, and the conclusions of the first partner's meeting, the steps followed to build the study have been:

- Adaptation and translation into Spanish of the questionnaire for Business Advisors. This questionnaire has been subsequently answered by 10 organizations, sometimes via telephone, sometimes in person-to-person meetings. In some cases the questionnaire has been sent and then returned via email as a first step, and then a telephone or personal meeting has been set to clarify certain issues.
- Adaptation and translation into Spanish of the questionnaire for Business Support organizations. The questionnaire has then been provided to 10 organizations, with the same arrangement and logistics like the already explained for the Business Advisors.
- Identification of key issues from the answered questionnaires
- Focus Group meeting with representatives from both categories (Business Advisors and Business Support organizations) to discuss the key issues previously identified
- In parallel with these activities, desk-based research has been done in order to confirm or modify the results obtained from the previous activities. This has been done through the Internet access to the Web pages of relevant organizations both public and private.
- All the collected information has been analyzed to produce the Conclusions and Recommendations Section of this report.

4 QUANTITATIVE ANALYSIS

The questionnaires are intended basically as a script to obtain qualitative information and a way to structure a data-collection interview. The small amount of organizations involved (10 for each category) does not allow for significant statistical results. This said, as almost all questions have a Yes/No alternative as a part of their answer, it seems interesting to provide a simple quantitative analysis in order to detect some trends. Comments are added when applicable.

4.1 Questionnaire for Business Advisors

Do you practice as a Business Advisor under the auspices of a professional body?		
Answer	%	Comments
Yes	80%	Most business advisors, either as individuals, sometimes as a company, belong to one or more umbrella organization (sectorial, professional). Affiliation is non-compulsory for the exercise of their activities. Their interest is purely for information, contacts and sometimes representation purposes.
No	20%	

How do you undertake continuing professional development (CPD)	
Answer	Comments
Completely variable	Meetings, seminars, conferences, training courses, market information, legal and professional publications, exchange among professionals. Only one participant (medium size company) has a training budget and a training plan, with a person in charge.

Are there any training courses or further education provided for B.As. in your area?		
Answer	%	Comments
Yes	100%	.Plenty of organizations, both public and private, offer training activities that may be of use for Business Advisors. But NONE OF THEM are directly addressed to Business Advisors, it is up to them to participate.
No	0%	

Are you aware of other surveys or research taking place into the training needs of B.As		
Answer	%	Comments
Yes	30%	"Yes" answers refer to specific studies commissioned by sectorial organizations. There is no comprehensive study at national or regional level.
No	70%	

What kind of business advisory training materials do you use	
Answer	Comments
Completely variable	Official publications, the official regional or national journal, power points and videos, periodical professional publications, web materials, materials compiled internally over the years, case studies, materials from Internet

Do you have any knowledge about globally EU approved training programmes for B. A.		
Answer	%	Comments
Yes	0%	
No	100%	

What are your thoughts on the development of e-learning materials for B.As		
Answer	%	Comments
Very useful	60%	
Moderately useful	40%	
Not useful	0%	

Do you find it necessary to introduce any kind of Quality Insurance Policy for B.As		
Answer	%	Comments
Yes	90%	A single company has one such insurance contracted with a private insurance company. The protection is about their work not incurring in any non-conformity with the quality system of their customers.
No	10%	

Are you interested in how other EU countries provide training/further education to B.As.		
Answer	%	Comments
Yes	100%	
No	0%	

Getting to know other countries provision of B.A. training and CPD would help your work		
Answer	%	Comments
Yes	100%	
No	0%	

Which training models do you give preference to		
Answer	%	Comments
Participation	40%	Some participants provide more than one answer to this question, this is why the total percentage is over 100%
Internet	20%	
Mixed	90%	

Like to take part in operating an international interactive web based training portal for B.As		
Answer	%	Comments
Yes	100%	
No	0%	

Necessary to publish your own and other countries training programmes for B.As/SMEs		
Answer	%	Comments
Yes	60%	"Interesting" is mainly mentioned instead of "necessary". Translations costs, cultural/organizational differences mentioned as main causes for "No", as well as desire not to share some specific information.
No	40%	

How many entrepreneurs ready to develop does a B.A. keep regular personal contacts with	
Answer	Comments
Variable from 0 to 20	Depending on their specialization, some BAs have more or less contact with Entrepreneurs. The more technological you are, the less involved you are (ICT, Quality Control...). Many entrepreneurs go directly to Business Support Organizations for guidance

Are you able to reimburse the expenses of your trainings without any support and by SMEs		
Answer	%	Comments
Yes	0%	BAs pay by themselves their training expenses. Some activities are however subsidized by Public Administration programmes, or are low prices for affiliates to sectorial and professional organizations.
No	100%	

4.2 Questionnaire for Business Support Organizations

Are there concrete research results for the governmental support of Business Advisors		
Answer	%	Comments
Yes	50%	Several Business Support Organizations produce at variable periods their own research about needs and requirements of their associates companies, therefore providing indirect information about the most important knowledge areas that business consultants and advisors must improve. But this partial information does not feed usually any governmental body, nor is there specific research about Business Advisors' training needs.
No	50%	

What kind of media provides public sector support organisations with information on the training/development needs of B.A.		
Answer	%	Comments
Media	0%	
Advisory networks	40%	
Labour organizations	20%	
Conferences	60%	
Working meetings, visits	30%	
Specialised bodies	20%	
Training courses	20%	
Placement organisation	10%	
No idea	10%	This answer comes from a rural area

Do you feel public sector support organisations should encourage and support the formation of B.A. networks		
Answer	%	Comments
Yes	90%	
No	10%	

Is there a role for public sector support organisations to oversee the CPD of B.A.s		
Answer	%	Comments
Yes	90%	In this order: regular conferences and training sessions, training materials, grants and subsidies, regular qualifications, publication of internet-based information
No	10%	

5 CONCLUSIONS

The combination of the answers to the questionnaires with the focus group meeting and the desk-based research has provided some insight into the situation of the consultants and business advisors sector in Spain.

To begin with, the sector is a very stratified and individualistic one. There is a wide gap between big corporations and medium-size companies, and even wider between the medium size and the small companies or single business advisors. They are different in markets, in resources, in areas of knowledge, in socioeconomic and working culture. Moreover, there is no vertical permeability among them.

On the other side, public administration or governmental institutions do not have special interest in the situation of the business advisors' sector. In general, in Spain there is no culture of use of consultancy services by the different levels of public administration, especially among the lower ones, due to a mix of scarce resources, lack of knowledge about their needs, and a structural lack of confidence in the cooperation between private and public. When public administrations need consultancy services, they go either to the big corporative names or to institutions like the University or Business Schools, taking away from medium and small companies a good share of their potential market. This position has as a consequence a divorce between the government and the sector in general, and a lack of interest in their needs, including training.

There is no single organization at national or even regional level where business advisors can register and find support and defence of their interests. Business advisors can register individually in Professional Associations, depending on their academic background, but there they are mixed with other professionals from business and companies that are their potential customers. This can be good for business contacts, but does not provide any homogeneous or specific support to business advisors.

There is a national consultants' association (AEC, Asociación Española de Consultores), whose members are basically the big names. There are associations at regional or even local levels, but all of them are not compulsory, and they end up more as consortiums of advisors in different areas looking for some synergies.

There is no overall information at national or regional level about training needs of business advisors. Some organizations, sectorial or professional, produce their own studies, but they are limited both geographically and content-wise, and are usually for the use of their own affiliates, that are seldom advisors.

Training is therefore an individual and internal matter for business advisors, and they look for solutions in an independent way. There is a huge training offer, but it is:

- Non-structured
- Individual
- Offer-oriented instead of demand-oriented
- Very variable in extension, price and quality

Business advisors pay for their own training, and they pay with their own resources. However, training is one of the activities promoted from

governmental institutions with subsidies, so business advisors and consultants can take profit of this support as any other company.

Business Support organizations claim that they act mainly as channels between their affiliate companies and the service providers. However, they often provide the same services that the business advisors, especially the ones addressed to entrepreneurs starting their own business. It is true that they also guide their affiliate companies towards the services providers, but not having a real accurate census of business advisors makes this link quite biased in the majority of the cases. One of the main services provided by these organizations is actually training for their associate companies, but there is no training addressed to the business advisors that could in the future work with these same companies.

To the general lack of surveys and information about training needs of business advisors can be added also the lack of information about what is going on in other environments. This is a sector where, exception made of the big companies, there is a lack of knowledge about problems, organizations, and solutions outside the country borders. However, the sector has the acute feeling that help can come from outside, and there is a quasi-general consensus about knowing more and participating more in EU-sponsored activities, and about using possible EU-based solutions.

An important topic is the training contents required by business advisors, and here there is almost general agreement: what is needed is not specific knowledge about the area of activity of the business advisors (let it be accounting, financial or management). Identified needs are about transversal skills, where business advisors feel quite abandoned:

- Strategic planning and management
- Interpersonal relationships
- Meeting and workshop conduction and organisation
- Project management
- Marketing of the business advisors' services portfolio
- Time management

About training tools, there is a strong consensus about the usefulness of web-based training materials, due to their lower cost and its easy access from everywhere. But there is also much agreement about favouring mixed approaches to training, where the use of the web-based material is reinforced by participation-like solutions, as an insurance against the very high level of failure found in exclusive web-based training, due to lack of motivation and control. Also there is a general dissatisfaction about the non-structured information offered by the Internet. Besides supporting training materials, Internet is an enormous repository of knowledge that can be of use to Business Advisors looking for cases or solutions, but this information is very difficult to find and access with common searching tools.

Finally, everybody would accept a more proactive approach of government institutions towards the Business Advisor's sector, although there is also consensus about the strong cultural change this requires both from the administration and the business and industrial sectors.

6 RECOMMENDATIONS

Several basic recommendations can be extracted from the information collected and analysed in this study. Some of them address the situation of the Business Advisors' sector in Spain, others are more focused on the specific topic of the ECON project, training needs and tools for Business Advisors.

- The sector is unknown in Spain. There must be a comprehensive definition of the Business Advisor activity, as a first step for a clear-cut categorization in terms of the services they offer, and then a census at national and regional levels should be carried and maintained.
- Unbiased information about available services by Business Advisors should be provided to potential users, especially at a local level. This information can be provided by public institutions or by Business Associations.
- There should be no overlapping between the services offered by Business Support organizations and Business Advisors.
- Specific EU initiatives should target Business Advisors', understanding that the sector is one of the foundations for the progress and competitiveness of the industrial fabric, especially SMEs.
- There is a clear market for EU-supported training tools for Business Advisors, but the non-existence of specific intermediate bodies is a difficulty for this offer reaching the targeted collective.
- Business Advisors have clear training needs in transversal matters, not related to their specific area of activity but to their relation with their customers, from interpersonal relationship to marketing of their services. Any comprehensive training package should take this into account.
- Web-based training tools and solutions are the most preferred training vehicle, but training packages must be offered as a mix of presence and Internet sessions. If this is not possible, at least, some contact with external experts should be provided during the training period.

1 ANNEX 1 – LIST OF PARTICIPANTS

- ***Practising Business Advisors***
 - Grupo IFEDES (Training)
 - FORINTEC (Mix of consulting services)
 - Iniciativas Innovadoras (Innovation and project management)
 - S2 Grupo (ICT and information security solutions)
 - MasMedios (ICT and Media solutions)
 - Asesoría Antonio Vidal (financial and accounting)
 - SIAGEM (accounting and human resources)
 - Proselección (human resources)
 - Integralia (training)
 - Alcanza (financial services)

- ***Business Support Organizations***
 - IMPIVA (Valencia Regional Agency for the Small and Medium Enterprise)
 - CEEI Valencia (BIC)
 - CEEI Alcoi (BIC)
 - AITEX (Valencia Regional Textile Technology Centre)
 - FEMEVAL (Valencia Business Association of the Metalmechanic sector)
 - AVANT (Association of Innovative Companies of the Valencia Region)
 - ATEVAL (Valencia Regional Association of Textile Industries)
 - Local Development Agency of the rural area Espadán-Calderona
 - Chamber of Commerce of Valencia
 - Professional Association of Engineers of Valencia

- ***Focus Group Meeting*** (IEP office in Valencia, June 20 2007)
 - Tomás Guillén – Grupo IFEDES – Business Advisor
 - Antonio Vidal – Asesoría Vidal - Business Advisor
 - Purificación Baldoví – AVANT – Business Support Organization
 - Adolfo Imeda – FEMEVAL – Business Support Organization
 - Mariam Ródenas – Senior Consultant – IEP
 - Luis Ballester – Managing Partner - IEP