

EBRD Small Business Initiative Newsletter

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Kyrgyz Consultancy market review 2016

An online Consultancy Market Review was held in the Kyrgyz Republic during October-December 2016, collecting 129 responses from Kyrgyz consultants. The review revealed that, while a large number of consultants do not have an industry specialisation (63% of respondents), there is a limited number of providers of more advanced types of services, such as Environmental Management, Energy/Resource Efficiency and Engineering Solutions.

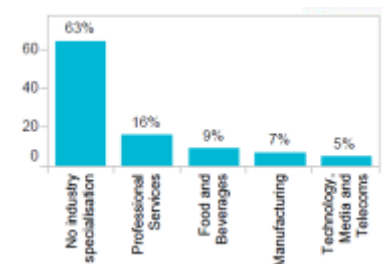
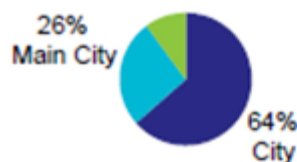
On average, a typical Kyrgyz consulting company has 6 employees, 36% of which are female, and has a median turnover of €15,000. 71% of consultants responded that they experienced turnover growth in the last year. Only a third of the consulting companies are women-led and a third are members of a consultancy association. More than a half of consultants are located in the main city and primarily work with small-sized clients. A significant number of consultants answered that they had carried out projects abroad in the past year. Half of the surveyed consultants had subsidised projects in the previous year, representing 46% of their revenue on average.



Gender of director?



Turnover growth?



Competitive consulting: agility, innovation and internationalisation

In November, the EBRD held its most international conference to date in Georgia for consulting professionals, with close to 250 participants from 39 countries.

The consulting industry is an essential tool to achieve the level of innovation and sophistication that can open doors to new markets for SMEs. But the consulting industry is changing fast. While it continues to grow, driven by a global business need to increase efficiency and productivity, cut costs and manage risk, there are signs that this growth may slow in the future.

Fiona Czerniawska, one of the world's leading commentators on the consulting industry, set the scene, presenting an industry that advantages large firms with an increasing focus on transformation projects, and an industry torn in two between a "luxury", intellectual capital-based product and a low-cost industrialisation of "commodity consulting".

Moreover, the global digital economy accounted for 22 percent of global GDP in 2015. With the new opportunities and disruptions brought through the internet and other technology bringing connectivity, consultants need to keep up. Sharon Crost from Hitachi Data Systems looked at why disruption does not need to be feared, and how consultants can be the agents leading the digital economy – from big data analytics expertise to technology integration, the internet of things and global collaboration.

Corporate social responsibility was also a topic on the table. Gib Bulloch, founder of Accenture Development Partnerships, discussed how the private sector has unmatched reach and should be a key player and enabler to address social issues. Rather than additional, social goals are increasingly core to company goals and business models and consultants can act as catalysts for this change. In the subsequent discussion, these concepts were looked at more concretely, touching on how the "people agenda" is increasingly important in attracting and retaining talent and how adopting international standards and transparency are prerequisites for finding international buyers for companies.

Kyrgyz consultant receive international recognition "Consulting project of the Year"

The conference also hosted the Gabriel Al-Salem International Award for Excellence in Consulting organised by the Gabriel Al-Salem Foundation. The Kyrgyz consultancy company PF "Agrolead" was one of the winners of the Award, getting the first place for its consulting project "Assisting the client to meet requirements for walnuts export to the European market and to link with Fairtrade". For more information about the Award for Excellence in Consulting, please visit: <http://ga-foundation.org>.



EBRD converts loan to Kyrgyz brewer Bear Beer into local currency

New approach allows leading drinks producer to repay in Kyrgyz som.

The EBRD is making a new step in supporting the private sector in the Kyrgyz Republic by converting an existing loan to a client company, provided in hard currency, into the local currency som.

In 2013, Bear Beer, a Kyrgyz beer and bottled water producer, borrowed €7 million under the EBRD's FINTECC programme, supported by the Global Environment Facility to expand its production of beer and soft drinks and to replace an old plant with a modern, energy-efficient factory.

Now, thanks to the first such currency conversion for a corporate loan in the Kyrgyz Republic, Bear Beer will be able to repay in local currency the remaining €3.8 million of the loan.



Our Know-How's for SMEs

- **Emilia LLC was established in 2004 by the private entrepreneur Jandarbek Joloev, using old equipment from a plant built in Soviet times. The major activity of the company is milk processing to produce cheese and butter.** Emilia indirectly exported 50% of its unbranded products to neighboring Kazakhstan and the remainder was sold in the local market. In 2009, with the assistance of the EBRD, the company hired a consultant to help them to fine-tune their production technology for the processing sausage cheese and melted cheese. The company grew steadily and in 2013 received \$300K loan under Risk Sharing Facility of the EBRD with KICB. Emilia LLC implemented full reconstruction, replaced equipment with modern technology from European vendors, so that the dairy plant was able to increase capacity. Following this, with our consultants help the company strengthened its marketing activities by developing a marketing and export strategy.



- **Created in 2005 as Trade Oil company, Standard Oil started with a single gas station and overtime grew into a country-wide chain of petrol filling stations under the brand name "Petroleum", counting 80 stations in operation.** Having originated in the less economically developed region of the Kyrgyz Republic, the company has grown to become the second-largest player in the sector nationwide. As the company grew, the management realised that there was a need for a restructuring of operations. We helped Standard Oil LLC to refine its strategy, to redesign its organisational structure, to strengthen HR and to introduce a comprehensive MIS, expanding the company's number of stations and increasing management efficiency.



Other news

- * A series of **Grow Your Consulting Business trainings** were held in Bishkek for more than 35 consultants in topics such as "Essentials of management consulting" and "Project management".
- * EBRD held an **Intraregional consultants conference in Issyk-Kul**, which was attended by 35 consulting professionals in areas such as IT, marketing, strategy, quality management and engineering, from across the country. During the 2 days conference, participants shared their best practices, discussed current trends and consolidation of the market and improved networking.
- * During 7-9 October, the EBRD held a **MIS accounting training for 8 potential consultants in Naryn**, the remote region of the Kyrgyz Republic. The training was specifically tailored to the needs of the local market, where SMEs have lack of local supply of MIS products. As a result of this training, ASB team expects more projects and qualified consultants from this underserved region.
- * In Osh, the EBRD held a training for local consultants on basics of **Social Media Marketing** with Svetlana Margolis, an SMM consultant. The consultants learned how to better position and market their services on social platforms.
- * On 24 October, **the EBRD in the Kyrgyz Republic marked the EBRD's 25th anniversary** with a reception for local stakeholders. At the reception, Natasha Khanjenkova, EBRD Managing Director for Turkey and Central Asia, presented the EBRD's Award for Promotion of Gender Equality to Kaliman Kobshekova, director for the Issyk-Kul Regional Centre for Development and Education.

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