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DEVELOPMENT OF THE UKRAINIAN MARKET OF CONSULTING SERVICES BY IMPLEMENTATION OF INTERNATIONAL EXPERIENCE

Dikan Larysa, Shevchenko Iryna. Development of the Ukrainian market of consulting services by implementation of international experience. The article systematizes and covers the development of consulting services in the world. Particular attention is paid to the organizational and economic aspects of Ukraine's consulting activities and international experience in providing consulting services. The article analyzes the peculiarities of international consulting development and its influence on determining the main directions of functioning and formation of the segmented structure of the national market of consulting services, examines the specifics of approaches, features and structure of the international and national consulting services markets, organizational and economic aspects of consulting activity and identifies tendencies of the market of global brands in the consulting industry, considers generalizations of international consulting services experience, analysis of new trends in its development, research on the specifics of providing consulting services in Ukraine. Substantiation of prospects of development and use of scientific, technical and organizational-economic innovations taking into account the visual area and problems of the client.

Key words: consulting, services, international experience, development, globalization.

Дікань Л.В., Шевченко І.О. Розвиток українського ринку консалтингових послуг шляхом впровадження міжнародного досвіду. У статті систематизовано та висвітлено положення розвитку консалтингових послуг у світі. Особливу увагу приділено організаційно-економічним аспектам консалтингової діяльності України та міжнародному досвіду надання консалтингових послуг. У статті проаналізовано особливості розвитку міжнародного консалтингу та його вплив на визначення основних напрямів функціонування та формування сегментованої структури національного ринку консультаційних послуг, досліджено специфіку підходів, особливості та структуру міжнародного та національного ринків консалтингових послуг, організаційно-економічні аспекти консалтингової діяльності та визначено тенденції виходу на національний ринок світових брендів в галузі консультування, розглянуті узагальнення міжнародного досвіду консалтингових послуг, аналіз нових тенденцій у його розвитку, дослідження специфіки надання послуг консалтингу в Україні. Для сучасного стану впровадження міжнародного досвіду в національному середовищі актуальним є питання ефективного функціонування ринку консалтингових послуг. Міжнародний досвід консалтингової діяльності, що є однією з важливих складових інфраструктури управління держави, має актуальне значення. Роль міжнародного консалтингу у розвитку світової економічної системи та національного ринку консалтингових послуг повинна щороку зміцнювати свої позиції. Ринок консалтингових послуг формується та реформується під впливом динаміки світових тенденцій бізнесу, що є принципово новими технологіями, які є основою якісного розвитку сучасного вітчизняного консалтингового бізнесу консалтингового бізнесу, трансформації бізнес-процесів та диверсифікації структури консалтингових послуг. Узагальнення міжнародного досвіду консалтингових послуг, аналіз нових тенденцій його розвитку, вивчення особливостей

надання консалтингових послуг в Україні важливі як для розвитку консалтингової галузі, так і для підготовки спеціалістів-консультантів, а також у цілому сфера вітчизняного бізнесу. Ці аспекти визначають актуальність теми дослідження. Обґрунтуванні перспективи розвитку і використання науково-технічних та організаційно-економічних інновацій з урахуванням наочної області і проблем клієнта.

Ключові слова: консалтинг, послуги, міжнародний досвід, розвиток, глобалізація.

Дикань Л.В., Шевченко И.А. Развитие украинского рынка консалтинговых услуг предлагал международный опыт. В статье систематизированы и освещены положения развития консалтинговых услуг в мире. Особое внимание уделено организационно-экономическим аспектам консалтинговой деятельности Украины и международному опыту предоставления консалтинговых услуг. В статье проанализированы особенности развития международного консалтинга и его влияние на определение основных направлений функционирования и формирования сегментированной структуры национального рынка консультационных услуг, исследована специфика подходов, особенности и структуру международного и национального рынков консалтинговых услуг, организационно-экономические аспекты консалтинговой деятельности и определены тенденции выхода на национальный рынок мировых брендов в области консультирования, рассмотрены обобщения международного опыта консалтинговых услуг, анализ новых тенденций в его развитии, исследование специфики предоставления услуг консалтинга в Украине. Обосновании перспективы развития и использования научно-технических и организационно-экономических инноваций с учетом предметной области и проблем клиента.

Ключевые слова: консалтинг, услуги, международный опыт, развитие, глобализация.

Formulation of the problem. For the current state of implementation of international experience in the national environment, the issue of the effective functioning of the consulting services market is urgent. International experience of consulting activity, which is one of the important components of the state's management infrastructure, is of topical importance. The role of international consulting in the development of the global economic system and the national consulting services market should strengthen its position every year. The consulting services market is formed and reformed under the influence of the dynamics of the world business trends, fundamentally new technologies, which are the basis of qualitative development of modern domestic consulting business, transformation of business processes and diversification of the structure of consulting services.

Globalization processes are affecting the global consulting services industry. Today, there are such trends in the international consulting industry as expectations of growth of consulting industry revenues in Europe, growing demand for strategic planning consulting and market consolidation. Generalization of the international experience of consulting services, analysis of new trends in its development, study of the specifics of providing consulting services in Ukraine is important both for the development of the consulting industry and the training of specialist consultants, as well as for the whole sphere of domestic business. These aspects determine the relevance of the research topic.

Analysis of recent research and publications. Such foreign scientists as E. Beech, K. McHam, R. Metzger, S. Biswas carried out research of problems of consulting services in their works. Considerable contribution to the development of consulting services was made by domestic economists, such as V. Verba, V. Korostelev, M. Kropivko, Y. Lapigin, V. Gerasymchuk, S. Kozachenko, M. Kubr, V. Novitsky. However, the problems of consulting development and determining the directions of introduction of the international experience of consulting services in the national market of consulting activity are still not sufficiently considered.

The purpose of the article is to improve the consulting services market by introducing international experience into the national environment.

Presenting main material. The decisive steps in the development of consulting services include addressing business services in order to improve the viability of enterprises and increase their competitiveness with advanced technologies. Consulting is considered as a type of intellectual activity, the main task of which is to analyze, substantiate the prospects for the development and use of scientific, technical and organizational-economic innovations, taking into account the visual area and client's problems.

Innovative ideas in the field of consulting were determined by the development of information technologies, the transition of the world economy to a knowledge economy, change of principles of management decision-making, which, in turn, led to the identification of reasons for the rapid development of the consulting services market.

The most important reasons for the rapid development of consulting and the growing demand for consulting services in the world market include the following:

- the general trend of business globalization, which is equally contributing to the demand for consulting services both among transnational corporations that are capturing new markets and among newly created companies that hope to position themselves in the global market;
- the ability to use the consultant's ideas and talent as a competitive advantage in the marketplace;
- the need for the introduction of information technologies that can greatly improve the productivity of the company [2].

In the context of Ukraine's integration into the global economic society, business-related issues have become of great importance to businesses. There are problems with the reorientation of businesses to a new type of economic system. There was a need to increase competitiveness and manage business processes using advanced technologies. Given the rapid change in the conditions of operation of domestic enterprises, this required professional assistance to the management of the enterprise.

The establishment of the consulting industry in Ukraine was characterized by the spontaneous emergence of con-

sulting firms under the influence of Western companies. Numerous economic and sectorial research institutes have developed and refined the methodology of production management, introduced new principles of production organization, which ensured an increase in the efficiency of labor, materials and other resources.

Changing economic conditions in Ukraine, the processes of privatization of property have given consulting a new impetus. Consulting is becoming a special industry, a business that brings in solid profits. So, today the main providers of consulting services in Ukraine are:

- branches of large foreign companies, servicing state structures on issues of taxation, budgetary regulation, improvement of the legal framework;
- representative offices of foreign consulting firms working with the private sector;
- foreign consulting firms operating under the programs of donor organizations and providing technical consulting assistance in priority sectors of the national economy;
- domestic consulting companies specializing in privatization and crisis management of companies;
- other consulting firms.

At the same time, it is quite difficult to estimate the size of the consulting sector and its share in the Ukrainian economy. This is due to the following reasons:

- firstly, the lack of selection of consulting as a separate activity, regulated by the National Classification of Economic Activities in Ukraine does not allow enterprises to conduct statistical reporting for this activity;
- secondly, the complexity of defining the structure and directions of cooperation of the Ukrainian enterprises with consultants, which causes the absence of the necessary forms of regulation of the relevant costs in the financial statements of companies;
- thirdly, a significant level of shadowing of the domestic economy, which causes significant errors in the statistical indicators of income of individual companies, economic sectors and the country as a whole. The essence of consulting activity is to advise executives, managers, profile specialists in a wide range of issues in the field of financial, commercial, legal, technological, technical, expert activities. International consulting is defined as a type of international activity of specialized companies in the field of services, the purpose of which is to provide consultations, transfer of the world best practices to countries, manufacturers, sellers and consumers of other countries on a wide range of economic activities. It is usually considered in two respects: as one of the directions of functioning of the world market and as a way of specializing a certain type of consultancy assistance (international financial, investment, personnel consulting).

The specificity of consulting services is the creation of an intelligent product that remains in the possession of the client after the end of consulting.

Quite often consulting services are provided in parallel or together with others, which is why most often companies specialize in providing combined services (audit and consulting or legal in combination with consulting, etc.).

Almost 40% of consulting firms include marketing services, securities valuation consulting services, information technology services, business plan development services, tax consultancy and foreign trade activities in their product range. Most consulting firms provide management, financial and legal consulting services.

Guaranteeing the quality of consulting services could be ensured through the introduction of licensing consulting activities. The Ukrainian Association of Management Consultants issues a certificate to consultants who are members of the Association.

It would have a positive impact on the quality of consulting services entering the rating of consulting firms. The main criteria that are included in determining the place of a particular consulting company in the rating are: the presence and number of certified consultants, the number of projects implemented and the most important is the effectiveness of consulting projects. It is advisable to determine the effectiveness of a consulting project in two ways. The first way is to determine economic efficiency: how much costs have fallen, revenues have increased, and thus operating income has increased.

The disadvantage of this method is that consulting is only advisory. Managers may find advisers to be inappropriate and refuse to implement them or simply fail to implement them. This will reduce or even decrease the economic impact of consultant involvement. The second way is to use expert assessments where the experts are the clients of the consulting service. They evaluate the work of the consultants and compare them with the expected results. The disadvantage of this method is the subjectivity of the expert opinion.

Today, it is difficult to secure victory in the competition only with the material resources of the company. The basis of its strategic competences is formed, first of all, by intangible assets, the intellectual component of business. Therefore, attracting such an intellectual resource as consulting becomes an objective necessity to ensure the long-term strategic development of a modern company.

The main consulting firms operate in 42 countries. Among the major international professional associations in providing consulting services there can be defined the European Federation of Management Consultancies Associations (FEACO), which has 1200 consulting firms, and the Association of Management Consulting Firms (AMCF), a union of the largest US consulting firms with multinational members.

The International Council of Management Consulting Institutes (ICMCI) is a reputable system of consultant associations that have a common purpose.

In general, the consulting services sector is developing at a faster rate than other sectors of the world economy. Particularly significant development of the consulting services market is determined in the countries of Germany, China, France, England, the USA. China is considered the most promising market in terms of demand [1].

At present, the development of consulting in Ukraine is at an early stage. Managers generally use external consulting when a difficult or unusual situation arises, forgetting the primary purpose of consulting, that is to prevent such situations.

In the West, where the history of consulting began in the second half of the 19th century, the involvement of external consultants is a precondition for success. Thus, when the market integration of an individual country into the world space, there is a need to maximize their costs. In order to survive in the market, companies need to build an "ideal" business organization.

Only the knowledge of the manager is not enough for this, so it is a common practice to hire consulting firms to help solve existing and prevent new problems.

In the United States and Europe, the majority of consulting firms are companies specializing in certain areas of business: banking, insurance, engineering, medicine, telecommunications, etc. They know more about the market in which they specialize, all the nuances and characteristics of the entities operating in the market. In Ukraine, consulting companies cannot afford to consult only a certain area of business. Due to the rapid development of the consulting market in Ukraine, the demand for consulting services is still low.

In 2018, the global consulting services market amounted to 285 bln USD, showing an increase of almost 10% compared to 2017. IT consulting remains the industry leader, with a turnover of 70 bln USD in 2018. This type of counseling is the most popular in the US, Japan and Western Europe. In Eastern Europe, operational consulting is the first. This may be due to the mentality and national peculiarity of the business model [2]. For full disclosure of the topic investigated by the authors, it is proposed to consider the international consulting components; they are discussed in Table 1.

Given the globalization and integration processes in the national economy, attracting new investments in business, the dynamic changes of information technologies, the prospects of consulting business development in Ukraine are expanding due to the growing demand for services such as: financial consulting and management, business optimization, integration of CRM-systems, professional trainings especially for company executives. In addition, internal audit services offer clients unique technological solutions [3].

Organizations such as the European Foundation for Management Development (EFMD), Central and East European Management Development Association (CEEMAN), the American Management Association (AMA), the International Organizational Development Association and others are often consulted in the field of advisory services.

Most multinational audit and consulting corporations are part of the "Big Four" (Ernst & Young, Deloitte,

KPMG, PwC), which are the largest audit and consulting companies in the world and rank among the highest in consolidated income and provide a variety of consulting services, ranging from auditing to business consulting and IT consulting.

Firms that specialize in individual areas of expertise provide consulting services to small and medium-sized businesses and operate in a limited sector of consulting services. To date, global consulting leaders account for 25 to 40% of the national consulting services market, depending on the segment.

At the same time, the "Big Four" of audit companies in Ukraine have more than 60% of sales of audit and consulting services. Advisory Services Revenue In 2018, PwC grew by 10% to \$ 13.8 billion. USA [3].

Increasing demand for consulting services is a result of: improving the quality of the services provided, as the professionalism and experience of consultants at the domestic level will increase, the skills and methods of order fulfillment will be improved.

As companies seek to reduce their product costs and increase the efficiency and effectiveness of their activities, the consulting services market is growing for management consultants.

Thus, based on the conducted research, in order to ensure further development of consulting activity in Ukraine on the way to the European integration conditions, such basic organizational and economic measures should be introduced (Fig. 1).

Conclusions. Thus, the history of the consulting market in Ukraine can be characterized as an era of learning. Training of consultants on work with clients, creation of unique products, own methodology, which they offer in the market, formation of reputation, which is the primary factor of choice of consulting company for any client. Training clients, most of whom are beginning to realize that much of their business is the result of intelligent work that needs

Table 1

International consulting components existing in consulting activity

Country	Feature of the service
1	2
the USA	The largest consulting firms in the world include: Deloitte & Touche, Ernst & Young, KPMG, Arthur Andersen, PricewaterhouseCoopers. These companies are called the "Big Five". Members of the famous "Big Five" of transnational audit and consulting companies form alliances, absorb firms engaged in real estate appraisal and portfolio management.
England	In most cases, the shareholders are liable within the amount invested in the authorized capital of the enterprise. A limited liability company is more popular than an individual private company because of its tax advantages. Shareholders have certain rights that are protected at the legislative level. Most consulting services are provided not by individual consultants, but by corporations (consulting firms).
France	Emphasis on the study of public opinion and the desire of the leading representatives of this craft for business diversification. The most prominent professionals can easily move from political communications to commercial and back
China	Search for new means of increasing production efficiency by entrepreneurs; Attempts to commercial application of their abilities by management specialists; In this case, consulting firms exercise full control over the implementation of the program offered to the customer. In some cases, marketing consultants take on the function of intermediaries, which is generally the case for small firms.
Germany	In Germany, government decisions on all public projects must be made public in order to involve third-party forecasting and evaluation organizations in the auction, and then, following the results of consultations by experts in government, formulate appropriate decisions. German firms specializing in classic management consulting have begun to receive increasingly technically complex orders. Clients are required by the consultants not to be limited to presenting their deficiencies in the work of firms.

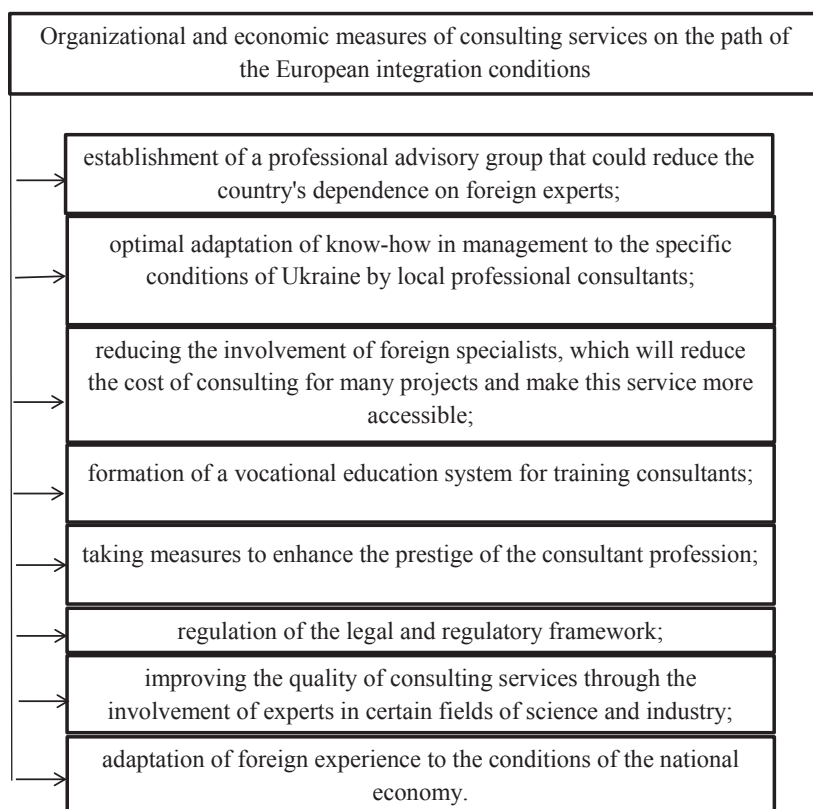


Fig. 1. Organizational and economic measures of consulting services on the path of the European integration conditions

to be steadily stepped up and aimed at constantly finding new competitive advantages. The consultants have to resist the process of decaying the competence of the personnel of the enterprises in the conditions of accelerated aging of the acquired knowledge.

Therefore, the particularities of the development of the global consulting services market are in one way or another related to the globalization of the economic space. The obvious tendency to increase globalization and institutionalization of consulting services offered by the largest firms does not exclude the possibility of functioning in the market of small and medium-sized specialized companies, which are more competitive in the national markets.

At the same time, there is great potential for growth for transnational leaders in global consulting. Their development is increasingly associated with the changing generations of information technology, the evolution of marketing technologies, the modernization of consultant-client relationships, and the capitalization of intellectual capital.

The consequences of globalization processes in the consulting services market are the dominance of large multinational consulting companies, increased competition in the market, reorientation of business activity of small consulting companies in the sphere of solving narrow issues of dynamic national markets aimed at the specifics of the domestic economy.

The development and structure of the global consulting market are influenced by factors such as the liberalization of international economic relations, the intensification of competition in national and regional consulting markets, the opening of consulting markets in transition economies, the breakthrough of innovative technologies in consulting business, and the consulting business convergence of eco-

nomical policies of developed countries of the world.

In view of changing business trends, more and more Ukrainian companies are becoming aware of the importance and necessity of using consulting services. Therefore, domestic consulting companies need to focus major efforts on prospects that will effectively affect the business and economic situation of the country as a whole.

The gradual transition of the leading Ukrainian companies to new principles of activity that meet the conditions of the information economy contributes to the increased demand for consulting products in the field of development and implementation of information technologies, which formulate stringent requirements for the organization of an appropriate system of management support.

We can expect the growth of this segment of the domestic consulting market, which is characterized today by 30% annual growth enhancing the role of the human factor in ensuring the competitive advantage of enterprises, treating staff as a determinant of the intellectual potential of the company, which shapes its core competencies, should further increase the demand for HR consulting services.

The range of issues that companies need to address in this aspect of their development goes beyond the traditional understanding of the effective interaction and motivation of staff and involves comprehensive solutions in the field of forming a strong corporate culture, managing company knowledge, creating and maintaining the principles of corporate social responsibility.

It should be noted that the industry competition is heterogeneous in both regional and product segments. The Ukrainian consulting market shows significant concentration in terms of number of participants offering consulting services geographically. According to experts, the "Big Four" of audit companies in Ukraine have more than 60% of sales of audit and consulting services. More than half of the revenue generated by domestic consulting companies comes from the management consulting and IT consulting services.

Summarizing the analytical assessment of the state of the Ukrainian consulting market, we consider it necessary to draw the following conclusions.

Firstly, the domestic consulting market is in the process of being formed. Compared to developed countries, the role of management consulting as an infrastructure institute of the Ukrainian economy remains secondary, its share in the GDP of the country is negligible.

At the same time, the processes of integration of the Ukrainian business into the world economic space, the need to introduce modern management innovations into the activity of domestic enterprises contribute to the active development of domestic consulting.

Partnerships with consultants provide opportunities for domestic companies to optimize time, financial and human resources to improve their performance.

Secondly, it is revealed that the determining factors of the structural configuration of the Ukrainian consulting market should be considered: 1) the diversity of consulting products, which is due to the diversity of problem areas of activity and development of domestic enterprises; 2) the number of consulting companies providing these services; 3) the scale, geographical location and affiliation of client companies in a particular field of activity or industry; 4) scale and specialization of consulting companies. The analysis of the product segmentation of the Ukrainian consulting services market shows a significant share of tax, legal and information consulting, increasing the interest of the domestic enterprises in the products of financial and strategic consulting.

Among the most active consumers of consulting services are enterprises of fast-growing industries (metallurgical, construction, telecommunication, food industry, trade). The "Big Four" are the largest in terms of sales of consulting services in Ukraine.

Thirdly, it is found that the main determinants of the formation and development of the domestic consulting market are: increasing the variety and complexity of problems that the management of the Ukrainian enterprises cannot solve independently; the desire for strategic cooperation of companies with consulting companies; intensification of demand for consulting services by medium and small enterprises; opportunity to access unique knowledge,

the technologies of experience and knowledge acquired by management and staff of enterprises in cooperation with consultants and others.

Among the promising areas of consulting cooperation cross-functional areas of management, consulting should be in the future, such as: implementation of corporate governance, development and implementation of financial and process management systems, risk management, implementation of the company value management system, advisory support of merger and other projects.

The success of consulting organizations in Ukraine depends on their willingness to accept innovations quickly, adapt their services to the needs of clients, find new products and markets, apply new intervention methods and make changes in the implementation of consulting proposals.

The future of consulting is inextricably linked with the advancement of consultants' professionalism, high quality of order fulfillment, adherence to ethical standards that are able to satisfy clients' needs, increase the share of the Ukrainian companies in providing services and their access to world markets.

In general, the development of the consulting industry in Ukraine can only gain a constructive direction in the context of systemic transformations aimed at forming a national information doctrine and information culture that is characteristic of a civilized state.

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