

## **Expert's view on Kazakhstan's market of consulting: indicators, trends and problems**

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# ABOUT US

## EXPERIENCE

25+ years in Kazakhstan and Central Asia markets

## EXPERTISE

1500+ projects during last 3 years

## MEMBERSHIP



with the following members:

**CSPO (ЦИОМ), BISAM, ISAS, SANGE, GFK, Elim, Alvin**



# CONTENT

**Introduction. Methodology. Experts**

**Indicators**

**Factors of the influence**

**Trends of Kazakhstan's consulting**

**Experts' recommendations**

# WHAT “MANAGEMENT CONSULTING” INCLUDES



Operational consulting

Strategic consulting

Financial management consulting

Market and consumer research

IT consulting

HR consulting

PR and others

# METHODOLOGY



# EXPERTS AND SOURCES

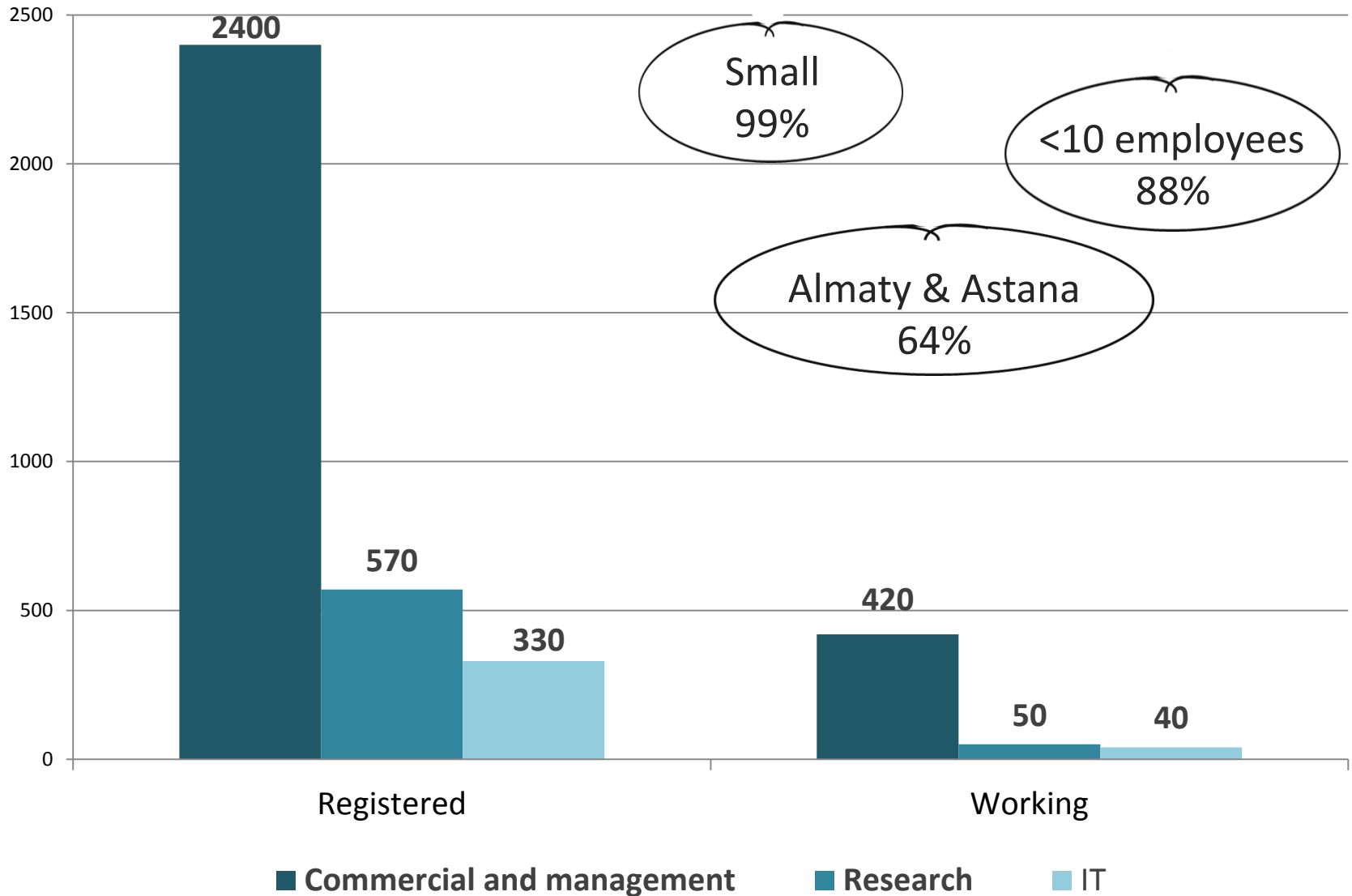
## SOURCES

- Stat agency
- European Bank for Reconstruction and Development (EBRD)
- European Federation of Management Consultancies Associations (FEACO)
- Ranking agency EXPERT
- Research and consulting companies (BISAM, SOURCE, CIVITTA)
- others

## EXPERTS

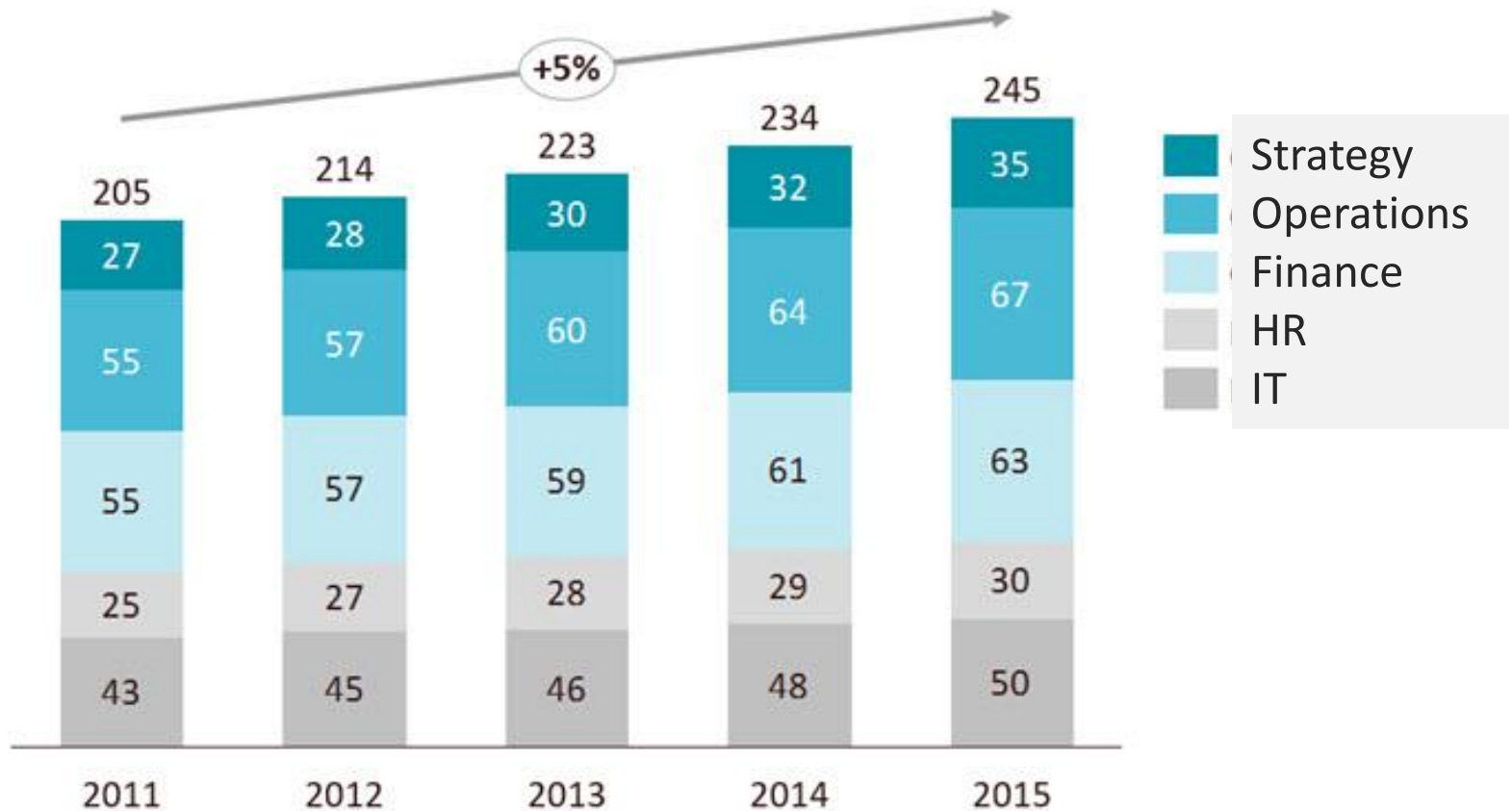
- **Tatyana Reshetnik**, Senior Specialist, Small Business Support Group, EBRD in Kazakhstan
- **Tatiana Gish**, head of the RICS working group in Kazakhstan and Director of BT Kazakhstan Valuation & Consulting
- **Asel Karaulova**, President of Kazakhstan Press Club, Chairman of PR Association of NASO
- **Valentina Grigoryeva**, Director of Ayar Consulting, Chairman of CMC Kazakhstan Marketing Committee
- **Natalia Ospanova**, director of the consulting company "Alvin Market"
- **Leonid Gurevich**, doctor of sociology, president of the research company BISAM Central Asia
- **Tatyana Otenko**, General Director of BISAM Central Asia

# MARKET PLAYERS



# MARKET VALUE

World (2015 год) \$245 bln. +5%





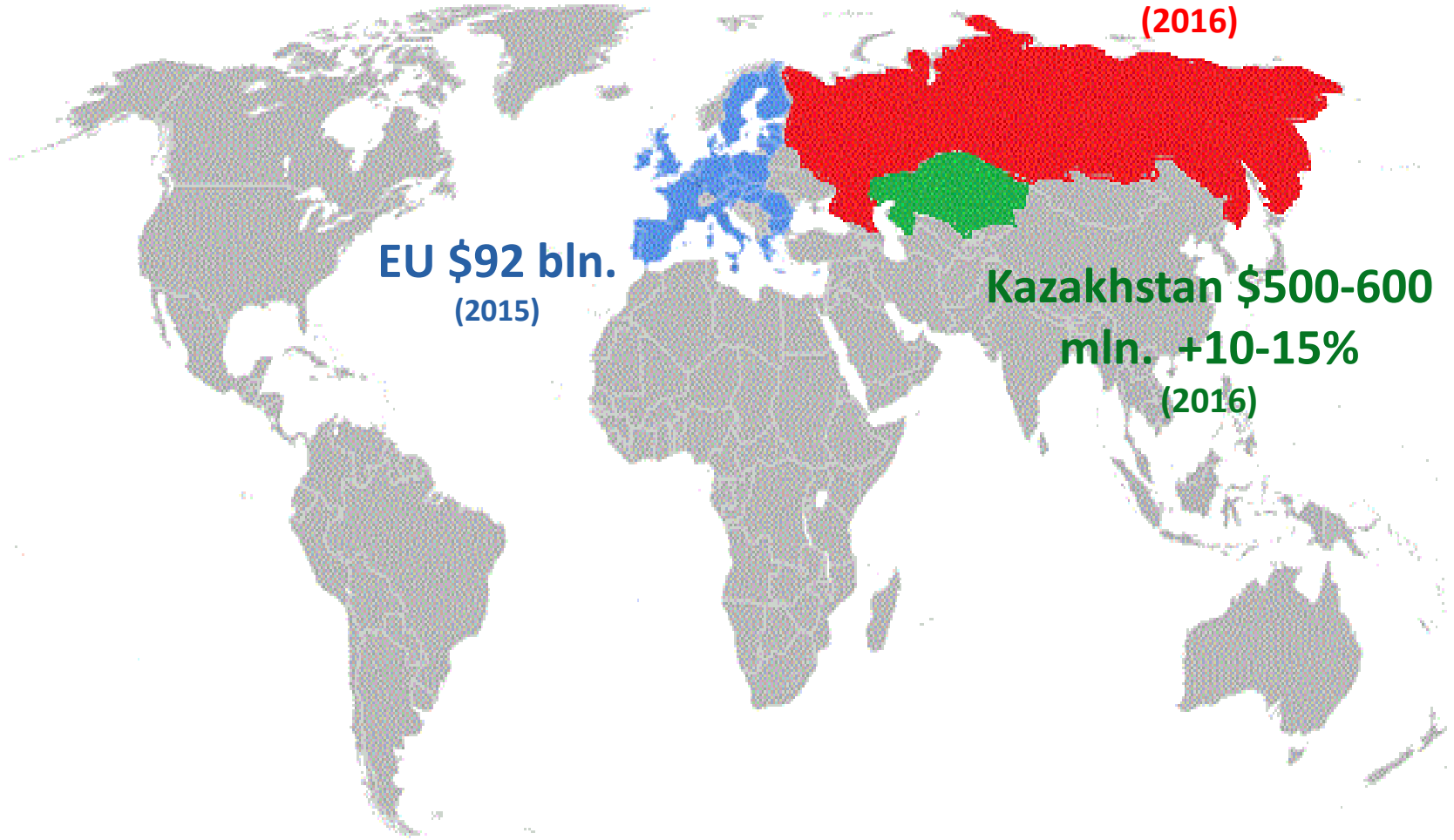
# MARKET VALUE

**World \$245 bln. +5%**  
(2015)

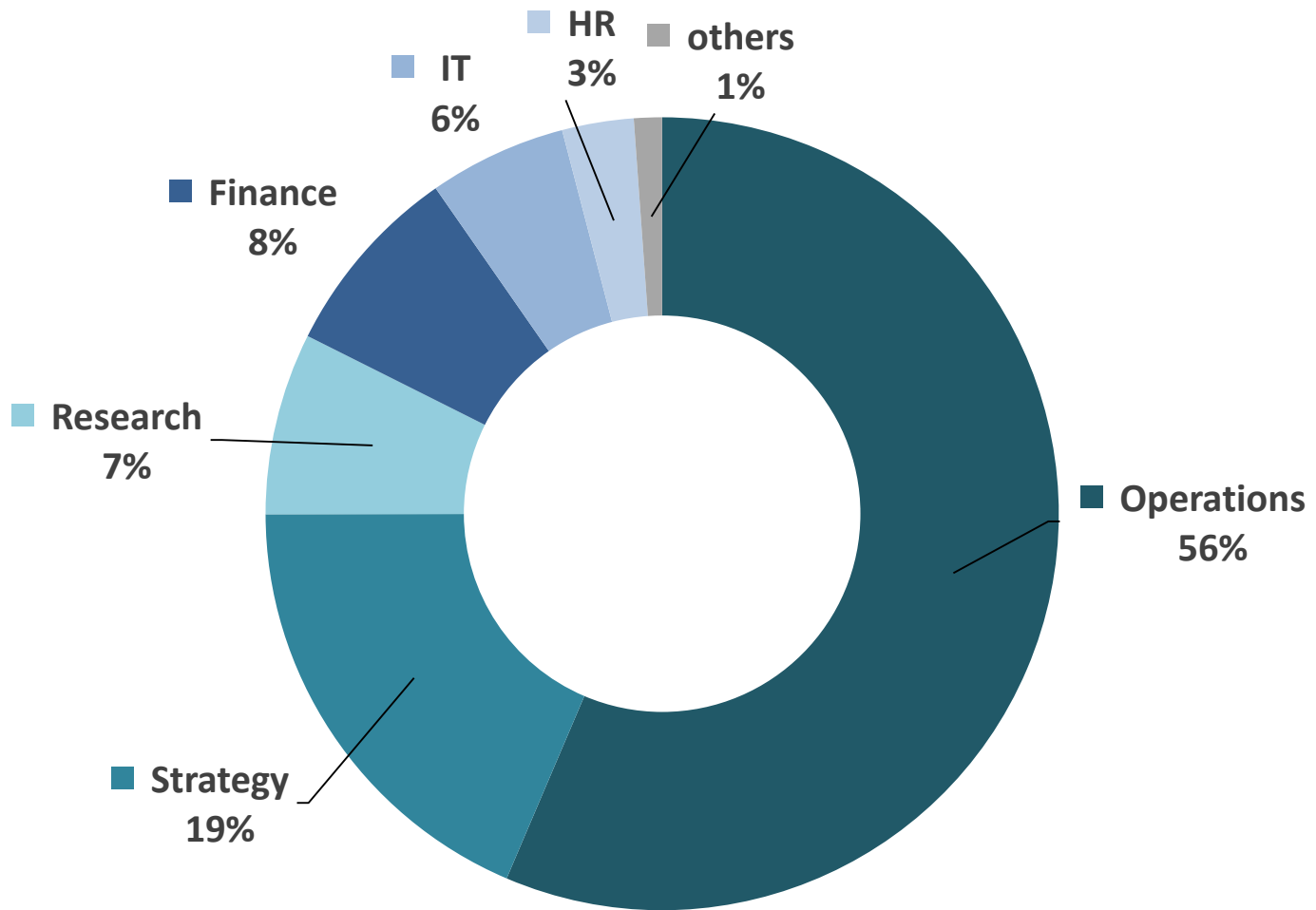
**Russia \$2,2 bln. +5%**  
(2016)

**EU \$92 bln.**  
(2015)

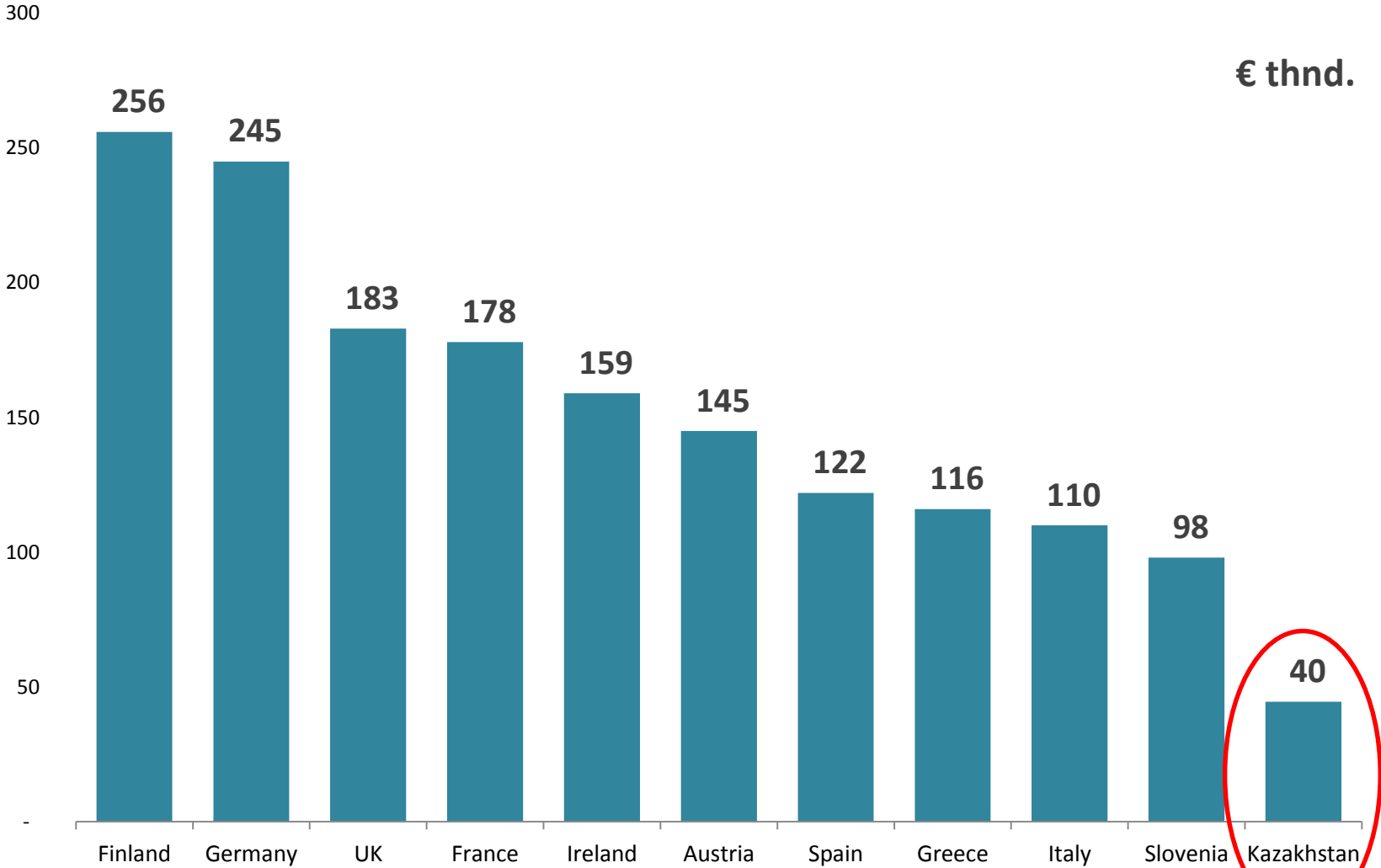
**Kazakhstan \$500-600  
mln. +10-15%**  
(2016)



# KAZAKHSTAN MARKET SEGMENTS



# TURNOVER PER PROFESSIONAL



# LARGE AND SMALL CONSULTING. PARALLEL WORLDS

- Different business segments, clients
- Different budgets
- Different rules of the game



- Large consultants – recommendations are too general
- Small consultants – «invent a bicycle»

**POTENTIAL CONFLICT or AREA OF DEVELOPMENT?**

# CONSULTANTS: COMPANIES VS INDIVIDUALS



- Individuals are more flexible, mobile and cheaper
- Local companies – in competitive pressure between large consulting and freelance individuals
- Companies take freelancers for projects

# SOME COMPANIES SUFFER FROM CRISIS, OTHER – HARVEST THE CRISIS



## Developing

- IT consulting
- Consulting in building promotion and sales systems
- Building systems for e-commerce
- Strategic consulting



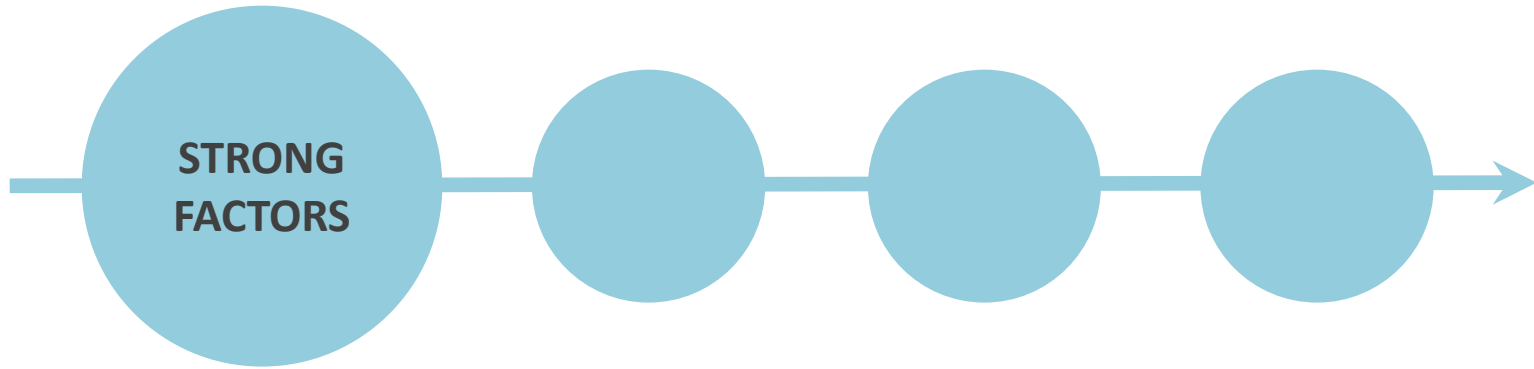
## Reducing

- Marketing consulting - reducing
- Demand for ISO - falling
- The consulting in the field of ecology and energy saving - poorly demanded

# FACTORS



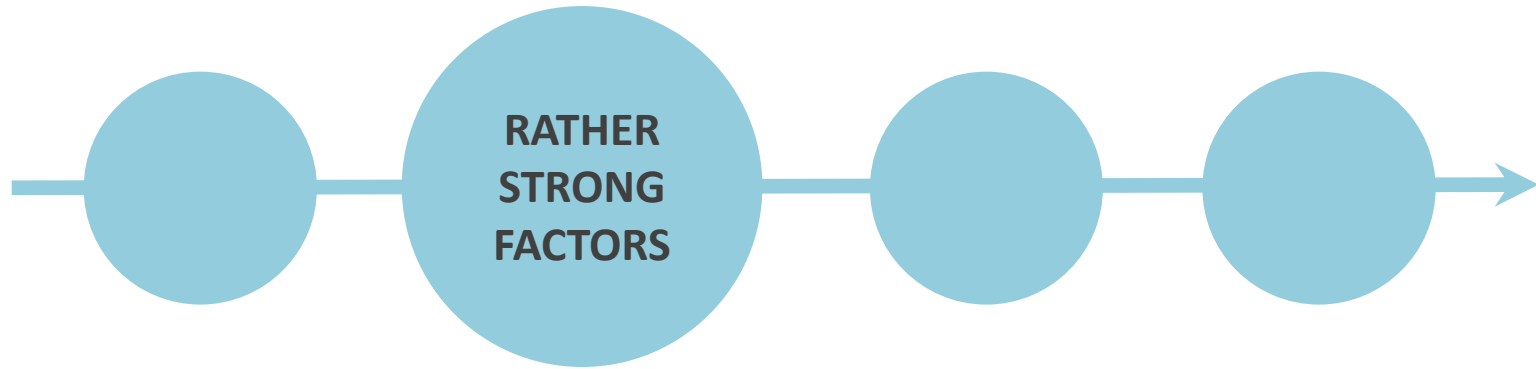
# FACTORS OF INFLUENCE











- Lack of highly qualified professional consultants
- Dishonest methods of competition, dumping
- Distrust of business consultants

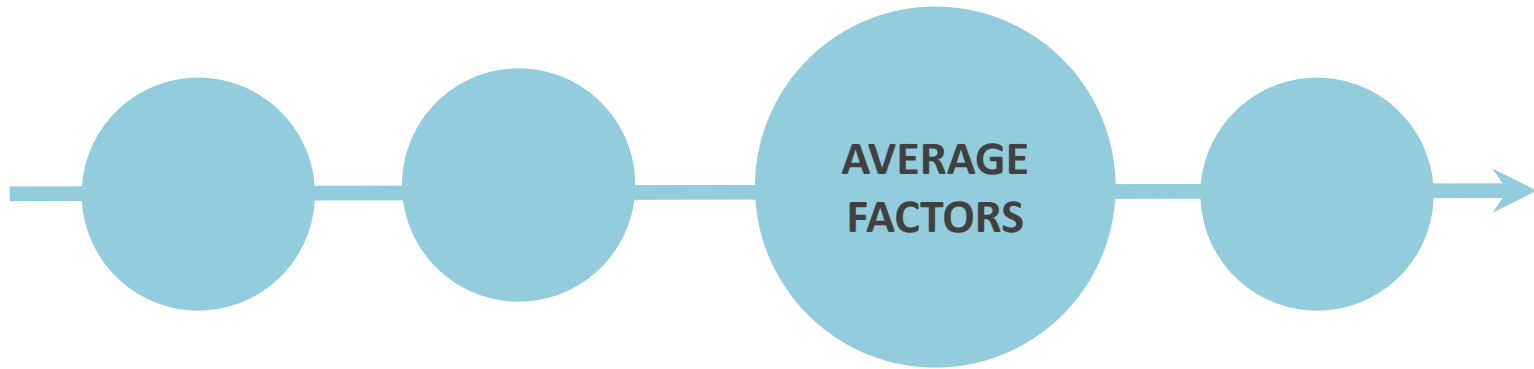






# FACTORS OF INFLUENCE



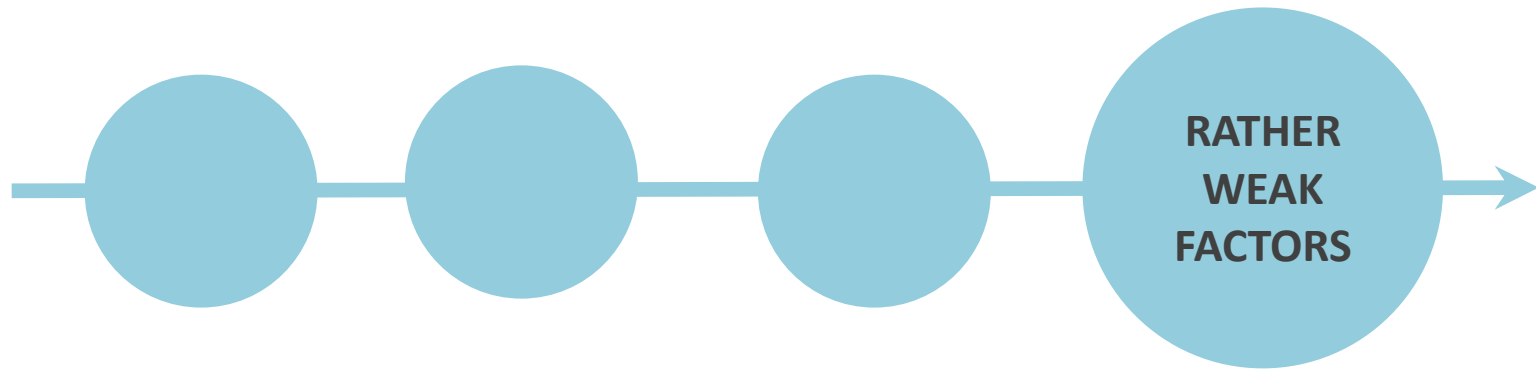
-   Maturity of demand - growing
-   Professional level of top management for clients - growing
-   Availability of effective demand for consulting - growing/falling – depends on sector
-  Legislation on consulting
-  Lack of state support for the consulting industry





# FACTORS OF INFLUENCE








-   Economic situation, crisis (spurring business)
-  Globalization of business
-  Competition among clients

# FACTORS OF INFLUENCE



-  The political situation in Kazakhstan (stability, uncertainty)
-  Investment attractiveness of the country (more positive, although attractiveness decreases)
-  Mastering international experience and standards in consulting (no real transfer, like advertising)
-  Competition in the local market (rather weak)

# SPECIAL INFLUENCE FACTORS

-   The arrival and activation of foreign consultants (USA, Europe)
-   The arrival and activation of consultants from Russia and Ukraine
-  The emergence and development of professional associations of consultants in Kazakhstan (very weak and passive)

# TRENDS



## MOST STRONG TRENDS

- Internet and its implementation in all types of activities and technologies
- Dumping among consultants
- Growth and development of IT consulting

# TRENDS IN KAZAKHSTAN'S CONSULTING

## STRONG TRENDS RELATED TO COMPETITION

- “Fashion” among large companies to attract expensive international consultants
- Growth of pressure from Russian and Ukrainian consultants
- The growth in the number of individual consultants and freelancers

# TRENDS IN KAZAKHSTAN'S CONSULTING

## “THE DIGITALIZATION OF CONSULTING IS ESSENTIAL”

- Merger of consulting with IT
- Globalization of services due to dominance of Internet
- In connection with digitalization – the emergence of new standards and requirements for the work of consultants



# TRENDS IN KAZAKHSTAN'S CONSULTING

## TRENDS, CHARACTERIZING CUSTOMER DEVELOPMENT

- Business has a growing understanding of the need for consulting and willingness to engage consultants
- Business began to make more requests not for general consulting, but for solving specific narrow tasks
- Accounting for the mentality and application of the Kazakh language in consulting (especially relevant, in the state sector and western regions)
- Reduction of budgets for marketing consulting

## DISAPPOINTING TREND FOR KAZAKHSTAN'S CONSULTING

- The situation with local personnel worsens
- The quality of education is falling
- Practically there are no consultants with knowledge of industry specificity

# RECOMMENDATIONS



# RECOMMENDATIONS FROM EXPERTS

## TO PROFESSIONAL ASSOCIATIONS



- Active struggle against dumping ("this is the way to nowhere")
- Promote the idea of the importance of consulting, show successful cases
- Educate clients on the proper use and understanding of consulting
- Should influence on the education system

## TO CONSULTANTS



- Increase the speed of work - customers all need fast results
- Provide your services with technological, digitized tools
- Local consultants - learn to competently and attractively present themselves and their services

# THERE IS MUCH TO DEVELOP

Western  
professional  
consulting for  
about 100 years



Kazakhstani  
- about 20.



We have something to learn,  
there is much to grow





**THANK YOU**  
**FOR**  
your  
**ATTENTION!**  
**ANY QUESTIONS?**

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