"The difficult relationship between the consultancy market and SMEs: inspiring insights for future improvements"

"La relation difficile entre le marché des consultants et les PME : des idées inspirantes pour des améliorations futures"

Salvador, Elisa

ESSCA School of Management, Paris, France

corresponding author **:** Elisa.SALVADOR@essca.fr

El Asraoui, Hassan

IÉSEG School of Management, Paris and Lille, France

Akbaraly, Mylene

IÉSEG School of Management, Paris and Lille, France

Résumé :

Objectif : Les petites et moyennes entreprises (PME) jouent un rôle important dans l'économie, mais leur statut spécifique apporte plusieurs difficultés auxquelles les grandes entreprises n'ont pas à faire face. Entre autres, la littérature souligne une lacune du marché dans les services de conseil aux PME, avec une faible demande des gestionnaires de PME. Cette recherche explore le marché du conseil pour trouver des solutions pour faire face à cette lacune du marché. Plus précisément, le but de cet article est de comprendre le contexte actuel des perceptions du marché des consultants et donc de formuler des recommandations sur la manière dont les prestataires de services de conseil peuvent adapter leurs services pour favoriser, satisfaire et maintenir la demande des PME. La recherche se concentre sur des acteurs situés dans le département de la Drôme, en France.

Méthodologie & conception : Une enquête sur la perception de la demande a été réalisée au moyen d'un questionnaire au cours de la période de septembre à octobre 2015. Elle a donné lieu à 38 réponses valables de la part de gestionnaires de PME situés dans le département de la Drôme. Une analyse descriptive des réponses est suivie d'une cluster analysis appliquée aux plus significatives questions de l'enquête.

Principales constatations : D'une manière générale, les résultats suggèrent que les consultants devraient établir une relation à long terme avec les gestionnaires de PME afin de faire face aux différents facteurs limitant la demande (entre autres, les spécificités des PME, l'esprit d'entreprise des gestionnaires de PME et le manque de confiance). Une grande importance est également attribuée à l'expérience du consultant dans le secteur d'activité et le domaine de consultation fournis. Les résultats suggèrent également que les consultants de PME sont très différents de ceux qui travaillent avec les grandes entreprises. Les consultants de PME doivent adapter leur soutien en fonction des spécificités des PME. Leur rôle d'accompagnateur des PME consiste à encourager et à permettre aux managers de penser stratégiquement. La cluster analysis a identifié différents types de PME avec lesquelles les consultants devraient agir différemment. Les trois groupes concernaient des PME «axées sur les entités publiques», «axées sur les relations personnelles» et «orientées sur le soutien interne».

Limites : La principale limitation est liée à la localisation de l'échantillon : 38 questionnaires d'entreprises situées dans le département de la Drôme (France). Néanmoins, compte tenu de la difficulté d'obtenir des données fiables auprès des PME, il s'agit d'une première étape clé pour combler l'écart concernant les services de conseil dédiés à ce type d'entreprise. Le sondage a révélé des résultats intéressants qui pourraient être approfondis dans de nouvelles recherches.

Valeur et intérêt : Cet article permet de mieux comprendre comment le marché des consultants est réellement perçu par les PME. C'est l'une des premières tentatives visant spécifiquement ce secteur et les PME. Les résultats permettent d'avancer des premières recommandations afin d'améliorer le marché des services de conseil dédiés aux PME pour l'élaboration de politiques et de stratégies. Les recherches futures pourraient s'appuyer sur ces résultats préliminaires pour les tester sur un échantillon plus vaste et déterminer des segments de marché clairs.

Abstract:

Purpose: Small and medium-sized enterprises (SMEs) play an important role in the economy, but their specific status brings several difficulties that large firms do not have to face. Among others, the literature underlines a market gap in the SME consultancy services, with a weak demand from SME managers. This research investigates the consultancy market to find some solutions to facing this market gap. More specifically, the aim of this article is to understand the actual context of the consultancy market perceptions and, thus, to provide some recommendations about how advice providers can adapt their services to foster, meet, and maintain the demand of SMEs. The research focuses on actors located in the department of Drôme, France.

Methodology & design: An investigation of demand's perception has been conducted through a questionnaire during the period September–October 2015. It resulted in 38 valid responses from SME managers located in the department of Drôme, France. A descriptive analysis of the answers is followed by a cluster analysis applied to the most significant survey questions.

Main findings: Generally speaking, the results suggest that consultants should build a long-term relationship with SME managers in order to face the different factors limiting the demand (among others, specificities of SMEs, entrepreneurial spirit of the SME managers, and lack of trust). High importance is also attributed to the consultant's experience in the sector of activity and consultancy domain provided. The results also suggest that SME consultants are widely different from the ones working with large companies. SME consultants need to adapt their support in line with the specificities of SMEs. Their role as

SMEs' "accompanist" consists of encouraging and enabling managers to think strategically. The cluster analysis identified different kinds of SMEs with whom the consultants should act differently. The three groups concerned SMEs that were "public entities oriented", "personal relationship oriented", and "internal support oriented".
Limitations: The main limitation is linked to the location of the sample: 38 questionnaires from companies located in the department of Drôme (France). Notwithstanding, given the difficulty of obtaining reliable data from SMEs, this is a first key step in trying to fill the gap regarding consulting services dedicated to this specific kind of firm. The survey revealed interesting results that could be deepened in further research.
Value and interest: This article provides a better understanding of how the consultancy market is actually "perceived" by SMEs. It is one of the first attempts focused specifically on this sector and the SMEs. The results enable the advancement of first recommendations in order to improve the market for consulting services dedicated to SMEs for policy and strategy development. Future research could build on these preliminary results to test them on a larger sample and determine clear market segments.

Mots-clés : PMEs, marché des consultants, questionnaire, cluster analysis

Keywords: SMEs, consultancy market, questionnaire, cluster analysis

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INTRODUCTION

Representing the majority of companies in Europe (European Commission, 2014), small and medium-sized enterprises (SMEs) are particularly recognised as important actors in regard to job and wealth creation (Daly & McCann, 1992; Lauder et al., 1994; O'Regan & Ghobadian, 2004; Floyd & McManus, 2005; Salvador et al., 2014).

Notwithstanding, SMEs usually have limited resources, which limits their survival and development (Julien & Manchesnay, 1988; North et al., 2001; Nicolescu, 2009; Kim et al., 2015). Pullen et al. (2008: 2) argued that "*SMEs need to focus on core competencies for efficiency matters, and they need to cooperate with external partners to compensate for other competences and resources*". To overcome this lack of resources and, thus, ensure their survival and growth, a solution may be represented by external support providers (Kent, 1994; Jay & Schaper, 2003). External consultants could help the SME developing strategies for growth or organizational change and strategic renewal as well as employing new management ideas: in short, they could play a key role in introducing managerial innovations (Damanpour & Schneider, 2009; Damanpour & Aravind, 2012). The consultancy market, through the work for one client, could even contribute to the development of new organizational forms or management systems successively implemented and then labelled in several other companies[1]. As highlighted by Damanpour & Aravind (2012: 433): "*the Scanlon plan, Planning-Programming-Budgeting System (PPBS), matrix structure, Six Sigma, GE (General Electric) work-out, and other management tools and techniques have been theorized and*

[1] The role of consultants in the diffusion of managerial innovations has been particularly investigated by Mol and Birkinshaw (2014).

labelled out of the immediate context primarily by consulting firms (external agents) and have subsequently been diffused to other organizations for adoption or use".

External support refers to all kinds of services provided by actors outside the concerned company (Srinivasan, 2014). It may essentially consist of helping the company in a defined area by offering knowledge, experience, and competences which the company cannot access through its internal resources. Generally speaking, external support providers aim to help to solve a problem that the company is facing or to improve its management competencies or strategy. The final purpose is to develop and enhance the company's activities and performance.

External support can be provided at different levels, according to the type of entity providers: from simple knowledge transfer to direct implementation in the company system. The type of support providers is also important as they are varied (Bennett & Robson, 1999; Ramsden & Bennett, 2005). The literature (Bennett & Robson, 1999; Berry et al., 2006) identifies, among others, consulting agencies, trainers, government agencies, and professional specialists. Otherwise, Soriano et al. (2002) suggest that the advisors should, in all cases, train the owner–managers when offering their services.[2]

In this article, we will consider external support providers as all the public or private actors able to deliver knowledge which is not available at an internal level in a firm and which is offered as a commercial service (Curran, 2000; Gibb, 2000). The aim is to understand the actual SMEs' perceptions of the consultancy market and, consequently, to advance useful recommendations for improving the weak demand from this particular kind of company.

A survey was undertaken between September and October 2015 in companies located in the Drôme area in France. The Drôme department can be considered a representative example: this area is part of the Rhône-Alpes region, which benefits from governmental support services (such as "*plan PME"*[3]). Drôme is, therefore, a well representative example of the French national market of SMEs (INSEE, 2013).

The article is structured as follows: Section 1 provides insight into the main specificities of SMEs and the reasons for the weak demand for consulting services. Section 2

[2] Soriano *et al.* (2002: 100) state that *"the aim of the advisor is not only to draw up a plan but also to set up a relationship based on mutual collaboration so that the client (owner–managers) learns how to resolve his or her problems in the future*".

[3] *The "Plan PME" is a service available to SMEs, with the aim of "offering the opportunity to be accompanied by experts in order to strengthen their performance, stimulate job creation and foster growth". The SME plan is a policy action offered and financed by both the national and the European governments and by the territorial authorities of the region. (Official website of the SME plan, available at : http://planpme.rhonealpes.fr)*

presents the methodology adopted, while Section 3 presents some descriptive statistics from the questionnaires received. Section 4 underlines the cluster analysis findings. Finally, Section 5 provides a discussion and some concluding remarks.

1. SMES AND EXTERNAL SUPPORT PROVIDERS: WHY IS THE DEMAND WEAK?

SMEs have attracted an increasing interest in the academic literature since the 1980s: the positive and negative consequences of their smallness started to be deeply investigated. In particular, a higher need for support is supposed and a focus is provided to the role played by the entrepreneur leading the company. A strong link between the demand for support, the entrepreneur’s perception about it and the SME attitude at independence is expected. Furthermore, knowledge about the sector and industry specialization is also highlighted as a pivotal aspect. The specificity paradigm of SMEs is underlined as well as the importance played by trust. All these elements partly explain the difficulties in investigating the world of SMEs, the consequent lack of data and reliable theories and therefore a weak demand for external support.

The academic literature has focused specifically on entrepreneurship and SMEs since the 1980s (Gibb, 2000; Marchesnay, 2003). Julien (1994) highlighted this trend of focusing more on SMEs than on large firms with the creation of several scientific journals specialised in SMEs.[4] Before this period, SMEs were described like a small version of larger firms (Torrès, 1997). Even if Penrose (1959) raised the important differences in the management of very large enterprises as opposed to very small ones, it is only at the end of the 1970s that SMEs came to be considered in the literature as a specific entity (cf. among others Gervais, 1978; Dandridge, 1979; Welsh & White, 1981).

The most underlined characteristics of SMEs[5] are all linked to the “smallness” of the enterprise. Indeed, the size of an SME implies few hierarchical levels, the centralisation of the management, informal relationships based on trust development, limited internal resources, and low standardisation of the processes. Together, these determine the specific status of SMEs as companies having a typological diversity: it is difficult to classify a specific SME in

[4] Cf. among others, the *International Journal of Small Business* in 1982; the *Journal of Small Business and Entrepreneurship* in 1982; the *Journal of Entrepreneurship and Regional Development* in 1987; the *French Revue Internationale PME* in 1988; the *Small Business Economics* in 1989 (Torrès, 1997).

[5] Cf. among others, the works of Gervais, 1978; Kalika, 1988; Julien & Manchesnay, 1988; and Nicolescu, 2009.

a category because each SME has its own constructive and functional features (Nicolescu, 2009) due to the intuitive organisation built inside the enterprise.

The literature supposes a higher need for support of SMEs because of their resources gap (Kent, 1994; Viljamaa, 2011). Boter and Lundstrom (2005) refer to the notion of smallness as a reason for this lack of resources: the smaller the enterprise, the fewer resources it has. In their study, they focus on the size dimension of small businesses to analyse how SMEs use the support services available on the market in Sweden. "*The arguments from theory that small firms have a weak resource base and need external support does not translate into the smallest micro companies as the most intensive users of external support services. An assumption is that utilization among small and medium-sized companies follows an inverted U-curve, something that must be analyzed in future studies*" (Boter & Lundstrom, 2005: 254).

In recent years, the literature has taken an entrepreneurial approach by focusing more on the support dedicated to the manager itself than to its company. This can be explained by the important role that the manager has in an SME, where the power is centralised and, thus, the manager is quite the unique decision-maker (Gervais, 1978; Julien & Manchesnay, 1988). For example, Damanpour and Schneider (2009: 496) highlighted that "*manager characteristics influence the adoption of innovation*" in organizations. Consequently, support should be more focused on the manager, as Boter and Lundstrom (2005: 245) suggested by raising the question of "*how to develop support structures for creating the necessary skills for entrepreneurs*". An "entrepreneur" approach in providing support can be an advantage: the support provider will make his recommendations directly to the manager and will not have to deal with several hierarchical levels. As Gilbert et al. (2006: 931) highlighted, doing business with a top management team, including several members, is more difficult and takes more time because the personal, educational, and experience background of each of them lead to disagreements between the team members. In this sense, providing support in an SME can be perceived as easier than doing it in a large firm, where the management is not centralised and where there are several decision-makers.

Nonetheless, this can be a limitation of the demand for support, as it will depend on the entrepreneurial spirit of the single manager. Lightfoot (1998: 237) argued that "*reluctance to accept external support has its roots in small business-owner psychology*". This idea is supported by Gilbert et al. (2006: 930), who highlight the important influence of the character traits of the entrepreneur on his firm's growth. Also, the entrepreneurial spirit of the owner–

manager can have a direct impact on the management behaviour and attitude at risk of the SME and, thus, lead to reluctance, and even a resistance, to contract external support services (North et al., 2001).

The autonomy propensity and the independent entrepreneurial spirit are among the key characteristics of the owner–manager (Lightfoot, 1998; Curran, 2000; Gilbert et al. 2006; Van Gelderen & Jansen, 2006). As a consequence, this autonomy propensity in SMEs can be a reason why the demand from SME owner–managers for external support is weak. Thus, one reason why SMEs do not use external support is the fear of losing their autonomy (Curran, 2000; North et al., 2001).

The question about the sector and industry specialisation is also raised, as the literature recognises the importance of the environment in which the SMEs are located. Taking the example of the competencies required for a small high-tech growth business manager as opposed to a shopkeeper, Gibb (2000) argued that the competencies required will depend upon the "sector" of his SME. On the one hand, Curran (2000) highlighted that the "sector ignorance" can be alleviated by targeted support. On the other hand, Nicolescu (2009) underlined that support providers do not specialise in a specific sector or industry because of the typological diversity of SMEs. Thus, according to him, the heterogeneity of SMEs does not allow a specification of support providers to typical SMEs' organisational system, as they all differ from each other. In an empirical study focused on over 1,000 survey respondents in Sweden, Boter and Landstrom (2005) did not find a significant impact of industry differences in the SMEs' use of support providers.

Torrès and Plane (1998) questioned the specificities of SMEs rather than suggesting an adaptation by the support providers. Indeed, they highlighted the contradiction between the specificities of SMEs (such as informal management and centralisation) and the consulting market that requires more formalisation and a decentralisation of the management in order to be efficient. This contradiction underlines the notion of the specificity paradigm of SMEs. To move beyond it, they suggested a denaturation of traditional SMEs thanks to support providers in order to become what they defined as *the managerial SME*: an SME working as a large company with decentralisation, more formalisation, and planning.

Gibb (2000: 17) encouraged what Torres and Plane (1998) called the specificity paradigm by also highlighting the contradiction between SMEs' specificities, meaning an informal and intuitive approach, and the formal structured models suggested by the academic literature (i.e.

a formal approach, standardisation, and planning), which he considered as possibly being anti-entrepreneurial.

Nonetheless, the literature underlines the importance of the relationship and trust between the support provider and the SMEs' owner–managers (Mole, 2002; Mughan et al., 2004). The importance accorded by the owner–manager in the relationship is well illustrated by Mole (2002: 156), who describes the advisor as "*challenging the managing directors in their castle*". With a different perception, Ramsden and Bennett (2005: 228) also insist on the importance of the relationship between the two counterparties by highlighting that the success of the impact of advice, as a result of a joint activity, depends on "*a combination of task-interaction, where the client and advisor exchange information on problems to be solved and means to accomplish them, with personal-interaction, where the client's well-being is improved*".

Last but not least, the lack of theory is also one of the reasons for the weak demand for external support. Based on the work of Gorb et al. (1981), O'Regan and Ghobadian (2004: 64) highlighted the "*paucity of research in general on SMEs and consequently a lack of understanding of their needs and requirements*". Moreover, Curran (2000: 44) considered the lack of theory as one of the main reasons why small business owners are reluctant to trust service providers. He clearly expressed this idea, stating "*small businesses are not large business scaled down, and textbook and large enterprises' good practice is often poorly suited to the needs of small businesses*". Furthermore, support services offered on the market have the aim to allow the growth of performance of SMEs (Srinivasan, 2014). Otherwise, growth can be influenced by several different factors. In such a context, consultants cannot necessarily take benefits from general economic theories or models (Gibb, 2000).

Starting from these assumptions and these different and/or complementary perspectives, our survey aimed to make clear the actual relationship between SMEs and service providers. As highlighted in the following sections, the results from a recent questionnaire specifically addressed to SME managers enable us to feed this open debate through providing interesting and unexpected findings.

2. METHODOLOGY

To understand the point of view of SMEs regarding the consultancy market, a questionnaire was addressed exclusively to managers of SMEs in the department of Drôme.

The questionnaire was fully answered by 38 respondents between September and October 2015. To find a suitable sample of companies, the Chamber of Commerce and Industry (CCI) of Drôme department was contacted. Public information from the CCI, as well as formal and informal contacts, helped in the building of a list of local SMEs. Furthermore, the Altarès[6] database was also used to complement our data. We tried to select companies from varied sectors to improve and justify the representativeness of our sample (Jack et al., 2008).

The questionnaire was divided into three different sections:

1) General information about the respondent and his company, with questions about his position in the company, the educational level, the languages spoken, the sector of the company, its year of creation, the number of staff, and the level of turnover.
2) The perception of the consulting market with questions about the domains of advice the SME asked, the frequency and satisfaction of received support, the suggestions of the respondent to improve the consulting market, the reasons why the SME does not invest (more) in support services, the specific needs in advice, and the budget that the company would be ready to invest in such services.
3) The potential factors impacting the demand, with questions about the kinds of institution the SME would trust more and the most important factors in the choice.

A cluster analysis[7] was applied to the collected data. This analysis enabled the grouping of the different types of SMEs according to their perception and characteristics in order to define market segments for the support providers.

Several different methods of cluster analysis exist; two-step clustering, which combines hierarchical and non-hierarchical methods, was finally chosen.

The first step was to determine the clustering variables used for the cluster analysis. Kline (1994) suggests a sample size at least twice as large as the number of variables. Following this approach, 18 clustering variables have been selected. To select the variables, we decided to start from the main findings of the questionnaire, as described in the following descriptive statistics section. Table 4 in Annex A lists the 18 clustering variables and their characteristics.

[6] Altarès is a database offering general information about more than 20 million French companies.

[7] Cluster analysis is a "*convenient method for identifying homogeneous groups of objects called clusters. Objects (or cases, observations) in a specific cluster share many characteristics, but are very dissimilar to objects not belonging to that cluster*" (Mooi & Sarstedt, 2011: 238). It is often used in medicine, education, biology, and marketing to define market segments.

First, an analysis of the correlations between clustering variables was conducted; no problems of correlation emerged.

Then, a two-step cluster analysis was undertaken, as the variables were both continuous and ordinal with different scale levels (Chiu et al., 2001; Pullen et al., 2008; Norusis, 2009; Mooi & Sarstedt, 2011). The distance measure used was the log-likelihood criterion.

The best number of clusters was identified through the Akaike's information criterion (AIC) and Bayes information criterion (BIC), which are measures *"of goodness-of-fit and are used to compare different solutions with different numbers of segments"* (Mooi & Sarstedt, 2011: 279). Following Mooi and Sarstedt's (2011) recommendations, we did the cluster analysis twice with the AIC and BIC criteria to evaluate the stability of our results by checking that the results remain the same. No "outliers" cluster was detected.

The following section will illustrate the descriptive results from the questionnaire survey as well as the findings coming from the cluster analysis undertaken.

3. RESULTS: DESCRIPTIVE STATISTICS FROM THE QUESTIONNAIRE SURVEY

The sample is quite heterogeneous. The sectors in which the 38 respondents are active vary widely: most of the respondents work in the wholesale and retail trade (eight companies), manufacturing industry (seven) and real estate, renting, and business activities (five). Agriculture, construction, transport, health, and social works follow (three companies for every sector).

In terms of company age, 16 companies were created during these last 10 years, while five were founded before 1975, 10 between 1976 and 2000, and seven between 2001 and 2005.

The results suggest that 13% of the respondents (five companies) never used support services against 87% (33 companies) having a prior experience with external support. SMEs have been divided in group A (in blue colours), meaning companies that already contracted support services, and group B (in red colours), meaning companies that never contracted support services.

The analysis of the main questions of the questionnaire reveals the preference for some kinds of consultancy rather than for other ones (see section 3.1 and Figure 1 for details).

The frequency of use is between rarely to regularly and the satisfaction level is quite good. The investigation about reasons for not contracting (more or at all) external support services revealed that SMEs favour internal resources and fear finance constraints (cf. section 3.2 and Figure 2). Finally, the questionnaire aimed at highlighting which factors would enhance the demand for support services. Surprisingly, web platforms, business schools and company department of banks are the least preferred structures. The most preferred are institutions specialised in the SME sector, independent consultants supporting the company on a long-term basis and private entities with the required specialization. The experience of the advisor and the relationship and trust built between the SME and the consultant are the most important factors when choosing external services (see section 3.3).

3.1 SMES EVALUATION ABOUT THEIR NEED FOR CONSULTING SUPPORT: THE LEADING ROLE PLAYED BY CONSULTANCY IN FINANCE AND ACCOUNTING

Consultancy in finance and accounting is the domain that is most used by the respondents (17 companies), before management and organisation consultancy (11 companies), information technology (nine), marketing & communication consultancy (nine), and business development (eight). Human resources and recruitment consultancy is the least used (only four companies).

Furthermore, the results highlighted that 92% of the respondents use three or fewer kinds of support services in their company. Only three companies use more than three kinds of consultancy, including a unique one using all of the seven kinds of consultancy (see Figure 1) suggested in the questionnaire.

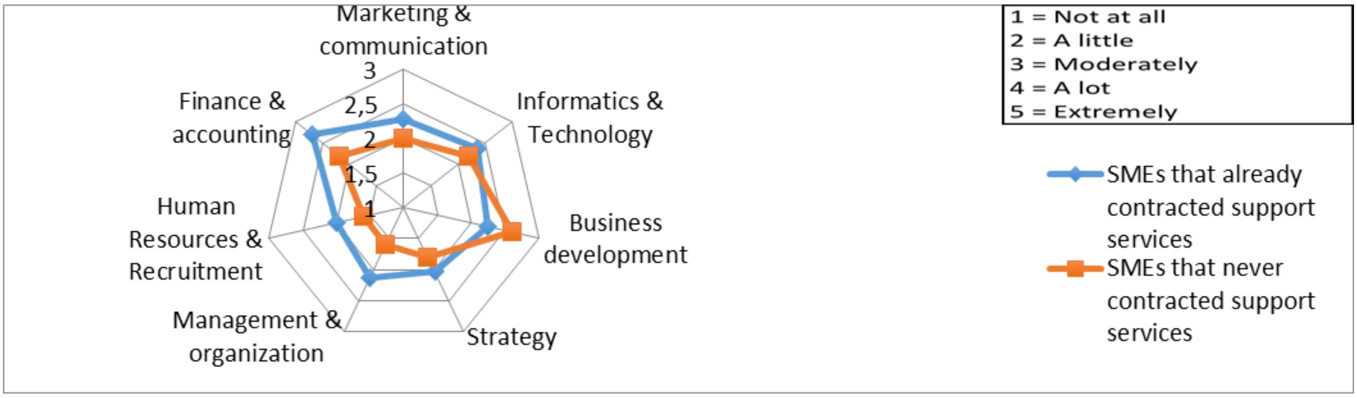
Two specific questions were addressed to companies which already contracted external support services (33 companies). These questions were about the frequency of use and the satisfaction level. Frequency has been measured using a 3-point Likert scale.[8] Globally, most SMEs that already contracted support services use them “rarely” to “regularly”. Human resources & recruitment and finance & accounting are used “regularly” on average (mean values = 2). Regarding the satisfaction level, the question was asked on a 5-point Likert scale.[9] According to the results, the global satisfaction of support services used is between neutral and somewhat high, with a mean of the mean values of 3.86/5. All the means regarding the satisfaction level are higher than 3, meaning that, on average, no kind of

[8] (1=Rarely; 2=Regularly; 3=Often)
[9] (1=very dissatisfied; 2=somewhat dissatisfied; 3=neutral; 4=somewhat satisfied; 4=very satisfied)

consultancy was perceived negatively by the respondents. The domains in which the respondents were the most satisfied are marketing & communication, human resources & recruitment, and finance & accounting, with mean values of 4 for each one.

We thought it relevant to ask the respondents assessing their need for support in order to deny the possibility of market saturation as a reason for the low demand for support. To achieve this aim, a question was addressed using a 5-point Likert scale for each of the consultancy domains suggested in the questionnaire (see Figure 1). As expected, the results highlight that, on average, SMEs that never contracted support services (Group B, in red) consider having a less important need for support than SMEs that already contracted such services (Group A, in blue). Nonetheless, the domain in which group B expressed higher needs than group A is business development. Group A underlined more need in finance & accounting (2.7/5). The figure also shows that none of the mean values is higher than 3, meaning that all the respondents evaluate their need for support as moderate. In any case, on average, no domains were indicated as being not needed at all, thus excluding the possibility of market saturation.

Figure 1: How would you evaluate your need for consulting support?



3.2 POSSIBLE REASONS FOR NOT CONTRACTING EXTERNAL SUPPORT SERVICES: A WILLINGNESS TO FAVOUR INTERNAL RESOURCES AND A FINANCE GAP

A specific question aimed at understanding why SME managers do not contract (more or at all) external support services, by suggesting some possible reasons with a 5-point Likert scale (from 1=Strongly disagree to 5=Strongly agree)[10].

[10] *No need*: the company does not need (at all/more) advisory services; *No financial resources*: the company does not have the financial resources to contract (any/more) services; *No time*: the company does not have time

Figure 2: Why do you not use (more/at all) external support services?

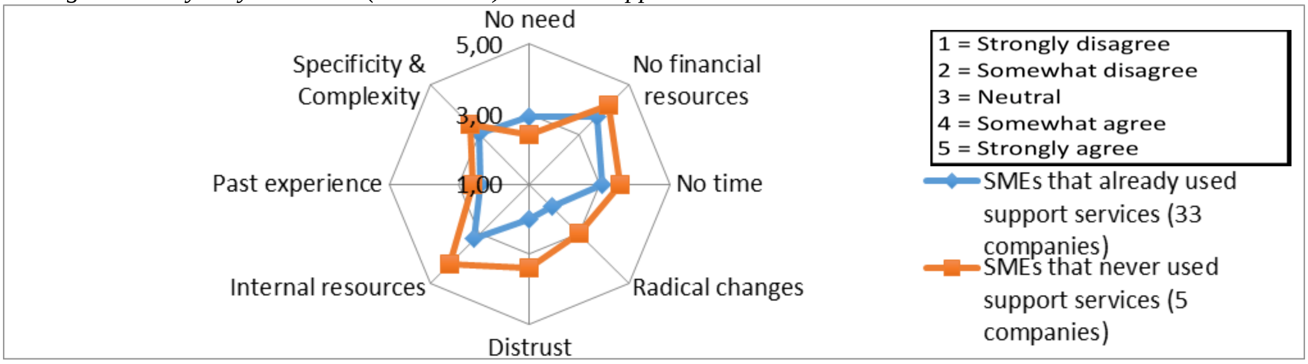


Figure 2 shows the mean values for each of the suggestions, with a distinction between SMEs that already contracted support services (Group A in blue) and SMEs that did not (Group B in red). As expected, SMEs that never used support services consider these reasons at a higher level than SMEs that already used support services. But disappointing past experiences are not considered a main reason for not contracting more support services (mean values 2.6). These first results suggest that, in our sample, the limited demand for support is neither related to a low need nor to a bad perception of consultants because of negative past experiences. Both groups A and B also agree at the same level about the "*specificity and complexity of the company*" reason (respectively 3.03/5 and 3.4/5) and about the "*time constraint*" problem (respectively 3.09/5 and 3.6/5). Furthermore, the most important reasons for not contracting more support services are the willingness to favour internal resources and the limited financial means for both the groups (higher for Group B). Interestingly, the perception about lack of trust in external consultants revealed that group B agreed between "Neutral" to "Somewhat" (3.4/5), while group A chose "Somewhat disagree" (2/5). Perceptions also differ regarding "*Contracting external support services would lead to radical changes within your company, changes that your company is not ready to face today*"; group A was between "strongly" to "somewhat" disagree (1.91/5) and group B was neutral (3/5).

to look for external support services; *Radical changes*: contracting external support services would lead to radical changes within the company; *Distrust*: the company does not trust (anymore) external consultants; *Internal resources*: the company prefers using exclusively internal resources; *Past experience*: past experiences with external consultants were disappointing; *Specificity & complexity*: the functioning of the company is too complex and specific to be managed/understood by an external consultant.

3.3 POSSIBLE FACTORS ENHANCING THE DEMAND FOR SUPPORT SERVICES: EXPERIENCE, RELATIONSHIP AND TRUST

Following the analysis of the possible reasons for not contracting external support services, we also tried to determine which factors would enhance the demand for support services. We considered it interesting to determine whether the kind of support structure can have an impact on the willingness of SME managers to invest in support services. Thus, we asked the respondents to classify different structures of support providers by order of preference. The questionnaire included the same question twice (business development and organisation & management), thus asking preferences about the structure or sources of support, but with a distinction about the consultancy domains.[11]

Globally, for both the questions, the most preferred suggestions were "*an institution specialised in the sector of activity of the SME*", "*an independent consultant accompanying the company on a long-term basis*", "*a private entity specialised in the kind of support that the company is looking for*", and "*support services offered by public entities*".

Thus, the least preferred were "*a web platform*" (last position), "*business school*" and "*company department of the bank*". Furthermore, when checking the total mean values, slight differences exist between the four first-ranked suggestions (until 0.38), while differences in rank means are much higher between ranks 4 and 5 (1.74), attesting that the "company department of bank", "web platform", and "business school" are far away in terms of preferences.

Finally, a question was addressed to all the respondents about the factors influencing their choice when looking for a support provider. Respondents were asked to indicate the degree of importance (from 1= Not important at all to 5=Very important) for each of the suggested factors.[12]

[11] The respondents had to rank from most to least preferred (1 indicated the most preferred and 7 the least preferred) the suggested structures if they would need support services in business development and (in a different question) in organisation & management. The repetition of almost the same question was decided in order not to bias the results with a specific consultancy domain. The different schemes offered in the questionnaire were the following: *Bank*: the company department of your bank; *Public entities*: support services directly offered by the CCI or other public entities; *Consultancy domain*: a private entity specialised in the support that you look for; *Sector of activity*: a private entity specialised in your sector of activity; *Long-term consultant*: an independent consultant accompanying you on a long-term basis; *Web platform*: a web platform offering online support to professionals; *Business school*: a business school working on the company problem to provide possible solutions.

[12] *Price*: the service's price; *Time involvement*: the time that the consultant has to spend to solve the problem; *Experience in the sector of activity*: the consultant's experience in the sector of activity; *Experience in the consultancy domain*: the consultant's experience in the consultancy domain needed; *Consultant's institution*: the institution the consultant works for and his reputation; *Relationship and trust*: the relationship and the feeling

Globally, most suggested factors seem to be moderately important, according to our sample, with rank means superior to 3. Surprisingly, SMEs that never contracted support services (Group B in red) indicated, on average, an importance of 2.4/5 for the price (thus being the lowest important factor), while the same respondents indicated the limited financial resources as one of the most important reasons for not contracting support services at all (Figure 2). According to SMEs that never contracted support services, the three most important factors when choosing an external support consultant would be his experience in the sector of activity of the company (4.2/5), his experience in the consultancy domain (3.8/5), and the relationship and trust the SME has with the consultant (3.8/5).

SMEs that already contracted support services (Group A in blue) consider the same three factors as the most important ones, with the highest importance for the "*relationship & trust*" and "*experience in the consultancy domain*" factors (both 4.42/5), closely followed by the "*experience in the sector of activity*" (4.2/5).

Therefore, by providing support on a long-term basis and being specialised in the sector of activity of SMEs, the consultants are supposed to meet the demand of SME managers at a higher level. Trust and experience seem to be the keywords.

4. CLUSTER ANALYSIS RESULTS : THREE CLUSTERS WITH DIFFERENT ORIENTATIONS

Following the descriptive statistics of the questionnaire sections, it turned out useful to complement the results, precisely featuring the SMEs' perceptions of the consultancy market. The cluster analysis aimed at understanding and making clearer the specific components of the variables distinguishing the relationship between the consultancy market and SMEs. More precisely, it contributed to highlight three main clusters, identified as follows.

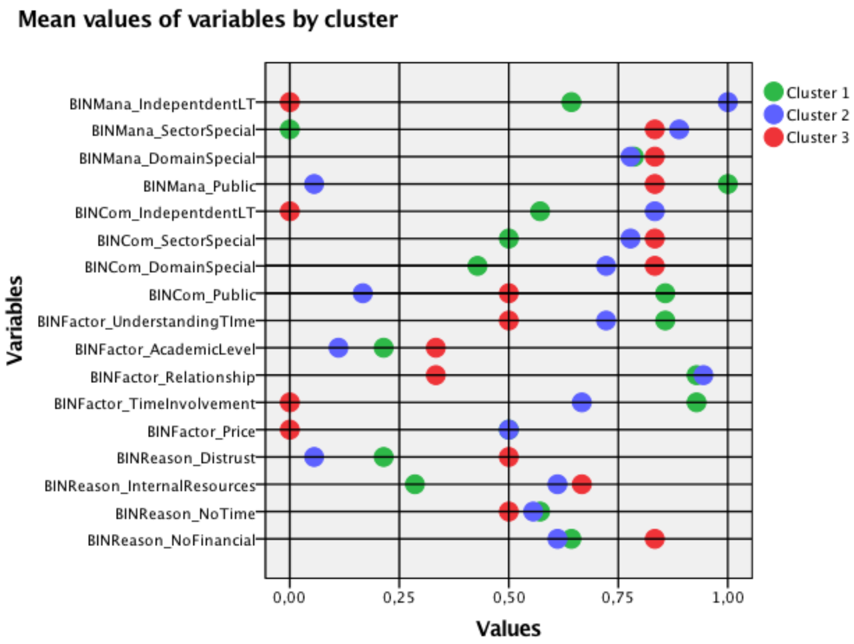
The two-step cluster analysis suggests a number of three clusters (with a consistency measure of 0.3, cf. Figure 3 in Annex A). Cluster 1 counts 14 out of the 38 respondents (36.8%), Cluster 2 includes 18 respondents (47.4%), and Cluster 3 has six respondents (15.8%). To understand how the clusters were determined, we looked at the most important variables that influenced the determination of clusters. In line with the descriptive statistics (cf. Section 3), the variables linked to support services provided by CCIs or other public

that the company has with the consultant in terms of trust; *Academic level*: the academic level of the consultant; *Understanding time*: the time that the consultant spends to understand the problems of the company, even before signing the contract.

entities for support in organisation & management (BINMana_Public, F=75,757), a private entity specialised in the sector of activity for organisation & management (BINMana_SectorSpecial, F=45,465), and an independent consultant accompanying the SME on a long-term basis for support in organisation & management (BINMana_IndepentdentLT, F=25,053) are the most significantly influential ones.

Figure 4 presents the mean values for each of the 18 variables by cluster. Cluster 1 seems to regroup mainly respondents preferring public institutions (mean=0,86), while Cluster 2 gathers mostly respondents not preferring public institutions (mean=0,17) and Cluster 3 regroups respondents with different preferences (mean=0,5). Cluster 3 is also characterised by no importance attributed to the consultant's involvement time and price (means=0).

Figure 4: mean values of variables by cluster



Source: Authors' personal elaboration

The different weight of the several variables in the three clusters enables us to describe in detail the content and characteristics of every cluster as identified by the two-steps cluster analysis results.

Cluster 1: Public entities oriented

Cluster 1 is characterised by its high preference for public entities to contract support services (see Figure 4). Looking for support in organisation & management, the respondents are not searching for institutions expert in the specific sector of activity of the SME (mean value 0). Furthermore, the respondents have different preferences for an institution specialised in the consultancy domain provided according to the kind of support required. Indeed, Cluster 1 prefers this kind of institution more for organisation & management (mean=0.79) than for business development (mean=0.43). Thus, Cluster 1 regroups respondents that mostly prefer public institutions but not necessarily specialised in the sector of activity of the SME.

The time involvement and the understanding time spent by the consultant, as well as the relationship that the SME managers build with the consultant in terms of trust, are the most important factors when choosing a specific support provider. Also, on average, the SME managers of Cluster 1 are not sensitive to the academic level of the consultant (mean=0.21).
The sector of activity of the respondents varies widely for this cluster, as well as the date of the creation of the company (with a range from 1963 to 2013). The cluster comprises mostly micro-enterprises (57%) but also small (14%) and medium (29%) enterprises.

Cluster 1 also regroups respondents with the highest mean values of needs. As we have seen in the descriptive analysis of the questionnaire, the perception of company's needs remains relatively low. Anyway, the lack of need is not a reason for not contracting support services (respondents of this cluster mainly disagreed with this potential reason in the questionnaire).
The main constraints are the limited financial resources of the company, as well as the lack of time of the SME managers.

Based on these main results, Cluster 1 can be labelled "*Public entities oriented*". Table 1 summarises the main characteristics of Cluster 1.

Table 1: Main characteristics of Cluster 1

	Cluster 1: '*Public entities oriented*' (14 SMEs)	
	Support in organisation & management	**Support in business development**
Institution preferences	1) Public entities (++++) 2) Specialised in the consultancy domain (++) 3) Independent consultant for long term (+)	1) Public entities (+++) 2) Independent consultant for long term (+) 3) Specialised in the sector of activity (+-)

	4) Specialised in the sector of activity (----) Institution is not an important factor when choosing the consultant (+)	4) Specialised in the consultancy domain (-)
Reasons for no more support	Lack of finance (+) Lack of time (+)	Willingness to favour internal resources (--) Distrust against the consultants (--)
Factors influencing the choice of a specific consultant	The price (+-) Consultant's time involvement to provide the service (+++) The relationship and trust that the manager has with the consultant (+++) The time that the consultant spends to understand the company (+++)	The consultant's academic level (--)
General information	Average need for support between "a little" and "moderately' The lack of need is not a reason for not contracting more support Companies created between 1963 and 2014 Micro-enterprises: 57% Small enterprises: 14% Medium enterprises: 29%	

Cluster 2: Personal relationship oriented

Cluster 2 is characterised by a deep relationship and trust with the consultant, as well as by a lack of preference for public entities (cf. Figure 4). All the respondents ranked an independent consultant providing support on a long-term basis as one of the most preferred (mean value=1). Also, this is the most influential factor when choosing a specific consultant, as well as time spent by the consultant to understand the company and to provide the support. The price is perceived as somewhat important, while the consultant's academic level does not matter.

The limited demand is mainly explained by the limited financial resources and time constraints of the manager. Besides, managers show some propensity to favour internal resources rather than external ones, which is another reason for the limited demand.

In this cluster, the respondents favour the relationship they have with the consultants, and, thus, they are looking for trust and a real collaboration on a long-term basis.

Based on these main results, we can label this cluster "*personal relationship oriented*".

Table 2 summarises the main characteristics of Cluster 2.

Table 2: Main characteristics of Cluster 2

	Cluster 2: *'Personal relationship oriented' (18 SMEs)*	
	Support in organisation & management	**Support in business development**
Institution preferences	1) Independent consultant for long term (++++) 2) Specialised in the sector of activity (+++) 3) Specialised in the consultancy domain (++) 4) Public (---)	1) Independent consultant for long term (++) 2) Specialised in the sector of activity (++) 3) Specialised in the consultancy domain (++) 4) Public (--)
	Institution is somewhat important when choosing the consultant (+-)	
Reasons for no more support	Lack of finance (+) Willingness to favour internal resources (+) Lack of time (+)	Distrust against the consultant (---)
Factors influencing the choice of a specific consultant	The price (+-)	
	The relationship and trust that the manager has with the consultant (+++) The time that the consultant spends to understand the company (++) Consultant's time involvement to provide the service (+)	The consultant's academic level (---)
General information	Average need for support between "a little" and "moderately" The lack of need is not a reason for not contracting more support Companies created between 1912 and 2014 Micro-enterprises: 67% Small enterprises: 17% Medium enterprises: 27%	

Cluster 3: Internal support oriented

Cluster 3 is characterised by micro-enterprises' managers, created in the last 10 years, that favour consultants specialised both in the sector of activity and in the consultancy domain provided (cf. Figure 4). They are unwilling to trust independent consultants providing support on a long-term basis (mean value = 0). This cluster gathers respondents that are on average available on a limited basis to contract support services. Indeed, no powerful factors are present to influence the choice of the respondent for a specific support provider. The price and the time involvement of the consultant are not even important at all, with a mean value of 0. Furthermore, respondents do not recognise having needs for support (the average need is between "not at all" and "a little"), and most of the reasons suggested to explain the limited demand are validated by the SME managers at a high level. The managers in this cluster consider their company too complex or specific to be understood by an external consultant. Thus, they would favour internal resources and somewhat distrust external consultants. Limited financial means are also a main reason explaining this reluctance (mean value of 0.83/1). Based on these main results, we can label this cluster "*Internal support oriented*". Table 3 summarises the main characteristics of Cluster 3.

Table 3: Main characteristics of Cluster 3

	Cluster 3: *Internal support oriented (Six SMEs)*	
	Support in organisation & management	**Support in business development**
Institution preferences	1) Specialised in the sector of activity (++) 2) Specialised in the consultancy domain (++) 3) Public (++) 4) Independent consultant for long term (----)	1) Specialised in the consultancy domain (++) 2) Specialised in the sector of activity (++) 3) Public (+-) 4) Independent consultant for long term (----)
	Institution is somewhat important when choosing the consultant (+-)	
Reasons for no more support	Distrust against the consultant (+-) Lack of time (+-) Disappointing past experience with consultant (+-)	
	Lack of finance (++) Willingness to favour internal resources (+) Managers consider their company too complex and specific to be understood by an external consultant (+)	
Factors influencing the choice of a specific consultant	The time that the consultant spends to understand the company (+-)	
		The price (----) Consultant's time involvement to provide the service (----) The relationship and trust that the manager has with the consultant (-) The consultant's academic level (-)
General information	Average need for support between "not at all" and "a little" The lack of need is somewhat a reason for not contracting more support (+-)	

	Recent companies created between 2005 and 2013 Exclusively micro-enterprises

5. DISCUSSION AND SOME CONCLUDING REMARKS

The general aim of an SME manager who is willing to look for support from external providers is to stabilise, improve, or diversify the activity of the company. As the majority of owner–managers consider the costs of support provided by external services as an extra financial cost (North et al., 2001; Mihai, 2009), SMEs need to be sure that the budget dedicated to support services will allow for an improvement of the performance of the company. Several studies have demonstrated that support from external providers can lead to higher performance of SMEs (Xin & Pearce, 1996; Bennett & Robson, 1999; Mole, 2002; Scott, 2008; Henisz & Levitt, 2011), and using external advice is positively correlated to the growth rate of the SME (Bennett & Robson, 1999; Berry et al., 2006). In other words, external consultants could create value for the SME through providing pivotal insights for the introduction of managerial innovations (Damanpour & Aravind, 2012; Le Roy et al., 2013). However, these innovations would involve changes in traditional management practices, thus directly affecting the work of managers (Hamel, 2006). That's why SMEs' managers play a pivotal role in the decision of trusting external consultants.

Otherwise, the literature highlights a low efficiency of support providers due to the specificities of SMEs which would need more adaptive consulting services. For example, by analysing the support services offered by the United Kingdom government, Curran (2000) criticised the "*ignorance*" (word used originally by the author) about the heterogeneity of SMEs. On the one hand, the heterogeneity of SMEs—or "typological diversity", according to Nicolescu (2009)—implies a support service more adapted to a particular SME, as each one has an organisational system that is very different from the others'. As North et al. (2001: 305) argued, "*the distinctiveness of SMEs affects their support needs and how such support is delivered if it is to be effective*". On the other hand, the services offered need to be standardised and to have a clear pricing policy (Curran, 2000). This difference in SMEs' heterogeneity and the standardisation of the support services do not show to SMEs how such services will meet their needs (Curran, 2000). A real adaptation is needed to raise the interest of managers and, thus, encourage their investment in such services.

The heterogeneity of SMEs leads to the unwillingness to contract external support services, as owner–managers believe that their business is unique and, thus, they are sceptical about the capacity of external support providers to provide efficient advice (Dalley & Hamilton, 2000; Mughan et al. 2004). Mole (2002: 142) focused on the adverse selection and explained that the owner–managers are reluctant because they cannot assess the competences of the support provider and, thus, do not trust them. Otherwise, Mole (2002) found that the experience of the advisor is positively related to the trust accorded by the owner–manager.

Again, one reason why support providers fail to meet the demand from SMEs can be the standardisation of the supply. The literature (Mole, 2002; Boter & Lundstrom, 2005) suggests an adaptation of the support to face this problem. But again, the heterogeneity of SMEs is a limitation of the adaptation of support, as each SME works differently, and managers perceive their firm as being unique. Berry et al. (2006: 35) referred to the work of Chaston et al. (1999), stating that SMEs should implement a process to allow organisational learning and, thus, a better use of advice.

Taking into account the specificities of SMEs at a general level, one can raise the question of the specificities of SMEs as the real limit in the support services market. Indeed, SMEs have a specific status that leads to the need of specific theory and adapted support to meet their requirements (Torres & Plane, 1998; Gibb, 2000). Nonetheless, following the results of our survey, other arguments could be raised and, in particular, the contradiction between the flexibility of the SMEs and the brake in responding to the actual evolving economic context completed by the persistence of an attitude at maintaining autonomy and independence.

Our analysis revealed that limited financial resources and an autonomy propensity are among the most important reasons discouraging SMEs from using external support. SMEs face difficulties in trusting support providers because of the fear of radical changes within the company. Nonetheless, SMEs recognise the need for external support and past experiences of companies that were involved with support providers provided a satisfactory result. On the one hand, the SMEs' awareness of the need for consultancy services has been reflected in a demand for "specialisation": the most preferred sources of support services have been identified in private entities specialised in the company's sector or in the consultancy domain required, as well as in public entities or independent consultants engaged in a long-lasting relationship (cf. Cluster 1 and Cluster 2). On the other hand, there is also still reluctance at looking for external consultancy because of financial constraints and/or an independent attitude (cf. Cluster 3).

As a consequence, the experience and expertise of support providers and the trust relationship (Ramsden & Bennett, 2005; Viljamaa, 2011) built on a long-term basis with the manager of the SME make the real difference. These results could appear a predicable outcome at first sight, but it really is not so. Following the information and communication technologies (ICTs) revolution and the rapid changes appearing in the Internet economy, one could expect to see new attitudes coming from flexible structures like SMEs. Actually, SMEs still prefer to deal with physical persons, and they are not willing to trust digital solutions: surprisingly, web platforms turned out to be one of the least preferred sources of consultancy services. Yet, in the 1990s, Lauder et al. (1994: 9) highlighted that "*irrespective of country, SMEs face common problems which impair both their performance and survival rate. Typically, these problems are: lack of managerial competence, under-capitalization, disadvantages of scale and failure to update market knowledge or adapt to new technologies*". Today, notwithstanding the Internet revolution and the diffusion of ICTs, we can highlight the persistence of what North et al. (2001: 309), talking about the use of external finance, defined as the "*conservative attitudes of many SME owners and managers*". This creates a sort of paradoxical situation. On the one hand, SMEs are more flexible and more able to adapt to changes compared to large firms, and, as a consequence, they demand personalised solutions. On the other hand, SMEs seem to maintain an organisational inertia (Hannan & Freeman, 1977, 1984, 1989; Hannan et al., 2004; Hannan, 2005) given their resistance to adopt innovative solutions offered by the ICTs, such as the use of web-based platforms for external support services.

Furthermore, the results of our survey revealed the refusal of standardised services and the great importance played by *ad hoc* solutions: this means that, like in most of the sectors of the digital economy, creativity and originality will make the difference in the near future (Benghozi & Salvador, 2015). Creative thinking is pivotal to (management) innovation (Hamel, 2006). Therefore, service providers, notwithstanding their level of education, will have more chances to convince and be trusted by SME managers if they will be able to provide unique and original solutions that will help SMEs in assuring their autonomous differentiation compared to competitors.

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ANNEX A

Figure 3: SPSS output of the two-step cluster analysis

Model Summary

Algorithm	TwoStep
Inputs	18
Clusters	3

Cluster Quality

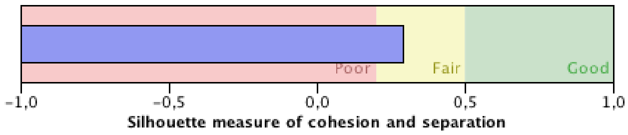

Table 4: Clustering variables used for the cluster analysis

	Variable name	Meaning	Type of variable
1	***Need_MeanValue***	The mean value of needs for each of the seven domains (finance & accounting, organisation & management, marketing & communication, IT, strategy, business development, human resources & recruitment), (5-point Likert scale)	Continuous
2a	***BINCom_DomainSpecial***[13]	A private entity specialised in business development is one of the most preferred (1) or not (0) for support	Binary
2b	***BINCom_SectorSpecial***	A private entity specialised in the sector of activity is one of the most preferred (1) or not (0) for support in business development	Binary
2c	***BINCom_IndependentLT***	An independent consultant accompanying the SME on a long-term basis is one of the most preferred (1) or not (0) for support in business development.	Binary
2d	***BINCom_Public***	Support services directly offered by the CCI or other public	Binary

[13] A question asked to rank by order of preference seven different kinds of sources of support or institutions. Thus, the respondents attributed to each of the seven suggestions a position from 1 to 7 (1 being the most preferred and 7 the least preferred). The question was asked twice (for support in business development and in organisation & management). The descriptive analysis of the questionnaire resulted, for both the cases, in four most preferred institutions: an institution specialised in the sector of activity of the respondent, an institution specialised in the consultancy domain provided, an independent consultant providing services on a long-term basis, and a public entity. The difference in mean positions for these four institutions and the three others was significant; thus, we decided to keep only these four most preferred institutions and to transform them into binary variables.

		entities is one of the most preferred (1) or not (0) for support in business development	
2e	***BINMana_DomainSpecial***	A private entity specialised in organisation & management is one of the most preferred (1) or not (0) for support	Binary
2f	***BINMana_SectorSpecial***	A private entity specialised in the sector of activity is one of the most preferred (1) or not (0) for organisation & management	Binary
2g	***BINMana_IndependentLT***	An independent consultant accompanying the SME on a long-term basis is one of the most preferred (1) or not (0) for support in organisation & management	Binary
2h	***BINMana_Public***	Support services directly offered by the CCI or other public entities is one of the most preferred (1) or not (0) for support in organisation & management	Binary
3a	***BINReason_NoFinancial***[14]	The reason "the company does not have the financial resources to contract (any/more) services" is true (1) or not (0) for not contracting more support services	Binary
3b	***BINReason_NoTime***	The reason "I do not have time to request external support services" is true (1) or not (0) for not contracting more support services	Binary
3c	***BINReason_InternalResources***	The reason "I prefer using/want to use exclusively the internal resources of the company" is true (1) or not (0) for not contracting more support services	Binary
3d	***BINReason_Distrust***	The reason "I do not trust (anymore) and am suspicious of external consultants" is true (1) or not (0) for not contracting more support services	Binary
4a	***BINFactor_Price***[15]	The service's price is important when choosing a specific support provider (1) or not (0)	Binary
4b	***BINFactor_TimeInvolvement***	The factor "the time that the consultant commits himself to spend to solve my problem" is important when choosing a specific support provider (1) or not (0)	Binary

[14] Another question asked the respondents at which level they agreed with potential reasons for not using additional support services. The reasons were suggested directly in the questionnaire and were based on the main findings of the literature review. The respondents had to evaluate their agreement on a 5-point Likert scale (1= strongly disagree, 2=somewhat disagree, 3=neutral, 4=somewhat agree, and 5=strongly agree). We retained for the cluster analysis the following reasons: the limited financial resources, the lack of time of the manager, his distrust of consultants, and his willingness to use internal resources. Here again, the variables have been transformed into binary variables.

[15] The final part of the questionnaire concerned the potential factors influencing the respondent in his choice of a specific consultant. The question was based on a 5-point Likert scale from 1 for "not important at all" to 5 for "strongly important". The factors selected for the clustering analysis were related to the price, the time involvement, the relationship and trust, the understanding time, and the academic level of the consultant. Furthermore, the variables of the questionnaire have been transformed into binary clustering variables: 1 means that the importance is high, while 0 means that it is not at all important.

4c	***BINFactor_Relationship***	The factor "the relationship and the feeling that you have with the consultant in terms of trust" is important when choosing a specific support provider (1) or not (0)	Binary
4d	***BINFactor_AcademicLevel***	The academic level of the consultant is important when choosing a specific support provider (1) or not (0)	Binary
4e	***BINFactor_UnderstandingTime***	The time that the consultant spends to understand the problems of the company, even before signing the contract, is important when choosing a specific support provider (1) or not (0)	Binary