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ALBANIAN ENTERPRISE DEVELOPMENT & EXPORT MARKET SERVICES

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# **SURVEY OF BUSINESS SERVICE PROVIDERS (BSPs) IN ALBANIA\***

**EDEM/USAID  
May 2004**

**\* The complete survey is available at EDEM office.  
Please call +355 4 378 190**

## EXECUTIVE SUMMARY

The SME sector has led the economic recovery in many Eastern European countries. However, Albania has been slow to develop its SME sector and, as a result, economic recovery has lagged. There are a number of critical factors for the slow development of SMEs in Albania, chief among them are limited foreign investment, a difficult business environment, and undeveloped business skills. The objective of this survey is to identify a variety of local resources that an SME developer can use to help him/her overcome these obstacles.

Small business mortality is very high during the first and second year of its operations. This is the period when SME owners must fully apply their entrepreneurial and managerial capabilities to make their businesses competitive and profitable. It is also a period of maximum learning. The basic skills acquired during the business start-up phase and the simple business systems installed at the time of creation are not sufficient to ensure the continued growth and success of the business. There is a need to improve the various systems (marketing, production, finance, personnel, and so on), as well as product quality and business productivity.

The enterprise growth stage may involve any or all of the following: increase in size in terms of volume of business and employment; increased diversity of product types and product lines; expansion into new markets, both domestic and foreign; adoption of new processes; and more sophisticated technology. Correspondingly, new and better management systems must be installed, responsibilities and decision making needs to be delegated, specific areas of specialization become required, and the SME owner generally needs to focus more heavily on strategic matters.

As a business grows, the entrepreneur and the business employees must increase their competency and sophistication in all phases of business management and the associated managerial functions of marketing, finance, production, human resources, and other key functional areas. Training through short courses as well as advice from competent consultants can help build the needed capacity of a business' managerial talent pool.

During its growth and expansion phases, SME owners/managers need to improve their analytical skills regarding the strong and weak points of their enterprise as well develop a thorough understanding of the threats and opportunities posed by and in the business environment. It is essential to develop capabilities related to strategic corporate planning in order to contribute to the growth and success of the business. Interventions aimed at developing the advanced managerial skills required by the modern businesses such as facilitating, negotiating, team building, and networking are also a very significant element of business growth.

The question is "Where can a new or developing business find assistance in helping it to address and overcome these issues associated with a growing

concern?" One very good resource is the Albanian business service provider (BSP) community.

The universe of local BSPs is continuing to grow in terms of the number of firms offering consulting and training services, and in terms of the services offered. Most Albanian business service providers offer basic training courses and business plan preparation and have expressed an interest in developing more sophisticated business consultancy services. As their level of service expands, their ability to support the Albanian SME business community's efforts to grow and thrive in the competitive domestic and international marketplaces will increase in significance.

EDEM conducted this survey to determine the status of services available in the Albanian SME market. The result is a directory that is available to interested SMEs.



EDEM would like to thank the directors and managers of NGOs, private businesses, international consulting companies, individual consultants, the Institute of Authorized Accounting Experts, SEED Albania, and the Director of NCCRDA (National Coordination Centre of Regional Development Agencies) for their input, ideas and cooperation in completing this study.

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## **1. Introduction and Methodology**

The objective of this survey is to provide entrepreneurs with an overview of Business Service Providers that can assist SMEs and identify existing consultant and training resources.

The information contained in this report will be reviewed and updated on a regular basis.

### **Methodology**

A questionnaire was designed to collect the information. The questionnaire was delivered to the organizations via e-mail or direct contact. A meeting was then scheduled with interested organizations and businesses to clarify the information.

Overall, the questionnaire was delivered to the following organizations:

- 15 NGOs currently consulting with SMEs,
  - 9 responded;
- 8 private businesses,
  - 6 answered;
- 25 individual consultants,
  - 6 completed the survey;
- 2 international consulting companies;
- Institute of Authorized Accounting Experts; and
- General Attorney's Chamber and Public Notary Head Office.

Those who completed the questionnaire indicated a strong interest to cooperate with EDEM cluster members.

## **2. Overview of the SME sector and BSP Landscape**

During the early to mid 1990s, following the closure of most of the large state-owned companies, Albania's unemployment rose sharply. Since then, the privatisation process and the initiative of individuals have helped to slowly increase employment opportunities. A considerable number of new private enterprises have emerged, in the form of both start-ups and privatisation of former state-owned factories.

Today, private companies are predominantly micro, small and medium in size rather than large-scale companies. In order to improve their chances of success, several past and current donor programs have offered assistance to train managers and promote the development of the businesses. Much progress has been made, but SMEs continue to need external assistance to support their development and growth. Some of that assistance can be provided by the local BSP community, some of whom are listed below.

### **2.1.1 NGOs**

Of the NGOs contacted, nine provided the following information:

- Target markets: private businesses, public administration, and other non-profit organizations.
- Most requested services: business plan preparation, market research, and other basic skills.
- The majority of the NGOs are working with donor projects, indicating they have had some training in business consulting and tend to focus on the private sector. Many of these BSPs have had exposure to the types of services required for operating in international markets.
- Some of the services are financed from donor projects, such as training and some limited consulting services. The NGOs are often paid for their services by a combination of support from donors and fees charged to their business clients.
- The most likely services to be paid by the businesses are market research, business plan preparation, accounting and auditing services and specific training courses such as selling techniques and accounting.

Exposure to the international style of business services delivery often results in 'front-loading' training programs, aiming to impart the maximum possible knowledge and skills needed to operate a business prior to the start-up.

### **2.1.2 Private Businesses**

Six private businesses working in SME consulting and training responded, providing the following information:

- Target markets: existing businesses as well as Albanian and foreign companies who want to invest in Albania;
- Services delivered: consultancy services in market research, business plan preparation, audit services, and training, such as human resource development, management, marketing, etc.; and
- Most requested services: business plan preparation, accounting, and marketing.

### **2.1.3 Individual Consultants**

A database was created of individual consultants specializing in particular industries such as tourism, wine, wood production, herbs and spices, information technology, management information systems, and web design. Each consultant responding has education and expertise in their particular field.

### **2.1.4 International Companies**

Two international consulting companies were contacted. They offer a wide spectrum of consulting services targeted towards multinational companies, international agencies, and local enterprises of varying capacities and business orientation. Their focus however is geared more toward larger companies, rather than small and medium ones.

## ***3. Training Services Needs***

### **Observations Regarding SME Training Needs and BSPs**

Training measures must be tailored to the learning needs and learning capacity of the SMEs. In addition to standard short courses covering functional areas such as general management, marketing and sales, financial management and production management, training measures must be provided to address the needs for on-going collection of information, problem solving, negotiating and other concerns specific to the industry sector in which the SME is operating.

The need exists to have a complete and reliable team of Albanian trainers. For this reason, a training of the trainers (TOT) course for SMEs should be considered as an effective means of developing enhanced training services offered by business service providers.

All the businesses and organizations visited expressed their interest in providing business services to those cluster members participating in the EDEM project. Encouragingly, almost all agreed that they lack the capability to offer complete trainings as a single BSP; at the same time, they recognize the need, and are willing to collaborate with other specialized organizations in order to provide a complete training/consultancy package to SMEs.

To support the development of the BSP industry, the SME Promotion Agency, affiliated with the Ministry of Economy, is initiating a program to strengthen the BSP community in order to expand the variety and level of services offered. This effort will help build a pool of trainers for specific business courses.

Training or consulting services needed most – and that require competent BSP delivery – are as follows:

- Corporate management;
- Financial management and accounting;
- Use of Information Technology (IT);
- Human resource management;
- Selling techniques and art of negotiations;
- International trade rules;
- Customized training;
- Hygiene, standards and codification of products;
- Procurement and regulatory system; and
- Marketing of export-oriented products such as: wood, agriculture, herbs & spices, carpets and so on.

#### **4. *Conclusions and Recommendations***

Promoting entrepreneurship at regional and local levels is a key goal of all those participating in this survey. There is also a role for regional and local authorities in terms of SME support policies. Practical measures with potential include: promotion of linkages between large and small enterprises, increased access to public procurement contracts, business incubators, public–private partnerships and social dialogue, cross–border co–operation (for example in specialty tourism).

The SME sector will be the bridge connecting Albania with Europe and the international market. Important donors have clear and committed plans to assist this sector in developing towards international standards. The development institutions should be capable of reacting quickly and professionally in response to the local and the national needs of SMEs, supporting entrepreneurship, their growth and competitiveness in international markets.

## ANNEX 1: LIST OF NGO-s WORKING IN ALBANIA

Nr.	Name of the company	Location	Contact Person	Position	Tel/Fax	E-mail	Website
1	Centre for Rural Studies&Sustainable Development	Rr. Haxhi Sina, Nr.4 Tirana	Shkelzen Marku, Adrian Civici		269915	adrian@albmail.com; marku@albaniaonline.net	
2	ISB/ACIT	Rr. Vaso Pasha, Nr.7 Tirana	Artan Hoxha	Executive Director	251010	<a href="mailto:ahoxha@isb-al.org">ahoxha@isb-al.org</a>	<a href="http://www.ics-al.org">www.ics-al.org</a>
3	ASET	Tirana Business Center, Blvd. "Zogu I", Tirane	Fatmir Mema	President	258171	<a href="mailto:ief@albaniaonline.net">ief@albaniaonline.net</a>	
4	ANTTARC	Rr. Reshit Collaku, Pall Bora, Sh.1, Ap.16	Edmond Spaho	Executive Director	247603/247604	<a href="mailto:edcenter@icc.al.eu.org">edcenter@icc.al.eu.org</a>	
5	RDA	Rr. Ismail Qemali. P.34/1, Ap.3/1	Ilir Rembeci	Executive Director	254603/235704	<a href="mailto:ilirrda@albaniaonline.net">ilirrda@albaniaonline.net</a>	<a href="http://www.rdaalbaniaonline.net">www.rdaalbaniaonline.net</a>
6	ADAMA	Rr. Brigada VIII, Pall.11, Shk.1, Ap.15, Tirane	Irma Konomi	Executive Director	252732	<a href="mailto:adama@albmail.com">adama@albmail.com</a>	
7	Small Business Foundation	Rr. Mehmet Brocaj 10/1, KP 1401 Tirana	Ida Kostaj	Project Coordinator	230983/234892	<a href="mailto:fbv@albmail.com">fbv@albmail.com</a>	<a href="http://www.fbv.org.al">www.fbv.org.al</a>
8	Albanian Institute of Quality	Rr. Myslym Shyri, Pall 47, Shkalla 2, Ap.31 Tirane	Renata Kongoli	Executive Director	682148783	<a href="mailto:albanzusi@yahoo.com">albanzusi@yahoo.com</a>	
9	CIVET	Rr. BogdaniP.7, 4B Tirane	Edlira Muedini	Executive Director	227615, 240874	<a href="mailto:edliram@icc-al.org">edliram@icc-al.org</a>	<a href="http://www.civet2000.com">www.civet2000.com</a>
10	CRD	Tirane	Albert Gajo	Executive Director	230445	<a href="mailto:info@qkzh.org">info@qkzh.org</a>	<a href="http://www.qkzh.org">www.qkzh.org</a>
11	ETC	P.O. Box 4348 Posta Vlore	Arta Musaraj	General Coordinator	3323479	<a href="mailto:etc_vlore_albania@hotmail.com">etc_vlore_albania@hotmail.com</a>	<a href="http://www.etc-vlore-albania.tk">www.etc-vlore-albania.tk</a>
12	Institute for Sustainable Development of Tourism	Tirane	Alban Zusi	Executive Director	692032453	<a href="mailto:albanzusi@yahoo.com">albanzusi@yahoo.com</a>	

## ANNEX 2: LIST OF PRIVATE BUSINESSES WORKING IN ALBANIA

Nr.	Name of the company	Location	Contact Person	Position	Tel/Fax	E-mail	Website
1	DPA Consulting	Tirana	Enton Coka		253288	<a href="mailto:dpa@albic.net">dpa@albic.net</a>	
2	IT.AL.CONSULT	Rr. Ymer Kurti, P.2, Sh.3, Nr.3	Sotiraq Dhamo	Manager	268102	<a href="mailto:dhamosp@yahoo.com">dhamosp@yahoo.com</a>	
3	PMK Consulting	Tirana	Pavli Kisi	Executive Director	6.92E+08	<a href="mailto:pkissi@yahoo.com">pkissi@yahoo.com</a>	
4	EFC Albania	Blv. Zhan D'Ark, P.Tirana 2000, Tirana	Ilir Burimi	Executive Director	272837	<a href="mailto:info@efcalbania.com">info@efcalbania.com</a>	<a href="http://www.efcalbania.com">www.efcalbania.com</a>
5	John Keynes Auditing&Training	Rr. Sami Frasheri, Pall 20/5 Tirana	Bujar Bendo	Executive Director	6.92E+08	<a href="mailto:bendoeka@yahoo.com">bendoeka@yahoo.com</a>	
6	Gauss Future Finance	Tirane	Filloreta Prifti	Executive Director	6.93E+08	<a href="mailto:filloretap@yahoo.com">filloretap@yahoo.com</a>	

## ANNEX 3: LIST OF INDIVIDUAL CONSULTANT

Nr.	Name	Surname	Adress	Tel/Fax	Mobile	E-mail	Web	Industry Expertise	Professional Areas of Interest
1	Enton	Coka	Rr. Ylbere Bylykbashi, Pall13, Ap54	253288/253352	692575184	<a href="mailto:webmaster@albic.net">webmaster@albic.net</a>	<a href="http://www.albic.net">www.albic.net</a>	Information Technology (IT), Web Design, Computer Networking, Management Information Systems, Market Research & Statistics	Consulting practice, E-learning, Training Basics
2	Enno	Bozdo	Rr.Ali Demi, Pall 167, Shk.2, Ap.20	369662	692093518	<a href="mailto:ebozdo@yahoo.com">ebozdo@yahoo.com</a>		Textile-Garment Industry, Public Administration Sector	Consulting Practice, Public Sector Management Develop., Organization Develop., Training & Develop., Information & Communication Management
3	Alban	Zusi	Blv.Bajram Curri, Pall 21, Shk.43, Ap.19	241954	692032453	<a href="mailto:albanzusi@yahoo.com">albanzusi@yahoo.com</a>		Quality Management, HR Management, Master in Tourism	Consulting Practice, HR Develop., Business Managem. Develop., Public Sector Manag. Develop., Training Management, Organization Development, Training Basics, Training Development, Quality Management
4	Denalda	Kuzumi	Rr. Ferit Xhajko, Pall.65/3, Ap.14	263448	692425363	<a href="mailto:h9952640@wu-wien.ac.at">h9952640@wu-wien.ac.at</a>		Tourism	Consulting Practice, HR Management, Training Management
5	Eris	Kasmi	Rr. Dervish Hekali, Nr.8 Tirane		0692098235	<a href="mailto:eris_kasmi@hotmail.com">eris_kasmi@hotmail.com</a>		Tourism	HR Management, Business Management, Public Sector Management, Training Management, Public Relation, Communication Skills, Information, Marketing & Promotion, Publicity, English
6	Roland	Lami	Rr. Lord Bajron, Kompleksi Hawai, Pall.2, Ap.2, Kati 3	235704	692210764	<a href="mailto:rolandlami@yahoo.com">rolandlami@yahoo.com</a>		Market Research, Training & Consulting	Consulting Practise, HR Development, Business Management Development, Training Management, Organization Management, Training Basics, Training Development
7	Manjola	Naco	Rr. Ali Demi, Pall 148/1, Shk1, Tirane	363697	682296360	<a href="mailto:manjola_naco@yahoo.com">manjola_naco@yahoo.com</a>		Production & Service Enterprises	Consulting Practices, HR Management, Business Management, Public Sector Management, Financial Management
8	Eduard	Ostrosi	Rr. Ali Demi, Pall 4/1, Shk.2, Ap.22	235977	682057335	<a href="mailto:eddiostrosi@yahoo.com">eddiostrosi@yahoo.com</a>		Tourism, Environment Protection	Consulting Practices, HR Management, Business Management, Training Management, Organization Development, Evaluation - Return on Investment, Training Bases, Training Development

## ANNEX 4: LIST OF INTERNATIONAL COMPANIES WORKING IN ALBANIA

Nr.	Name of the company	Location	Contact Person	Position	Tel/Fax	E-mail	Website
1	Deloitte & Touche	Albania	Rajmonda Simoni	Communication Manager	233883/233883	<a href="mailto:rsimoni@deloittece.com">rsimoni@deloittece.com</a>	<a href="http://www.deloitte.com">www.deloitte.com</a>
2	KPMG	Tirana	Majlinda Hakani	Manag.Assurance Service	235532/3	<a href="mailto:mhakani@kpmg.com.al">mhakani@kpmg.com.al</a>	