



## COMPETITIVE ADVANTAGES IN THE MARKET OF CONSULTING SERVICES: MARKETING ASPECT

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Received 13 July 2021; accepted 27 October 2022

**Abstract.** The article summarizes the arguments and counterarguments about the features of the formation of competitive advantages in the Ukrainian market of services on the example of consulting for the period 2010–2021. According to the results of the analysis and generalization, the author's understanding of the concept of "competitive advantages", the factors of their formation presented. The article describes the interconnection of competitive strategies with the process of forming competitive advantages. The process of economic analysis revealed the immaturity of the consulting market in Ukraine and its institutional vulnerability. The reasons for the instability of demand for consulting services described. The leadership matrix for Ukrainian consulting companies built in accordance with the typology of competitive strategies F. Kotler. The analysis revealed an updated list of competitive advantages of companies that formed under the influence of the Covid-19 pandemic and martial law in Ukraine. It proved that the main advantage of companies is the competence of consultants. Recommendations for the development of consulting companies in Ukraine and strengthening their competitive advantages, taking into account the construction of an effective marketing management system and use the consulting service standard. The research results can be useful for consulting companies wishing to improve their competitiveness and to expand the segment of their services in the market.

**Keywords:** consulting, competitive advantages, competencies, consulting interaction, service, company.

**JEL Classification:** L19, L84, M11, M 31, O30.

### Introduction

The progressive development of the world economy is associated with transformation processes and characterized by the orientation of production towards innovation and high science intensity. Professional consultants of large world-class consulting companies participate in solving problem situations of client companies, provide them with high-quality services, help client companies quickly respond to changes in the external environment and adapt to them. This, on the one hand, increases the level of demand for consulting services, and on the other hand, increases the competitiveness of client enterprises in comparison with competitors.

Consulting in Ukraine also aimed at helping enterprises in solving a number of complex economic and management problems. However, in most cases, the activities of Ukrainian consulting companies not provided with the conditions for the formation of sustainable competitive advantages, but aimed at supporting the existing ones. In

such conditions, the development of aggressive competition in the consulting services market observed, where Ukrainian companies provide one-time consulting services of low quality at high prices, and client enterprises resort to the services of international consulting companies. Therefore, the study of the peculiarities of the formation of the competitive advantages of consulting companies in the service market in Ukraine is relevant.

### 1. Literature review

#### 1.1. Enterprise competitive advantages: marketing aspect

Technologies for the formation of competitive advantages of economic entities at different levels of development of the economic system considered and developed in the works of many foreign and domestic scientists. Analysis of scientific literature on the content of the definition of "competitive advantage of an enterprise" revealed a variety of views of scientists on this issue.

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Most scholars support the point of view of classical economists, including the renowned foreign expert in strategic management and marketing Jean-Jacques Lamben (Lamben, 2008), who defines competitive advantage as a feature or property (attributes) of a product, a brand that gives an enterprise an advantage over direct competitors.

Prominent foreign scientist Porter (2005) proves that competitive advantages are a combination of factors that determine the success or failure of an enterprise in competition, as well as the productivity of its use of resources. It is necessary to agree with this definition, since the productivity of the use of resources, including human resources, depends on the ability of the enterprise to implement an effective personnel management system.

Some researchers, researchers, describe the essence of competitive advantages through characteristics that do not fully reveal the content of this economic category.

Within the framework of the classical concept, Balabanova (2002) defines competitive advantages as the strengths of a company that provide superiority over competitors and are important for the target market. In the same direction, Dolzhansky and Zagorna (2006) characterize the concept of “competitive advantages of an enterprise” as the level of efficient use of all types of resources available to the firm (as well as for future consumption).

According to Fatkhutdinov (2004), competitive advantage is any exceptional value that a system possesses and which gives it an advantage over competitors. However, the author does not disclose the structure of the enterprise value and the nature of its existence in relation to competitors, does not specify the characteristics of the exceptional value. For some Voychak and Kamyshnikov (2005), competitive advantages are understood as characteristics or properties that provide an enterprise with an advantage over direct competitors. However, the authors do not provide a meaningful description of competitive advantages and do not indicate the attributes of properties that can provide competitive leadership.

Bondarenko and Lisovsky (2017) reveal competitive advantage as a relative category, which is inherent in the ability to adapt to changes in a certain level of sustainability and efficiency, together determine the possibilities of successful functioning of an enterprise in a competitive environment. However, the authors do not explain the content of the category that determines the competitive advantage, and do not give the forms of its manifestation.

In the works of other scientists, the concept of “competitive advantages” is described through economic characteristics, measured by financial indicators (quantitative), and such indicators (qualitative), which demonstrate the results of the enterprise in functional areas. Thus, researchers Elin (2012) and Levitska (2012) interpret competitive advantages as a factor (or a set of factors) that directly or indirectly determines a stable or growing choice of market participants in favor of a company, allows obtain a certain economic effect, increases or stabilizes profits.

A similar view, noted by Azoev and Chelenkov (2000), presents competitive advantages as a manifestation of superiority over competitors in the economic, technical and organizational areas of an enterprise, can be measured by economic indicators (additional income, higher profitability, market share, sales volume). Gudz (2013), Teslyuk (2005) notes that competitive advantages are such characteristics of an enterprise’s activities, qualitative or quantitative indicators of its position in the market, which ultimately provide the enterprise with incomes exceeding the industry average, as well as the corresponding indicators of competitors.

Despite the different points of view on the formation of the concept of “competitive advantage” by the model of their management, these studies remain relevant, especially in the global transformation of the economies of many countries with the active introduction of information technologies.

In this regard, Fedorchenko (2013) proposed a marketing aspect about the features of creating competitive advantages of the enterprise in the face of uncertainty. From the point of view of Fedorchenko, not only issues of managing internal business processes of the enterprise focused on the effective use of its limited resources, but also in the matter of its external orientation on the development of new opportunities as a means of obtaining competitive advantages in the conditions of market uncertainty remains relevant. This fact is aggravated by a factor that technological innovations, the space for the development of which is significantly reduced. Thus, at the present stage, the introduction of information technology no longer gives such stable advantages as before. Instead, the foundations of the new model of the information economy gradually formed, where information and knowledge are the most valuable resources. At the level of a separate enterprise, from the point of view of marketing, such information is information about the trends of changes and the predictable path of developing the main parameters of the market. Therefore, the question of the formation of competitive advantages is the plane of modern management and marketing as an integral part. It is so, the level of entry of marketing into management activities today is an indicator of a client-oriented business.

## 1.2. Theory of development consulting in the literature review

The consulting industry has its roots in the late 19th century, when the world’s first modern consulting firms founded. MIT chemist Arthur Dehon Little credited with being the founder of the first manufacturing management consulting company. In 1886, he and his colleague Roger B. Griffin founded a consulting company, Arthur D. Little, Inc., which flourished as an independent company for over a century. In 2002, it became part of the Parisian consulting firm Altran (Science History Institute, 2017).

A new field of management consulting emerged in American universities over a century ago to support the

commercial world struggling with the unprecedented growth of the industrial revolution. So James O. McKinsey (SeoSolution, 2016), a professor at the University of Chicago, founded McKinsey and Company in 1926, which entered the history books as the world's first "clean" management consulting company. This consulting company still occupies a leading position in global consulting and it is almost impossible to find an equivalent competitor for it.

The growing role of management consulting in the global economy is associated with the extraordinary complication of the conditions for making management decisions as a result, of increased uncertainty in the business environment and increased asymmetry of information. A significant contribution to the study of modern consulting, its theoretical, methodological and practical aspects was made by well-known foreign researchers such as: Shane (1969), Greiner and Metzger (1983), Yuksvyarav (Yuksvyarav et al., 1988), Clark (1995), Kipping (1999), Aleshnikova (2000), Kubr (2002), Marinko (2005), MacDonald (2006), Block (2007), O'Mahony (2010), Blinov (Blinov & Dresvyannikov, 2013) and others. Scientists presented the conceptual foundations of management consulting, identified the features of functioning and development, identified the weaknesses of management consulting and its impact on the economic development of client enterprises, proposed promising areas of external and internal consulting, taking into account the professionalism of the consultants.

Ukrainian scientists Trofimova (2002), Verba (2012), Reshetnyak (Verba & Reshetnyak, 2000), presented the format of research of management consulting on the Ukrainian service market. By them substantiated the methodological, organizational and economic aspects of interaction between consulting companies in the process of serving the company's clients, formed the conceptual apparatus of consulting and the types of its services.

Other Ukrainian scientists described either general issues of the consulting services market in Ukraine (S. V. Kozachenko, V. E. Novitsky, O. S. Dovgy) or certain areas of consulting such as: implementation of a consulting project (Rybakova, 2010), formation and implementation of consulting support for enterprises (Davidenko, 2006), behavior of subjects consulting services market: goals and principles (O. A. Marchenko) and more.

The study by Yevtushenko (2019) presents the organizational and economic mechanism of internal and external consulting interaction. The necessity of introducing the concept of "consulting interaction" into the consulting process is substantiated which is considered as a professional communicative process between subjects of economic relations in the communicative space regarding the solution of problem situations of enterprises-customers of consulting services in accordance with increasing their potential in the field of management, functioning and development. Under such conditions, consulting is a process agreed with the customer to create intellectual products by professional consultants with their subsequent implementation in the customer's activities.

In the course of the studies obtained, it found that today the most important problem for Ukrainian consulting companies is the problem of their survival in the service market, where international consulting companies occupy the leading positions. We believe that one of the main directions for solving this problem is the study of theoretical and methodological aspects of the formation of competitive advantages of consulting companies, as well as the development of practical recommendations for their formation, which confirms the relevance of this study.

The purpose of the article is to study the theoretical and methodological aspects of the formation of a company's competitive advantages, to develop, on this basis, practical recommendations for the formation of competitive advantages on the example of consulting companies in the Ukrainian service market, taking into account their functioning and development trends.

## 2. Methodology and research methods

The analysis of the economic category "competitive advantage of the company" indicates the ambiguity of scientists' views on the content of this concept. We propose the concept of "competitive advantage" to define as a system of factors that will help a company to occupy. Maintain the best in comparison with other company's competitive positions in the market in accordance with the characteristics of the organization of competitive behavior, which together will ensure the successful functioning of the company in the long term.

Proposed to understand the system of factors of the company as any sources or unique values that give it advantages over competitors and opportunities to attract potential customers and retain regular customers. In economics, there are three directions, according to which, in modern conditions, the competitive advantages of any company formed:

1. Institutional (the source of competitive advantage is the integration of an enterprise into the business environment, its information field and the system of industry and market relations).
2. Market (the specifics of the industry, the type and scale of competition, the behavior of the enterprise itself in the market).
3. Resource (combination of enterprise resources, both tangible and intangible, and their management system).

Halimon (2017) highlights the modern world experience of the successful functioning of well-known corporations that have achieved a competitive advantage through the active use of a number of innovative methods of transforming their business (Lean production, 6σ, 4Re, BPR) as sources of competitiveness advantages. Measures to ensure the competitive advantage of an enterprise to achieve the required level of its competitiveness can be: formation of a stream of value creation; wide assimilation of innovations; customer focus; development of innovative communications for clients; synchronization of technological and management processes.

Vasilenko and Tkachenko (2004) note that the most typical factors for creating competitive advantages are: new technologies; changes in the structure and cost of individual elements of the technological chain of production and sale of goods; new consumer demands; the emergence of a new market segment; changing the rules of the game in the market. Shekhovtsova notes such factors of competitive advantages as (Shekhovtseva, 2001): factors of production (natural resources, favorable conditions for the production of goods, skilled labor); effective investment in education, technology, licenses; creation of new types of products, production processes and other innovations; using the created wealth to ensure economic growth.

We believe that the main means of achieving competitive advantages of consulting companies are competitive strategies. They based and implemented on approaches related to management and strengthening the company's long-term competitive position in the services market. Well-known foreign scientists Hamel and Prahalad (2002) note that the formation of a competitive strategy is to create a future competitive advantage faster than competitors copy what they use today. In the works of J.-J. Lamben, M. Porter emphasized the presence of a systemic connection between the components of market-oriented enterprise management and competitive strategies, which substantiates the organizational and economic principles of the development of business structures and their competitors in accordance with the industry format.

We believe that competitive strategies implement the tasks that outlined by the company's management in the corporate and business strategies, which will be reflected in the company's activities at the functional and operational levels. In these circumstances, the competitive strategy includes the process of forming competitive advantages, the strategy of ensuring the competitive position of the enterprise in accordance with the set strategic goals and objectives, and the strategy of competitive behavior in accordance with a set of interrelated measures of competitive struggle.

In the process of ensuring competitive strategies, enterprise managers must clearly identify all types of activities that will allow the enterprise to make better use of available resources, for example, through the introduction of technologies that have more advanced modernization, employee motivation or effective enterprise management, among the existing strategic alternatives.

Scientists have proposed different options for using competitive strategies for specific areas. So in the works of Porter (2005) universal competitive strategies (leadership in terms of costs, differentiation, focusing) are presented.

Japanese analyst and consultant Ohmae (2007) created his own classification of competitive strategies, which divided into success factors: relative advantages; aggressive initiative; strategic level of freedom. Within the framework of this model, he identifies the key factors of the company's success in the so-called "strategic triangle" ("Corporation", "Client", "Competitors"). Unlike

M. Porter's classification, K. Ohmae's classification aimed at finding new opportunities.

Interesting is the research by Kim and Mauborgne (2005) "Competitive strategies of the blue and red ocean", the main goal of which is to provide leadership among other players on the chosen field of competitive battle. The market universe Chiang Kim and G. Mauborgne propose to consider two oceans – red and blue. The "Red Ocean" symbolizes the now well-known industries, the boundaries of which defined, and the rules of the game known to everyone. Blue Ocean is a pristine marketplace that offers unlimited growth and high profits. These are still non-existent industries, where competition does not threaten anyone, since the rules of the game have yet to formulate.

Kotler (Kotler & Keller, 2012) based on the assessment of the market share owned by the organization; four strategies of competition identified:

1. "Leader" of the market. It occupies a leading position; it is natural for him to strive to expand sales. The leader can also adhere to a defense strategy (protect his own market destiny) by creating high barriers to market entry.
2. "Challenger" (Leadership Contender) challenges competitors and seeks to occupy a place of the leader himself. He can organize a frontal (who is stronger) or flank (attack on weak sides) attack. Usually the bidder provides price advantages. Provocations are possible in order to identify the "pain threshold" and weaknesses.
3. "Follower" (Following the leader) sees advantages in "peaceful coexistence" with the market leader. He works in those segments where he can better use his opportunities and advantages of small business.
4. "Nishevnik" (Specialist) strives to become "the biggest fish in a small river" and associates its future with the strategy of specialization.

The practical aspects of the formation of competitive advantages, taking into account competitive strategies, proposed on the example of companies that provide consulting services in Ukraine.

### 3. Case studies

In Ukraine, researchers attempted to segment the consulting services market according to various criteria: industry affiliation of customer enterprises, by the functional purpose of consulting services, by the territorial location of consulting companies, by the size of consulting companies, and the like.

Despite a sufficient number of proposals for segmenting and evaluating the consulting services market, it is still difficult to estimate the size of the consulting services market in Ukraine using statistical data, since its data during the period under review change, as does the name of the types of services that classified as consulting. In this regard, Yevtushenko (2019) assess the degree of maturity of the domestic consulting market according to the State



Statistics Service of Ukraine within the code of the type of economic activity (KVED) M “Professional scientific and technical activity”. Let us analyze the dynamics of the volume of realized consulting services in Ukraine (Figure 1).

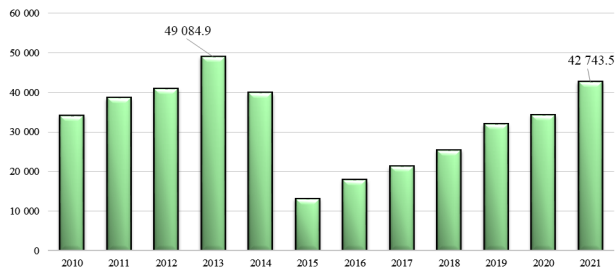


Figure 1. Dynamics of the volumes of sold services of consulting companies in Ukraine (2010–2021), mln. UAH (source: built by authors based on State Statistics Service of Ukraine, 2010–2021)

According to the data presented in Figure 1, it found that the periods of difficulties in the service market reflect the results of economic and political stability in Ukraine. Thus, a high demand for consulting services for the period 2010–2021 was recorded in 2013 – 49084,9 million UAH and the lowest – in 2015, when the volume of sold consulting services fell by 35,959,2 million UAH and amounted at the end of 2015 to 13,125.7 million UAH. In the period 2015–2019, the demand for consulting services increased by 18863.3 million UAH. However, in 2020–2021, during the global COVID-19 pandemic, the demand for consulting services in Ukraine increased. Thus, in 2021, the demand for consulting services increased by UAH 8,385.9 million UAH compared to 2020 and by 10,754.5 million UAH compared to 2019.

Checking the forecast development of the consulting services market shows that in the short term, a positive stabilization of external economic and political factors gives the results of the development trends of the Ukrainian consulting industry (Figure 2).

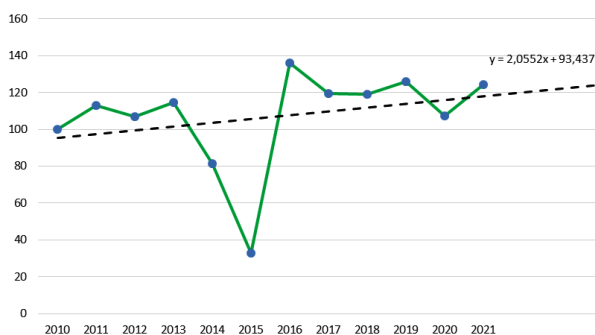


Figure 2. Growth rates of the consulting market in Ukraine (2010–2021), % (source: built by authors based on State Statistics Service of Ukraine, 2010–2021)

Consulting in Ukraine, as in other countries of the world, was not immune to the economic consequences of the global crisis of COVID-19, the size of its market

decreased in 2021 by 1.5% compared to 2019, but according to 2020, the market size increased by 17%. According to research, the global consulting market during the pandemic also decreased by 8% in 2020 (IBISWorld, 2021). Despite its immaturity, the position in which the Ukrainian consulting market found itself at the end of 2020 showed the role of management consultants responsible for leading companies in overcoming disruptions. Consulting is now becoming a more important service than ever before, especially in the area of IT-consulting.

The economic analysis of the consulting market in Ukraine revealed its immaturity and instability in relation to the global consulting market. The reasons influencing the development of the consulting market in Ukraine and the demand for consulting services include (Yevtushenko, 2019):

- difficult macroeconomic situation, aggravated by the political and socio-economic crisis, as well as military operations in the east of the country;
- low level of solvency of customers of consulting services;
- insufficient popularization of consulting services and insignificant demand for them;
- lack of legislative acts on the regulation of consulting activities;
- lack of methodological support for service quality criteria and assessment of the usefulness of consulting;
- distrust of consulting companies due to limited data on the effectiveness of their activities;
- low percentage of guarantees of specific results and a positive effect of counseling;
- lack of experience of enterprises in working with professional consultants;
- failure to fully comply with the confidentiality conditions by the consultants.

#### 4. Research results

According to the expert assessment of the company “Clutch” for the period of 2020, Top 15 companies from 102 Ukrainian companies identified, whose services are in demand. The following indicators used as an assessment criterion (Clutch, 2021):

- 1) Customer reviews.
- 2) Clients and experience of the company (took into account the type and quality of clients with whom the company works, cases that demonstrated the company’s experience in different areas: projects, services, industries.
- 3) Market presence and awards:
  - Marketing efforts: “How clearly and professionally the company is presented on the Internet”
  - Reputation: “Does the company have a solid reputation in its industry?”
  - Geographic presence: “Where is the company located?”

- Awards: “Has the company received any awards?”
- Social media presence: “Does the company have a social media presence?”
- Leadership: “Is the company demonstrating efforts to innovate in its industry?”

The selected experts in the process of evaluating the Top 15 consulting companies in Ukraine for 2020 shown in Table 1.

Table 1. Top 15 Consulting Firms in Ukraine 2020 (source: built by the authors based on data (Clutch, 2021)

Ukrainian companies	Reviews	Clients & Experience	Market Presence	Location
1 Reprzent	16.3	8.8	7	Kiev
2 Rozdoum	16.6	8.2	8.5	Kharkov
3 SalesTech	17.4	5	6.9	Kiev
4 Addition Advisory	16.9	5	6.8	Kiev
5 The Arbridge	17.2	5	6.8	Kiev
6 Finmodelslab	16.3	7	8.4	Lviv
7 Pragmatic DLT	16.3	5	7.1	Kiev
8 Creative Cooperative	16.7	6.6	6.3	Odessa
9 Fiddle.Digital	16.9	6	7.3	Kiev
10 Azon5	17.2	5	6.8	Lviv
11 A-HR	16.4	5	6.9	Kiev
12 Keplercode	16.4	5.7	7.4	Lviv
13 Indigo Tech Recruiters	16.3	5	7.2	Kiev
14 Nullgravity	16.8	5	7	Kiev
15 Pragmaspace	16.3	5.9	6.8	Kharkov

Based on the results of the assessment, a leadership matrix formed, taking into account competitive strategies according to F. Kotlyar, which is an interactive graph of the company’s ability to work and its focus. The leadership matrix allows you to determine the place of a consulting company in one of the presented quadrants: “Leader”, “Challenger”, “Follower”, “Nishevik” (Figure 3).

The square of the Leader matrix of the surveyed companies included only one – “Reprzent” (1), the types of its services are diversified: Business consulting – 35%, Custom software development; Graphic design – 30%; Corporate training – 35%. This company has a high focus on the desired service, provides clients with services at a high professional level, receives a lot of positive feedback from clients, accompanies its business with competitive strategies to expand the market and protect its share in it.

The Challenger square includes two companies: “Rozdoum” (2) and “Finmodelslab” (6). In the activities of “Rozdoum”, IT consulting services carried out up to 80%, and in the activities of “Finmodelslab”, financial consulting services prevail up to 90%. These companies provide professional services in a narrow specific direction of consulting, receive good reviews, but have a low level of focus on the desired service. To strengthen their competitive position in the market, these companies use any active competitive strategy, often flanking, although they can afford to pursue a guerrilla competitive strategy.

The square – “Nishevik” includes three companies: “Sales Tech” (3), “Addition Advisory” (4), “Arbridge” (5). All these companies provide IT consulting and management consulting services. So, “Sales Tech” implements up to 50% of business consulting services and up to 40% of services for the development of marketing and digital strategies. “Addition Advisory” up to 40% business consulting

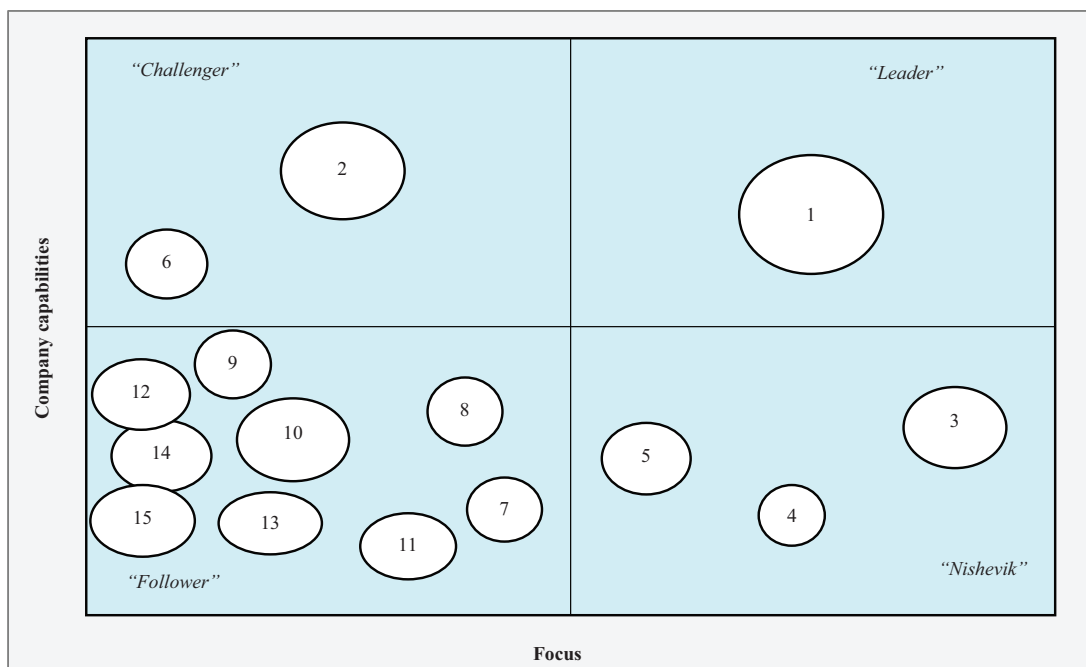


Figure 3. Top 15 consulting companies in Ukraine in 2020 (source: built by authors based on Clutch, 2021)

and up to 40% digital marketing. The “Arbridge” provides up to 70% of IT consulting and IT strategy services, and only 30% of management consulting. Nishevik companies have a moderate ability to provide consulting services, have a high concentration on the desired service and receive good reviews from clients, as they have a long-standing specialization in the chosen service areas.

The last square of the Leadership Matrix “Follower” includes most of the consulting companies in the Top 15 rating in Ukraine: “Pragmatic DLT” (7), “Creative Cooperative” (8), “Fiddle.Digital” (9), “Azon5” (10), “A-HR” (11), “Keplercode” (12), “Indigo Tech Recruiters” (13), “Nullgravity” (14), “Pragmaspace” (15). These are the so-called newcomers, companies that have recently entered the service market, provide IT consulting services demanded by time and events, and have a moderate ability to provide their services, a low level of attention to the desired service and strong customer feedback. Most of these companies use a competitive strategy of following in the footsteps of the leader, but there are those that are trying to outstrip their competitors by creating their own competitive advantages.

Today, Ukrainian consulting companies are going through difficult times. There are several key reasons for this: the global recession in the world economy after the experienced COVID-19 pandemic and Russia’s military aggression against Ukraine with all the related problems. In every Ukrainian consulting company that provides IT services, the heads of marketing and sales departments see the reflection of unfavorable global processes in sales, lengthening the cycle of closing deals and doubts of foreign customers about cooperation with Ukrainian companies.

In order to obtain new clients in conditions close to the global crisis, we suggest using external communications with customers and recommendations for direct cooperation between teams on projects.

Firstly, we believe that it is advisable for consulting companies to introduce the following rule as the basis of the “rules of effective communication”: “External notification and internal confirmation”. External notification is about proper communication through external channels with clients – through social networks, personal conversations with the CEO or team leads. The client must always be informed and feel that his business is safe. Internal confirmation means that the team directly working on the project and taking calls with clients demonstrates in practice the same message in external communication. Therefore, it is desirable to inform each team member about the correct communication with clients, especially foreign ones.

Secondly, we recommend for small and medium IT consulting companies that they used: work with freelance exchanges, organic marketing on platforms, LinkedIn, roadshow, specialized conferences and a referral method of obtaining clients, in particular, content marketing.

One of the best ways to make yourself known is to post and engage your audience with high-quality content. With

articles, videos, and audios, companies can demonstrate the competence of their employees, talk about technical features that customers do not know themselves, and demonstrate their experience without pressure on the client. When a client learns profile information from a specific person of the company, he is more willing to believe it and more willingly agrees to cooperate. For example, Linkup appropriately launched Building Digital Products, where we publish interviews with experienced company experts in business analysis, design, development, testing and other areas of IT business related to the creation of digital products. Also, the heads of domestic consulting companies invite successful entrepreneurs with whom they have already collaborated or make interviews with world-famous TOP managers to share their many years of experience.

So, the market of consulting services in Ukraine has changed: now it is in a state of active recession. It will continue to happen. In order for consulting companies to survive in these conditions, they need to adapt and implement alternative ways to get clients that will help companies at least maintain their positions, and at the most, continue to develop.

## 5. Recommendations

We agree with the opinion of scientists about the important groups of factors creating competitive advantages for each individual company in the market. However, we support the views of J.-J. Lamben, who identified three factors that form the company’s competitive advantages (Lamben, 2008):

- Product quality (excellent product quality with increased value for the consumer).
- Production costs (advantages of price and cost control, administration and management of goods).
- Key competencies (special skills or technologies that create a unique uniqueness for the consumer).

Recommended (Yevtushenko, 2019) that the sources of formation of the competitive advantages of a consulting company include key competencies of consultants; quality of consulting services; the productivity of the consulting company and its results (Figure 4).

The task of ensuring significant competitive advantages of the enterprise under changing market conditions today can be achieved in practice only by building an effective system of its marketing management. This system implemented in a logical sequence through specific steps, where the initial stage is the study of the specified combination of external and internal conditions (Figure 5).

Famous marketing scientist Fedorchenko (Fedorchenko & Okuneva, 2015) notes that strategic marketing is an integral part of both the strategic and marketing management of an enterprise, which also includes tactical marketing. Marketing management makes it possible to note the leading role of marketing in the relevant processes of enterprise management at different levels of the hierarchy of this system, in particular, the formation and maintenance

of competitive advantages taking into account the factor of uncertainty.

We believe that in order to strengthen existing competitive advantages and carry out procedures for their restoration, it is advisable to take into account the following information:

- life cycles of competitive advantages, which will reveal the moment of the need to strengthen the competitive advantage in the event that one of the existing ones has already outlived its usefulness, is in the stage of decline and is subject to restoration;

- market requirements, because consumers dictate their terms and win the competition, and the company tries to take into account these needs as much as possible;

- competitive advantages of competing companies, other consulting companies and their weaknesses, which allows the company to make effective decisions on how to take into account variable characteristics in the process of updating existing competitive advantages that have not yet been used by competitors. In the works of Yevtushenko and Fedorchenko, it

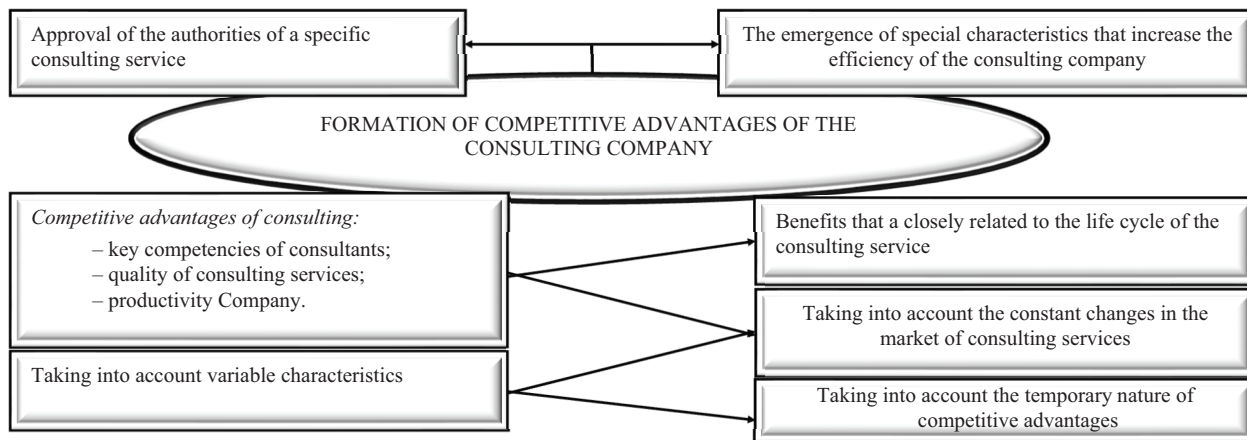


Figure 4. Peculiarities of formation of competitive advantages of a consulting company (source: Yevtushenko, 2019)

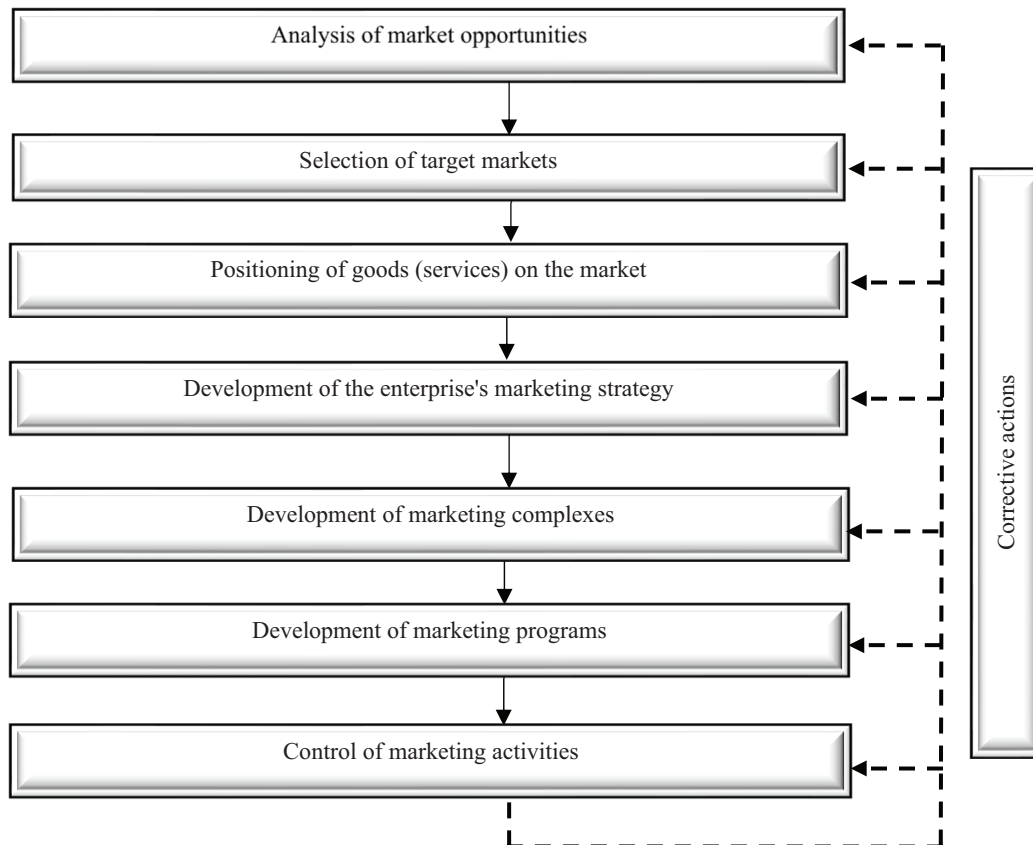


Figure 5. Marketing management process (according to A. V. Voychak) (source: Fedorchenko, 2015)



described that the main competitive advantage of any company is the key competencies of consultants. Thus, Yevtushenko (2017, 2019) notes that consultants are the intellectual resource of the company, and the set of competencies of consultants is proposed to be considered as an “Intellectual resource” package based on the “Effective consultant” model for a manager consultant, an expert consultant and specialist consultant. It has proven that the Effective Consultant Model is an abstract analysis of the process of transforming knowledge into an intellectual product – the competence of consultants. The implementation of this model in the company’s activities will positively affect the growth of the company’s productivity and reveal the dependence of the knowledge structure on their competencies (Yevtushenko et al., 2021).

Due to the absence of the concept of “Consulting service standard” in the state normative legal acts of Ukraine, and taking into account the foreign experience of managing consulting companies, the author proposed its content. In Yevtushenko’s work “Standard of Consulting Services” (Yevtushenko, 2019) is a set of mandatory rules for the provision of consulting services, which will guarantee a high level of their quality and professionalism of consultants at all stages of a consulting project (Figure 6).

The formation of the quality of consulting services should base on criteria. They will spelled out in the company’s internal documents and approved by the company’s management. In the rules that are spelled out at the state level in the regulatory legal acts of Ukraine in the field of regulation of the market of consulting services The main rules of the standard of consulting services are proposed to include the well-known management criteria (Yevtushenko, 2019):

- Communicative interaction with clients.
- Quality of services.
- Corporate behavior.
- Ethical standards of the consultant.
- Certification of consultants.
- Improving the professionalism of consultants.

- Application of forms and methods of Public Relations in order to increase the popularity in the market of consulting services.
- Cooperation within the framework of a professional association of consulting companies.

The standard of consulting services helps Ukrainian consulting companies to form a set of competitive advantages and strengthen them due to the high level of competence of consultants and quality of service, which will help to increase the demand for consulting services and obtain planned profits.

## Conclusions

According to the results of the study in the period 2010–2021, it found that despite the large number of players, the consulting services market in Ukraine has not yet fully formed, the demand for consulting services is unstable, and the level of competitiveness of Ukrainian consulting companies does not meet the requirements of world leaders. The main reasons are macroeconomic and political factors. In the course of the strategic analysis of consulting companies on the Ukrainian services market in 2020, Top-15 were selected, of which one company was in the “leader” segment, and among the stable “niches” there were only three, the rest entered the market recently, but already have a desire to follow leader. The main areas of these companies are IT consulting. Despite such a narrow focus, consulting companies today perform an important task associated with the spread of digitalization among clients and the introduction of disruptive technologies into their activities. This is especially relevant after the transfer of the global pandemic of COVID-19 and during the period of military aggression of Russia against Ukraine.

To increase the level of competitiveness of Ukrainian consulting companies and the distribution of their services in the domestic market, first, it is necessary to solve the following tasks:

- Agreeing at the legislative level the standards of consulting services (unified classification of consulting

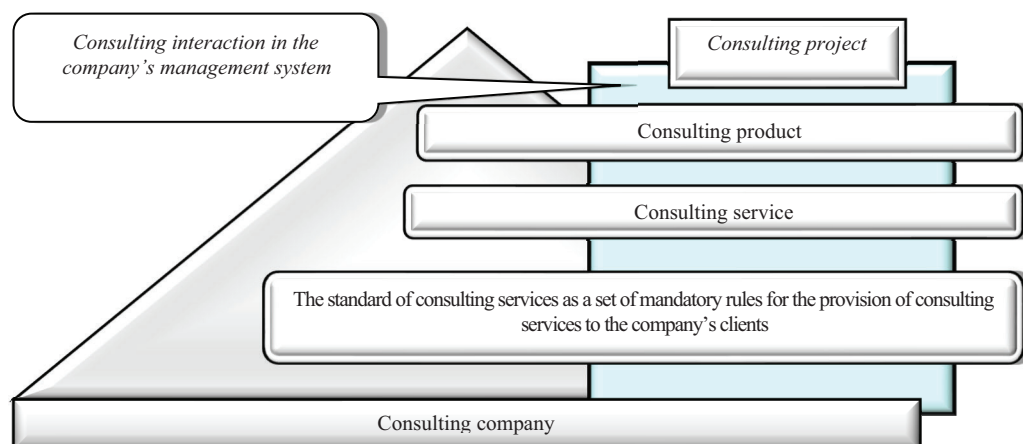


Figure 6. Place of the standard of consulting services in the process of providing consulting services (source: Yevtushenko, 2019, 2021)

services) and methodological foundations for the formation and implementation of the mechanism of consulting interaction, as well as criteria for the quality of consulting services and methods for their assessment;

- Increasing the interest of the state in the participation of consulting companies in state and regional strategic programs for socio-economic development, as well as in public-private partnership programs;
- Support for the development of human capital as the main intellectual resource of a consulting company, taking into account an agreed system for managing its potential;
- Use of effective organizational and management structures in the process of implementing consulting interaction based on the organizational model of corporate culture and the strategy of human capital behavior of the consulting company;
- Taking into account the system of criteria for evaluating and encouraging personnel to improve the quality of the provision of consulting services in the process of consulting interaction;
- Coordination of the processes of consulting interaction in accordance with the quality management system and the effectiveness of functioning because of a synergistic effect;
- Application of a system for evaluating the results of consulting interaction using knowledge management programs;
- Effective use of management tools to promote consulting services.

The stabilization of the market of services in Ukraine is also possible with the growth of economic activity of industrial enterprises, the participation of consulting in the formation of public-private partnerships and the investment attractiveness of the country. At the same time, the main advantages of consulting companies include the competence of consultants. Clients expect their consultants to have specialized knowledge and this perceived market gap for niche knowledge; will readily exploited by newcomers.

We convinced that consulting in Ukraine requires institutional improvements and the introduction of a consulting service standard, which will entail a revision of the management system in companies in the direction of maintaining their competitive advantages. This will help Ukrainian consulting companies increase both their own profits and increase the profit margins of their clients. The results of the research can be useful to any consulting companies that want to improve their competitiveness and expand the market for their services.

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