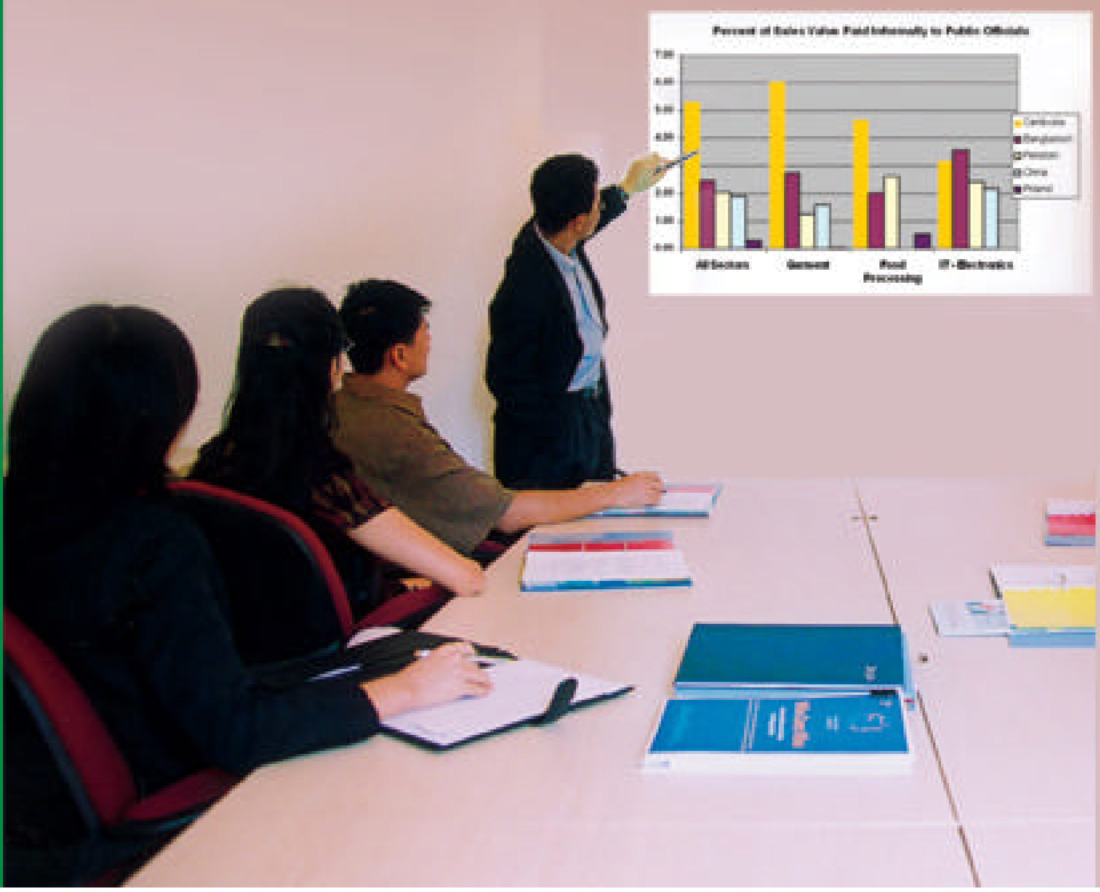
PRIVATE SECTOR DISCUSSIONS

Number 19

Consulting Services in Cambodia

An Overview of the Industry



International Finance Corporation
World Bank Group

MEKONG PRIVATE SECTOR DEVELOPMENT FACILITY

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION

1.1. Background

In Vietnam, MPDF carried out an in-depth study of the supply side of management consulting services and set up a Consultant Development Program, which provides training and technical assistance to consultants who wish to improve their skills and access the SME market. Although there is no such program currently within sight in Cambodia, we believe that there is enough demand for information on consulting services to warrant a study of the supply side of core BDS.

1.2. Objectives

The primary objective of this study was to gain an overview of the supply side of core BDS in Cambodia. This overview covers all important background information such as the number of players (consulting firms and individual consultants), their services, clients, capacity, and needs, with specific reference to their provision of services to SMEs.

This study will help MPDF identify potential BDS partners, provide SMEs with a list of service providers and services available, and share information on the industry with other donors/development partners. This study may also feed into any consultant development program that MPDF might undertake in the future.

1.3. Scope and Definitions

Business Development Services are services that improve the performance of an enterprise, its access to markets and its ability to compete.[2] BDS providers are firms, institutions or individuals that provide BDS directly to business enterprises.

BDS vary widely and do not fit into a single discipline. They are generally classified by function into marketing, human resources development, accounting and legal services. A distinction is sometimes made between (i) “strategic”, or “high-end”, services and (ii) “operational”, or “lower-end”, services.

Operational services are those needed for day-to-day operations such as bookkeeping, filling out tax forms, and registering a company. Strategic services, on the other hand, address medium and long-term issues such as business restructuring, new market entry, and strategy formulation.

MPDF is interested in a wide array of business services, both strategic and operational. However, given time and resource constraints, this study focuses on core BDS only. The core BDS covered in this study are services associated with the five traditional business functions (listed below, and see Appendix 1 for details) and two other important services frequently used by businesses: IT and Business Legal services. The five traditional areas of business functions are:

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[2] See “Business Development Services for Small Enterprises: Guiding Principles for Donor Intervention”, 2001, SME Department, World Bank Group.

- General/Strategic Management;
- Finance and Accounting;
- Marketing and Advertising;
- Human Resources; and
- Operations/Production.

This study does not aim to provide extensive research on the consulting industry, but is rather an overview of providers of core BDS.

2. METHODOLOGY

2.1. Searching for Consultants

Since no study has ever been carried out on the consulting industry in Cambodia, the primary challenge in conducting this one was identifying consultants (both firms and individuals).

With the absence of a comprehensive list of consultants, our initial search used the Cambodian Yellow Pages, the Business Directory (produced by the Cambodian Chamber of Commerce), and lists of consultants who have been retained by MPDF and who responded to MPDF's newspaper advertisement in 2001. MPDF also placed another newspaper advertisement in March 2004 requesting consultants who wished to take part in this survey to submit their names/firm's name to MPDF. Also, during the course of interviewing consultants, MPDF requested interviewees to suggest the names of other consultants we might interview.

Of all these sources, the Yellow Pages turned out to be the most comprehensive for potential consulting firms. For individual consultants, in addition to those who replied to our newspaper advertisement, we also obtained names from the U.S. Embassy's list of members of the Cambodian Fulbright Alumni Association and also from the Asian Institute of Technology's local Alumni Association. The Asian Development Bank (ADB) provided names of individual consultants and others were drawn from MPDF's own database.

Given that the market for management consulting services is not well developed in Cambodia and thus does not meet the criteria listed in Appendix 1, those consultants listed in the Yellow Pages fall primarily within the category of "operational", or "lower-end", service providers. They are, therefore, classified according to the category of service they provide: Finance and Accounting; Business Legal; General Management; Information Technology; and Marketing and Advertising.

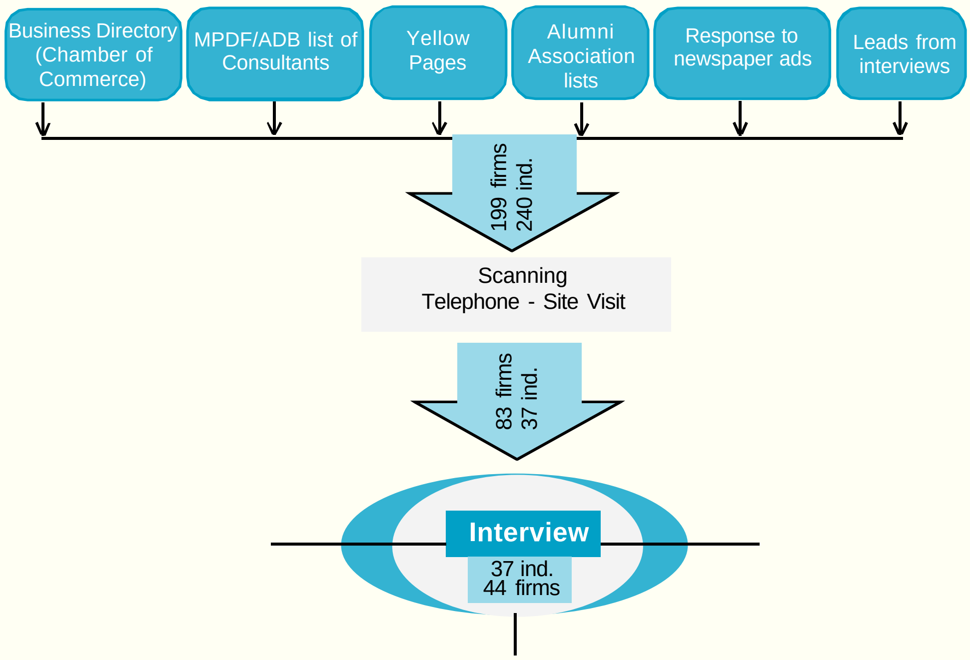
We classified individual consultants according to the same categories, although less stringently because, as discussed later in the report, almost all of these individuals provide consulting services to international financial institutions and NGOs.

2.2. Scanning

Once the potential consultants had been identified, each firm or individual was surveyed by telephone to determine whether or not they actually provide consulting services and, if so, what type of services they provide, their official business address, and other relevant contact information. This process was also carried out throughout the interviewing period as new names were suggested by interviewees.

We initially identified 199 potential consulting firms. A rigorous scanning process, however, found that only 83 of the 199 were actually providing consulting services of the type we planned to survey. Of the 83 firms, we were able to interview 44. For reasons we could not determine, a number of firms could not meet us, although we made repeated attempts to talk to them.

Figure 1. Consultant Scanning Process Flow Chart



While we attempted to cover the whole population of consulting firms, we intentionally interviewed only a representative sample of individual consultants. It was even harder to identify individual consultants than firms. They neither register with local authorities nor advertise in trade journals/publications. Of the 240 possible individual consultants, we found that only 37 confirmed consulting as their profession. We thus interviewed all 37 of these individual consultants.

2.3. Interviews

Each interview lasted between 45 minutes and one hour and was carried out in a semi-structured manner. Interviewees were allowed plenty of opportunities for elaboration. A team of two academics retained by MPDF carried out most of the interviews although MPDF staff also conducted a few. The interviews took place between February 6, 2004 and May 7, 2004, requiring about 20 days work for each of the two academics and about three days each for the two MPDF staff.

The information sought was very basic. We wanted to know the consultants' area(s) of expertise, the services they offered, and their client profiles (particularly, we wanted to know whether they work with small and medium size enterprises). We also asked about overall revenue trends and major constraints they face when carrying out their work. The report that follows presents a summary of this information.

2.4. Validity and Bias

There are relatively few barriers to entry into and exit from the consulting market in Cambodia. With the exception of transnational consulting firms, consulting service suppliers can offer their services without having to register their business with the appropriate authorities. For tax and other reasons, many consultants, especially individual ones, either remain informal or are tempted to take long-term and better-paid positions with a well-established institution. Hence, characteristics of the supply side of this market such as the number of firms, their size and ownership, as presented in this report, may change over a relatively short period of time. Likewise, the list of consultants working today would likely be different from a list produced in the near future. These factors should be borne in mind when reading the following results.

Every effort was made to ensure that we covered all the firms we identified in the initial research and also a good sample of individual consultants. As mentioned earlier, this was done through consultation with all of the potential sources that MPDF initially identified as well as by asking for additional leads from those firms and individual consultants interviewed.

However, despite our efforts to be comprehensive, it is likely that we may have missed some consultants. With regard to firms, there is a strong bias towards those found in the Cambodian Yellow Pages since it had the most extensive listing. We may have also missed those foreign firms that provide consulting services in Cambodia but are not registered as businesses and have no offices in Cambodia. They operate through direct contacts with local consultants. For individual consultants, a strong bias in the sample is for those who replied to our newspaper advertisement and those who are part of the alumni associations/networks of students who studied abroad (Australia, the United States, and Asian Institute of Technology, Thailand), and those known to be working as consultants, many for development agencies. It is thus very likely that we missed some less well-known individuals who chose not to take part in our study either because they failed to respond to our advertisement or they turned us down when we requested an interview. But by interviewing the most active consultants working for development agencies, we believe that we have covered most of the individual consultants in Cambodia.

3. A SNAPSHOT OF BUSINESS SERVICE PROVIDERS IN CAMBODIA

In this section, we provide background information on the consulting industry in Cambodia in general and on the interviewed sample of firms and individual consultants in particular.

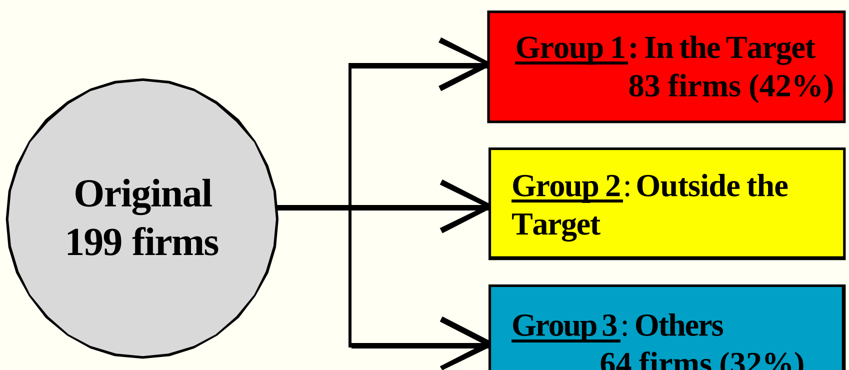
3.1. How Many Consulting Firms and Individual Consultants Are There?

The total number of players in a given industry is perhaps the most basic piece of background information about it. In the sections below, we provide our estimations and insights into the number of firms and individual consultants operating in Cambodia. As consulting firms and individual consultants are different and have distinct characteristics, we will discuss the two groups separately.

3.1.1. How Many Consulting Firms Are Currently Operating in Cambodia?

Finding out the exact number of consulting firms in a country is a real challenge. This is particularly true in Cambodia where the industry is largely underdeveloped and reliable statistics are generally unavailable. In addition, wide variation in how the concept of consultancy is defined also makes the task difficult. These were the hurdles we faced when comprising this study. For example, we came across a number of firms that characterized themselves as being engaged in IT consulting but in actual fact were selling computers and, at most, providing free advice on basic computer usage. It is therefore not surprising that a significant portion of the original 199 firms initially identified as engaged in consulting (because they were listed this way in the Yellow Pages) had to be cut from the study. After a thorough scanning process and interviews with firms, only 83 firms (42% of the original 199) fit the scope of the study as presented in Section 1.3. We refer to this group of firms as Group 1. Another 52 firms (26%) are in operation but do not offer the type of services mentioned in Section 1.3. We refer to this group as

Figure 2. Classification of Consulting Firms According to Relevance to the Study



Group 2. The remaining 64 firms, which we refer to as Group 3, where either closed, had not started operations, or their existence or type of service could not be determined. Group 3 also includes a number of firms that were already covered in either Group 1 or Group 2 but were listed twice in the Yellow Pages under different names and thus also fall into Group 3.

Consulting Firms in Target Core Business Service Areas

Eighty-three consulting firms were identified as operating in the targeted BDS areas (Group 1). Table 1 shows the classification of these firms into different categories according to the type of service they offer.

Table 1. Number and Type of Firms Operating in Core Business Services (Group 1)

Type of firm	No.
Finance and Accounting (including Auditing)	10
Marketing and Advertising	37
General/Strategic Management	3
Business Legal Services	20
IT for Business	13
Total	**83**

We found no firms specializing in Human Resource Management or Production/Operations Management. However, it is worth noting that our classification of firms into different types is relative because many firms offer more than one type of service. In those cases, where a firm offers more than one type of service, we classified such firms according to their most important service(s), as identified by the firms. In addition, not every firm in Group 1 offers consulting service in the strict meaning of the term. Many of them offer only business support services, with little guidance of an advisory nature. We will discuss the nature of the services offered in greater detail in Section 3.5.

Given our thorough efforts to compile and scan the list of potential firms and individuals, we are confident that we have covered the major players and the majority of firms operating in the targeted core business services areas. It is possible that we missed a small number of firms because we could not obtain information about their services. It is also possible, as acknowledged in the methodology section, that we missed a small number of firms because they were not listed in the Yellow Pages or formally registered with the Ministry of Commerce. However, we believe that all the major firms that are serious about working as professional consultants would promote their services through a listing in the Yellow Pages. Hence, we are confident that we have covered at least 80% of the firms in the target core business service areas.

Firms Outside the Target Core Business Service Areas

Table 2 shows the number and classification of firms that fell outside the target areas of this study. These 52 Group 2 firms operate in such fields as real estate services, business development research, agriculture, architecture, construction and engineering, and training. Many of these firms either directly or indirectly provide services to SMEs. However, the types of services they offer are outside the scope of this study. Thus, we did not perform an exhaustive search for them or interview those we found. Nonetheless, it is worth noting that the presence of these types of firms in the sample is a valuable resource for helping us to understand the consulting/BDS market in Cambodia as a whole.

Table 2. Number and Type of Firms Operating Outside the Core Business Services (Group 2)

Type of Firm	No.
Business Facilitators	3
Real Estate Services	4
Research	6
Training	4
Agriculture	9
Architecture, Construction and Engineering	5
Telephony Services	2
Others	19
TOTAL	**52**

"Other" Firms (Closed, Yet To Open, Or Otherwise Classified)

Table 3 shows the number and classification of firms in Group 3. This group includes firms that were closed, have yet to open, or whose services we could not determine. Group 3 also includes a number of firms that were listed twice in the Yellow Pages under different names.

Table 3. Operating Status of "Other" 64 Consulting Firms

Status of Consulting Firm	No.
Couldn't contact and/or couldn't find the address (assumed closed)	24
Closed	11
Exist and in operation, but couldn't obtain information on the services they offered	11
Not yet operational	2
Listed twice in the Yellow Pages under different names	16
TOTAL	**64**

We found that 11 firms (6% of the total 199) were closed, as confirmed by site visits and by asking neighbors and landlords at the address where the business was listed. After repeated phone calls and site visits, we were still unable to definitely confirm the existence of 24 firms (12%). Based on information obtained during site visits, we believe that most of these firms, if they ever existed, were very small in size.

Some Firms Declined to Take Part in the Survey

There are a number of firms that we know are in operation and are providing consulting services of some kind, yet they decided not to take part in the survey. We sought to include these firms in our sample list and possibly interview some of them; however, these 11 consulting firms, when asked about their services, failed to provide any information and said they were too busy to take part in our study. A few firms asked that we send them a request by email but we received no reply after doing so.

Some Consulting Firms have two names

Interestingly we found 16 firms (8%) listed twice in the Yellow Pages under two different names. It is possible that some of these firms changed their name and registered their new name in the Yellow Pages without making sure the old name was removed.

The relatively high number of firms that were closed, disappeared, or appeared under different names can be partly explained by (i) the underdeveloped BDS industry in Cambodia, (ii) the short-term orientation of doing business in Cambodia as a consequence of weak governance and political instability, and (iii) the fairly liberal business environment in Cambodia. While it is expensive to legally set up a company, the requirements for doing so are often not enforced. Therefore, it is quite easy to set up a consulting firm. It is also likely that foreigners work here temporarily as consultants because it is easy for them to obtain visas for six months or a year. These freelance consultants can work and even set up a firm before moving on to better opportunities in another country.

3.1.2. How Many Individual Consultants Are There?

It is virtually impossible to determine the number of individual consultants working in Cambodia for the reasons stated earlier: they are reluctant to register with the relevant authorities, to advertise their services, or to be widely known as consultants as they may be moonlighting from their regular jobs. From the lists of Cambodian Fulbright Scholars, AIT Alumni Association members, and individual consultants who have worked for the ADB and for MPDF, we obtained a total of 240 names of potential individual consultants. Out of these, we selected only 37 for interviews because they were the only ones who met our criteria in rigorous telephone screening. Nevertheless, we are quite confident that our study includes the majority of the most active and best-known individual consultants as their names were well known in the informal networks we consulted.

3.2. Who Are the Consultants?

3.2.1. Background Information on the Interviewed Consultants

In this section we provide background information on the 81 consultants we interviewed, of whom 44 answered on behalf of their firms. In this report, we refer to these as the Firm Group and the remaining 37 individual consultants as the Individual Group. Given the relatively small sample interviewed, we do not expect to draw any statistically significant inferences regarding the whole population of consultants in Cambodia. However, we believe that information gleaned from the interviewed sample will provide readers with insights into the overall background of consultants in the country.

3.2.2. Where do the Interviewed Consultants Work?

➢ ***The Firm Group***

Table 4. BDS Area of the 44 Firms Interviewed

Area of BDS	No. Interviewed	Total Identified	Percentage Interviewed
Finance and Accounting	8	10	80
Marketing and Advertising	13	37	35
General/Strategic Management	2	3	67
Law	7	20	35
IT	4	13	31
TOTAL IN CORE BUSINESS SERVICE AREAS (GROUP 1)			**34**
Not yet started	1	NA	NA
Business facilitators	2	NA	NA
Research	4	NA	NA
Training	1	NA	NA
Agriculture	1	NA	NA
Architecture, Construction and Engineering	1	NA	NA
TOTAL INTERVIEWED	**44**		

Table 4 above shows the consulting areas of the 44 firms interviewed. As mentioned in the methodology section, we did not randomly select firms for interviews, but instead interviewed all those that fell into the core target areas of the study. However, during the interviews, we found that ten of the 44 firms actually fell outside our target areas. For the remaining 34 consulting firms that met our criteria, we interviewed eight of the 10 accounting firms (80%) and two out of the three general/strategic management service firms. We interviewed about one-third (24) of the firms identified as operating in the areas of Marketing and Advertising, Business Legal Services, and IT for Business.

The majority (34) of consultants interviewed in the Firm Group held the position of director or managing partner. The remaining 10 were either senior consultants or key staff members. Given the seniority of those interviewed-, we were able to capture a good overview of the work their firms do and the most pressing challenges they face. However, any generalization about the consultant population as a whole should be made with care, as the sample interviewed is biased toward more senior consultants.

➢ ***Individual Group***

Table 5. Employment Status of the 37 Individual Consultants Interviewed

Employment status (Consulting or other)	No. of Consultants	Percentage
Full-time	17	46
Part-time	9	24
Freelance	11	30

Table 5 shows the current job status of the 37 individual consultants interviewed. Almost half of those interviewed (46%) are in full-time employment (mostly outside the consulting arena) but nonetheless spend a portion of their time offering consultancy. About a quarter of the individual consultants are working part-time, either for a consulting organization or for another employer. The full-time or part-time job of these individual consultants varies, with about one third lecturing for a university in Phnom Penh and the remainder working for development organizations, government agencies and consulting firms. Most of these consultants (25 out of 26) found that the type of consulting services they offer are closely related or linked to their work in their organizations and that they can take advantage of the knowledge and expertise acquired from their jobs in consulting work. Only 11 individual consultants (30%) are absolute freelancers, not currently working either part-time or full-time for an organization. Some of these consultants are looking for a job in an organization while others choose to freelance.

It is interesting that when asked about whether they plan or want to set up their own consulting firms, about two thirds of the individual consultants answered "yes". Only eight said "no" and the remaining six were "not sure". The high number of individual consultants wishing to set-up their own firms is a positive sign for the development of the BDS industry in Cambodia. However, the development of an industry should not be judged only by the number of new entries every year, but also by the survival and success rate. It appears from this study that the survival rate of consulting firms in Cambodia is low. As evidence for this we cite the high number of closed or not clearly defined firms in our sample. The tendency of individuals to set-up consulting firms and their low success rate indicate that there might be a need for training in the skills of establishing and operating a consulting business. This is an area where development agencies could support the development of the BDS market.

3.2.3. Age

Table 6. Age of Interviewees

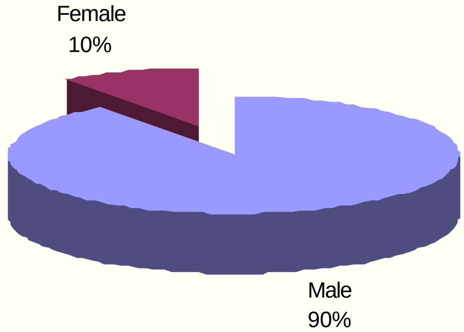
Age Range	Individuals		Firms		Total	
	No.	%	No.	%	No.	%
20 – 30	5	13.5%	12	27%	17	21%
31 – 40	21	57%	20	46%	41	51%
41 – 50	6	16%	8	18%	14	17%
51 and over	5	13.5%	4	9%	9	11%
Total	**37**	**100%**	**44**	**100%**	**81**	**100%**

The consultants interviewed are relatively young. Table 6 above shows the age distribution of the interviewees from both groups: firms and individuals. The age pattern in both groups of interviewees is quite similar, with the majority of people between 30 to 50 years old. Combining the two groups together, more than half (51%) of the 81 interviewees are in their 30s. Only nine interviewees (11%) are over 50 years old. This pattern is similar to that in the sample studied in Vietnam. Since consultancy as a profession is relatively young in the two countries, it is not surprising that the younger generation, educated in Western business practices, is dominant.

3.2.4. Gender

The majority (72) of the interviewed consultants were men. For the Firm Group alone, only three out of 44 interviewees were women. This indicates that top management positions in the firms are predominantly held by men. For the Individual Group, 32 out of 37 consultants (86%) interviewed were men. The overwhelming number of male consultants in the sample reflects the fact that there are significant gender disparities in education in Cambodia. Since consultancy is a complex job that requires a relatively high degree of education along with relevant skills, men are more likely to be qualified because they have better access to education and skill-building job opportunities than women. Moreover, women in Cambodia tend to be more introverted than men and thus less likely to have the communication skills needed to secure businesses. Among others, the gender imbalance in consultancy could be an area for donors to address in their interventions.

Chart 1. Gender of Interviewees



3.2.5. Nationality

Table 7. Nationality of Interviewees

Nationality	Individual Group		Firm Group		Total	
	No.	%	**No.**	**%**	**No.**	**%**
Cambodian	27	73	23	52	50	61.7
Cambodian Returnee	4	11	7	16	11	13.6
Foreign	6	16	14	32	20	24.7
Total	**37**	**100**	**44**	**100**	**81**	**100**

Table 7 classifies the nationality of interviewees into three broad categories: (i) Cambodian, (ii) Cambodian returnee, and (iii) foreign. Cambodians account for 61.7% of the total of 82 consultants interviewed, while Cambodian returnees[3] account for 13.6% and foreigners for the remaining 24.7%. The relatively high proportion of Cambodian returnees in our sample is not unexpected given the number of Cambodians who left the country as refugees and have since returned to do business. For the Firm Group alone, about half of the interviewees were either foreigners or Cambodian returnees. They are normally the owners and/or key partners in their firms.

[3] Cambodian returnees refer to Cambodians who left the country and have returned to do business. They normally hold dual nationality.

3.2.6. Year of Establishment/Year in Consulting

Consultancy as a profession is new in Cambodia. As evidenced from Figures 3 and 4, the starting point of the consulting business in Cambodia was 1993 for firms and 1994 for individual consultants. The first consulting firm was started by a Cambodian returnee from Europe who saw opportunities in providing consulting services to foreign firms wishing to invest in Cambodia. The first Cambodian individual consultant started out working for the development projects of various non-governmental organizations (NGOs).

The average number of years in business of the interviewed firms is just over five. Foreign consulting firms appeared to have gained an earlier foothold in the Cambodian market: they have an average of more than seven years in the business. Big international players such as KPMG, PricewaterhouseCoopers (PwC) and regional player such as Indochina Research Limited (IRL) were among the first entrants in the market. They focus mainly, if not solely, on foreign clients (foreign-invested businesses and foreign development agencies). Thus, foreign investment has been a major driving force in the emergence of consultancy as a profession in Cambodia.

Figure 3. Establishment of Consulting Firms

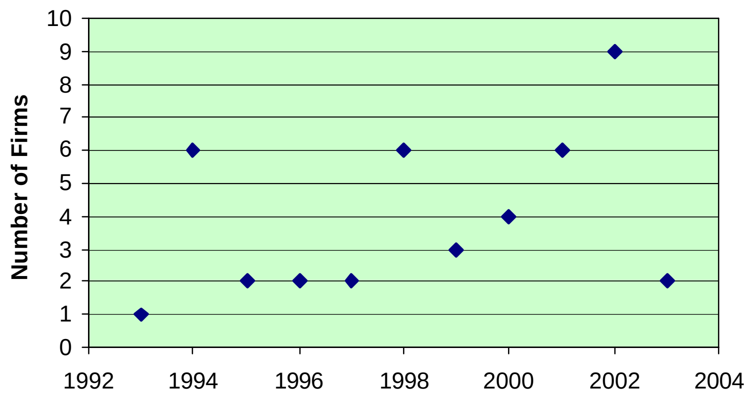
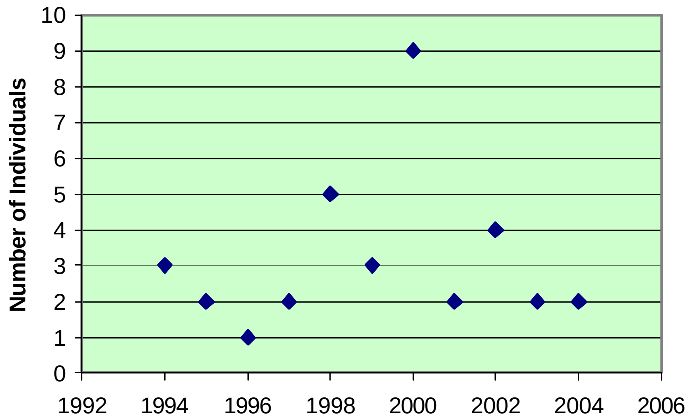


Figure 4. Year Started Consulting (Individuals)



3.2.7. Qualifications

Generally, the consultants interviewed were all well qualified. Approximately half of interviewees (45%) in the firm category possess postgraduate degrees and the figure is much higher (86%) for the individual category. Six individual consultants (16%) hold a Ph.D. degree. The majority of consultants interviewed is fluent in English and appears to be knowledgeable in their fields of specialty. Compared to the consultants interviewed in our study in Vietnam (see MPDF's discussion paper No. 15), we found that the Cambodian counterparts appeared to have a relatively better knowledge and understanding of Western terminology in the areas of consultancy and business management. This can be explained by the fact that Cambodian consultants are more likely to have experience working overseas and an advanced degree from a Western university.

The interaction between foreign and local consultants also helps consultants learn from each other and improve their skills. Foreign consultants are working not only for branches of foreign consulting firms but also for many local firms as these firms employ foreigners or engage them in partnership arrangements. Unlike in Vietnam, where the number of local consulting firms employing foreign consultants remains limited due to restrictions on foreign workers, there are few restrictions on the employment of foreign consultants in Cambodia.

The fact that most of the managing directors/key partners we interviewed are well qualified as consultants does not mean that their staff are also qualified. A number of consultants expressed their dissatisfaction with the poor quality of work done by local staff and attributed this to the poor education system in Cambodia. One consultant interviewed said that her firm tends to employ more expatriates because:

> *"…local staff lack skills, methods and motivation to achieve quality. Many of the locals hold very high degrees but their real level of education is very low due to the low standard of the education system. As a matter of fact, the enterprise is really interested in having more local consultants in order to cut costs. But when it comes to quality, the firm has no choice but to hire expatriate consultants. "*

She then came to suggest that the government should reengineer the education system to strengthen the quality of education.

3.3. Who Owns the Consulting Firms in Cambodia?

Table 8. Ownership of Interviewed Firms

Ownership Type	No.	Percentage
Domestic Private	28	63.7
Joint Venture	3	6.8
100% Foreign Owned	10	22.7
Donors/NGOs	3	6.8
Total	**44**	**100**

Table 8 shows the number and percentage of firms registered in each category according to ownership type. Most of the 100% foreign-owned firms are branches or subsidiaries of international consulting firms such as KPMG, PwC, and Grant Thornton. Nearly two-thirds of the firms (63.6%) were registered as domestic private firms. This does not reflect the true picture of ownership in the sample interviewed. A number of interviewees told us that their firms were 100% owned by foreign partners, but registered as domestic private firms. It is not clear why foreign owners of consulting firms registered their companies as local firms. Given that nearly half of the interviewees in the Firm Group are foreigners/Cambodian returnees and most of them are key partners in their firms, we would expect more than 50% of the firms in our sample to be owned or shared by foreign partners.

3.4. How Big are Consulting Firms in Cambodia?

3.4.1. Size of Consulting Firms

In general, consulting firms in Cambodia are small in size. On average, a consulting firm in the interviewed sample had 17 employees, of whom 10 were consultants and/or professional staff and the remaining seven were supporting and administrative staff. Table 9 shows a number of firms in different categories according to the number of employees. About one-third of firms employ between six and 10 employees and nearly 80% of the total number of firms interviewed have 20 or fewer employees. The average figure was actually pushed up significantly by the four largest firms: two big international firms (KPMG and PwC), one foreign-owned, locally registered company (Interquess), and one NGO that works on private sector development at provincial level (SME Cambodia). These four organizations employ 232 employees in total. The average number of employees employed by other consulting firms in our sample would be reduced to just under 13 if these four firms were excluded.

Table 9. Number of Employees

Number of Employees	No. of Firms	Percent
1-5	7	15.9
6-10	14	31.8
11-15	7	15.9
16-20	7	15.9
21-50	7	15.9
51 and over	2	4.6
Total	44	100

Among the three largest groups in our sample (Marketing and Advertising, Accounting, and Law), accounting firms are the largest in size with an average of 27 employees, twice as large as the law firms, which each employ approximately 13 people. The provision of accounting services is concentrated in a small number of large firms, while marketing and advertising and business legal services are provided by a relatively large number of small firms.

Table 10. Average Number of Staff in Firms in the Three Largest Categories

Type of Firm	Average Number of Staff
Accounting	27
Marketing and Advertising	16
Law	13

Foreign consulting firms are significantly larger than the sample average and almost three times larger than their domestic counterparts. The total number of staff employed by the 10 foreign firms is 313, which is greater than the total number employed by all 28 private domestic consulting firms combined (293 people). The total number of staff employed by the three NGOs in the sample is, on average, twice as large as the number employed by domestic consulting firms.

Table 11. Average Number of Staff in the Three Different Types of Firms

Type of Firm	Average Number of Staff
Domestic Private	11
Foreign Owned	31
NGO	24

3.4.2. Employment of Foreign Consultants

Twenty-six of the firms interviewed (about 60%) employ foreign consultants, while nine firms (about 20%) employ Cambodian returnees. Combining the two categories, and remembering that some firms employ members of both groups, a total number of 32 firms (73%) employ either foreigners and/or Cambodian returnee consultants. The majority of these foreigners and Cambodian returnee consultants are owners or key partners in their firms. A number of them have extensive consulting experience abroad. Firms can certainly benefit from the experience and skills that these consultants bring in.

3.5. What Services Do Consultants Offer?

This section presents a brief description of services offered by consulting firms and individual consultants in Cambodia. It begins with a description of services offered by consulting firms. We will then provide a brief summary of the nature of the services offered by individual consultants.

3.5.1. Services Offered by Firms

Chart 2 shows the share in terms of the number of consulting firms operating in the core targeted areas. As indicated in Table 1, a total number of 83 firms fall into the core targeted areas. Marketing and Advertising constitutes the largest category and accounts for nearly half of the number of firms identified (44%). Only three firms were identified as operating in the area of General/Strategic Management and they accounted for only 4% of the total number of firms identified in the target areas.

In terms of the estimated total number of staff working in each field, the shares are slightly different. Marketing and Advertising remains the largest category with an estimated total of 592 employees. This number accounts for 44% of the core target areas of study. It is estimated that there are approximately 38 staff working in the area identified as General/Strategic Management. The estimated total number of staff working in all the five areas is around 1,400.

Chart 2. Share of the Consulting Market by Firm Type

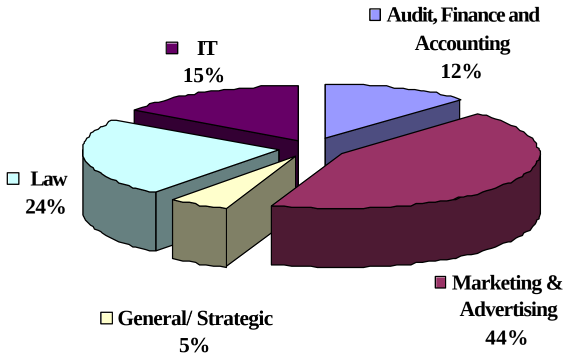


Table 12. Estimated Number and Percentage of Staff Working in the Five Core Target Business Service Areas

Consulting Area	Estimated No. of Staff in Each Area	Percentage
Accounting and Finance	270	20.2
Marketing and Advertising	592	44.2
Business Legal Services	260	19.4
IT for Business	179	13.4
General Management	38	2.8
TOTAL	1,339	100

Accounting and Finance

Ten consulting firms fall into our Accounting and Finance category. These firms offer various services and branches of big international firms such as KPMG and PwC belong in this category. Besides accounting and finance, some of these firms also offer services in other areas such as recruitment and investment advisory services for foreign investors. However, their major services are in the area of accounting and finance, where six of the 10 firms offer auditing services (their major service in Cambodia). Tax and tax-related services (such as legal advice in the taxation area) are, in most cases, their second largest service.

The majority of their clients are foreign businesses or foreign-affiliated organizations such as NGOs, donor-funded development projects and development agencies, which are required to comply with international accounting and auditing standards.

Consultants working for these firms are generally highly qualified. The two "big" international firms (PwC and KPMG) are the major players in this field in the Cambodian market. Other firms, especially local ones, are smaller in size. However, their key consultants often have extensive experience working for the "big four" before leaving these firms and establishing their own. In addition, others also received postgraduate studies in Western universities.

Marketing and Advertising

Marketing and Advertising is the largest category in terms of number of firms operating in the market (37 firms). The main services offered by firms in this category are:

- Advice on advertising strategies;
- Design and production of posters, brochures, leaflets, newspaper supplements, banners and billboards;
- Media services (design, production, and assistance in placing advertising in print media, TV and radio);
- Website design;
- Preparation and publication of directories such at the Yellow Pages;
- Event management and business promotion; and
- Market research.

The majority of firms in this category offer advertising and advertising-related services but do not offer consulting services in the strict definition of the term. They are business support services (operational) rather than management advisory services with a strategic component. To some extent, joint ventures and foreign companies have created this hole in the market, as they tend to call on Cambodian firms to provide support services rather than ask them to become involved in strategic thinking. The latter is generally handled by firms from overseas or, to some extent, by branches of the "big players" in Cambodia or by firms in the General/Strategic Management category.

Customers of firms in the Marketing and Advertising category vary depending on the types of services offered. International organizations, as well as many private domestic firms, use marketing and advertising support services to design and produce brochures, posters, leaflets and banners.

General/Strategic Management

Three consulting firms fall into the General/Strategic Management category. The services these firms offer vary, but all have a strategic component. The firms provide multinational corporations with information and advice on market entry strategies and how to succeed in the Cambodian market. Two of these firms also provide recruitment services to foreign enterprises.

The majority of their clients are multinational corporations, foreign organizations and international development agencies. Consultants working in these firms are highly qualified and include a mixture of expatriates and Cambodian nationals. Two out of three firms identified are foreign owned, although only one of them is formally registered as a foreign entity. The type of services offered by consulting firms in the General/Strategic Management category are perhaps closest to the international concept of "management consulting services," since their services are more strategic than operational. The modest number of firms and consultants operating in this area is a clear sign of the underdevelopment of the market demand for strategic services in Cambodia.

Business Legal Services

From various sources, we identified 21 law firms. Depending on their capacity, firms may specialize in certain areas, but together these law firms offer a wide range of services including the following:

- Business registration;
- Contract drafting and document preparation;
- Mediation and litigation services;
- Trademark registration and protection;
- Tax advisory and compliance services;
- Land and property transactions; and
- Estate services.

A number of firms also provide other civil legal services such as civil litigation to individuals. Law firms are smaller in size in comparison with accounting and advertising and marketing firms. They serve a wide range of customers including foreign and domestic enterprises.

IT (Information Technology) for Business

We found 13 firms offering IT-related services. There were a number of other firms listed in the Yellow Pages in the IT-related category but they are merely Internet Cafés or shops that sell computers and IT equipment. As such, we did not include these firms in our IT category.

IT firms offer the following services to a wide range of clients, including foreign and domestic businesses:

- Software development;
- Web hosting and internet services;
- Website design and management; and
- Database design and management.

In general, the majority of services offered by Cambodian IT firms are operational rather than strategic in nature. The market for operational services exists because there is a demand and willingness to pay for such services by both foreign-invested and local firms. However, the market for strategic IT services is largely underdeveloped and only foreign-invested businesses have the demand and willingness to pay for these.

3.5.2. Services Offered by Individual Consultants

More than 90% of the individual consultants interviewed offer consulting services to donor organizations or donor-funded projects. They mainly perform development-related work such as feasibility studies for potential projects, field surveys, evaluations, community development, natural resources management, promoting micro-finance institutions and solving financial management problems, etc. Few of these individual consultants stated that they bid for contracts from donors, hence it seems that the majority of these consultants work as sub-contractors of large international or local consulting firms who win contracts from such donors.

3.6. Who Are the Clients?

Foreign businesses, including both 100% foreign-owned enterprises and joint ventures, are major clients of consulting firms. The majority of the 44 firms interviewed reported that they offer consulting services to foreign businesses. Table 13 shows the average number for each major client group served by the surveyed consulting firms. The average number was not calculated for the whole sample interviewed, but only for those consulting firms that provided us with absolute numbers of clients served (see the column "number of replies"), and it should be noted that some firms served more than one type of client. Many consulting firms either: declined our request for exact client numbers, did not remember, or had never classified their clients into different categories. It is worth noting that the absolute number of clients may be inaccurate as most of the interviewees relied on memory for this information. Also, the interpretation of the average number of clients is limited because many of the firms interviewed did not volunteer a specific figure for the reason stated above. Hence, the absolute average figures are not a good representation of the overall numbers of clients in the market. However, the relative difference between average numbers for different groups of clients is a good indicator of client portfolios. This relative difference is expressed in the estimated share (in percentage) of different types of clients shown in the right-hand column of Table 13.

Table 13. Average Number of Each Major Client Group Served by Consulting Firms

Major Client Group	Number of Replies	Average Number of Clients Served	Client Portfolio (estimated)
SMEs	33	17	15.3%
NGOs	24	25	22.5%
Joint Ventures	23	27	24.3%
100% Foreign Owned	23	37	33.3%
Donors	19	5	4.5%
Total		**111**	**100%**

As shown in Table 13, joint ventures and 100% foreign-owned businesses are the two largest groups of clients. Together, these groups accounted for nearly 60% of all consultancy clients, while SMEs account for only 15.3%. A more extensive discussion of SME clients is provided in the next section.

Development agencies (national and international) accounted for more than a quarter of clients (22.5% NGOs plus 4.5% donors). This is probably unique in Cambodia, especially in Phnom Penh, where development agencies are so numerous.

3.7. Who Dominates the Market?

Foreign consulting firms dominate the market in terms of the total number of clients served and staff employed. Table 14 below shows the estimated number and percentage of clients served by each type of firm in the interviewed sample. Two-thirds (66%) of the total number of clients were served by the 10 foreign firms in the sample, whereas only about 27% of clients were served by the 28 private domestic consulting firms. These figures are misleading, as many of the purportedly private domestic firms are in fact owned entirely or largely by foreigners. Hence, the proportion of clients served by all of the 100% foreign-owned consulting firms would be much higher if this other factor were taken into account.

Table 14. Estimated Number of Clients Served by Different Types of Firms

Consulting Firm	Average Number of Clients Served	Estimated Total Number of Clients Served[4]	Percentage
Foreign Business	479	4,790	66
Joint Venture	18	54	0.7
Domestic Business	70	1,960	27
NGOs	152	456	6.3
Total	**719**	**7,260**	**100**

Foreign consulting firms also dominate the market in terms of numbers of employees. As presented in Section 3.4, the number of staff employed by the 10 foreign consulting firms is higher than the total number employed by the 28 domestic firms. In addition to the workforce available on site, these foreign consulting firms can also call on staff from their sister branches in neighboring countries such as Thailand and Vietnam.

Except for the firm that produces the Yellow Pages (Interquess), all the foreign firms focus on serving the upper-end of the market: foreign-invested enterprises, and development organizations. SMEs currently do not focus on this upper-end market.

3.8. How Do Consultants Charge for Their Services?

The fees consultants charge for their work vary significantly from consultant to consultant, service to service and client to client. It is, therefore, impossible to get a common figure for fees. Experienced foreign consultants may charge foreign clients up to a thousand dollars a day while certain local consultants are happy with a daily rate as low as US$30. However, it appears that there is some standard fee structure that foreign-owned enterprises and development organizations apply when they hire international and local consultants. The daily rate offered by a development agency for a local consultant with a graduate degree ranges from US$50 to US$200. Local consultants who provide low-end operational services earn much less than those who work in the upper-end of the market.

One interesting finding is that many local consultants interviewed were able to tell us their respective daily rates. This was in contrast to their counterparts in Vietnam, where only a few consultants were able to specify their pricing methods and rates. This difference could be due to a higher level of professionalism on the part of Cambodian consultants, or at least those interviewed in this study. However, any comparison should be read with caution as the focus and sampling methods employed for the two studies were different. Furthermore, as pointed out earlier, most of the individual consultants interviewed in this study sell their services to NGOs and development agencies that are inclined to use the daily rate method of calculating costs.

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[4] This estimation is calculated by multiplying the average number of clients served by a firm with the number of firms identified in each category. The average number of clients served by a firm is calculated for only those firms that provided the exact number of their clients.

4. CONSULTING FOR CAMBODIAN SMEs

4.1. Do Cambodian SMEs Use Consulting Services?

As shown in Table 13, the average number of private domestic clients served by a consulting firm is 17. Approximately 70% of the consulting firms interviewed said they provided consulting services to Cambodian SMEs. These numbers suggest that a fair number of SMEs in Cambodia have been using consulting services and a relatively high proportion of consulting firms have offered these services to SMEs. Given that many foreign-invested businesses in Cambodia are often registered as domestic enterprises, the number of actual Cambodian-owned SMEs using consulting services is probably lower. This was evidenced in our interviews, as a number of interviewees referred to locally registered but foreign-invested businesses as local SMEs. Furthermore, the figures alone tell little about the nature of services offered to/used by local SMEs. The following section aims to shed some light on this issue.

4.2. What Types of Consulting Services are Used by SMEs?

Although on average the firms interviewed served approximately 17 SMEs, the number of SMEs served by different types of firms varied significantly. The average number of 17 SME clients is inflated significantly by the numbers from a law firm with 150 SME clients, a construction/ architecture consulting firm with nearly 100 SME clients, and a few other firms working in marketing and advertising services, which had more than 20 SME clients each. The services offered to SMEs by these firms are not really management advisory services, but fall into a broader business support category or are operational in nature. For example, the Marketing and Advertising services used by SMEs are mostly advertising-related services such as production of banners, brochures and leaflets.

Based on our interviews, it would appear that SMEs use few or no management advisory services. The two General/Strategic Management firms said they only offered services to a handful of large SMEs and that the services offered were not strategic in nature. Only one out of seven accounting firms interviewed said they offered tax advisory services for a small number of SMEs.

Although we do not have precise statistics on the size of the SMEs that used services from the consulting firms we interviewed, the findings from our interviews strongly suggest that most SME clients are at the top-end of the private domestic sector.

4.3. Reasons Why Consultants Do Not Offer Services to SMEs

During the interviews, we asked consultants for their perceptions and/or experience of working with SMEs. Below are the most frequently mentioned reasons for not doing so (from most to least):

- SMEs can't afford consulting services;
- SMEs are difficult to work with; and
- SMEs don't see the need for consulting services.

Given that the majority of SMEs are small and consulting service fees are normally high, it is understandable that many SMEs cannot afford to pay for consulting services (see Section 3.8).

"SMEs are difficult to work with" was the second most frequently mentioned reason for not serving SME clients. A number of interviewees complained that SMEs were not professional in their dealings with consultants. Some say SMEs do not know what they really want and do not have experience in working with consultants. One interviewee has found it very difficult to work with the SMEs owned by rich and influential Cambodians.

However, not all consultants interviewed agree that SMEs are difficult to work with. One stated that:

> *"Most of the private domestic enterprises are better than some NGOs. They (NGOs) demand too much and can change their needs regularly."*

Another consultant, the director of a law firm, appeared to be willing to work for SME clients but not for some foreign enterprises. According to him, "some foreign enterprises are not ethical."

"SMEs don't see the need for consulting services" was the third most frequently mentioned reason for low usage among SMEs. More than 30% of consultants interviewed said that SMEs do not have a vision of where they are going, are very short-term oriented or "too traditional" and think that they do not need the help of consultants. The director of one law firm provided insight into this issue:

> *"Many rich SME owners usually go to work directly with the government and make a lot of under-the-table payments so they can operate their business in a very smooth manner. There is no rule of law and conduct in Cambodia. So the lawyer is not really needed, especially by SMEs."*

As well as these three reasons listed above, several interviewees felt that lack of trust of consulting firms as another reason why SMEs do not use consulting services.

5. OBSTACLES, CHALLENGES AND NEEDS

5.1. Obstacles and Challenges Faced by Consultants

Table 15. Obstacles and Challenges Faced by Consultants

Obstacles and Challenges	No. mentioned
Staffing *	18
Corruption/Bureaucracy/Uncertainty	25
Lack/Shortage of Resources	18
Limited Demand	16
Language Barriers **	5

Note: (*) applies to Firm Group only; (**) applies to Individual Group only.

Table 15 shows the obstacles and challenges faced by consultants. These were divided into five broad categories: staffing, administrative constraints (including corruption, excessive bureaucracy, and uncertainty about changing regulations), resources, demand, and language barriers.

Staffing was among the most frequently mentioned challenge (18 firms). Staff-related challenges include: lack of qualified staff, difficulties in finding qualified consultants, and staff loyalty. A number of consultants interviewed believe that the Cambodian education system is responsible for the lack of qualified staff. Staff loyalty was also a concern for a number of firms.

Eighteen interviewees mentioned a lack of access to information resources as a major constraint to their work. Access to information is often cited as a problem in most developing countries and Cambodia is no exception; it tends to be especially difficult to obtain reliable statistical data on industries, markets and the economy as a whole.

The most frequently mentioned problem encountered by consultants was corruption/bureaucracy/uncertainty. Like access to information, corruption, bureaucracy and red tape are common in many developing countries. The problem is particularly acute in Cambodia where political instability is a serious problem that hinders national development. A number of interviewees expressed frustration in dealing with government officials. They also complained about corruption in bidding for projects. In some cases, local consulting firms have to pay a high commission to those who award the contract to them. Factors such as these may have some bearing on the opportunistic and short-term orientated nature of many consulting firms in Cambodia.

On the demand side, 16 interviewees stated that they have faced difficulties getting enough work. One of the reasons for this may be that there are too many consulting firms and NGOs offering consulting services in Cambodia, given the size of the market. There were complaints, too, that the donor and NGO communities in Cambodia have, to a great extent, distorted the consulting market in Cambodia. Local consulting firms found it difficult to compete with NGOs since they raise money from international sources and do not have to pay taxes. A small number of foreign consultants viewed the language barrier as an obstacle to their work.

5.2. Training and Other Needs

In the interviews, we asked the consultants whether their staff (if in the Firm Group) or they themselves (if in the Individual Group) need training in consulting skills. We got a mixed response to this question. A number of interviewees in the Firm Group saw little benefit from formal training but said they prefer on-the-job training for their staff, with effective interaction between senior and junior consultants being key. However, at least half of the interviewees in the Firm Group saw the benefit of formal training and would send their staff on a consulting skills course if one were available at an affordable price. Some listed the specific skills their employees require. These included report writing, identifying the needs of clients, communication skills, professionalism, and effective management for a consulting firm. Others did not name specific skills but referred to consulting skills in general.

Communication appears to be a key area that consultants need to improve, especially when working with SME clients. As mentioned in Section 4.3, the belief that "SMEs are difficult to work with" was among the most frequently mentioned challenges when consultants discussed their efforts to sell their services to SMEs. This "difficult to work with" comment is likely due to a lack of understanding on the part of both SMEs and consultants. Consultants need to communicate more effectively, especially with regard to how their services can benefit clients.

The fact that a significant number of consultants in the Firm Group see staffing as a key challenge, and that individual consultants often go on to establish their own firms, suggests that there might be a market for a reasonably-priced training course on how to run/manage a consulting firm.

Consultants also stressed the need for better access to various types of information, including statistical information on industries and markets in Cambodia. Many also expressed their wish for a more transparent and stable business environment.

6. CONCLUSIONS

6.1. General Conclusions

In general, the consulting market in Cambodia is young and underdeveloped. Management consulting as a profession started to emerge only in the early 1990s when a Cambodian returnee set up a business to provide corporate services to foreign investors wishing to start businesses in Cambodia and two "big players" of international consulting, PwC and KPMG, established offices here. While other Cambodian-owned and foreign-owned consulting firms followed after that, these firms are relatively small and (with the exception of a few) offer operational business services, rather than strategic consulting. These low-end firms cover what are traditionally functional areas: General/Strategic Management, Accounting and Finance, Marketing and Advertising, IT, and Legal services.

The rather simplistic nature of consulting services being offered reflects less on the qualifications of consultants (as they tend to have more education and experience than their counterparts in Vietnam) than on the demand for consulting services in Cambodia. With the majority of private companies being small- and medium-sized and rarely setting a long-term vision for their business, few see the need, or are willing to pay for, relatively high-priced strategic consulting services. If the number of firms in a consulting category serves as a proxy for demand, then demand is largely for marketing and advertising consultants. Even in this area, demand is for simple services such as preparing advertising materials (i.e. brochures, leaflets, and media campaigns). This reflects the underdeveloped market conditions in Cambodia where firms are still have a consumer rather than a producer mindset (as many of the businesses here import merchandise for Cambodian consumers). This situation will likely change once Cambodian businesses start producing for the world market, hopefully with more access as a result of Cambodia's recent entry into the World Trade Organization (WTO). Only then will strategic consulting services be in demand. Existing demand for high-end (strategic) services come mainly from foreign-owned and joint venture enterprises, donors or donor-funded projects, and NGOs.

The consulting market in Cambodia, especially the upper end, is dominated by foreign firms. In fact, two-thirds (66%) of this small pool of clients (foreign-owned and joint venture enterprises, donors or donor-funded projects, and NGOs) is served by the 10 foreign firms, while 28 domestic firms serve only 27% of these clients. This is not surprising as foreign firms were the first comers to the market, have a language edge in English and are better at cultivating client relations. Moreover, some of these are international consulting firms with established credentials and quality assurance.

Surprisingly, in spite of limited demand, only about 20% of consultants (16 out of 82 interviewees) indicated that lack of demand is a major constraint to their business. This could be because the number of the key players is still relatively small. Therefore, there is enough work for firms that are reputable.

Corruption, bureaucracy, and uncertainty in the economy are major hindrances to conducting business. This is not surprising as other sectors in the economy express similar frustrations with bureaucracy and corruption. What is interesting is that 44% of the consultants consider the combination of access to resources (particularly information) and staffing as constraints to their businesses. This suggests that there is some room for improving the quality of their services despite the high level of education attained by these consultants. Of particular interest is the need for industry information and fundamental consulting skills. The feasibility and economic rationale for filling this gap, however, has to be considered with care.

As in any other sector in the Cambodian economy, consultancy is a male-dominated profession. Only about 10% (8 out of 81) of the interviewees were female. This low rate of female consultants is likely a result of the limited educational opportunities available to Cambodian women. Cultural constraints frequently prevent Cambodian women from attaining the higher levels of education, communication skills and the assertiveness required for consulting.

6.2. Recommendations and Ideas for Possible Interventions

6.2.1. Encourage Demand

The underdeveloped consulting market in Cambodia is a product of the country's relatively young economy. Demand for consulting services is for basic services only, and even for those, demand is low. Thus, any interventions must take such factors into account if they are going to succeed. While the supply side may need some stimulation in terms of market information and training in basic consulting skills, a more important intervention towards growth of the consulting industry would likely be that of encouraging demand and raising SMEs' awareness of the benefits of using BDS. Encouragement of demand could be achieved through demonstration.

Some donors and development agencies (including MPDF) are already facilitating the hiring of BDS providers to assist SMEs; however, this work needs better targeting. As most businesses need information about potential clients, more attention should be given to demonstrating that using consultants can help businesses retain and acquire new clients that enable them to become more successful and profitable.

Also, donors, who at present are the most active users of consulting services, should try as much as possible to retain local consultants. In addition, they should consider taking an active role in building the capacity of local consultants. This could take place in part by partnering local consultants with international ones when the work requires the expertise of international consultants. This approach could help develop the capacity of local consultants as they learn new skills from their foreign counterparts.

6.2.2. Build a Network

The consulting industry in Cambodia could potentially grow and strengthen if consultants established a network to share experience among themselves. This could take the form of regular informal gatherings featuring guest speakers who are experienced international consultants. These would expose local consultants to new ideas and practices in business consulting. Such gatherings would also help establish a sense of community and build trust among consultants and would help consultants to identify complementary skills among their peers should they need to pool their resources to bid or work for a large project.

Helping consultants to form a network is one area where donors could play a beneficial role for the good of both consultants and the private sector at large. The precise structure of the network, however, should not be imposed; rather, it should be decided on and developed by the consultants themselves. Donors and development agencies can help facilitate this process.

The proposed network could also serve as a virtual focal point from which specific assistance could be provided, such as training in consulting best practices.

6.2.3. Offer Training

Especially important would be training in how to articulate the value of consulting services to prospective clients, above all for those consultants working with SMEs. By supporting such training, donors could help to promote the growth of a BDS market. However, a determining factor is the SMEs' demand for services. Training must be combined, therefore, with conditional incentives or subsidies for a limited period of time to assure that SME clients use the services of the trained consultants.

APPENDICES

Appendix 1. Definitions of Management Consulting Services[5]

MANAGEMENT CONSULTING SERVICE	COVERAGE
General/ Strategic Management Consulting	Advisory, guidance and operational assistance services concerning business policy and strategy, and the overall planning, structuring and control of an organization. More specifically, general management consulting assignments may deal with one or a combination of the following: policy formulation; determination of the organizational structure (decision-making system) that will most effectively meet the objectives of the organization; legal organization; strategic business planning; defining a management information system; developing management reports and controls, business turnaround plans and management audits; and developing profit improvement programs and other matters which are of particular interest to the higher management of an organization.
Financial and Accounting Consulting	Advisory, guidance and operational assistance services concerning decision areas which are financial in nature, such as: working capital and liquidity management; determination of an appropriate capital structure; analysis of capital investment proposals; development of accounting systems and budgetary controls; business valuations prior to mergers and/or acquisitions; etc.
Marketing and Advertising Consulting	Advisory, guidance and operational assistance services concerning the marketing strategy and marketing operation of an organization. Marketing consulting assignments may deal with one or a combination of the following: analysis and formulation of a marketing strategy; formulation of customer service and pricing policies; sales management and staff training; organization of distribution channels (sell to wholesalers or directly to retailers, direct mail, franchise, etc.); organization of the distribution process; package design and other matters related to the marketing strategy; advertising services; and operations of an organization.
Operations and Production Consulting	Advisory, guidance and operational assistance services concerning methods for improving productivity, reducing production costs and improving the quality of production. Production consulting assignments may deal with one or a combination of the following: effective utilization of materials in the production process; inventory management and control; quality control standards; time and motion studies; job and work methods; performance standards; safety standards; office management; planning and design; and other matters related to production management. It also includes services provided by agronomists and agricultural economists.

[5] Adapted from United Nations Classifications Registry of CPC Version 1.1 and Provisional CPC. http//esa.un.org/unsd/cr/registry/regcst.asp.

Appendix 2. Focus areas of the Questionnaire

1. Name and contact details of the firm/consultant interviewed
2. Position of the consultant (in the firm)
3. Age of the consultant
4. Gender of the consultant
5. Nationality of the consultant
6. Year of establishment/ year began consulting
7. Ownership type of the consulting firm
8. Registration status of the consulting firm
9. Products/ services details of the consulting firm/ individual consultant
10. Number and type of clients/ contracts offered by the consulting firm/ individual consultant
11. Staffing (of the consulting firm)
12. Qualification and background of the consultant(s)
13. Obstacles faced by firm/ individual consultant
14. Training needs
15. Perception of and/or experience on working with private sector
16. Revenue and consultant income
17. Associations/ networks

FIRM

No.	Company	Description	Address	Phone	Fax	Website/email
1	Adcoms Consultants Co., Ltd	Business consultant	Phum Krus, Khum Svay dangkum, Siem Reap	012 843 433 063 964 654 011 843 433		simrasy@gocambodia.com
2	Adfocus Media Design	Advertising, Design & Communication	#298, St. 245 , Phnom Penh 12159	023 424 535 012 879 663 011 938 386		adfocus@camnet.com.kh adfocus168@hotmail.com
3	Angkor Certified Accountant (ACA)	Accountant-Tax-Legal-Business Consultant-Investment	#110,Russian Federation Blvd., Phnom Penh	023 883 174 012 807 786	023 885 234	youkheang@camnet.com.kh
4	AT & C (Cambodia) Co., Ltd	Accountant-Business consultant	#186C,St. 155, SK. Toul Tompong I, Khan Chamkamon, Phnom Penh	023 217 848 012 661 166 012 876 089 012 698 657	023 217 848	AT.c@online.com.kh
5	"BIC Group-Business Intelligence “Consulting Group"	Accountant-Business consultant	#92B, St. 432, Phnom Penh	023 987 082 012 575 758	023 982 690	info@bicgroup.com.kh
6	BN Consult	Research, Business consulting, Software Development	#62, St. 111 , Phnom Penh	023 210 764 012 858 571		sengbunly@bnckh.com admin @bnckh.com
7	BNG-Advocates & Solicitors	Legal	#84, Monireth(St. 217), Phnom Penh	023 217 510 012 763 616	023 212 840	info@bngkh.net hhn@bngkh.net

8	CAG, the Classify Advertising Guide	The classify Advertising Guide	#41B, St. 350, Phnom Penh	011 756 700 012 964 067		cag_magazine@yahoo.com www.cagpage.com
9	Cambodia Estate Agent	Sell, Rental, Buy, Consultant Evaluation & Development Management	#78, St. 108 Corner St. 51, Phnom Penh	023 220 361 012 610 222	023 990 366	cea@camintel.com
10	"Cambodia International "Law Firm"	Investment-Legal	#33Eo, St. 178 Phnom Penh	023 212 966 023 219 066 012 813 531	023 219 077	cilf@online.com.kh
11	Cambodia Law Firm	Legal	#159, St. 113 , Phnom Penh 12304	023 212 958 011 888 988	023 212 958	
12	Cambodia Media Monitor	Research, Marketing Analysis (CMM)	#8, St. 311, Phnom Penh	023 884 958 016 824 719		cmm@online.com.kh
13	Cambodia Mekong University	Business consultant	#9B, St. 271, Phnom Penh	023 882 211 012 634 647 012 809 191		info@mekong.edu.kh
14	Cambodia Research For Development	Research & Traininig	#77, St. 103 Corner St. 474, Phnom Penh	023 364 263 011 699 901 012 804 420	023 364 263	crd@mobitel.com.kh
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35	MSA Cambodia Ltd	Mkting & Ads	#52AEo, St. 113, Phnom Penh	023 990 799 012 619 080	023 990 798	msacam@camnet.com.kh

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39	PricewaterhouseCoopers (Cambodia) Limited	Certified Public Accountants	#124, Norodom Blvd., Phnom Penh	023 218 086 012 803 891	023 211 594	senaka.fernando@kh.pwc.com www.pwc.com
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