

THE MANAGEMENT AND IT CONSULTING INDUSTRY IN CHINA: MAIN TRENDS AND PROSPECTS

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The article considers some features and trends in development of management and IT consulting industry in China. It explores the main directions and the opportunities of consulting services implementation in China under the current conditions. The article comprises a brief overview of the China's consulting market and its perspectives.

Keywords: management consulting; IT consulting; consulting industry; consulting service; consulting market.

ИНДУСТРИЯ УПРАВЛЕНЧЕСКОГО И ИТ-КОНСАЛТИНГА В КИТАЕ: ОСНОВНЫЕ ТЕНДЕНЦИИ И ПЕРСПЕКТИВЫ

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В статье рассматриваются некоторые особенности и тенденции развития индустрии управленческого и ИТ-консалтинга в Китае. В ней исследуются основные направления и возможности внедрения консалтинговых услуг в Китае в современных условиях. Статья содержит краткий обзор консалтингового рынка Китая и его перспектив.

Ключевые слова: управленческий консалтинг; ИТ-консалтинг; консалтинговая индустрия; консалтинговые услуги; рынок консалтинга.

Management consulting is an independent and professional consulting service that helps enterprises and entrepreneurs to solve management and operation problems, identify and seize new opportunities, strengthen learning and implement changes to achieve corporate goals. The industry includes experts with rich knowledge and experience in operation and management, which go deep into the enterprise activities, closely cooperate with enterprise management personnel, use various scientific methods to find out the main problems in operation and management, carry out quantitative and qualitative analysis, and identify the cause of the problem. Moreover, they work out a practical and feasible improvement plan and guide its implementation in order to seek the firmness of the development of the service activity to improve the business management of the enterprise.

The management consulting industry is a fast-growing industry in the world in recent years, and its influence has penetrated into many areas of political and economic activities. At present, about 50 % of the world's top 500 companies have their own long-term cooperation with internationally renowned consulting companies. In order to meet the requirements of the 21st century enterprises for the external environment characterized by «customers, competition and change» and the new «e-commerce» operation mode, professional consultants for enterprises to realize the revolution of management concept, the reorganization of management mode and the transformation of management methods are provided. Service is committed to

the development of «modern consulting industry», that is, the management consulting industry is aimed at combining the most advanced management ideas, management models and modern IT technology methods to provide consulting services for the enterprise's comprehensive and systematic management transformation projects. The management consulting industry in China is developed based on the theories, methods and experience of business management consulting in Japan and European and American countries.

The concentration of management consulting industry in China is relatively low. According to the data released by the Management Advisory Committee of the China Enterprise Federation, the 50 largest China's Management Consulting Institutions income scale in 2017 was only 4.828 billion Yuan, accounting for 2.75 % of the industry income. Nevertheless, according to the statistics of China Research Institute, the 50 largest China's Management Consulting Institutions income scale of reached 6.584 billion yuan in 2020, accounting for 2.97 percent of the industry's income.

Table 1 – The revenue unit of top 50 China's Management Consulting Institutions in 2015–2020 (in 100 million Yuan)

Year	Industry income scale
2015	38.65
2016	41.97
2017	48.28
2018	53.54
2019	59.37
2020	65.84

Note – Source: [1].

Similar to the management consulting industry, IT consulting (information consulting) industry is also an important branch of the consulting industry. In recent years, with the rapid development of big data, cloud computing, artificial intelligence (AI) technology as well as further changes in business management decisions, management big data has become an important data support for enterprise management decisions. IT consulting management is based on the consulting business model to management big data consulting as the core, combined with the «Internet +», cloud computing, artificial intelligence multi-technology platform integration model development, implementation of big data management, research and development, consultation, training mutual integration as well as mutual support. In 2017 China IT consulting business revenue was about 217.8 billion yuan, whereas the year-on-year increase was 4.8 % in 2018 – 2019. At the same time the digital transformation of Chinese enterprises has accelerated and government enterprises improved the process of cloud and Big data applications to business management decisions and China's IT consulting market ushered in a period of rapid growth. So, in 2019 China's IT consulting market was about 305.4 billion yuan, whereas the year-on-year increase was 19.0 %. By 2020 China's IT consulting market was about 343.2 billion yuan with the increase of 12.38 yuan.

Table 2 – China's IT consulting industry market size (in 100 million Yuan)

Year	Industry income scale
2015	2018
2016	2078
2017	2178
2018	2566
2019	3054
2020	3432

Note – Source: [1].

In general, the number of consulting companies providing consulting services in China has increased dramatically. The following three types of institutions compete in the market.

Firstly, it is a *business-type and enterprise-type consulting service organization owned by the people / public*. Relatively formed and stable consulting companies with more than 5 years of business history in China constitute the main force of current Chinese consulting companies, such as Beijing University Zongheng, Hampoo and others. The market share of these institutions is estimated to account for 10–20 % of the total market. The competitive advantage of this type of enterprise lies in its strength, high-quality talents, abundant information resources, and relatively more channels for project sources. At present, the market for consulting macro-control and decision-making departments is basically occupied by these service organizations. Most of the consulting projects for large domestic enterprises are also undertaken by such service organizations. Therefore, these are the main force in China's modern consulting industry. However, these institutions are restricted by the management system and operation mechanism, and quite a few lacks the motivation and pressure to enter the market.

Secondly, *privately owned collective or individual consulting service organizations*. In recent years, domestic emerging consulting companies have flourished, with a large number and relatively clear segmentation. These companies can be divided into: venture capital or venture capital consulting companies, IT consulting companies, human resources consulting companies, market planning consulting companies, education and training companies, accounting for about 35 % of the market share. Most of the core members of such institutions are composed of intellectuals from the natural sciences, social sciences, and democratic parties. They mainly provide multi-level consulting services for the domestic needs of the industry or related professional fields. Its competitive advantage is that it has a solid theoretical background and low service price. General knowledge is relatively high, relying on intelligence and operation to serve customers, operating mechanism is flexible, independent decision-making is strong, and efficiency is high. However, such institutions have a low degree of the sharing of information resources, low knowledge content of information products, and weak information mining capabilities. With changes in the internal and external environment and increased market competition, a considerable number of companies rely on concurrent operations for maintenance.

Thirdly, *consulting service agencies for foreign investment and Sino-foreign cooperation*. In the domestic market, the number of foreign-funded and Sino-foreign cooperative consulting service agencies is small, strong, and excellent in service, and they are mostly concentrated in large cities such as Beijing and Shanghai. Relying on the advantages of information resources network, strong human resources, rich consulting practical experience and industrial experience, and financial advantages, this type of institution focuses on concept innovation and leading method, mainly for government departments, large and medium-sized enterprise groups, multinational companies, etc. Comprehensive consulting services. International consulting companies such as McKinsey, Boston, and Roland Berger account for more than 50 % of the national market share. Its competitive advantage is close contact with foreign customers and domestic and foreign-funded enterprises, capable staff, familiar with international practices, high work efficiency, and strong market ability. The disadvantage is that there are few contacts with Chinese counterparts and relevant departments, difficulty in collecting information, lack of understanding of China's policy guidelines, investment environment and market changes, and still relying on Chinese employees or related parties to carry out consulting services.

The consulting industry is an intellectual industry. In recent years, many consulting companies have emerged, including human resource consulting, real estate management consulting, technical consulting, financial consulting, market research consulting, corporate training, performance consulting, comprehensive consulting, marketing consulting, and so on. Nevertheless, the IT consulting industry seems to be one of the most promising: for instance,

the revenue in the IT Consulting & Implementation segment is projected to reach 3,463.1 million US Dollars in 2021 [2].

Among the traditional consulting fields (strategy and planning, finance and tax and risk, group management and control, human resources, lean management, process reengineering, standardization, information and integration, brand and marketing, corporate culture, etc.) there are some emerging fields, including big data and enterprise cloud, intelligent manufacturing, investment and financing and equity incentive, intellectual property evaluation, industrial park construction and management, government consulting and energy conservation and environmental protection [3, p. 572].

Through the analysis of the macro environment and the main body of consulting, we believe that the government support should be increased, a national management consulting industry association should be established, the management consulting market should be cultivated, enterprises' awareness of management and IT consulting should be improved, and the level of consulting companies themselves should be increased. Standardizing the operation mode of management consulting and cultivating a good corporate culture are effective ways to tackle the problems in the management and IT consulting industry in China [4].

In general, China's management and IT consulting industry has many opportunities to reach the world-class level. China's management and IT consulting industry is facing great challenges, because on a global scale the field of management consulting is almost dominated by American, European and Japanese companies, and there is a lack of Chinese consulting companies.

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ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ ЦИФРОВИЗАЦИИ МАЛОГО ИННОВАЦИОННОГО БИЗНЕСА

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В статье рассматриваются основные особенности малого инновационного предпринимательства. Представлена значимость малых инновационных предприятий в процессе цифровизации общества. Особое внимание уделено проблемам цифровизации и возможностям цифровой трансформации предприятий. Для решения проблем ускорения темпов цифровизации рассмотрены способы государственной поддержки малого