

## Albanian Management Consulting Industry

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**Abstract:** *This paper analyzes the last decade evolution of the Management Consulting Industry in Albania. Consulting firms need to stay competitive through providing their expertise world-wide that is why many international firms have expanded in Albania, including the BIG FOUR. On the other hand, the profitability of this industry has attracted also the start-up of national consulting firms. This paper focuses on making a comparison between international vs. domestic consulting firms. The paper investigates the business entry strategy of both type of companies and compares the services and the core competences that enable them to maintain a competitive advantage. These companies mostly perform accounting and auditing services, which are also a requirement from both mother-company (if applicable) and the state. For other services such as: business strategy consultancy, human resources and organizational development consultancy, management control consultancy there is a lack of understanding, consequently a lower demand for such services. The paper finds that international consulting firms enjoy generally higher customer loyalty because of their brand reputation, but domestic first compete with offering lower prices for the same services. Taking in consideration that consultancy has become global, Albanian consulting firms are expanding in the region, with a special focus on Kosovo, Macedonia and Montenegro market.*

*Lastly, the paper analyzes the Albanian consulting market based on the five forces of Porter. There are no legal barriers to enter this industry, but the market size is relatively still small and the BIG FOUR (mostly Deloitte and KPMG) dominate 80% of the market and there is also a lack of quality of suppliers and human capital. In the long-term, the expected increasing number of national and international firms operating in Albania enables a growing opportunity for the consultancy industry.*

**Keywords:** *management consulting industry, international consulting firms, domestic consulting firms, business strategy, 5 forces of Porter.*

