

# CONSULTING IN FINANCIAL SERVICES (CFS)

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## Abstract

We are currently witnessing a dynamic of innovation in financial services, and the role of *Integrated Consultancy* is of major importance, with researchers and consultants specializing in sustainable integrated development. They are active in developing models tailored to each type of economy at national level, each development region and each economic agent. Research in the field of financial services, whether we are talking about the public or private sector, covers all institutions, instruments and markets as a whole, and is for the financial services industry, including, but not limited to, commercial banks, credit, investment banks, insurance companies, investment companies, pension funds, a real support in the development of mortgage products, mortgages, international bonds and financial innovations. The consulting services focus on the micro-analysis of the private operation and the public regulation of these activities globally.

**Key words:** financial services, integrated consultancy and sustainable development.

**JEL classification:** I25, Q14, M21

## Concept of Consulting Activities

The process is that occurs when someone who has a problem or faces difficulty seeks the professional help of another person with special abilities to solve that problem alone or with him. It is a co-participatory action.

In other words, consultancy deals with problem solving and is a process that initiates, implements and manages change.

Counselling can also be defined as an intervention designed to change a set of more or less satisfactory conditions, or take advantage of an opportunity with the goal of improving. From the point of view of the consultant, this activity is:

- based on the provision of services to a client in order to obtain a certain profit;
- based on the sale or free allocation of consultant or consultant's time (capacity);
- based on people.

Due to the uniqueness of these issues, consultancy deals with intellectual property and capacity.

Consultancy is the process by which the consultant tries to motivate farmers to expand their business by developing their production capacities, by using information and innovative ideas to solve the technical and financial problems they face.

The name of the consultancy is rooted in the latin "consultare". In Romanian it came from the French verb "consulter", which means asking, asking for an opinion or advice, to consult with someone.

The advice should essentially be a counselling, recommendation, so that the proposals and the advanced solutions are not imperative for the beneficiaries. The consultant has the status of a counsellor, his responsibility is limited to the quality of the advice and recommendations he gives, and he is not directly involved in the action. It is the duty of the consultant to operate with the most advanced results of scientific research, adapted to the working environment.

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## Consultancy Methods

The consultancy activity is an extremely complex, participatory activity that involves the interaction between two factors: the consultant service provider and their beneficiary. In a previous research, we have shown what needs to be the requirements for a quality consulting service, and what are the qualities required for a good consultant. As far as the beneficiary is concerned, we have to deal with a huge variability of types and characters, as well as a level of knowledge in the field. In this situation, it is obviously the consultant's task of finding the most appropriate method so as to gain the confidence of the beneficiary, but also to put a correct diagnosis of the problem and to choose the most effective solution.

What is the optimal method that consultants can apply to contact, advise and persuade farmers?

**There are four main groups of methods of consulting:**

◆ Individual consultancy:

- individual discussions with farmers on their farm;
- individual discussions with farmers at the consultant's office.

◆ Group consulting:

- general aspects of group activity;
- study groups and interest groups;
- farm demonstrations;
- lots or demonstration farms;
- symposiums, round tables, exchanges of experience;
- days in the field.

◆ Information days;

- agricultural education courses.

◆ Mass media consultancy:

- campaign;
- fairs, exhibitions, contests.

◆ *Consultancy using media:*

*The Purpose of Consulting Activities:*

In order to decide which method or combination of methods should be applied, the purpose of the consultancy activity should be considered. Using any method or combination of methods, one of four objectives should be pursued:

- awareness;
- improving knowledge;
- changing attitudes;
- improving skills

*Awareness:* to make small changes in behaviour, awareness can be enough.

For example: A farmer who is already used to fertilize can be easily convinced to change the type of fertilizer he uses. A simple message on the radio or the newspaper may cause him to try the new fertilizer.

*Improving knowledge:* if the consultancy message is complex, then farmers can have trouble understanding it if they do not have the necessary knowledge.

For example: if the consultant noticed during the farm visit that feeding is deficient, he will have to show farmers how to improve the balance of food ration, but before that, farmers have to learn some basic principles about animal nutrition.

*Changing attitudes:* when the problem is different from their habits and their way of thinking, then farmers will have to be convinced of the effectiveness of the proposed solution. Optional methods are both individual and differentiated grouping methods that allow a solid exchange of information between people who trust each other professionally.

For example: the method to be used by farmers is the use of modern machinery, although they are convinced, for example, that manual maize harvesting on small plots is cheaper. It is up to the consultant to demonstrate through the calculation of gross margins the economic advantage of using modern technologies on small farms.

*Improving skills:* when farmers are aware that they do not have the skills required to apply certain measures, then learning must be done through demonstrations, symposiums, round tables, experience exchanges, days on the ground, visits to other farms or training courses professional.

For example: Cutting fruit trees and grapes.

Farmers are generally aware of the usefulness of this action, they have some knowledge about it and are ready to change their attitude, but they do not have the right practical skills. A practical demonstration of the professional cutting provided by the consultant will be particularly useful and will certainly attract many interested farmers.

To improve skills, one must first ask whether farmers are aware of the inadequacy of the current techniques used. This is especially necessary when the problem is not felt by farmers but only identified by the consultant. Once farmers become interested, brochures, leaflets or posters can be distributed. The next step would be to invite farmers to a demonstration followed by discussions. During the discussions, a study group can be set up to decide on the organization of a farm demonstration and farm visits. Group members who have adopted their techniques may then take part in demonstrations the following year.

*Efficiency of consulting methods:*

***What method of consulting is most effective? This assessment depends on three criteria:***

- the suitability of the method;
- efficiency - costs per farmer;
- possibilities of interaction;
- the appropriateness of the advisory method used depends on the purpose of the activity for which the method is used. In general, the goal of the consultant is to inform farmers, the ultimate goal being to implement consultancy messages and change attitudes;
- efficiency refers to the number of farmers who can be contacted with the resources of the consultancy service.

The cost to the farmer is lower when using mass media and large groups. Group methods are more expensive than mass-media or media-specific methods, and individual advice is of course the most expensive method and should be used in a limited number of cases.

Interaction refers to methods that stimulate interaction between farmers and consultants. In the advisory activity, one can also take into account the fact that farmers learn from each other, but in many cases this does not happen easily and the consultant must intervene by facilitating this process. For example, in France, the consultant also bears the name "animator", because one of his tasks is precisely to raise the interest of farmers' groups on certain subjects and to mediate the relations between them. Interaction makes it possible to adjust a technical agricultural message or information according to the farmer's specific situation and provide feedback to the consultant. Individual and group consulting methods allow interaction, while media use is no longer possible.

Another aspect to be considered is the efficiency of farmer advice. From the farmer's point of view, the efficiency and quality of the counselling service is appreciated by its own gain, farm development and revenue growth.

We believe that it would still be necessary to decipher the methods and techniques of consulting, but due to the limited space we will make it in a future issue of the magazine.

## **Agricultural consultant profession.**

*Agricultural consultancy has emerged as a profession as agricultural production has specialized and technologically developed, when all those interested in the field of agriculture have understood that this is a dynamic field in constant transformation, and that in order to obtain profit it must have as much information as possible and solutions. At present, in all advanced countries, agricultural consultancy is one of the main organizations through which all agricultural policies and strategies are pursued.*

*Naturally, this occupation required specialized people who, in addition to those with specific training in agricultural fields, would have a broader view of the whole field in relation to the economic, managerial and social aspects of the rural environment, and in at the same time, be as close as possible to the farmer. In order to better understand the role of the consultant, a comparison can be made with the role of the family doctor towards the specialist doctor.*

*In essence, the consultants are called to identify the issues and to influence the beneficiaries or advise them on the possible ways for action to improve the effectiveness of all aspects of their activities without having any formal authority over them, the date of competence.*

*People, businesses, or organizations that access the consultancy market prefer the services of a consultant or consulting firm for a wide range of reasons, including organizational style and activity, expertise, specialization, fame, etc. The price is always important in hiring a consultant, although it is not a decisive factor, but the education of billing services develops the responsibility of both the consultant and the beneficiary. The higher the fee paid, the more the customer expects from the consultant products with higher value. Finally, the quality of the consultancy can be appreciated by farm development and profitability.*

The service provided by the consultant must be able to offer the beneficiary at least the following benefits:

- help the beneficiary to identify and understand the real issues that arise;
- to guide the activity towards achieving a beneficial result and not just for a simple activity report;
- the solution is relevant to the recipient, preferably with immediate application;
- be of unique applicability in a particular situation or problem, in other words to address the problems of the beneficiary and not the problems in general;
- to require specialized knowledge or skills for its use, these being the added value of the case by the consultant's contribution;
- respond to a request resulting from an opportunity or a change.

The best consultants are focused on effectively solving specific situations and are instructors with the appropriate skills. This gives rise to a number of key requirements for success in activity. These are:

- in modern advice, training is considered a major pillar. In choosing the method of work and during the collaboration with the beneficiary, the consultant intends to transfer his / her knowledge and personal experience to the beneficiary;
- consultants often see instruction (both formal and informal) as their main intervention tool and use it intensely;
- at the regional or regional level, vocational training centers, as well as business development offices, as special services for the beneficiaries, which can be used in conjunction with the other consultancy services or as separate activities can be developed;
- there must be a close link between consultants, agricultural education and research institutions, public and local government institutions, as well as private consulting firms from the country and abroad, professional associations, NGOs, etc.

The peculiarities of the agricultural process determine both agricultural producers and specialists to deal with complex problems that occur in many unpredictable situations and need to be resolved within a short period of time . These particularities can influence the work of the consultant, both as a consultancy manager and as a professional. The double hypostasis of the consultant shows us

that this activity is influenced by both the function he / she holds and the profession he / she exercises.

Agricultural advice, in content and form, is a profession because it requires both specific knowledge and skills in the exercise of competence in a given area or organization. Persons practicing this profession have common characteristics, techniques and similar knowledge, even though the fields in which they operate are distinguished by the nature and particularities of the agricultural branches (animal husbandry, agriculture, horticulture, veterinary medicine) or by the sphere of activity (technical, legal, vocational, social, etc.).

The profession of consultant in agriculture, in its modern perception and recognition, is relatively new. Many agricultural specialists have a high qualification in a specific field, recognized as highly performing, but lacking qualities that make them effective in advising agriculture.

Agricultural consultants must be able to adapt to the natural environment in which agricultural activity takes place. Its activity is carried out throughout the year, irrespective of the season and climatic conditions, often unfavorable (low temperatures, humidity, heat, wind). Also, the fact that activities in this area often take place on large spaces, at long distances, on unmodified roads, creates discomfort in the missions that the consultant has to fulfill and requires a good mental and physical constitution.

Another particular feature of the consultancy profession in agriculture is that the consultant's "patients" are often plants and animals, whose health is often manifested by inconclusive, unpredictable, difficult to diagnose, and therefore difficult to establish " a treatment line ". Also the "patient" character for the consultant is also the agricultural holding as a whole, regardless of its size. The complexity and the random character of the environment in which the agricultural holding operates make its mark on the content and characteristics of the consultant profession.

Another aspect of this profession is that the beneficiary of the consultancy activity is the man in the rural area (with his mentality and training) in general, and the man working in agriculture, in particular, and the difficulties encountered by the consultant in relations with people working in agriculture also consist in the fact that the average age and level of qualification of the population that performs agricultural activities is different to other professional categories, although the activities they have to carry out require various knowledge to allow the correct application of modern technologies , the management of tractors and agricultural machinery, the use of scientific information, the calculation of production costs, the estimation of loan and interest rates, the use of facilities created by European and governmental policies, to become competitive with other economic agents in the sphere of services (Manta O., 2017)

The activity of the consultant in the field of agricultural branches presents a high degree of complexity, determined by the large number of factors influencing, directly or indirectly, the agricultural production, as well as the social and cultural environment in which they work. This aspect determines the need for the personnel carrying out consultancy activities to have some general qualities, knowledge and skills that the consultant in agriculture should have, which we have tried to synthetically present, in the following table:

*The qualities of a consultant:*

*Group of qualities. Type of qualities.*

*Intellectual Capacity:*

- the ability to have the necessary intelligence and logical thinking;
- the ability to observe, add, select and evaluate facts;
- discernment in assessing the facts.
- inductive and deductive reasoning;
- analysis and synthesis capacity;
- creative imagination and original thinking;
- the desire for self-improvement.

*Ability to understand people and work with them:*

- respect and tolerance for interlocutors;
- making light human contacts;

- the ability to anticipate and evaluate human reactions;
- the ability to gain confidence and respect;
- be patient and understanding of people's opinions.

*Character qualities:*

- a sincere desire to help others;
- warmth;
- honesty and firmness;
- the ability to recognize the limits of their own competence;
- honesty;
- the ability to recognize mistakes and learn from failures;
- perseverance and modesty;

*Ability to communicate, convince and motivate:*

- the ability to listen to and understand the interlocutors (beneficiaries);
- ease of speaking verbally and in writing;
- pedagogical qualities in promoting their own ideas;
- ability to motivate actions.

*Intellectual and emotional maturity:*

- stability and balance of behaviour and actions;
- independence in drawing out objective conclusions;
- the ability to withstand pressure, frustration and insecurity;
- have a sense of humour and generate enthusiasm for his ideas;
- the ability to act in a balanced, calm and objective manner;
- stress resistance;
- self-control in all situations;

*Qualities relating to temperament and human resources:*

- health and vigour;
- self-control;
- energy and balance;
- healthy ambition;
- courage, initiative and perspective in action;
- enterprising spirit;
- the ability to face and solve problems effectively.

*Apart from the knowledge acquired in the faculty, in an agricultural specialty, the consultant must know and apply within the actions that he undertakes and notions of:*

- general economy, economic policies and marketing;
- journalistic generalities: knowledge of the local and national media, the journalism ethics, the history of the rural world;
- evolution of agriculture, approach and European and international legislation;
- writing and oral communication skills;
- developing skills and competences;
- human resources management;
- food safety and traceability of agricultural products;
- organization of agricultural and agri-food chains;
- project management and management;
- management and management of an agricultural holding, as well as associative forms;
- die / logistics / distribution;
- diagnosis of an agricultural holding;
- eco-economy and environmental protection.

*The individual success of the consultant will depend on how they will use these qualities and knowledge in their work, and the success of the organization or firm depends on the quality of its consultants. From the above mentioned, it appears that the consultancy activity in agriculture is an extremely complex but very important profession, which can influence the development of the rural area in general and in particular the progress and the welfare of each farmer. In Romania, there*

was a public consultation system but it was disorganized in 2009-2010 and therefore we believe it is necessary to build a new system of agricultural advisory performance, unsubordinated neither politically nor administratively to the state and serving only the interests those who are involved in agricultural activities (Manta O, 2017).

In the consultancy in financial and technical issue, special in the actual context is necessary to create a development a multidisciplinary professional activities in consultancy field, this means to have the complete packet of the financial and technical services for the final beneficiary.

The next period we will assist to the new digital consultancy solution for the clients and the mobility for the consultancy people everywhere in the world, and this will be have double impact for the cost of the services and for the rapidity for delivery the services.

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