

UNIVERSITY OF LJUBLJANA
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DIPLOMA THESIS

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**MARKETING OF AUDIT AND COMPLEMENTARY
SERVICES:**

**A CASE STUDY OF A GROWING AUDIT FIRM IN
MACEDONIA**

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STATEMENT

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In Ljubljana, 16.6.2008

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INTRODUCTION

The fast development of capital markets in the last few centuries and especially in the 20th century, in developed economic centers like New York, London, Amsterdam etc. increased the need for information about companies which were borrowing. The experienced market shocks and downfalls over previously unidentified causes motivated the investors to seek for in-depth analysis of every company they invested in. In order to come to objective results, the investors hired independent persons who reviewed the company. The nature of data about the excellence of a company, being mostly financial data, meant that there were only a handful of people who could do the job. These professionals, hired to give their objective opinion about the financial reports of the company, became known as chartered accountants, certified accountants or auditors (depending on the country and the market). The auditors were given unlimited access to the financial data of the borrowing company in order to properly perform the audit.

Since the times of the initial developments of capital markets and audit, the audit business became highly respected and considered the guardian of the investors. Many countries today included the financial audit in their legal requirements as a measure providing certainty for the investors on capital markets. Most mid-sized and large business entities throughout the world are required to put forward their financial reports and data, so that an audit could be performed upon them.

Countries of Eastern and South Eastern Europe, with the acceptance of the new capitalist system some two decades ago, paved the way for development of their domestic capital markets. Audit became a needed service and many audit service providers emerged throughout the nineties. Macedonia as a part of the region and the process, also nurtured the growth of its own capital market. In the years to come after the secession from Yugoslavia, and the introduction of the capitalist system, audit became a legally required service for many companies thus creating a sizeable market. With the emergence of new companies every day and the growth of the economy, this market will only head forward towards growth and development. Current market shares of audit companies give the opportunity to newcomers, to easily become a part of the fierce competition and to generate substantial growth in a short period of time. With a proper marketing system and approach it is possible to become a major player on the still underdeveloped market in a matter of years. That is why we have chosen to present a case study of a small audit firm with high potential for growth. Our interest in the company (it is a family company owned by the author's family, and the author is occasionally engaged in it), and our extensive knowledge about its characteristics made the decision about choosing a case study company a very easy one. The need of an in-depth analysis of the market environment and the marketing possibilities of the case-study company, which have not been done on such scale before, gives us the possibility to focus our work on a micro-economical field which has not yet been researched.

This paper will focus on audit as a service that can be marketed. In order to understand the possibilities given to marketers in the financial audit business, we have to deduct the knowledge accessible to us on the subject of overall services marketing and on **business-to-business** marketing.

Marketing to business users is a branch of marketing, which has been widely developed along with the development of the business markets. As marketing itself, marketing to business users (referred to as Business-to-business or B2B marketing), can be viewed from different aspects depending on the subject of marketing. According to Kotler and Keller (2006, p. 8) there are 10 different types of entities that can be marketed. Among other types, we find **Services** as a type of entity that can be marketed. The field of marketing science exploring services is called Marketing of services, and when those services are marketed only to business users we are talking about **Marketing of B2B services**.

A popular definition by Kotler and Keller (2006, p. 402) defines services as: “any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product”.

Services usually constitute the largest part of developed economies varying from 55 % to 80 % of a country’s BDP (CIA - The World Factbook, 2008). According to the same source, 64 % of the GWP (Gross World Product) comes from services. Large part of the services produced in a country is constituted of B2B services. This paper will focus on the specific kind of B2B services, which are foremost financial audit and secondly on services that are often offered by audit firms. Those services range from accounting and financial consulting to IT solutions and consulting.

Financial audit or Audit of financial services is a specific kind of service that requires specific approach when marketed. The marketing approach applied to audit services is the primary subject of this paper. Focus is given to the Macedonian market of audit and complementary services. The case study addresses the marketing issues of a small developing audit firm on the Macedonian market and its approaches to different customers.

The first part (Chapter 2) of this paper focuses on the B2B market and its characteristics. A special emphasis is given to the B2B services market and its specifics that are to be considered when marketing on it.

The second part (Chapter 3) naturally continues to examining the nature of the B2B market, which is reviewed in the paper and that is the financial audit service market. Subsequently, audit as a service and a primary output of the audit firm is elaborated, addressing its specific nature and differences from other B2B services. In this part possible marketing approaches for audit firms will be explored, while at the end an overall image of the financial audit service market in today’s world will be presented.

The next level of our analysis is exploring the characteristics of the financial audit service market in the Republic of Macedonia (Chapter 4). This part includes analysis of the Macedonian market of audit and complementary services, as well as the specifics of the Macedonian market compared to other markets.

The fourth part (Chapter 5) focuses on the case-study company and its characteristics. It offers a presentation of the company and its current position on the market.

Present and prospective clients are the subject of the fifth part of the paper (Chapter 6). The focus is on defining the market segments and their characteristics. Analysis of the prospective clients will offer an insight into the nature of different groups of clients, as well as the most prospective segments for the company in question.

Finally, the last part (Chapter 7) will draw on conclusions from previous analysis, address the specific marketing issues for the company in the case study and offer guidelines for future marketing strategies.

1 THE B2B MARKET AND MARKETING

The B2B sector is most often the largest sector of an economy. The percentages between countries vary from 30 %-85 % of the national BDP (CIA - The World Factbook, 2008). It is a different market from the consumer or B2C market in several ways, presented below. The B2B or **business market** consists of all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others (Kotler & Keller, 2006, p. 210). Besides the Consumer and Business market, the B2G - Business to Government market – can be differentiated. However, in this paper the B2G market will be regarded as a composing part of the B2B market. In many ways these two markets are very similar and that is why the assumptions or conclusions made about the B2B market will also be presumed to be true for the B2G market, unless stated otherwise.

What are the characteristics, which differentiate the Business Market from the Consumer Market? According to Kotler and Keller (2006, p. 210-212), the following most important characteristics of the B2B market are different from the B2C market:

- **Fewer, larger buyers:** Marketers on the B2B market mostly deal with a small number of buyers, usually accounting for a relevant percentage of sales.
- **Close supplier-customer relationship:** As a result of the small number of buyers, usually accounting for a relevant percentage of sales, marketers are required to maintain close contacts with buyers and offer them with more flexible products tailored for each and every client separately. Many organizations maintain a business relationship by reciprocity. This means that companies to which they sell their products also sell products back to them.

- **Professional purchasing:** Business marketers, unlike consumer marketers, are mostly confronting buyers which are far more informed about the product, its price and the competition. Usually the professional buyers have also been trained how to bargain and how to get the most out of a purchase deal.
- **Several buying influencers:** The decision to purchase something in a company is usually made by a group of people and not only one person. This means that marketers usually deal with decision groups that include specialists from every field the product concerns. Therefore marketers have to be well trained to cope with such professionally trained groups.
- **Multiple sales calls:** A B2B sale doesn't happen from the first contact. Businesses sell products and services to businesses, which usually require a process of decision making. Therefore, marketers contact several decision makers during a longer period of time. Some sales sometimes take years to accomplish and agree upon.
- **Derived demand:** This is one of the crucial characteristics of the B2B market. Namely, the demand for B2B goods and services is highly dependent or derives from the demand for the B2C goods and services of the purchasing companies. For example, a shoe-maker will increase purchases of leather if the demand for his shoes rises. This correlation usually multiplies the effects of the increase in demand on the B2C markets.
- **Inelastic demand:** The inelasticity of demand is in regards to price. Price variations will not seriously affect the demand for products or services, because the buyers either do not need them or cannot do without them. Shoe-makers, for example, will not buy more leather if the price drops, because in the case of a same demand of shoes they will start stockpiling, which brings other costs. On the other side, if the price rises, they will continue with purchasing, unless good-enough substitutes emerge, because it is a needed material for their production.
- **Fluctuating demand:** As it was said before, the demand for B2B goods and services is derived from the demand for B2C goods and services. However, an increase or decrease of demand on the B2C market can have stunning multiplied effects on the B2B markets. This is due to several factors, like the need for new producing capacities to satisfy the demand by consumers, the fear from increase of price, if they do not react fast, and when the demand is falling, the revision of plans to invest and the usual stock renewal (fear of unused stock materials or products). The biggest effects are usually on the purchase decisions for investments in new capacities.
- **Geographically concentrated buyers:** Industries usually develop in certain geographical area and producers situated in the same supply chain are most effective when geographically close. The decisions are also usually made in the headquarters of companies, which are in most cases concentrated in business centers of larger cities.
- **Direct purchasing:** Business buyers do not like intermediaries and usually buy directly from the producer. Purchases are large enough to directly contact the producer and avoid paying fees to intermediaries.

Very important aspect of the B2B selling and purchasing is the nature of the purchase. On the B2C market, the buyer decides on a purchase nearly every time it is made. B2B buyers can rebuy several times and with no change of specifications of the purchase. This is called a **straight rebuy**. It is usually supported by a system of automatic ordering between the buyer and the seller.

Another way of repurchasing is the so-called **modified rebuy**. In this case the purchaser requires modification of the purchase specifications. It is either a change of price, or delivery methods or even financing methods.

Every rebuy had to be in some point of time a first buy. Some purchases are also one of a kind and do not occur again in the future. When a business purchaser is deciding on a purchase of goods or services for the first time he is performing a **new task**. This situation is most demanding in terms of time and decision-making. When purchasers are deciding on a purchase for the first time, it is usually a process including a lot of research and a lot of bargaining, especially in the case of large purchases.

1.1 B2B services marketing

The B2B service market is a separate part of the B2B market. In order to understand what the B2B service market and marketing are, we need to define what a service is. A few characteristics differentiate a service from a product. According to Kotler and Keller (2006, p. 405), the distinctive characteristics of services are: Intangibility, Inseparability, Variability and Perishability.

1.1.1 Intangibility

Services, unlike products do not have tangible characteristics like smell, taste, material form etc. In order to imagine a service, the customer usually uses abstract perceptions about the events, which will occur if a service is acquired. The usual problem with services is the measurement of quality before and after the service had been acquired. A service cannot be tested before it has been acquired. The results from acquiring it and the satisfaction will be visible only at the end of the performance. Service marketers are trying to cope with this issue by creating tangible representations of services. By tangibilising the intangible, marketers try to help the customer envision the experience of the service. For this purpose they often use architecture, graphic and interior design, and other visualizations of the experience. In B2B marketing it is very important to help the customer envision the possible results of an acquired service. This is done through presentations of possible value increases, because of an acquired and performed service.

1.1.2 Inseparability

Inseparability is a characteristic of services, which means that the service can only be produced if the service provider is present on the place where it should be produced. Services are produced and consumed simultaneously, and unlike products, services cannot be stocked.

1.1.3 Variability

As humans are the ones performing the services, it is only normal that there will be high variability of the quality of service. The same company may offer a service that when done by one of the employees may be very different than when done by another employee. Several strategies can help a company standardize its services, while quality control is crucial for this process.

1.1.4 Perishability

Perishability is an issue bearing negative effects for service providers when the demand is fluctuating. After the performance of the service it perishes and cannot be consumed again. Services cannot be stored, thus producing under-capacity in cases of peak demand and over-capacity in cases of low demand. This is especially the case with audit companies. Audit is a service that usually occurs after the end of the fiscal year, and customers often require a quick result in order to show their investors the audit reports. This means that audit companies have a very high demand for services in the beginning of the fiscal year, for about 3 months and afterwards only again at the end of the semi-annual period of the fiscal year when some companies are demanding for audit. Audit companies are fighting this issue by disbursing their lines of work and offering services throughout the year, thus filling the gaps in audit demand.

Service marketers everyday are trying to cope with emerging issues, because of the specific nature of services. There are some fields service marketers have to focus on in order to provide, firstly - a high quality service, and secondly - sell that high quality service throughout the year.

Many service firms try to emphasize their commitment to quality especially in the B2B services sector. One of the world leading brands for B2B services is Ernst and Young and their slogan reads "Quality in everything we do". It is a very well recognized slogan and by trying to emphasize the focus on quality, Ernst and Young became a more highly respected B2B service provider. Besides expressing the focus on quality, a company must practice an integrated and continuous service quality management. Thus, a vital aspect for marketers in the B2B service environment is the **Quality management system**. Quality management systems vary from company to company and market leaders usually have the most strict and

developed systems. Large multinational companies usually practice an integrated international and interactive quality management system. Network members have to comply with the pre-set standards of the corporation and keep up to date with the quality requirement of the head-quarters. Continuous modifications of standards of work are being triggered by member firms and done on a global scale. These modifications prevent issues that the trigger firm encountered to happen in other firms.

A problem that occurs in the process of service quality management is the measurement of quality itself. Researchers argue over the reference point for measuring quality of a service. One current argues that service quality is measured by customer satisfaction. The only reference point in this case is the customer, who is satisfied or dissatisfied. On the other hand, others argue that quality and customer satisfaction are distinct points, however very closely connected. In any case, service quality is perceived and measured by clients by comparing their expectations with the experience. In order to properly be quality assessed the provider must know what are the client's expectations and try to fulfill them. According to Parasuraman, Berry and Zeithml (1998, in Ismail, Haron, Ibrahim & Isa, 2006, p. 740) five aspects determine quality, whether perceived from a client or somebody else. These aspects are: reliability, responsiveness, assurance, empathy, and tangibles. All of these aspects have to be addressed and certain conformity levels fulfilled. The provider has to focus on some in order to create an advantage over competitors and keep the others on a reasonable level of conformity. A focus on all may be hard to handle and cause more loss than gains.

However, market researchers have still not agreed on a common definition of service quality. Traditional definitions still hold to the notion that service quality is “the customer's perception of service excellence [...] quality is defined by the customer's impression of the service provided (Parasuraman, Berry & Zeithml, 1985, in Ismail et Al, 2006, p. 740). Other studies, however, separate service quality and client satisfaction as different constructs. Marketing minds that follow this current argue that the satisfaction of the client is affected by previous experiences and a service different from the one already positively experienced can be considered inferior, even though the quality is on the same level. In any case, the clients' satisfaction is one of the core indicators of quality and future revenue (Andreassen, 1994, in Ismail et Al. 2006, p. 740)

Another important issue that requires attention when B2B services are being marketed is Brand Management. B2B service providers often confront the issue of a lack of **brand recognition**. Brands serve exactly the same general purpose in B2B markets as they do in consumer markets: they facilitate the identification of products, services and businesses, and differentiate them from the competition (Anderson & Narus, 2004, in Kotler & Pfoertsch, 2007, p. 358). A crucial aspect of branding, according to Kotler and Pfoertsch (2007, p. 358) “is that brands do not just reach your customers, but all stakeholders – investors, employees, partners, suppliers, competitors, regulators, or members of your local community”. They also found that brands are considered irrelevant by many managers in the B2B sector, because of the common misperception that business clients are completely rational and brand loyalty is

an irrational behavior. This misconception needs to be changed, and B2B managers should become aware that brand management is equally important in the B2B world as it is in the B2C world.

The B2B service sector lags behind others in brand building. It is only natural that the maintenance of a brand is much harder in the B2B service world than in the B2B product world. It is the variability of quality that seriously affects the stability of a brand. Spontaneous mistakes have literally destroyed great brands in the last few decades, and the most known example is the Arthur Andersen case from only few years ago. That case shows the vulnerability of a large multinational B2B service provider that crumbled over the mistakes of few employees.

In the world of consulting there is a certain amount of confusion between brands. Namely, many consulting companies hold to the brands created more than 100 years ago, which are very often the family names of the founder or founders. This often causes confusion between brands especially when the name of the firm consists of more than 2 names. In the mass of names and family names, especially in the case of firms in the USA and the UK, one can find it easy to mix up companies and their names. There are cases when the services are hardly connected to a tangible item, like architecture, interior and exterior design, packaging etc. In this case it is crucial for service providers to have an easy-to-remember name. Many B2B service providers offer their services in the form of groups of people usually doing their job in the premises of the client. This means that the client only remotely connects to the brand of the provider, when it is not easily memorable and clearly expressed.

Another issue, regarding brand management, is the **differentiation of services**. B2B service providers are the ones most often encountering this issue. Namely, clients who do not clearly understand the specialization of the provider can easily “put it in a box” with a bunch of competitors which offer similar services and fail to recognize the distinct characteristics or advantages of the provider. Many companies differentiate their services by enriching them with other services that are not provided by competitors.

Very often, companies provide services that are perceived by clients differently than they are in reality. This creates a gap between client expectations and final results. B2B service companies often encounter clients who acquire a service that they perceived different from reality. In such cases the nature of the service has to be clearly defined and made known to the client before larger problems emerge whilst performing it. The issue of gaps between expectations and reality in the case of audit will be elaborated later.

2 THE FINANCIAL AUDIT SERVICE MARKET

The audit service market in many ways resembles other professional B2B service markets in the scope of means of marketing. However, there is one important difference, distinguishing the audit market from other professional service markets. Namely, audit is often compulsory

for a number of market subjects. Where other service providers need to convince the customers of the importance and the value their services offer, the audit service providers very often need not convincing their customers to purchase their service. Hence, the audit market is usually very stable and its growth is highly dependent on the overall growth of an economy. The main source of growth are the companies that at a given period cross the border between small and medium (or the legally defined margins for companies which are not obliged to perform independent audit). Many countries revise their legal criteria for size definition very often (mostly annually). This is a measure preventing shocks on the market. Namely, medium and large sized companies are usually subject to many other legal requirements besides audit, which are not requirements for small companies. In the case of a large transformation of the market where many small sized companies become medium or large sized in a small period of time, many governmental and other institutions may become overwhelmed with demands from the recently grown companies. This comes as a shock to the institutions, as well as to the audit companies, due to the large increase of demand for their services, sometimes resulting in lack of supply or under capacitating.

In order to understand how the market and marketing of Financial Audit services works and should work, we need to understand audit as a service and review its definitions and specific issues.

2.1 Financial audit

According to the Law on Audit applicable in Macedonia, financial audit or audit of financial statements is an examination of the financial reports and accounting records, as well as the information and methods applied in their preparation, and, on that basis, expression of an independent professional opinion as to whether those reports truly and fairly present the condition of the assets, capital, receivables and liabilities, and the result of the operation of the audit subject (Zakon za Revizija, 2005, člen 2). The legal margins defining the field of operation of financial audit are different in many countries. In the developed world, however, the financial audit is performed on the basis of the International Audit Standards and the International Financial Reporting Standards.

Financial audits are performed to form an independent opinion on the integrity of the financial information being presented and to establish reliability on the means of reporting. It includes examinations of the financial statements of the subject of audit and assesses possible material misstatements in the figures and disclosures of the financial statements. The auditor holds the responsibility of choosing screening processes leading to detection of possible misstatements, which can be a result of either mistake or a fraud. It is not however the auditor's responsibility to review all the documentation that applies to the financial reports. The screening process is based on statistical sampling, providing reasonable assurance whether the financial statements are free from material misstatement.

2.2 Legal issues

Audit of financial statements can be performed by a Chartered Accountant (in the USA, Chartered accountant translates to Certified Public Accountant and the use of both titles is often in different countries). Most of the countries, however, define titles in their official languages and the title of persons who are allowed to perform financial audit usually translates to Certified or Registered Auditor.

Audit is a service which does not include complementary goods and is completely independent from other services used by the subject. A usual code of ethics obliges auditors not to perform audit where they have performed some other services like accounting, accounting IT implementation etc. It depends on the country and its laws where the line is drawn regarding incompatibility of services.

Depending on the country and its legislation, certain organizations are obliged to obtain external audit. In most cases the obligation to perform audit is based on the size and the type of the company. Public limited companies are almost in all cases obliged to obtain audit on annual basis. Many countries and institutions also oblige certain companies to obtain semi-annual or in some cases even quarterly audits.

The financial audit performed in a company concludes with the issuance of the audited financial reports or the financial statements with an Independent Auditor's Report. The conclusions of this document are of vital importance for the organization's owners, financiers and the tax authorities of the country where it operates. The document includes the financial statements in their original form, detected inconsistencies and proposed corrections and guidelines for the accounting system. The most important part, however, is the opinion of the auditor which can be positive, negative or reserved. Certain institutions require positive auditor opinions in order to allow an organization to operate in certain fields. The most noticeable cases are the stock exchanges, sometimes requiring the companies to obtain positive opinions in order to enlist them on some markets.

Vital aspect of the financial audit is the mix of criteria that insure the independence of the auditor regarding the organization being audited. The authorities and other concerned parties need to be assured that the auditor is completely independent of the organization he or she audits. The nature of the service requires objectivity, integrity and no economic interest whatsoever from the auditors. This is being managed through the usually strict laws related to the financial audit practitioners. In general, the auditor is considered independent, from the subject being audited, by fulfilling the following criteria (Zakon za Revizija, 2005, člen 24):

1. Doesn't have any economic interest
2. Hasn't previously done the accounting for the same client
3. Has not previously implemented the IT system for the same client
4. Has not previously worked as an internal auditor for the same client

5. Is not in a close relationship with someone who has a direct economic interest

Some of these criteria are quite abstract and the interpretation varies from auditor to auditor and from a client to a client. The auditor assesses the needed levels of fulfillment of the criteria depending on the nature of the audit subject.

2.3 Audit as a marketed service

As a specific and unique service financial audit often requires different marketing strategies than other services. A very important thing to remember when marketing financial audit services is that many companies are obliged to acquire it. Even if the law does not require a company to regularly perform audit, it may be required by investors or loan givers. In such cases price management is a very important tool for marketers when battling in the field of financial audit. However, price handling must not affect quality. Reduction of quality is not an option when performing audit. According to Ismail et al. (2006, p. 741), "Audit quality is the probability that the auditor will both discover and report a breach in the client's accounting system, and this depends on the auditor's technical capabilities and auditor's independence". The auditor's independence varies from client to client and the variance derives from two issues - auditor reputation and power conflict, respectively. Confronted with the fierce price competition, auditors can become dependent from larger clients. Revenues generated from a single larger client and the risk of losing it may force the auditor to simultaneously lower audit price and quality. This directly influences the auditor's independence vis-à-vis the client. Larger audit firms, with more disbursed revenue structure can more easily allow losing a client in order to preserve reputation. Loss of reputation is a far more critical issue for larger auditors as they have much more clients and revenues to lose. An audit firm's technical capabilities depend on mostly experience and specialization in the field of work. Different industries require different specialists besides financial auditors. Technical capabilities positively correlate with the number of audited clients. The expertise in a certain industrial field offers an audit firm an advantage over others. However, a continuous connection with a small number of clients gradually causes decline in auditor's independence.

2.3.1 Expectation gap

Several studies have discovered that users of audit services and reports very often perceive the auditor's responsibility very differently from the auditor. Auditors are expected to take larger responsibility for their work than they acknowledge is necessary. This is called the **audit expectation gap**. The audit expectation gap occurs when the performed service and the experience that the client perceived vary from the expectation of the client about it. Porter (1993, in Koh & Woo, 1998, p. 147), through an empirical study, divided the expectation gap in two components:

- **reasonableness gap** (i.e. the gap between what society expects auditors to achieve and what the auditors can reasonably be expected to accomplish); and
- **performance gap** (i.e. the gap between what society can reasonably expect auditors to accomplish and what auditors are perceived to achieve).

The first is an issue of confronting attitudes of clients and users against auditors about what the auditor is expected to accomplish, while the second is an issue of the auditor himself and his ability to comply with legal and other requirements. We can say that the performance gap is an internal issue, while the reasonableness gap is an external issue.

In order to understand the conflict that is behind the reasonableness gap we need to explain the responsibilities of the auditor and the reasonable expectations for his work.

The auditor is primarily responsible to determine whether the financial statements are free for material misstatement. This is done through procedures of statistical sampling allowing the auditor to gather reasonable assurance that the financial statements are free from material misstatement. Through risk assessment the auditor determines the procedures to be performed. An audit also includes an assessment of the appropriateness of accounting policies and procedures used, as well as of the appropriateness of the estimates done by the management, having influence on the financial statements. At the end the auditor is reasonably expected to give an overall judgment on the presentation of the financial statements and at the end an opinion, which as it was said before can be positive, negative or reserved.

Audit clients and audit report users, on the other hand, many times expect much more from an auditor than it is reasonable. On top of the audit, clients often expect for the auditor to offer consulting on various fields ranging from tax consulting to human resource consulting. These services, even though offered by many audit companies, are a separate generator of revenue and should be separately bargained for. Another issue is the incompatibility of services that is often neglected by companies being audited.

2.3.2 Complementary services

Audit firms, besides financial audit, offer other complementary services like accounting, tax consulting, consulting, secretarial services etc. It is very important for an audit firm to regard the other services it can provide as important revenue generators. In many cases, revenues from complementary services surpass the revenues generated by audits.

In the mid-twentieth century, the now biggest audit firms started expanding their lines of work with services which complement audit (the knowledge of the auditor can be used to perform these services) and increase the revenue base. There are several effects from the expansion of services provided by audit firms. Firstly, complementary services like tax consulting, investment consulting and secretarial services can often be far more lucrative than

audit itself. Secondly, the gaps in capacity usages due to the seasonal nature of audit, throughout the year are being reduced by reallocating resources in the low season period to the complementary services. Thirdly, revenues from other services besides audit disburse the revenue structure and reduce the dependency of the audit company vis-à-vis the audit market.

2.4 Marketing approaches for audit firms

The new scholar developments in the science of marketing, brought an expanded model or a Marketing mix concept consisting of 7P's as opposed to the previous 4P's. Using the 7P's we shall try to shortly explain the marketing strategies that audit companies can assume. The 7P's are as follows: price, product, place, promotion, process, people, and physical evidence (Marketing and the 7Ps, 2005, p. 4).

2.4.1.1 Price

In the harsh environment, full with fierce competition, very often the first decision that audit companies take is the decision on the pricing strategy. Newcomers on the market, encounter problems like loyalty of clients to other competitors, which should be attracted with lower prices. However, as it was explained above, an auditor should not consider loss of quality because of a price decrease. The decisions on pricing are highly correlated to the decisions on the staff to be employed. Since wages are the biggest expense for an audit company, hiring high valued experts can cause price increases, but often with weak effects on quality. The largest companies have different pricing strategies from the smaller ones. Namely, the Big4¹ keep prices at a relatively high level, but at the same time offer the brand name of the auditor. Companies that have been audited by PricewaterhouseCoopers, Deloitte, Ernst & Young or KPMG benefit from higher reputations of the auditor by gaining more respect for their audited material. This is especially the case in the transitional economies in Eastern Europe where these four companies are being far more highly regarded and respected than others. In order to attract smaller, less wealthy clients, mid-sized audit companies keep their prices at more reasonable levels. Their pricing strategies usually focus on mid-sized enterprises which weight the need for a name on the report and the cost effectiveness. The smallest competitors often fight for the smallest share of the market and set up their price strategies to attract the most rational companies and often government projects and institutions living on limited budgets. Their pricing varies the most. Namely, often the smallest service providers offer very low prices in order to attract a bigger client, thus enriching their reference list. On the other hand, they sometimes benefit from the more personal appearance to smaller firms and use skimming strategies. This is because sometimes smaller, mainly family owned firms are

¹ The Big4 refers to the 4 largest audit service providers: PricewaterhouseCoopers, Deloitte Touche Tohmatsu, Ernst and Young and KPMG.

not comfortable being audited by larger audit firms and because of that decide to hire a smaller provider.

A comparison in revenues by partner, indirectly indicating the pricing strategies, for 15 of the 50 largest audit firms in the UK is given in Table 1.

Table 1: Audit firms in the UK sorted by fees per partner in 2007

Ranking by fees per partner	Ranking by fee income	Name of firm	UK fee income (£m)	UK partners	Fees per partner (£m)
1	2	Deloitte	1790,0	638	2,9
2	3	KPMG LLP	1454,0	556	2,6
3	1	PricewaterhouseCoopers LLP	1980,0	793	2,5
4	23	MGI Wenham Major	22,2	8	2,4
5	4	Ernst & Young LLP	1130,0	490	2,3
6	26	DTE	18,1	11	1,6
7	6	BDO Stoy Hayward	330,0	227	1,5
8	7	Baker Tilly	200,4	138	1,5
9	9	PKF (UK) LLP	130,4	95	1,4
10	47	Target Chartered Accountants	10,1	7	1,4
11	5	Grant Thornton UK LLP	387,1	320	1,2
12	46	Streets LLP	10,4	10	1,0
13	8	Smith & Williamson	152,6	172	0,9
14	10	Tenon Group plc	123,6	140	0,9
15	14	Bentley Jennison	63,7	43	0,9

Source: Top 50 accountancy firms, 2007.

It is interesting to notice that some relatively small audit firms hold high prices, as indicated by fees per partner. The most noticeable is MGI Wenham Major, 23rd in rank by revenues, but fourth in rank by fees per partner. This company has specialized in four areas (owner-managed business, franchising, medical practices and charities) for which they provide much more valuable expertise than the competitors, and they do this with a personal touch, where every client maintains close contact with at least one of the directors (this data was available on the website of this audit firm until its acquisition by a competitor)². Specializations in some fields of expertise can offer audit firms more possibilities for pricing.

2.4.1.2 Product

Audit as a service is fairly predefined by laws and regulations and auditors mainly do not have space to maneuver in this aspect of the marketing mix. The only aspect directly affected by the auditor is the quality. Other aspects like form, structure, language etc. are mostly

² MGI Wenham Major was acquired by RSM Bentley Jennison in the middle of May 2008 after speculations about financial irregularities in the work of MGI Wenham Major (Blackmore, 2008).

predefined. The quality of an audit comes predominantly from the people that are employed to do that certain audit. However, companies introduce quality standards forcing the employees to check every move they make. The Quality management system is most developed in the largest audit firms. Smaller audit firms often do not have the need to integrate complicated quality control systems since their employees are often in direct contact with the high management. Control in such cases is being conducted on almost every level of the organization all to the top management and experts.

Larger audit firms usually perform their services in a more industrial way than smaller firms. This means less personal contact and customization and more standardized performance. Customization only pays off with larger clients. On the other hand, smaller competitors offer customized services to smaller clients.

2.4.1.3 Place

An audit is a service that while being performed is followed by close contact with the client. The frequency of contacting is usually determined by the audit firm and there are no rules when it comes to that issue. Many times the audit is being performed in the premises of the client. In some cases, the client is even housing the employees of the audit firm throughout the whole year. However in most cases the auditors perform the audit in their premises, thus distancing themselves from constant pressure and questionings from the client. This additionally insures the independence of the auditor. In the case of larger countries, audit firms open offices in other prospective regions, besides the initial region. The way of expanding differs from a company to a company. The largest usually decide to create a wholly owned subsidiary, while other, financially less powerful companies create networks with other auditors in that region or create a joint venture with a subject with similar interests.

2.4.1.4 Promotion

Unlike B2C service providers, which usually extensively use advertising, the B2B service provider relies on professional contacts and word-of-mouth to promote its services to prospective clients.

Customer relationship is one of the crucial issues to address when audit is being marketed. Many scholars and practitioners agree that besides quality, an audit (and a B2B service company in general) company must continuously take care of clients and maintain close professional contacts. These contacts besides being clients are also promoters of the service provider.

Professional memberships offer an opportunity to promote the firm as a constructive member of the society, by joining in professional committees, meetings etc. (Chan, 1992, p. 49)

The organization of seminars and conferences help promote the company in many ways. Clients can be influenced through their employees, who attend the organized seminars and conferences and at the same time promote the company as knowledge based organization.

Publishing is yet another way to promote the services and expertise of the audit firm. By being published in the written media, the auditor gains credibility and consequently the firm gains reputation. (Chan, 1992, p. 49)

2.4.1.5 Process

Procedures for work are a very important aspect when rationalizing the work in an audit firm. The operation processes have to be optimized in order to provide the best quality of service.

In the case of larger firms with a larger number of employees, the management of audit processes is usually divided between senior managers with a tendency to mono-tasking. Mono-tasking means that one senior employee governs a single process at a time, with the help of subordinates, and a clear delegation of tasks. In the case of smaller firms with a lesser number of employees, processes flow simultaneously and a big portion of the employees work on the same processes. Smaller firms have a tendency to multi-tasking, thus allowing greater flexibility when priorities change.

2.4.1.6 People

Audit services are a very knowledge intensive sector. The qualifications of the people who are employed determine the level of quality of the service.

The tendency to a continuous increase of delegation of tasks in the process of growth of the service firm creates a clear difference between larger and smaller audit providers. Smaller service providers usually employ a larger percent of certified auditors than the larger ones (based on own calculations from transparency reports of Audit firms in Macedonia for 2005, 2006 and 2007). Large audit firms like the Big4, usually have a large base of employees with low to medium expertise on the subject, to whom tasks not requiring high expertise in the field are delegated. In many cases bigger audit firms employ a lot of freshly graduated personnel who are in need of reference for their CV's or just pursue initial education and experience in a large corporation. Several studies have shown that the largest audit firms, and especially the ones from the Big4, have a large percent of fluctuation of lower organizational level employees.

On the other side, smaller firms with limited budgets cannot allow for a large percent of employees to fluctuate because of costs of fluctuation. Besides the costs of employing, there are the costs of education of employees, who are effectively used only if the employee stays in the firm. The delegation of tasks in smaller firms is on a far lower level than in large firms. This means that usually the senior staff is carrying out most of the tasks as there is a small percent of junior staff employed.

2.4.1.7 Physical evidence

Physical evidence encompasses every aspect of a service, which is being materialized in some way. Tangible items like prints, clothes, furnishing and even architecture are very important to the impression a service provider leaves on the client.

The difference between large and small audit firms in this aspect is far smaller than in the other components of the marketing mix. Physical evidence like printouts, clothes and furnishings are a matter of free choice of the audit firm. The costs occurred as a result of purchases or production of these items are in most cases imminent and it depends on the level of creativity and sense for the visual of the company management, how attractive and impressive will the material appearance be to clients. Choice in architecture on the other side may be far greater for the larger firms. Impressive buildings and offices require stable and deep sources of finances, which are easier to obtain by larger firms.

Management and focus on visual identity may help the firm to become more recognizable, but the brand created must be supported by fulfilling the promise given by it. Thus, strong visual image and recognition must be supported by a high quality service in order to maintain the reputation. This point is well captured by the old marketing saying: “Nothing kills a bad product, like good advertising”.

2.5 General info on the worldwide market

The audit service market following the trend of globalization has itself become one of the leader markets in the process. Compared to only 20 years before, the market of financial audit services had restructured vastly to come to the today’s point where it is one of the rare truly globalized markets. A common association to the audit market is the term Big4. This term represents the 4 biggest audit service providers worldwide. These four firms together hold, according to the US GAO (United States General Accounting Office), 80 %-95 % of the worldwide audit services to public listed companies. The overall share of the market in terms of number of clients according to the GAO is somewhere between 65 %-75 % whereas the market share in terms of revenues is well above 80 % (Public accounting firms: Mandated study on consolidation and competition, 2003). The Big4’s revenues combined sum up to a little below \$90 billion worldwide. By putting the 2 facts together we can estimate the worldwide market for audit services at around \$110-\$120 billion. **Table 2** (on page 18) is showing the three most important factors of size for the Big4:

Table 2: Major global audit firms (the Big4)

Name	Combined Revenues in 2007	No. of employees	No. of countries operating in
PricewaterhouseCoopers	\$25,2bn	146.700	150
Deloitte Touche Tohmatsu	\$23,1bn	150.000	142
Ernst & Young	\$21,1bn	130.000	140
KPMG	\$19,8bn	113.000	145

Sources: 07 Global Annual Review, 2007; Deloitte Milestones on the journey, 2007; Ernst & Young Global review, 2007; KPMG Global - Who we are, 2008.

Following the Big4 there are few companies or networks of companies, which although generate vast revenues and operate in a large number of countries, are far from the Big4. The most noticeable are BDO - \$3.9bn, 30.000 employees (<http://www.bdointernational.com>), Grand Thornton - \$3.5bn, 25.000 employees (<http://www.gti.org>), Baker Tilly - \$2.5bn, 24.000 employees (<http://www.bakertillyinternational.com>) and RSM International - \$3bn, 25.000 employees (<http://www.rsmi.com>). BDO, Baker Tilly and RSM International, as well as many other audit brands throughout the world are organized on the base of networking. A network works on the basis of grouping of independent firms in different locations which create and share common quality standards, methods of work and usually a name. The option of becoming a network member as a strategic marketing perspective will be later reviewed as an option for the case company.

Financial audit as a profession is being widely recognized. This is due to the well organized institutions, built in order to support and develop it. These institutions watch over the credibility of the profession in general and resolve issues of importance for auditors. The most widely recognized and truly worldwide organizations are the International Federation of Accountants (IFAC), The International Organization of Supreme Audit Institutions (INTOSAI) and The International Accounting Standards Board (IASB). These three organizations along with others have continuously made efforts to standardize the work of financial auditors and accountants worldwide in order to firstly - simplify international operations of organizations, and secondly - bring these professions to an internationally recognizable level. These efforts have resulted with two very important documents, which can be called the “Bible” for accounting and audit:

- The International Financial Reporting Standards
- The International Auditing Standards

These two documents, both vast in size and data, have been the rulebooks for auditors and accountants throughout the world. However, an important issue to be mentioned is the existence of the Generally Accepted Accounting Principles (GAAP). This document is being

used in the United States and is equivalent to the IFRS for the other countries. Recent comparisons, however, show that the GAAP and the IFRS show a trend of unification. Bound to the Norwalk Accord of 2002 the IASB and the US FASB committed to converging IFRS and US GAAP (Similarities and Differences: A comparison of IFRS and US GAAP, 2007, p. 2).

Very noticeable is the dominance of western standards and organizations on the global audit and accounting market. Many of the largest companies or networks operating today have their roots in the western world, and predominantly in the UK and the USA. The first mentioning of auditors has been noticed in England in the early 14th century. England has the longest history in auditing and London can be considered the capital of accounting and auditing. Many eastern nations just recently have started developing private, independent audit business structures and are still young and inexperienced in the matter. Most of the well positioned western companies have used their advantage over local accountancies and consultancies and have developed their offices in the beginnings of the markets transformation. The Big4 are almost without an excuse sharing the first 4 places on every market they have entered (own conclusion based on data about market dominance on different markets). Local companies many times fight over the leftovers of the cake shared between these companies. In the fight for clients, smaller companies try to enter some international networks or associations in order to provide themselves with international references and clients.

3 THE MACEDONIAN AUDIT SERVICE MARKET

The Macedonian audit service market is a very young market. Compared to the western countries and markets the Macedonian is merely in its adolescent years. Its structure is very similar to structures of other eastern European transition economy markets with the Big4 ruling a considerable amount of business. However it is noticeable that being a young market it still hasn't produced vast gaps between the competitors. The fight for clients is in its early stage and considering that Macedonia as a country houses a very small amount of international corporations there is a lot of space for interesting progress.

The Macedonian market will be examined using the guidelines of the PESTEL analysis. This analysis will assess the Political, Economical, Socio-cultural, Technological, Educational and Legal environment. Standard PESTEL analysis assesses Environmental instead of Educational environment but the importance of the latter for financial audit opposed to the almost negligible relevance of the former, puts us into a position to replace the first in favor to the second.

3.1 PESTEL analysis

3.1.1 Political

Macedonia as a part of a very turbulent region is itself a subject of noticeable political influences in every aspect of the economy. Political decisions seriously affect the businesses on the market. As a small economy, Macedonia's exports and imports account to large percentages of the GDP (according to the State Statistical Office (2007, report 3.1.7.07) exports account for 48,5 % of GDP and imports for 67,3 % of GDP in 2006) and international political decisions, especially aimed at the neighbors, affect traders and producers. The other side of the coin is the Foreign Direct Investments aspect, which varies year to year depending on the political situation in the country and the level of political stability perceived by foreign investors. There is no direct influence of politics on the financial audit branch, however. Companies, even state owned, freely decide on the auditor to perform the audit, usually in a transparent process through a tender.

An important notion is the political competition between the major parties spanning to business circles and affecting the audit business itself. It is common for a company to be perceived as a sympathizer of a certain political option, which can cause resistance for business from companies - sympathizers of other political option. Political circles are a strong factor for business; thus, auditors have to be very precautionous in their line of work. It has happened that companies (not audit companies) regarded as sympathizers of the opposition have been accused by the government for illegal operations, which directly affects the perceived image of the auditors of that same company. Even unsupported accuses can diminish the image of a certain financial audit firm and affect its volume of business.

3.1.2 Economical

Macedonia is still in the phase of economical transition and its economy is still defined as a transition economy. The separation from Yugoslavia in the early nineties and the introduction of a new political and economic system has left a deep mark, still recognizable today. Macedonia still suffers from one of the highest rates of unemployment in Europe (34,8 % according to the State Statistical Office) and there are many underdeveloped areas in the country especially in the smaller cities. Considering however, that economical development is imminent and expected, the yet-to-develop market holds a large array of possibilities for developing audit service providers. Facts about the general economic situation of the country are given in Appendix 1.

The facts given above and in Appendix 1 show that Macedonia houses a relatively small and underdeveloped market with a big potential for growth in many sectors. The continuous efforts of the governments in the last 17 years to purge the economic growth have resulted in some development of some sectors, but still the major driver of growth are the foreign owned companies accounting for a big part of the largest companies. The importance of large and

mid-sized companies for the financial audit and complementary services is very big. Namely, the biggest revenues for the sector come exactly from these companies. Since many of the largest companies are foreign owned, a big percentage of these services are provided to them by international service providers. This is due to the international agreements concluded between the service users and service providers, automatically transferring to the Macedonian market as well. The Big4 almost in all cases provide audit and complementary services for the international corporations that have entered the Macedonian market.

A very important aspect for financial audit providers is the development of the capital markets. As the famous Arthur Andersen (the founder of the former Big5 company Arthur Andersen LLP) has said: “accountants' responsibility is to investors, not to clients”. Developed capital markets respect the audit reports as a vital information for the standing of a company whereas the Macedonian capital market still stands in the phase where audit reports are regarded predominantly as a legal requirement. Macedonian capital markets are still in the early phases of development where vast amounts of information important for investors are being neglected. The rise and falls of stock indexes is very much due to hearsay or shallow information about future prospects. The future holds a lot of space for development of the market, especially because of the increasing amount of foreign investors entering it, usually using far more thorough methods of analysis compared to the average Macedonian investor, being it a person or a company. This development will result in an increased demand for services such as financial audit and due diligence for companies, previously not subject to audit as a legal requirement. A lot of these companies today do not see the advantages that capital markets offer and therefore do not detect the need to persuade investors by performing audit.

The competition on the audit service market is fairly high. There are currently 26 audit companies and 5 independent auditors (the term will be explained later). The largest competitors are, as it is the case on many markets, the Big4 companies. However some other audit companies, excluding the Big4, are very close in the percentage of shares of the market. According to the Central register of the Republic of Macedonia, for the year 2007, total revenues in the sector were around 15 million Euros. The sector, however, besides audit companies, covers all other providers of accounting and similar services. Based on the data regarding turn-over of audit companies for 2007 (audit companies are obliged to issue a transparency report every year, which includes information about the total turn-over for the year before), we can narrow the market to approximately 6-7 million Euros (considering that some of the audit companies perform complementary services from sibling companies and assuming that the revenues of the firms that haven't issued a transparency report, in a media accessible to us, do not exceed 100.000 EUR with the exception of 2 that will be mentioned later)³. This includes audit services and services provided by audit firms and rarely by others,

³ The data from accessible transparency reports from 10 competitors gives us the amount of 5 million EUR. Regarding those whose transparency reports weren't accessible to us, 2 well (continues on next page ...)

like tax consulting for larger clients, due diligence, corporate level accounting and other. According to the data we have acquired regarding turn-over of audit companies, we can sum up the leading competitors in **Table 3**.

Market size assumed for the estimations presented in Table 3 is 7.000.000 EUR. We are also familiar with two competitors not included in the table, but are most certainly somewhere in between the major competitors. Those two companies are “B i LJ” and “Grand Thornton”. The reason they are not a part of the table is that they have not issued the transparency report in a media accessible to us.

Out of 26 registered audit companies, 20 are based in the capital city of Skopje, 3 in Kumanovo, 2 in Prilep and 1 in Gevgelija. Nevertheless, all the companies operate nationwide due to the small territory of the Republic of Macedonia (25.333 km²).

Table 3: Major competitors in Macedonia

Competitor	Revenues in 2007		Market share
	in MKD	in EUR	
PwC	103.012.569	1.675.001	23,9%
KPMG	68.202.200	1.108.979	15,8%
Deloitte*	49.037.637	797.360	11,4%
Ernst & Young	35.409.171	575.759	8,2%
Dimitrov	16.955.418	275.698	3,9%
MRC	14.558.000	236.715	3,4%
Censum	5.700.851	92.697	1,3%

*data for 2006

Source: Transparency reports for 2006 and 2007; Own calculations.

3.1.3 Socio-cultural

Macedonia is a South-Eastern European country in the process of transition. The economical issues mentioned previously have affected the socio-cultural environment in many ways. There is a big percent of the population living below the poverty line as a result of the crash of many business sectors in the early nineties. These economic problems have resulted in a major mistrust in the government and institutions by people, as well as business subjects. The result is a large informal sector, in some estimates accounting for more than 20 % of the official GDP. Another aspect of the transitional processes, very important aspect for service providers is related to concentration of capital. Namely, because of many enlargements of companies on the burden of the dissolving companies from the previous periods, the capital

(...continuing) known competitors we have estimated to have an annual turn-over of 300 thousand EUR and for the others an average turn-over of 75 thousand EUR, giving us the total amount of 6,6 million EUR.

had concentrated to a small number of companies and persons. Many of the business operations during transition have left one of the sides doing the business in a very unfavorable position and the other - unnaturally profiting. This also created distrust between businessmen. This fact combined with the culture of the Macedonian people (family and close friends are first candidates for doing business with) resulted in a personal contact driven business which is usually a very rigid system. Newly created close connections are hard to obtain and have to be constantly nurtured. The habit of wining and dining in Macedonia resulted in many business deals done on the restaurant tables instead of office tables. This also affects financial audit providers because many private company owners rather acquire audit services from close contacts. Even though the independence of auditors is a crucial issue, it is not the objectiveness of the auditor that concerns the companies, but his/her discretion.

Another very important socio-cultural aspect of the Macedonian market is the ethnic structure. Macedonia's population besides the ethnic Macedonian majority (64,1 %) consists of a large ethnic Albanian minority (25,1 %) as well as other minorities like Turks, Roma, Serbs and other (Census of Population, Households and Dwellings in the Republic of Macedonia, 2002, Book XIII, p. 34). While the smaller minorities do not require a specific approach, the Albanian minority (regarding the ethnic Albanian owned companies) sometimes requires a different approach. The first aspect is the language. Albanian speaking professionals are more integrated in the Albanian business community. As a result of the cultural values of the Albanians, the Albanian businessmen are often very strict when doing business. This means that partners are often very carefully selected and the circles of trust already formed are usually difficult to enter.

3.1.4 Technological

Whereas the overall technological development of a market today (a more or less developed market regarding technology) may not directly concern auditors, many aspects of the usage of modern technologies affect the work of auditors. The usage of computers and computer systems has revolutionized the area of accounting. Access to data is much easier than before and processing of data is much faster. The difference between companies, however, is sometimes very big regarding the level of usage of computer technology for operations. Many Macedonian companies still use outdated systems which can sometimes make the auditor's job more difficult than it should be. Auditors often use software specialized for audit purposes. Compatibility of the auditor's software with the company's software can result in a better quality of the audit. The usage of internet is imminent when performing audit because of the easier transfers of data during the audit.

A very new and developing aspect of marketing is the internet marketing. The level of development of the internet community in Macedonia still lags behind the western communities. Internet marketing is therefore still a small sector of the economy. The trends

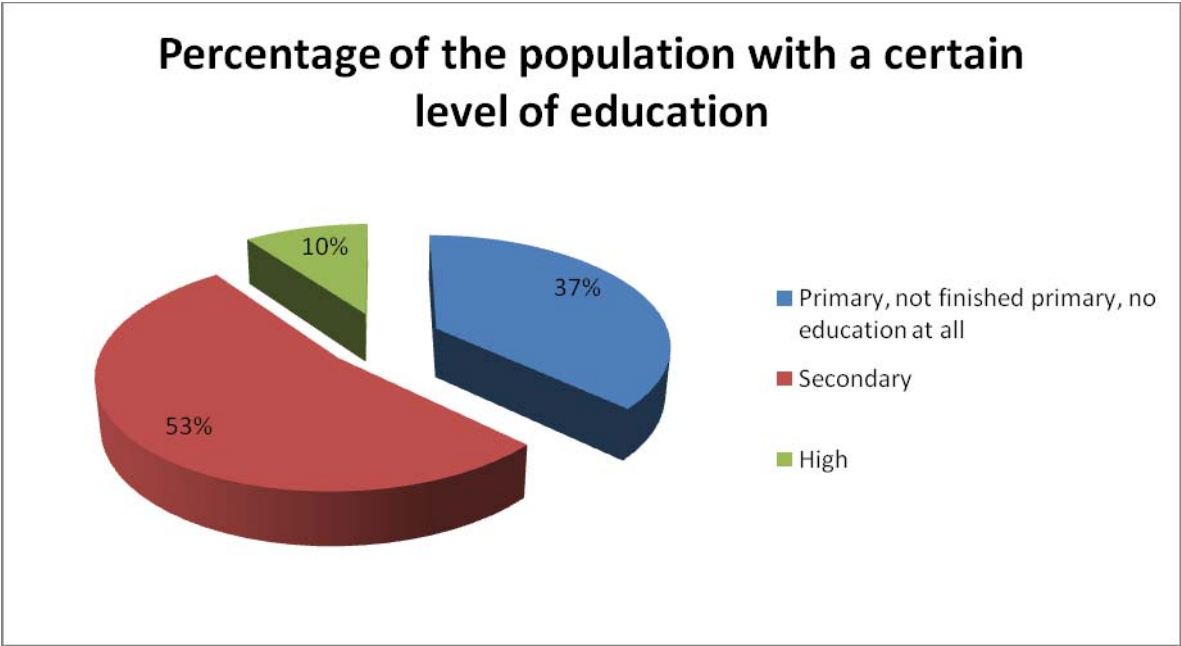
however show that as more people use the internet, the internet marketing continuously expands. However the efforts for providing high e-coverage are still not lucrative for a company providing financial audit and complementary services.

3.1.5 Educational

The educational aspect of the environment is vital for a professional service company, since its operations are mostly knowledge intensive. Financial audit and complementary services providers rely on the knowledge of the employees. The most usual employees in such firms are persons who have graduated from business and law schools. According to the Ministry of Education and Science (*Higher Education in Macedonia*), Macedonia currently houses 4 state owned universities and several privately owned universities or other higher education institutions. There are several institutions offering business and/or law studies. The quality of the institutions, however, varies and the state owned institutions are regarded as the highest quality institutions. The Ss. Cyril and Methodius University in Skopje is regarded as the most prestigious institution for most sciences.

The educational structure in Macedonia shows very low percentages of highly educated citizens. As a result, even though the unemployment rate is very high, the competition for highly educated personnel between employers is high. The number of young (less than 40 years old) highly educated citizens is far greater than the number of older highly educated citizens, which is a positive factor for the future development. Every year there are more and more graduates and the market is becoming ever more flexible. The educational structure of the population in Macedonia is shown in Figure 1:

Figure 1: Educational structure in Macedonia



Source: Census of Population, Households and Dwellings in the Republic Of Macedonia, 2002, Book V, p. 65

Besides the standard educational levels, financial audit requires additional education. To perform a financial audit a person must firstly obtain a certificate for a certified auditor. Education courses and evaluations for certified public auditors are being held periodically. Currently there are 180 certified auditors in Macedonia. However, not all of them are employed with the financial audit service providers.

3.1.6 Legal

The Macedonian legal system is based on civil law. Laws relevant for the financial auditors are predominantly the Company Law (*Zakon za Trgovskite Društva*) and the Law on Audit (*Zakon za Revizija*). These two laws define the audit requirements, the obligations of the auditor and the company being audited, as well as several other aspects, the most important one being the establishment of accounting standards. The Macedonian rulebook on accounting sets the International Accounting Standards as official accounting standards for Macedonian legal entities. Other relevant laws concerning auditors are the Banking Law, Law on Insurance, Securities Law, Law on Budgets, as well as the Decree on the Chart of Accounts.

The laws and regulations mentioned above mainly focus on the independence of the auditor, the requirements to become an auditor and the obligations of the companies to perform audit. According to the Company Law, the following categories of legal entities are obliged to perform annual financial audit (*Zakon za Trgovskite Društva*, 2004, člen 478):

- Medium and Large sized companies organized as shareholder companies,
- Medium and large sized companies organized as limited companies and
- Public listed companies

According to this Law, there also are some other cases when a financial audit needs to be performed. This Law also defines the ways of selection of an auditor in every such case as well as for standard annual audit. It also defines who is liable to require an audit.

Audit companies are also a subject to the provisions of these laws. An audit company can be organized in every possible form, but in every case it has to employ two certified auditors. A certified auditor can also register as a separate legal entity and work on his/her own as an independent auditor.

According to the Macedonian laws, there are some legal entities which are not financial audit providers, but are required to employ at least one certified auditor. Such institutions are Banks, Insurance companies, Pension funds and Investment funds.

4 PRESENTATION OF THE CASE STUDY COMPANY

4.1 General information on the company in question

“CENSUM” is a small audit firm, based in the capital of Macedonia – Skopje. It employs 5 people from whom 3 are senior staff (2 certified auditors and 1 experienced accountant) and 2 are junior staff (administrative assistant and a junior accountant). It has two additional contracted certified auditors working for the company outside of Skopje, mostly in the eastern parts of Macedonia. The company also has a number of cooperates, with expertise in various fields. It is a family owned company with a high tendency for expansion and growth.

The firm was established in 2004 by the current director. In the 4 years of existence it has shown a high rate of growth between 50 %-110 % annually.

Operations are based in Skopje, but there are also a number of clients based in other cities in Macedonia. The proximity of the other regions to Skopje allows the firm to work on a national level from only 2 offices in the capital.

4.2 Position of the company relative to the environment

“CENSUM” is one of the youngest audit firms in the country. Most of the competitors were established in the middle to late nineties. According to the previous estimations of the size of the audit and complementary services market, the company is ranked (by market share) somewhere between the 10th and 15th place out of 26 audit firms currently operating in the country. The market share is little above 1 percent, which makes it a small player for the time being.

The revenue base is divided into two parts - one is revenues from audit and the other is revenue from complementary services. According to the data for 2007, the company has generated 42 % of revenues from audits and the rest from other services (Transparency report 2007, 2008). The percent of audit revenues in total revenues is one of the lowest on the market, which - as we will see later - can be both a strength and a weakness.

What makes this company distinct from others is the expertise in the non-governmental organizations sector, generating a high percent of revenues. Other important sectors generating big percent of revenues are the tobacco industry and wholesalers.

4.3 SWOT analysis

4.3.1 Strengths

Censum, being a small company in a knowledge intensive sector, can find its strengths in the characteristics of the people employed and the coordination of the team as a whole. The **high level of expertise** of the senior employees, who are highly experienced, allows the company to be flexible when conducting audits. The **high level of formal and informal internal communication** opens the option for a painless transfer of tasks between employees. 2 out of 3 senior staff had previously been managers in companies that were subjects to audit and have gained experience of audit services from the subject's point of view. This enables them to conduct the audit by understanding the client's point of view, thus additionally increasing the quality of the service. The company's strategic orientation towards constant maintenance and further improvement of quality, teamed with the experience of the employees, creates an environment which creates high quality outputs for the clients.

Relationship marketing is a crucial way of gaining and maintaining clients. Being an owner-managed firm itself, Censum constantly maintains professional and personal contact with its clients. This allows it to get deeper into the client's operations and way of performing them, thus providing the company with a more efficient and effective viewpoint in comparison to other larger firms. The senior staff of the company, through their previous employments and activities has gained a **strong circle of cooperates and professional contacts**, whose expertise can be used at any given moment. Two of the senior employees were high level managers in respectable companies, and the founder was for a longer period of time at high level manager positions in companies that were a part of a multinational corporation. Other connections also span diplomatic and high institutional circles in the country.

The structure of the revenues shows us that Censum has acknowledged the need to disburse its line of work, thus assuring its independence from audits. In the audit business it is very important to prioritize clients and select services that are to be offered to them. Often the audit is only an initial offering opening the way for promotion of other more lucrative services. Censum has shown that it can grab the opportunity for a promotion of other services on the cost of only performing an audit once for a certain client.

Financial stability is a crucial characteristic of this company. Through its short history, Censum has achieved stable cash flows, which in turn provide liquidity and financial stability. Audit clients often require financial guarantees before the service is being acquired and performed. Being aware of this fact, Censum constantly maintains its liquidity, thus ensuring uninterrupted operations.

4.3.2 Weaknesses

The **small number of employees** in the company makes it incapable of performing audits for large clients. It is also an issue in the period of high season when the employees are often

overworked for a short period of time. The employment of new professionals may wipe out this weakness, but at the same moment can cause financial instability.

Even though it is a growing company, Censum still has a relatively **small number of clients** on which it depends. The dependence of a high percentage of revenues on one or a small number of clients may jeopardize the independence of the auditors.

At the moment the company operates in two offices in Skopje. The offices are situated, one in the center of the city of Skopje and another in the suburbs. The latter is being used for accounting service execution purposes while the former is used for other services and representation. However, at the moment the company is in need of expansion of the premises and there are no offices that are available nearby the one already in use in the center of the city. The building where this office is situated is currently completely occupied and there are no available offices to expand to. Censum has planned an investment in an office/residential building in the center of Skopje but the matter is currently on hold because of state administrative issues. This puts the company in a position to wait for these issues to be solved while working in **premises**, which even though are in a representative building, **do not fulfill the needs**.

Even though the flexibility of the employees and the joint knowledge of almost every process is a strength of the company, the overwork periods sometimes cause an almost chaotic behavior of the employees. This reflects on the ability to delegate and prioritize tasks, thus provoking **crises in coordination**.

4.3.3 Opportunities

The Macedonian market in the process of transition always opens new opportunities in different sectors. Investments in every sector of the economy increase the market size and give companies the opportunity to “swallow” new clients. At the moment around 1200 companies are obliged to perform audit and the tendency for growth is very high. However, many companies are just below the borderline of becoming mid-sized enterprises, making them potential audit customers. Censum has previously grabbed such opportunities and has strategically decided to focus on these companies. By maintaining professional contacts with owners and managers of **small prospective companies**, Censum constantly enriches the circle of prospective clients for the future.

The **public sector** in the country is currently developing fast and the establishments of new public institutions, along with highly increased demand for audit by public institutions, offer Censum the possibility to offer services to them. As it is already an experienced firm regarding servicing of the public sector, and given the need for budget rationalization in the public institutions, Censum can equally compete with larger firms for this share of the market.

The experience in **accounting and financial reporting for international organizations** in many sectors, gives Censum the opportunity to offer accounting services to larger international clients for their offices in Macedonia. International organizations usually have international agreements for auditing with some of the larger audit multinationals or networks. This means that the larger audit firms in these cases cannot offer a wide array of services to that same company in Macedonia. In this way the competition for accounting and other services is being reduced, thus giving the opportunity to smaller firms with international accounting experience to sell their services to larger clients.

From the analysis of the Macedonian market, we can conclude that most of the audit firms are based in Skopje. Even though it would be irrational at the moment to open offices in other regions of the country, it is important to acknowledge that companies out of the capital account for an important portion of the market. By obtaining contacts in **other regions**, Censum has the opportunity to gain clients in demand of audit services without being previously acknowledged by the audit community as potential customers.

Some of the employees in the company have close personal and professional contacts in Slovenia. **Slovenian companies** are one of the biggest investors in Macedonia, and these contacts along with the knowledge of Slovenian language may become a winning combination when offering services to Slovenian clients.

The **neighboring markets** of Macedonia, like Albania, Kosovo and Serbia are less developed in the sense of audit and in general B2B services. Macedonia is at the moment a large exporter to Kosovo and also an important prospective investor in the newly created country. The lack of auditors and audit firms on this market opens the way for enthusiastic companies to enter. The Serbian market is also especially interesting. Namely, there is a huge lack of auditors on the market. There are 37 audit firms operating on the Serbian market, which is 4 times larger than the Macedonian, where there are 26 audit firms operating. The number of certified auditors (just below 100) is much lower than the market requires (*Registri Komore ovlašćenih revizora Srbije*). Being a market with such low competition, an office in Serbia can open huge opportunities for growth for Censum.

4.3.4 Threats

The nature of the Macedonian capital markets makes the audit market highly dependable on the laws and regulations about compulsory financial audit for companies. A sudden **change of the legal requirements** can induce huge crash of the audit market. As it was elaborated in the beginnings of the paper, the demand for financial audit in the developed capital markets derives from the needs to ensure the investors about the standing of a company. The financial audit demand in Macedonia on the other hand still derives from the pure need to satisfy legal requirements. Thus, if the legal requirements change, the audit market will experience a serious strike.

A threatening issue to the company is the possibility of **unexpected absence** of one or more of the senior staff. This will induce a big decrease of capacity in crucial moments. As a result, the company may breach deadlines for tasks or even be unable to execute them, which may consequently seriously affect its reputation.

Even though Censum is a financially stable company, it is not a financially very powerful company. A **sudden hit on its finances** can seriously destabilize the liquidity and ability to proceed with its operations and gain new clients.

4.3.5 The SWOT Matrix

The SWOT matrix (in Figure 2) shows the most important and critical strengths, weaknesses, opportunities and threats according to the previous writings.

Figure 2: SWOT Matrix



Source: Own observation

5 MARKET SEGMENTATION AND PROSPECTIVE CUSTOMERS

Marketing scholars and practitioners have always emphasized the need to segment the market and according to the conclusions about the strengths of the company, focus on the most prospective and the most suitable client groups for the seller. In order to understand the case-study company, we have conducted a SWOT analysis presented above. Based on the SWOT analysis and the detected market segments we shall point out the most prospective client groups for Censum.

5.1 Market segments

Market segmentation can be done by using different keys, starting from company size to ethnicity of the owners. The first macro division will be between non-for-profit and for-profit organizations. Then the market will be divided by size and subsequently by ownership structure and other characteristics of vital importance as we will see in the proceedings. Another division will be done by sectors of the economy that are crucial for the audit service market.

5.1.1 Profit organizations (companies)

5.1.1.1 Segmentation by size

According to size, companies in Macedonia are divided into micro, small, medium and large. The following table (Table 4) elaborates the characteristics of each of the categories.

Table 4: Company specifics by size

Size	No. of employees	Assets	Annual turn-over
Micro	less than 10	not defined	less than 50 thousand EUR
Small	less than 50	less than 2 million EUR	less than 2 million EUR
Medium	more than 50 to 250	2-10 million EUR	2-10 million EUR
Large	more than 250	more than 10 million EUR	more than 10 million EUR

Source: Zakon za Trgovskite Društva (Company Law), 2004, člen 470

Besides this division, we can also recognize the existence of **ultra large companies** (relatively, as a part of the Macedonian market) with more than 50 million EUR of annual turnover. These companies are beyond the reach of Censum, because of limited capacity at the time being. Auditing them requires an extensive amount of work and are an unrealistic target for Censum.

With the existing capacity, the company should focus mainly on medium and smaller large companies. The number of companies that can be serviced at a given moment is also limited. A focus on a small number of **large companies** (somewhere between 2 and 5 this year, and if the number of auditors employed rises for the following year - somewhere between 5 and 10)

for the needs of basic and stable revenues and, very importantly, for good reference, will be enough for the company to pursue its further goals.

Mid-sized companies are the largest market segment for auditing. There are roughly 850 mid-sized companies currently operating in Macedonia. The amount of work and expertise needed to audit these companies makes them optimal targets for Censum. The offering of complementary services is an option that should be considered when contacting these companies. Whilst Censum is generally incapable to provide other big scale complementary services to large and ultra large companies, it is very well prepared to provide them to mid-sized entities.

Micro companies are a very small bite for a company with a high level of expertise and it would be irrational to offer services to them. The amount of work required by far surpasses the level of expertise needed, while the price/workload ratio is very low for such companies to be considered targets of Censum.

Small companies are an interesting segment for Censum in the sense of providing some complementary services. Tax consulting, management consulting and secretarial services for such entities can be highly standardized and most of the issues to be solved by the consulting are common. This means that Censum should target groups of small companies to be offered similar complementary services.

5.1.1.2 Segmentation by ownership

There are a few different ways to segment the market by ownership characteristics. The first and very important differentiation is by the number of owners or shareholders. **Public listed companies** usually have more than 100 shareholders, which are often more focused on the brand of the auditor than on the price or quality of the service. Even if the price offered is the same and the quality of the service is at a similar level, these companies, because of their shareholders preferences, decide to hire internationally established brands.

Another relevant category are **limited companies with a small number of owners** (less than 10). These companies often decide on the auditor based primarily on price and then quality. Brands are not as important to them, since they regard the audit only as a legal requirement, and the price that is needed to pay to be audited by a brand name company is an irrational cost.

On the Macedonian market there are a big number of **family owned companies** obliged to perform audit because of their size. Many times these companies decide on the auditor based on personal contacts and usually tend to discretion. Even though it is a rather personal matter, families that own bigger companies do not prefer to become known to the public about their wealth.

Using the segmentation key based on the country of origin of the owner, we can divide the Macedonian market into foreign owned companies and domestically owned companies. Furthermore, the foreign owned market base can be divided based on the region of origin of the owner. Using this key we can divide the market into the following segments:

- domestically owned companies
- foreign owned companies
 - o owned by a person/company from the ex-Yugoslavia region
 - o Owned by a person/company from other countries in central and eastern Europe
 - o Owned by a person/company from other regions

It is important to separately regard the companies owned by persons/companies from the ex-Yugoslavia region because of the still existing contacts in those countries and the easier communication with the people living there. The Ex-Yugoslavia region includes Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo and Macedonia. The most important investors in Macedonia from this region are **Slovenia, Croatia and Serbia**.

From the countries in the Central and Eastern Europe region the most relevant for the Macedonian audit market are: **Austria, Greece, Turkey and Bulgaria**.

Table 5: FDI in Macedonia in 2006 by country of origin

Foreign Direct Investments in 2006	
Country	Amount of FDI in 2006 in USD
Austria	231,6 million
Russian federation	17,6 million
British Virgin Islands	16,7 million
Greece	16,3 million
Slovenia	14,1 million
Serbia	10,1 million
United Kingdom	9,8 million

Source: State Statistical Office Report 3.1.7.05, 2007.

As we can see in the table, for the year 2006, Greece and Slovenia are on the 4th and 5th place by the amount of FDI for the year. The info regarding year 2006 only may be deceptive, as on long term, Greece and Slovenia are ranked higher on the list. It is very important to notice that Greek and Slovenian companies usually invest in the mid-sized segment, which is the most relevant for Censum as an audit provider.

5.1.1.3 Segmentation by sector

In the scope of B2B service markets it is very important to acknowledge that the service provider usually needs to specialize in some sectors of the market and neglect others. This segmentation is especially relevant for audit firms encountering clients from many different

industries. There are a few industries which are developed in Macedonia, considered to be relevant to the audit firm as a source of prospective clients.

Banks

Banks amount for a considerable amount of the audit service market. According to the Agency for foreign investments of the Republic of Macedonia (<http://www.investinmacedonia.com>) there are 19 banks currently operating in the country and 56,1 % of the total shares of banks are being held by foreign entities. This notion is important because of the issue of agreements at multinational level between audit providers and international corporations; thus, the market is automatically closed for local audit firms.

The expertise needed to audit banks is very unique and requires continuous education of employees. Performing audit on only one bank can be an educational experience, but if it is not followed by expansion of the audit firm into the banking segment, it causes larger opportunity costs than revenues generated. In order to focus on the banking segment, a company has to have the capacity to perform audit on several banks in order to pay off the efforts to specialize in the sector.

Insurance companies

Insurance companies are obliged to similar requirements as banks. The level of expertise needed to audit is very high, as well, and drastically different from other sectors. The conclusions made about banks also apply to insurance companies.

Energy production and trading

This sector has been very dynamic in the last few years and its dynamics is not expected to decrease in the following years. The electrical energy market in Macedonia is in the process of liberalization, thus opening possibilities for small entrants. Censum has already had experience with energy production and trading companies and this segment is a very prospective target. Namely, it is expected for several mid-sized companies to enter the electricity production and trading market, which in turn will increase the number of possible clients from this segment.

Goods traders

This segment incorporates wholesalers and retailers. The retail market is mainly divided between 4 competitors: Vero, Tinex, Ramstore and Hedi's. These chains of retail stores are complex organizations with a large number of operations and are a big bite for Censum for the time being. On the other hand, wholesalers are much simpler to audit, but require just as much expertise.

Tobacco industry

The tobacco industry in Macedonia is still getting back on its feet after the terrible blow it suffered from the separation of Macedonia from Yugoslavia. Macedonia is a large producer of tobacco and a net exporter of tobacco and cigarettes.

Censum has a very high level of expertise in this field and a large percent of its revenues come from this sector of the economy.

5.1.2 Not-for-profit organizations

Public sector

Government institutions and bodies, public companies, municipalities and municipal institutions are all a part of the public sector and are required to perform audit. This sector, however, is mostly covered by the state audit office with the tendency to gradually give more open hands to these organizations to hire private auditors. This is especially valid for public companies and state-owned shareholding companies. The crucial characteristic of this sector is the budget rationalization policy, which means that most of the public sector organizations have to publish a public tender when choosing a company to hire. In most cases the most important factor when deciding on the offer is the price. This means that minimal quality is being assumed and the price is the relevant factor of decision.

Nongovernmental organizations

The NGO sector in Macedonia is fairly developed. There are a large number of active NGOs with a vast array of activities funded by mainly foreign donors. This makes the group of organizations as a whole an interesting segment. NGOs are most often, regardless of size, required to perform audit. It is the donors of funds that usually require for an NGO to be audited. This sector is very lucrative as it is highly standardized. Censum is at the moment one of the leading auditors for NGOs in Macedonia.

Projects

Projects are usually done by public sector institutions or NGOs and are often required to be audited. Projects are usually the most lucrative audit segment on the market, but in turn a very small segment of the market. The price/workload ratio is often very high but nevertheless it mostly attracts only smaller companies to compete in this segment.

However, with increased funds for pre-accession through the EU Pre-accession Instruments, the project segment has a potential to rise. However, this segment requires specific expertise in EU established procedures.

6 MARKETING RECOMMENDATIONS

On the basis of the previous segmentations of the market we shall continue with defining the most prospective targets for a company like Censum on the Macedonian market. Along with the explanations on every prospective market segment, we shall give recommendations for the company in the sense of marketing approaches to these targets. Every segment requires a different approach to marketing. Services offered are differently perceived by clients and should be marketed in a customized way. However, the company must consider its limitations, financial and other, regarding marketing.

6.1 Marketing tools and boundaries/limitations

Audit services' marketing has its own very specific limitations, usually not applicable to other services. Audit companies are not allowed to advertise their services in the media. Besides this legal issue, there are other limitations that apply to audit firms in general and some that apply only to Censum. Audit firms have in general with tied hands when offering their complementary services. It is the company's choice, which clients it will provide with audit and which with other services incompatible with audit. The personal finance aspect of the owner or owners when marketing audit services is also very important. Namely, a company must not be audited by an audit firm if the audit firm or any partial owner of it has a financial interest in it. This means that there is a decision to be made by the audit firm's owners between their desire to acquire some financial interest in a company or an industry and the company's strategic goal of providing the same company with audit services. Other complementary services, on the other hand, do not have this problem.

Censum, being a family owned small audit company is especially limited regarding finances to be used for marketing purposes. Even though many promotional actions are not expensive, there are some issues that are easily dealt with by larger companies, and cannot be solved by Censum as easily.

The first and foremost issue is the capacity of the company to perform a number of tasks in a given period of time. While larger companies have the ability to employ new people on a regular basis without seriously damaging the financial status, every new employee in Censum becomes a noticeable part of the expenses. Censum, at the time being, cannot allow itself to have even a small percent of fluctuation of employees because of the costs associated with it. All the funds must be averted towards improving the market share by growing in revenues with a steady rate.

A limitation that was also mentioned before is the size and representativeness of the office spaces used by Censum. Even though the representative office is situated in the city centre and in a representative commercial building it does not provide Censum with the possibility

to acquire additional spaces in the same building. The construction or purchase of representative offices is already one of the core short term goals of the company.

In marketing it is very important to have at least a few variable parts of the mix in order to develop different marketing strategies for different targets. In the case of Censum there are some variable parts that can be used for customization of the marketing strategy for every different client or segment.

The product is a fairly constant part of the marketing mix. Audit is a very rigidly defined service and the only difference can be made in the quality of the performance.

Price is the only truly variable part of the marketing mix, which can be used to win new clients. The pricing strategy can be different for different segments of the market.

The place where the audit is being performed is mostly dependable on the client's preferences and requirements. Larger clients have to be visited several times in the process of audit while smaller clients can only be visited once and the whole process can be done in the premises of the auditor. The location of the premises is another issue and in larger countries audit firms open subsidiaries in different regions. However, in a small country like Macedonia there is currently no need to create subsidiaries in different cities because of the proximity of the different economic centers.

Promotion is consisted of different outward communications, aimed at the current and prospective clients, which communicate the value of the product provided by the company. Audit companies can promote their products by using direct marketing or relationship marketing. It is very important to give a special emphasis on a recognizable visual identity as a part of both promotion and physical evidence.

People are the basic resource used in audit and their expertise can be increased in time. However, the structure of employees in a company like Censum is fairly rigid and new employments in order to satisfy just one client or a small amount of clients is usually not a lucrative decision. The expertise of the people currently employed or under cooperation contract with Censum is for the moment wide enough to assure high quality service to most of the subjects on the market.

The process of audit can be fairly customizable in order to satisfy clients' needs. The execution of tasks can be transferred from one employee to another, because of the nature of internal communications. The process is a variable which can be customized in order to satisfy the client's needs.

The physical evidence is something that a company builds since day 1 and even though it is dynamic and changes in time, it does not possess the ability to be altered for every single client. The most noticeable material aspects of a service company are its premises and the visual appearance of tangible items like reports.

6.2 Targets and recommendations

Based on the conclusions about the most prospective market segments, we give an insight into the prospective targets that should be selected by Censum and the marketing approaches deemed most appropriate for each one of them.

6.2.1 Large companies

Large companies are a segment accounting for the largest amount of total revenues. It is important to acknowledge that not all large companies are in the reach of Censum. The so-called ultra large companies are not a matter of consideration at the moment. The size of their operations (turn-over of over 50 million EUR) can be overwhelming for the auditors. Even though the expertise is on a high level, it is important to keep the capacity disbursed on different tasks at any given moment. A focus on several large companies (turn-over less than 50 million EUR) will ensure a strong enough revenue base for Censum. The expertise in fields like Energy production and trading, as well as the tobacco industry are a guide to where Censum should focus. The quality of service that can be given to such companies is higher than most competitors and that is a crucial fact to emphasize. A positive effect of working with large companies is the enrichment of the reference list with some well known names.

Large companies are the ones most concerned for their reputation and image. They require a high quality audit service regardless of the price. Therefore an emphasis has to be given on service quality, rather than on price. Nevertheless, the pricing has to be done in accordance with the amount of work needed, as well as in comparison to competitors.

In order to offer services to large companies it is very important to maintain old and acquire new contacts in the high-management circles, to whom it will be possible to promote. It must be noted, however, that foreign owned large companies are mostly bound to a certain international audit firm due to agreements between multi-nationals and multi-national auditors. On the other hand, domestically owned large companies are often keen to be audited by some of the Big4 because of the perceived “heaviness” of the multinational brand stamp. Thus, it is important to build a strong brand by conquering large clients one by one.

6.2.2 Mid-sized foreign owned companies

This market segment is the most prospective segment for Censum because of its expertise in international financial reporting and its connections with countries like Greece, Slovenia and Serbia. This sector is also the most dynamic in terms of ownership changes and foreign acquisitions. Several industries are especially attractive in this segment. First is the energy production and trading industry, which is welcoming new entrants frequently. Other important industries to focus on are: IT industry, Goods trading and manufacturing. Censum

should consider the mid-sized foreign owned companies not tied to an audit provider by an international agreement. A specific feature of these companies is that usually they do not require a well-known brand name to do the audit, because of the awareness of the owners that a brand name brings higher costs of audit. Quality, however, is still very important to these clients and they tend to assess the quality of work far more strictly than the domestically owned companies. When approaching these clients it is important to have flexible pricing and customizable service.

6.2.3 Mid-sized domestically owned companies

This segment is a very prospective target because of the constant increase of the number of former small companies evolving into mid-sized ones. Censum maintains contacts with a number of companies that are to become mid-sized in the following period and are at the moment provided with services like accounting and tax consulting by Censum.

In our opinion, mid-sized domestically owned companies are the most prospective segment for Censum and they should be approached by acquiring and maintaining personal contacts with the owners. Rarely a mid-sized firm will publish a public request for offers. They tend to purchase services from known providers and people.

6.2.4 Small sized companies

Small sized companies are an interesting target to focus on for the offering of complementary services. The level of standardized work rises with the number of companies serviced, which in turn pushes upward the price/workload ratio for Censum. It is also important to create a strong base of clients for complementary services in order to equalize the workload throughout the year.

The pricing must be done with consideration to the very limited financial sources of the clients. Low prices will be compensated with a high standardization of tasks, thus producing less and less costs for every new client. Maintaining personal contact with the owners is also very important in the present as well as in the future when these clients become prospective mid-sized clients.

6.2.5 Public sector

The public sector is one of the more lucrative segments where Censum can equally compete with larger competitors and ensure a steady flow of revenues. Working with the public sector also brings higher publicity since public companies are always in the center of attention of the media. The high level of expertise in the not-for-profit sector allows Censum to compete in both quality and price at the same time against larger competitors. This is due to the large elasticity to price and low elasticity to quality (note: public institutions and domestically

owned entities often perceive the Big4 as higher quality providers even if it is not so). On a limited budget, the public sector is always trying to get the lowest possible price. The pricing strategy must be made with a consideration of the competitors and their pricing strategies. Besides the price, public sector subjects often require a proof of capacity usually in the form of number of employed certified auditors and staff. Censum must maintain its number of employees and cooperates in order to always conform to these requirements.

6.2.6 NGOs and projects

Auditing NGOs and projects is very lucrative, but because of the size of a single NGO, sometimes not even surpassing the size of a micro company, it does not seem attractive to large audit firms. The positive side effect of auditing NGOs is the constant contact with the donors who are also prospective customers. Namely, NGOs rarely require an audit by themselves. It is usually the donor who requires an audit of the NGO. It is important to acknowledge that the decision maker is the donor and the offer of services goes to him. Negotiation of multiple purchases is very important, because of the need to standardize the tasks. It is important to offer the service to the donor, for a number of NGOs financed by it.

Projects are very similar to NGOs (audit wise) with the difference that they are on a temporary basis. It can happen, however, for a project to be implemented by a public institution, which in turn means that the purchaser of the audit service is the public institution itself. In other cases it is temporary implemented by a group of people and the purchaser of the audit is the donor. Approach to a public institution for a project audit should be done in the same or similar way, as it would have been done when offering audit to the institution as a whole.

6.3 Overall recommendations

The connections that Censum has with some investor countries should be used for promotion of services to foreign entrants. A closer contact with foreign audit firms should be maintained in order to get reference from abroad for clients who come from abroad. A major strategic decision to be made is whether the company should become a member of an international network of auditors. The entrance into a network would provide Censum with new clients connected to the network with international agreements. That is why, in our opinion, joining a network is very important in the following period in order to get access to international expertise base and reference. Negotiations should be proceeded with international networks that are not present on the market at the moment, but are very well known worldwide. Most of these networks are open for cooperation and are interested in accepting new members in countries and regions where their brand is not present. In this manner, Censum has already had talks with several internationally recognized networks and it is a matter of time when it will become a full member of one. However, it must be mentioned that a network can close

the opportunity to grow outside of the country because of conflict of interests. This is an issue that should be carefully considered when making a decision about joining a network.

CONCLUSION

The Macedonian audit market still has a long way to go to reach the level of development of the western markets. With time, the dependence on legal requirements will naturally decrease and the capital markets will determine the dynamics of the audit market. The near future promises stable growth of the overall economy, which in turn would also push the growth of the audit market. For a company like Censum, in its early stages of development, it is important to follow a well-developed strategy for marketing, as well as other aspects of business in order to pursue and reach its goals. The fast process of globalization, especially on the audit market, forces the company to consider networking with other independent auditors and that decision will be a crucial one in the next period. A decision like that one comes with the dilemma about the identity and qualities to be continuously nurtured and ones to be newly accepted. Will the process of work be changed and will the feeling of being an “own boss” fade away?!

The marketing recommendations given in the text are based on the assumption that Censum, in the mid-term will remain a small sized company with audit as a major product. The development of other sectors may require a development of different marketing strategies for those sectors. The market segments may be different for other services and exploring them is an issue of another analysis. The segments mentioned here, assessed as the most prospective for Censum, may also change in nature; that is why constant observations of the market are needed in order to accurately modify the marketing strategy.

Deducting from the presented theories on B2B marketing, we came to the theoretical basis regarding the B2B services marketing and subsequently the B2B audit services marketing. Financial audit as a service was thoroughly reviewed in order to distinguish it from other B2B services. Followed by a short overview of the global market, providing data about the current status and trends in the industry, the first part of the paper offers a framework about the marketing possibilities of an audit firm.

This thesis based its conclusions and recommendations on available data about the Macedonian market and its distinguishing characteristics. The market was partitioned into segments which are relevant for audit companies while the SWOT analysis of Censum, gave us an insight into the capabilities to satisfy the needs of different market entities. According to the market and SWOT analysis we came to the conclusion that the company’s most prospective targets are: mid-sized companies in several mentioned industries, large sized companies in industries in which Censum holds enough expertise, the public sector and NGOs. The marketing approach that should be applied varies from target to target.

Recommendations regarding the marketing approach, with respect to the present limitations of the company, were given in the ending part of the paper.

It is our hope that Censum will regard these recommendations as relevant and will use them in marketing planning in the future. It is, however, important to acknowledge that, at the given moment, marketing is being conducted rather instinctively and there is no real need for extensive marketing plans which can be both financially and time consuming.

The overall conclusion is that Censum is a company with a huge potential for growth and development and in the period of the next 5-10 years may become a major player on the audit and complementary services market in Macedonia. Its owners and employees are faced to the future and acknowledge that the only possible way for survival is growth and continuous development in every field of work - growth and development that can be only achieved through sensible marketing and quality maintenance.

POVZETEK DIPLOMSKEGA DELA V SLOVENŠČINI

Diplomsko delo z naslovom *Trženje revizijskih in podpornih storitev: študija primera rastočega revizijskega podjetja v Makedoniji* (originalni naslov v angleščini se glasi: *Marketing of audit and complementary services: A case study of a growing audit firm in Macedonia*) se, kot pove že sam naslov, ukvarja s problemi, s katerimi se srečujejo revizijska podjetja po svetu in v Makedoniji, poleg tega pa vključuje še analizo tržnega stanja rastočega podjetja s sedežem v Skopju.

Revizija kot profesija se je pojavila kot posledica razvoja kapitalskih trgov in potrebe po preverjanju in dokazovanju finančnega ter operativnega stanja določenih podjetij. Ker so se prvi kapitalski trgi razvili v zahodnem svetu, se je tudi revizija prvotno razvila v tem delu sveta. Danes je še vedno opaziti velik vpliv zahodnih trgov in inštitucij na razvoj revizijskega posla po svetu. Največja revizijska podjetja izhajajo iz ZDA, pisna podpora revizijskemu poslu (standardi, smernice, učbeniki) pa izhaja večinoma iz Velike Britanije. Zaradi vedno večjih zahtev investitorjev in držav imamo danes ogromno različnih delovnih subjektov, katerih računovodski in drugi izkazi so podvrženi reviziji najmanj enkrat letno. Po zakonodaji večini držav so velika in srednja podjetja obvezana na letno revizijo, v nekaterih primerih pa tudi na polletno ali celo četrtno.

Revizija je storitev; trženje te storitve spada v domeno trženja, kar imenujemo trženje storitev. Ker se revizija trži samo delovnim subjektom, ne pa fizičnim osebam, jo uvrščamo med B2B storitve. Slednja oznaka je okrajšava za *business-to-business*, pridevnik, ki ga v slovenščino lahko prevedemo kot »medorganizacijski«. Del trženja, ki se ukvarja s tem, imenujemo trženje B2B storitev ali trženje medorganizacijskih storitev.

Medorganizacijsko trženje in trženje medorganizacijskih storitev je naslov prvega poglavja tega diplomskega dela. Glavni cilj tega poglavja je ugotoviti, kaj so posebnosti medorganizacijskega trga in storitev, ki jih prodajamo na medorganizacijskem trgu v primerjavi s proizvodi in storitvami, ki jih prodajamo na drugih trgih.

Drugo poglavje se ukvarja s splošnimi lastnostmi trga revizijskih storitev in lastnostmi revizije kot storitve, ki jo lahko tržimo. Poglavje vključuje tudi različne pristope k trženju, ki jih uporabljajo revizijska podjetja, in pregled trenutnega svetovnega trga revizijskih storitev.

Naslednji korak je analiza makedonskega trga revizijskih storitev. V okviru tega poglavja bomo izvedli *PESTEL* analizo (slednja je angleška okrajšava za sklep analiz različnih okolij: političnega, ekonomskega, sociokulturnega, tehnološkega, okoljevarstvenega ali izobrazbenega in pravnega okolja).

V četrtem poglavju podrobneje obravnavamo podjetje, ki je predmet študije primera. Del tega poglavja je tudi SWOT analiza podjetja (*Strengths, Weaknesses, Opportunities, and Threats*, v prevodu: prednosti, slabosti, priložnosti, nevarnosti).

Naslednje poglavje se osredotoča na obstoječe in potencialne stranke podjetja. Ta del ponuja analizo segmentov trga in posebnosti vsakega tržnega segmenta; poudarja pa tudi tiste segmente, ki so za podjetje najbolj zanimivi.

Zadnji del diplomskega dela izhaja iz sklepov prejšnjih poglavij in ponuja priporočila, kako naj se podjetje loti trženja svojih storitev. V okviru tega poglavja so podane tudi omejitve podjetja, kar zadeva trženje.

Medorganizacijski trg in medorganizacijsko trženje

Medorganizacijski trg je ponavadi največji del gospodarstva, ki ustvarja od 30 do 85 odstotkov BDP-ja. Medorganizacijski trg je seštevka vseh organizacij, ki kupujejo izdelke in storitve, ki se uporabljajo pri proizvodnji drugih izdelkov in storitev, namenjenih prodaji, oddaji v najem ali dobavi drugim (Kotler in Keller, 2006, str. 210). Posebnosti medorganizacijskega trga so po mnenju Kotlerja in Kellerja (2006, str. 210-212) naslednje:

- manjše število večjih kupcev,
- tesni odnosi med dobaviteljem in kupcem,
- profesionalno nakupovanje,
- večje število vplivnih oseb pri nakupu,
- več prodajnih kontaktov,
- izpeljano povpraševanje,
- neelastičnost povpraševanja,
- nihajoče povpraševanje,
- geografska koncentracija kupcev in
- neposredno nakupovanje.

Nakupi, ki jih opravljajo podjetja, so lahko različne narave. Ločimo **ponovne nakupe**, **ponovne spremenjene nakupe in nove nakupe**. Pri ponovnih nakupih je vsebina nakupa enaka prejšnjemu, naročila pa so ponavadi avtomatična. Pri ponovnih spremenjenih nakupih je povpraševanje kupca spremenjeno, s čimer je spremenjena tudi vsebina nakupa. Spremembe lahko zadevajo ceno, metodo dobave ali načine financiranja. Pri novih nakupih se kupec prvič odloča o nakupu določenih izdelkov in storitev. V tem primeru je proces odločanja najdaljši.

Trženje medorganizacijskih storitev

Posebnosti medorganizacijskega trga storitev kot dela medorganizacijskega trga lahko določimo na osnovi narave predmeta trgovanja, tj. storitve same. Storitve imajo štiri ločujoče lastnosti. Po mnenju Kotlerja in Kellerja (2006, str. 405) so te lastnosti:

- **Neopredmetenost:** Storitve nimajo materialnih lastnosti, kot so vonj, okus, fizična oblika in podobno. Kupci si ponavadi predstavljajo storitve s pomočjo abstraktnih percepcij o tem, kaj se bo dogajalo po tem, ko storitev kupijo.
- **Neločljivost:** Storitev se lahko zgodi samo v primeru, kadar je izvajalec storitve na določenem mestu izvajanja. Storitve se proizvajajo in porabijo v istem času in jih ni možno imeti na zalogi.
- **Spremenljivost:** Ker so ljudje osnovni izvajalci storitve, je dokaj logično, da bo kakovost storitve nihala. Storitev enega ponudnika je lahko različna, če jo izvajajo različni zaposleni tega ponudnika.
- **Minljivost:** Minljivost storitve pomeni, da se storitev izgubi po tem, ko je bila izvedena. Storitve ni možno porabiti več kot enkrat in je ni možno imeti na zalogi.

Zaradi specifičnih lastnosti storitev morajo storitvena podjetja in tržniki na medorganizacijskem trgu skrbeti tudi za stvari, za katere proizvajalcem in tržnikom izdelkov ni treba skrbeti. To je na primer **sistem upravljanja kakovosti**, ki je, čeprav obstaja tudi v proizvodni panogi, veliko bolj občutljiv pri storitvenih dejavnostih. Sistem upravljanja kvalitete naj bi zagotovil čim bolj standardizirano in visoko kakovost pri izvajanju storitev v vseh enotah organizacije. Najbolj sodobni in najbolj zapleteni sistemi upravljanja kakovosti se uporabljajo pri največjih ponudnikih medorganizacijskih storitev, manjši ponudniki pa po teh sistemih nimajo potrebe.

Problem, ki se pojavlja pri teh sistemih, je kakovost sama oziroma njena meritev. Glavni stališči tržnih raziskovalcev o tem, kako je treba meriti kakovost, si nasprotujeta glede vloge kupca pri merjenju. Prva skupina meni, da je edini merilec kakovosti storitve kupec sam in njegovo zadovoljstvo pri/po izvajanju storitve. Druga skupina raziskovalcev pa meni, da sta zadovoljstvo kupca in kakovost povsem različna pojma, čeprav sta močno povezana. Ta skupina podpira trditev z dejstvom, da ima kupec zelo pogosto predhodne izkušnje s podobnimi storitvami in da je njegovo zadovoljstvo odvisno od teh izkušenj in lojalnosti do prejšnjih ponudnikov.

Druga pomembna zadeva pri trženju medorganizacijskih storitev je pomanjkljiva **prepoznavnost blagovne znamke**. Čeprav je blagovna znamka enako pomembna na medorganizacijskem trgu kot na trgu končnih porabnikov, se tega dejstva zaveda le nekaj menedžerjev. Kupci pri dejavnostih, kot je svetovanje, težje povezujejo blagovno znamko z izvedeno storitvijo.

Tretji problem, s katerim se ubadajo tržniki medorganizacijskih storitev, je **razlikovanje med storitvami**. Bistvo tega problema je, da kupci ponavadi ne ločijo med podobnimi storitvami, zato ne zaznajo prednosti določenega ponudnika. Druga plat tega problema je splošni problem zavedanja kupca o naravi in cilju storitve, ki je izvedena. Kupci namreč pogosto pričakujejo nekaj povsem drugega, kar ponuja storitev.

TRG REVIZIJSKIH STORITEV

Čeprav je trg revizijskih storitev v mnogih pogledih podoben drugim trgom medorganizacijskih storitev, ima nekaj posebnosti, ki jih moramo poudariti. Velik del poslovnih subjektov je obvezan k letni reviziji računovodskih izkazov. To pomeni, da povpraševanje v največji meri izhaja iz zakonske obveznosti podjetij oz. poslovnih subjektov. V veliki večini držav so k reviziji obvezana vsa srednje velika in velika podjetja ter vsa podjetja, ki nastopajo na borzi. Druga pomembna lastnost izhaja iz prejšnje - glavni vir rasti trga so tisti poslovni subjekti, ki prehajajo mejo med majhnim in srednjim podjetjem ali začnejo kotirati na borzi. Zato veliko držav določi dinamično mejo med majhnim in srednjim podjetjem, s čimer uravnava dogajanja na trgu oziroma prepreči šoke povpraševanja.

Revizija

Revizija oz. revizija računovodskih izkazov pomeni preverjanje finančnih in računovodskih poročil, pa tudi informacij in metod, uporabljenih za njihovo izdelavo. Na osnovi slednjih poda revizor objektivno mnenje o tem, ali poročila vsebujejo pomembne napačne navedbe. Revizijo lahko izvaja le pooblaščen revizor, ki je ustrezno izobražen.

Revizija se izvaja neodvisno od drugih storitev. Ponudnikom revizijskih storitev je z zakonom in etičnim kodeksom prepovedano, da bi na istem poslovnem subjektu izvajali druge storitve, ki so z revizijo nezdržljive.

Revizija se zaključi z izdajo revidiranih poročil. Mnenje revizorja, podano v tem dokumentu, je zelo pomembno za lastnike podjetja, pa tudi za druge investitorje ter za državo. Mnenje je lahko pozitivno, negativno ali vzdržano.

Neodvisnost revizorja je ena izmed najpomembnejših zadev pri izvajanju revizije. Zakoni so ponavadi tisti, ki določijo kriterije neodvisnosti revizorja.

Trženjske posebnosti revizije

Kakovost revizijske storitve je zelo občutljiva zadeva, ki ne sme biti pogojena z nihanjem cen. Pri cenovni »vojni« morajo ponudniki obdržati isto kakovost pri visokih in nizkih cenah. Ena od definicij kakovosti revizije jo določa kot verjetnost, da bo revizor odkril in poročal o napaki v računovodskem sistemu klienta, kar je odvisno od tehničnih sposobnosti in neodvisnosti revizorja. Pri ohranjanju neodvisnosti se pogosto pojavljajo problemi, in sicer zaradi možnega konflikta moči ali občutljivosti ugleda revizorja. Manjši ponudniki revizijskih storitev so ponavadi odvisni od večjih klientov, zaradi česar je njihova neodvisnost lahko ogrožena. Večji ponudniki se lažje odločijo za izgubo klienta, saj imajo bolj razpršeno strukturo prihodkov.

Pereč problem, s katerim se ukvarjajo revizorji in tržniki revizijskih storitev, je razlika v pričakovanjih (t. i. *expectation gap*). Gre za razliko v pričakovanjih klienta in revizorja o odgovornosti oziroma nalogi zadnjega. Klient ponavadi pričakuje veliko več od revizorja, kot je ta pripravljen opraviti. Razlika med razumnim pričakovanjem in resnično odgovornostjo revizorja se dogaja na strani klienta in se imenuje vrzel razumnosti (*reasonableness gap*). Razlika med razumnim pričakovanjem in percepcijo o tem, kaj revizorji opravijo, pa je t. i. vrzel učinkovitosti (*performance gap*).

Podporne storitve so del revizorskega posla in jih lahko opravljajo večinoma samo revizorji zaradi svojega znanja in sposobnosti. Podporne storitve so zelo pogosto velik vir prihodkov za revizorska podjetja. Zelo pogosto so tudi bolj dobičkonosne kot sama revizija.

Trženjski pristopi revizijskih podjetij

Revizijska podjetja po svetu uporabljajo različne strategije trženja in uporabljajo različne kombinacije tržnega spleta. **Cena** je prvi del tržnega spleta, zato se podjetja zelo pogosto opirajo nanjo kot glavni dejavnik pri trženju. Večji ponudniki izkoristijo svoj ugled tako, da vzdržujejo visoke cene, manjši ponudniki pa uporabljajo druge cenovne strategije. Cenovne strategije nekaterih britanskih podjetij so razvidne v Tabeli 1. Prihodki na enega izmed partnerjev, ki so prikazani v tabeli, so neposredni kazalec cenovne strategije določenega podjetja. Cene so odvisne tudi od ekspertize revizorske hiše glede na različne gospodarske panoge. Ekspertiza v bogatejših in manj zasičenih panogah (glede na ponudnike revizijskih storitev) pomeni, da lahko ponudnik doseže višjo ceno kot v drugih panogah.

Storitev je ena od manj variabilnih enot trženjskega spleta. Revizija in njena struktura oz. izvedba sta namreč v veliki meri zakonsko določeni, kar pomeni, da si ponudniki lahko konkurirajo samo s kakovostjo izvedbe.

Tržne poti pri reviziji se nanašajo na lokacijo izvedbe storitve in pogostost neposrednih kontaktov revizorja s klientom. Kljub temu, da se revizija včasih izvaja v celoti v objektih klienta, se največkrat izvaja v pisarnah revizijske družbe, kjer so revizorji bolj oddaljeni od klienta, kar jim zagotavlja večjo neodvisnost. V primeru večjega trga (prostorsko gledano) gradijo revizijske družbe mrežo pisarn v različnih ekonomskih centrih trga.

Revizijska podjetja uporabljajo veliko različnih oblik **tržne komunikacije**. Omeniti moramo, da je revizijskim podjetjem prepovedano oglaševati svoje revizijske storitve. Najboljši način promocije so zato tesni odnosi s kupci in udeležba podjetja na različnih dogodkih v poslovnem svetu, kar podjetju zagotovi veliko poslovnih kontaktov.

Optimizacija **procesov** je eden izmed pglavitnih dejavnikov učinkovitosti revizijskega podjetja. Večja podjetja uporabljajo bolj industrijske linearne metode izvajanja procesov, manjša podjetja pa uporabljajo bolj matrične metode upravljanja s procesi, kjer so zaposleni vključeni v izvajanje več procesov hkrati.

Ljudje so osnovni vir (*input*) pri dejavnostih revizijskega podjetja. Njihova usposobljenost je glavni dejavnik kakovosti storitve. Struktura zaposlenih se pri različnih ponudnikih seveda razlikuje, vendar obstaja pravilo, da zaposlujejo večja podjetja več mladega in manj izkušenega kadra, manjši ponudniki pa večji odstotek pooblaščenih revizorjev.

Fizični dokazi (*physical evidence*) predstavljajo vse materialno oprijemljive, vidne rezultate revizijskega posla ali delovanja podjetja. Slednje obsega vizualno podobo tiskanih dokumentov, inventarja, arhitekture, videza zaposlenih ipd. Veliko dejavnikov je neodvisnih od finančnih zmožnosti podjetja. Vendar je nekatere izmed njih, na primer arhitekturo, lažje nadzorovati z večjo finančno zmožnostjo.

Svetovni trg revizijskih storitev

Trg revizijskih storitev je eden izmed trgov, ki je najbolj podvržen globalizaciji. Največji ponudniki revizijskih storitev so t. i. *Big4 podjetja* (Velika 4 podjetja), ki imajo skupni tržni delež večji od 80 odstotkov. *Big4* so: *Pricewaterhouse Coopers*, *Deloitte Touche Tohmatsu*, *Ernst&Young* in *KPMG*. Tabela 2 (na strani 18) kaže glavne dejavnike velikosti za vsako od podjetij *Big4* posebej. Poleg njih obstaja še veliko manjših ponudnikov, med katerimi so nekateri podobno kot *Big4* prostorsko zelo razpršeni po svetu in ustvarjajo veliko prihodkov, vendar so še vedno bistveno manjši. Takšna podjetja so *BDO*, *Grand Thornton*, *Baker Tilly*, *RSM International* in druga.

Obstajajo tri svetovno razširjene institucije, ki so zelo pomembne za revizijsko dejavnost, in sicer: *IFAC* (*International Federation of Accountants*), *INTOSAI* (*International Organization of Supreme Audit Institutions*) in *IASB* (*International Accounting Standards Board*). Pomembna dokumenta, ki sta rezultat dela teh institucij, sta *Mednarodni standardi finančnega poročanja* (*IFRS*, *International Financial Reporting Standards*) in *Mednarodni revizijski standardi* (*IAS*, *International Auditing Standards*). V ZDA in nekaterih drugih državah se uporabljajo tudi *US GAAP* (*US Generally Accepted Accounting Principles*).

MAKEDONSKI TRG REVIZIJSKIH STORITEV

Makedonski trg revizijskih storitev je še vedno v fazi razvoja. Zreli trgi so večinoma odvisni od dogajanj na kapitalskih trgih, makedonski pa je še vedno odvisen od osnovne zakonodaje, ki določa obveznosti izvajanja revizije.

Politično okolje v Makedoniji je že od nekdaj zelo turbulentno. Vpliv politike na vsa področja družbe, tudi na gospodarstvo, je velik. Makedonsko gospodarstvo je zelo odvisno od zunanjih dejavnikov. Visok odstotek izvoza in uvoza kot dela BDP-ja pomeni, da imajo odločitve o zunanji politiki (sploh odločitve o odnosih s sosednjimi državami), velik vpliv na gospodarstvo. Nihanje zunanjih investicij na daljši rok je posledica nestabilnosti politične

situacije. Pomembno je omeniti tudi, da se politično rivalstvo s sfere politike prenaša tudi na sfero gospodarstva med poslovneže.

V **gospodarskem okolju** so vidni učinki tranzicije, ki še traja. Stopnja nezaposlenosti je ena od najvišjih v Evropi (34,8 odstotkov), poleg tega pa obstaja veliko zelo nerazvitih regij. Podatki o makedonskem gospodarstvu so podani v Prilogi 1 (*Appendix 1*).

Za revizijska podjetja je pomemben podatek, da je veliko število največjih podjetij v lasti tujih vlagateljev. To pomeni, da je velik odstotek večjih podjetij že obvezan enemu izmed mednarodnih ponudnikov, kar je posledica mednarodnih pogodb med mednarodnimi korporacijami in mednarodnimi ponudniki revizijskih storitev.

Razvoj kapitalskih trgov je v tem trenutku v zgodnji fazi. Za razliko od zahodnih kapitalskih trgov, ki sprejemajo revizijo kot zelo pomemben dejavnik pri odločanju, je na makedonskem kapitalskem trgu revizija še vedno zgolj zakonsko opredeljena. Povečanje vstopov tujih vlagateljev na trg bo povzročilo napredovanje trga pri uporabi informacij pri odločanju, kar bo povečalo tudi povpraševanje po revizijskih storitvah.

Konkurenco na trgu sestavlja 26 revizijskih družb ter 5 neodvisnih revizorjev. Največji konkurenti so podružnice *Big4*, vendar jim drugi tesno sledijo. Velikost trga je približno 6-7 milijonov evrov.

Sociokulturno okolje je močno povezano z gospodarskimi dejavniki. Obdobje tranzicije je močno vplivalo na navade poslovnežev in vladnih delavcev. Posledično se je povečalo nezaupanje v vladne institucije, kar je povzročilo porast sive ekonomije.

Pomemben sociokulturni vidik je etnična struktura makedonskega prebivalstva. Poleg makedonske večine (64,1 %) velik delež prebivalstva pripada albanski manjšini (25,1 %). Albanski in makedonski poslovneži imajo različne navade, zato je potrebna prilagoditev tržnega pristopa.

Tehnično okolje je na dokaj visoki ravni razvoja, čeprav ostaja še veliko prostora za nadgradnjo. Revizijsko delo ne zahteva preveč zapletenih tehničnih sistemov, zaradi česar je dokaj neodvisno od razvoja tehničnega okolja.

Izobrazbeno okolje je zelo pomembno za podjetja, ki opirajo svojo dejavnost na znanju zaposlenih. Izobrazbena struktura prebivalstva v Makedoniji je trenutno na nizki ravni, vendar trendi kažejo, da se bo stanje v bližnji prihodnosti izboljšalo.

Makedonski **pravni sistem** je v veliki meri poenoten z evropskim sistemom. Težave, ki se pojavljajo v pravnem sistemu, so ponavadi povezane s hitrostjo delovanja pravnih institucij. Med zakoni in predpisi, ki so najbolj pomembni za revizijska podjetja, lahko izpostavimo *Zakon o gospodarskih družbah* in *Zakon o reviziji*.

PREDSTAVITEV PODJETJA

Družba za revizijo *CENSUM DOOEL – Skopje* (v nadaljevanju *Censum*) je majhno revizijsko podjetje, ki deluje v Skopju (Republika Makedonija). Trenutno zaposluje pet oseb; med njimi so trije izkušeni delavci (2 pooblaščen revizorja in izkušeni računovodja) in dva mlada delavca. Podjetje ima podpisani tudi pogodbi za sodelovanje z dvema pooblaščenima revizorjema iz drugih mest v Makedoniji. Rast podjetja v njegovem štiriletnem obstoju je znašala med 50 in 110 odstotki letno.

Censum je ena izmed najmlajših revizijskih družb na trgu in se po trenutnih prihodkih nahaja med desetim in petnajstim mestom med vsemi ponudniki. Prihodki iz revizije znašajo 42 odstotkov vseh prihodkov.

SWOT analiza podjetja nam ponuja zelo dober vpogled v trenutno stanje in možnosti za razvoj. Prednosti, slabosti, priložnosti in nevarnosti za podjetje so prikazane v Sliki 1.

Slika 1: Grafična predstavitev SWOT analize



Vir: Lasten prikaz

SEGMENTACIJA TRGA IN PERSPEKTIVNI KUPCI

Segmentacija trga je lahko izvedena z uporabo različnih ključev. Že na začetku smo potencialne kupce razdelili na profitne in neprofitne organizacije.

Profitne organizacije

V okviru profitnih organizacij prvo delitev izvajamo po ključu **velikosti kupcev**. Po tem ključu lahko ločimo mikro, majhna, srednje velika in velika podjetja. Za bolj podrobno določanje trga smo uvedli še kategorijo ultra velikih podjetij, ki je relativna in se nanaša na največja podjetja na makedonskem trgu. Velika podjetja so eden izmed ciljev podjetja *Censum*, vendar ne njegov osrednji cilj. Podjetje lahko ponudi svoje revizijske storitve največ petim velikim podjetjem. Srednje velika podjetja so osrednji ciljni segment na trgu. V Makedoniji trenutno obratuje več kot 850 srednje velikih podjetij. Potrebno znanje in kapaciteta pri revidiranju srednje velikih podjetij sovpada z zmožnostmi podjetja *Censum*. Majhna podjetja so lahko zanimiv segment, če jim ponudimo podporne storitve v standardizirani obliki. Mikro podjetja pa so za ponudnike revizijskih storitev nasploh nezanimiv tržni segment.

Drugi ključ, ki smo ga uporabili pri razdelitvi kupcev, je struktura lastništva. Interesni segmenti po tej razdelitvi so:

- delniške družbe,
- družbe z omejeno odgovornostjo z majhnim številom deležnikov,
- družinska podjetja.

Naslednji ključ, ki se prav tako nanaša na lastništvo podjetja, se osredotoča na izvor lastnika oz. lastnikov. Tako ločimo:

- podjetja, ustanovljena z domačim kapitalom,
- podjetja, ustanovljena s tujim kapitalom:
 - o tuji kapital s prostora nekdanje Jugoslavije,
 - o tuji kapital iz ostalih držav centralne in vzhodne Evrope,
 - o tuji kapital iz drugih držav.

Pri tej segmentaciji je potrebno izpostaviti, da je v primerjavi z drugimi državami največ investicij iz držav, kot so Slovenija, Avstrija in Grčija.

Vsi segmenti, ki smo jih našli doslej, so zajemali podjetja iz različnih gospodarskih panog. Panoge, ki so v revizijskem poslu najbolj dobičkonosne in zanimive za podjetja, kot je *Censum*, so naslednje:

- bančništvo,
- zavarovalništvo,
- proizvodnja in trgovanje z energijo,

- trgovci na veliko in na drobno,
- tobačna industrija.

Neprofitne organizacije

Neprofitni sektor sestavljajo društva, združenja, fundacije, nevladne organizacije in tista vladna podjetja, ki sestavljajo javni sektor. Javni sektor in nevladne organizacije so najbolj zanimivi segmenti na področju revizije. Organizacije, ki so del javnega sektorja, se odločajo med ponudniki revizijskih storitev največkrat na podlagi cene. Zaradi tega je v tem sektorju najbolj prisotna cenovna konkurenca. Kakovost je vedno na drugem mestu, saj zaznana (lahko tudi napačno!) razlika v kakovosti med manjšim in večjim ponudnikom ne pride do izraza pri odločanju.

V Makedoniji deluje veliko število nevladnih organizacij. Nevladne organizacije so segment, ki ga je treba zaznati kot enotno skupino kupcev, ki jim ponujamo enotno storitev. Ponujanje visoko standardiziranih storitev nevladnim organizacijam lahko zagotovi podjetju stabilne prihodke.

TRŽENJSKA PRIPOROČILA

Preden začnemo z navajanjem priporočil o trženjskem nastopu podjetja, moramo določiti meje trženjskih zmožnosti podjetja. Z zakonom določene meje, kot so prepovedano oglaševanje v medijih, nezdružljivost ponujenih ali izvedenih storitev, in meje neodvisnosti revizorja so samo ena plat omejitve. Druga plat se nanaša na notranje sposobnosti podjetja za trženje oziroma njegove notranje omejitve.

Finančna moč podjetja omejuje možnosti trženja, čeprav je večina trženjskih in promocijskih aktivnosti v primeru revizijskega podjetja zelo poceni.

Kapaciteta podjetja (opraviti določeno število nalog v neki časovni enoti) je zelo omejena. Zaposlovanje začasnih delavcev lahko kapaciteto poveča, vendar je v tem primeru izobraževanje, ki ga dobijočasno zaposleni, uporabljano v prid podjetja samo zelo kratko obdobje. To pomeni, da so stroški izobraževanja samočasno učinkoviti.

Na osnovi teh omejitev in z upoštevanjem različnih možnosti trženjskega spleta lahko nadaljujemo s predstavitvijo najbolj atraktivnih segmentov trga in s podajo priporočil o nastopu podjetja na trgu.

Velika podjetja so segment, ki je zaslužen za največji del prihodkov. Zavedati se moramo, da *Censum* ni zmožen ponuditi svoje storitve vsem velikim podjetjem. Ultra velika podjetja (letni prihodki več kot 50 milijonov evrov) so prevelik zalogaj. Čeprav je ekspertiza podjetja *Censum* na dovolj visokem nivoju, bo problem kapacitete povzročil težave pri opravljanju nalog. Bolj zanimiva so velika podjetja, katerih prihodki ne presegajo 50 milijonov evrov.

Med najbolj zanimive panoge sodijo nedvomno tobačna industrija, proizvodnja in trgovanje z energijo. Nastopanje na tem segmentu pomeni, da podjetje visoko kakovostno opravlja storitve, poleg tega pa pazljivo vodi cenovno politiko. Zelo pomembni so tudi poslovni kontakti z menedžerji na visokih položajih.

Srednje velika podjetja v tuji lasti so posebej zanimiva zaradi izkušenj zaposlenih v *Censumu* z mednarodnimi organizacijami in finančnim poročanjem o teh organizacijah oz. podjetjih. Dinamičnost tega segmenta, ki je motor razvoja gospodarstva, obeta veliko možnosti za pridobivanje novih klientov. Najbolj dinamične in tudi najbolj atraktivne panoge v tem segmentu so: proizvodnja in trgovanje z energijo, IT industrija, prodaja dobrin na veliko in na drobno ter proizvodnja dobrin. Pri teh podjetjih je blagovna znamka ponudnika nepomembna, zahtevajo pa visokokakovostne storitve.

Srednje velika podjetja v domači lasti so trenutno največji segment trga. Pomembno je vzdrževati kontakte tudi s podjetji, ki bodo v bližnji prihodnosti postala srednje velika. Panoge, ki so najbolj atraktivne, so identične tistim v prejšnjem odstavku.

Majhna podjetja so segment, ki je lahko dober ustvarjalec prihodkov na osnovi podpornih storitev. Pri tem so podporne storitve precej standardizirane in jih opravljamo skozi celo leto, kar zagotavlja boljšo časovno razporeditev nalog v toku enega leta. Ponudba mora biti narejena na osnovi omejene finančne zmožnosti teh podjetij.

Javni sektor je zanimiv zaradi svojih posebnosti, kot sta visoka elastičnost glede na ceno in nizka elastičnost na kvaliteto. Zaradi omejenega proračuna poskušajo javna podjetja vedno iztržiti čim nižjo ceno. Cenovna strategija mora biti zato narejena z upoštevanjem cenovnih strategij konkurentov.

Nevladne organizacije so segment, ki je zelo dobičkonosen, vendar zaradi velikosti samih nevladnih organizacij nezanimiv za velike ponudnike revizijskih storitev. Pri trženju storitve nevladnim organizacijam se moramo zavedati, da so donatorji kupci, ne pa sama organizacija. Donatorji pa so tudi obetavni klienti. Pri ponujanju revizijskih storitev je prednost, če si pri procesu pogajanja podjetje zagotovi večje število revizij hkrati (zaradi potrebe po standardizaciji nalog).

Splošna priporočila

Kot neodvisno revizijsko podjetje si mora *Censum* zagotoviti močno povezanost z neodvisnimi podjetji iz drugih držav. Postati član mednarodnega omrežja neodvisnih ponudnikov revizije lahko podjetju prinese veliko novih klientov, pa tudi dostop do velike baze znanja, ki ga takšne skupine oz. omrežja ustvarijo. Prepoznavnost blagovne znamke se lahko poveča, če bo podjetje prevzelo blagovno znamko znanega mednarodnega omrežja.

SKLEP

Odvisnost makedonskega trga revizijskih storitev od pravnih zahtev se bo z razvojem kapitalskih trgov bistveno znižala. Posledično se bodo spremenile tudi zahteve kupcev revizijskih storitev. Na takšnem trgu je pomembna predvsem dobro razvita trženjska strategija. Proces globalizacije bo silil podjetja v mednarodno povezovanje. Tudi podjetje *Censum* se bo moralo odločiti, s kom se mu splača povezati.

Censum je podjetje z velikim potencialom, ki lahko v naslednjih petih ali desetih letih postane eden izmed glavnih ponudnikov na trgu. Zaposleni in lastniki podjetja se tega zavedajo, zato so si za nalogo zadali, da to tudi uresničijo.

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APPENDICES

Appendix 1: Facts about the Macedonian economy

Basic facts About the Macedonian economy in 2007	
GDP (PPP)	\$17,26bn*
GDP (official exchange rate)	\$7,44bn
GDP (per capita)	\$8.400
GDP by sectors	
○ agriculture	10,30%
○ industry	28,10%
○ services	61,60%
Real growth rate of GDP	5,10%
Inflation rate	2,30%
Unemployment rate	34,8%**
Exports	\$3.356bn
Imports	\$5.228bn
Official currency	Macedonian Denar (MKD)
Official exchange rate	61,5 MKD/EUR, 41,5 MKD/USD
No. of mid and large sized companies	approx. 1200

*note: Macedonia has a large informal sector

**note: the large informal sector affects the surreal unemployment rate

Source: CIA - The World Factbook, 2008; State Statistical Office, 2007, report 3.1.7.07.