



Launching *Advwise*, a digital consulting start-up

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Abstract

The following research aims to analyze how *Advwise*, a digital consulting start-up, should position itself in the market. It intends to differentiate itself from the competition by customizing the solutions offered to the current needs of Portuguese SMEs. Specialization in a more particular target client, taking into account the type of service they value most, is also in the scope of analysis. Thus, research was conducted on the concept of digital transformation; on the importance of a business model in defining the positioning and value proposition; and on the Portuguese consulting market.

The methodology used to answer the research was the elaboration of a market study, which includes an analysis to the consulting market in Portugal, to the Portuguese small and medium enterprises market, and to the competitors within the sector. Moreover, an elaboration of interviews with companies from different industries was also conducted with the same purpose, proceeding to a qualitative and thematic analysis. Three dimensions were identified: the characterization of the growth of digital transformation in the market; the positioning in the consulting market; and customer preferences.

This analysis concludes that *Advwise* should position itself as a digital development strategist, to distance itself from traditional consulting firms and IT companies. Its focus should be on medium-sized companies with greater structure and financial means, adopting a role as a digital facilitator, through an ecosystem with partners specialized in various areas of digital. Working as a cluster it will provide an A-Z service, from planning to implementation and monitoring.

Keywords

Digital transformation; consulting; digital consulting; strategy; target customer; positioning; value proposition; competition; thematic analysis

Resumo

A seguinte investigação pretende analisar de que forma a *Advwise*, uma start-up de consultoria digital, se deve posicionar no mercado. Pretende diferenciar-se da concorrência através da personalização das soluções oferecidas às necessidades atuais das PME's portuguesas. A especialização num cliente-alvo mais concreto, tendo em conta o tipo de serviço que mais valorizam, também é alvo de análise. Assim, foi realizada uma investigação sobre o conceito de transformação digital; sobre a importância de um modelo de negócio na definição do posicionamento e da proposta de valor; e sobre o mercado de consultoria português.

A metodologia utilizada para responder à investigação foi a elaboração de um estudo de mercado, que inclui uma análise ao mercado de consultoria em Portugal, ao mercado das pequenas e médias empresas portuguesas, e aos concorrentes do setor. Além disso, a execução de entrevistas a empresas de diversos setores foi conduzida com o mesmo propósito, procedendo a uma análise qualitativa e temática. Foram identificadas 3 dimensões: a caracterização do crescimento da transformação digital no mercado; o posicionamento no mercado de consultoria; e as preferências dos clientes.

Nesta análise conclui-se que a *Advwise* se deve posicionar como estratégia de desenvolvimento digital, para se distanciar das consultoras tradicionais e das empresas de TI. O seu foco será nas médias empresas com uma maior estrutura e meios financeiros, adotando um papel de facilitador digital, através de um ecossistema com parceiros especializados em diversas áreas do digital. Permitirá prestar um serviço de A-Z, desde a sua planificação à sua implementação e acompanhamento.

Palavras-chave

Transformação digital; consultoria; consultoria digital; estratégia; cliente-alvo; posicionamento; proposta de valor; concorrência; análise temática

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1. Introduction

The pandemic has completely changed the way managers understand their business. There was a huge digital transformation and development of the e-commerce market all over the world, as a way to quickly adapt to the long periods of confinement they had to survive. The usage of social networks and the internet by the Portuguese population has increased significantly in recent years. According to *Pordata* (2023a), the percentage of Portuguese households with internet connection in 2021 was 87.3%, compared with 79.4% in 2018. Furthermore, according to a report by *We Are Social and Hootsuite* (2021) on *DatarePortal*, 7.8 million people in Portugal were active social media users, representing an 11.4% increase compared to the previous year, further supporting the notion that social network usage has increased in Portugal. This shift in consumer behavior has resulted in a fundamental transformation in how people communicate with one another, access information, and purchase products and services. Consequently, businesses must adapt to this new reality by utilizing digital channels and platforms to connect and engage with their target consumers.

On one hand, demand has rapidly changed its way of shopping and its priorities, and on the other hand, supply has barely adapted and reinvented itself for this new reality. In Portugal, there is a serious problem of a shortage of qualified technological talent, which ends up being an obstacle in the transition and in the supply of digital services. In order for companies to remain competitive, it is important that new upgrades are sought out and implemented in their day-to-day operations. From marketing and sales to customer service and supply chain management, the digital era has profoundly altered how organizations function. In order to stay up with the most recent technology and developments, businesses require direction and assistance from professionals.

Thus, *Advwise* attempts to solve the issue of delayed and inadequate digital transformation in Portuguese SMEs. It aims to advise customers toward creating a sustainable competitive advantage by giving them access to a team of highly qualified individuals that are tuned in to emerging market trends and breakthrough technology. *Advwise* wants to assist SMEs in overcoming the difficulties and complexities involved with the adoption of new technologies and processes through tailored and effective digital transformation methods. It will empower its clients to remain ahead of the trends and capitalize on the possibilities given by the fast-expanding digital ecosystem, by providing complete counsel and assistance.

The service offer will be based on 3 major topics:

1. Analysis of a company's management strategy and operations in relation to new trends, technology, and market competition. Followed by practical guidance for making improvements in corporate strategy;
2. Support in the implementation of these changes with web design services, digital marketing, graphic design, and copywriting, among others;
3. Implementation of online learning events, such as webinars, courses, and workshops, to enhance the knowledge and skill sets of client companies' employees in specific technological areas. Promoting, in this way, continuous learning and professional growth.

The company's goal is to identify the client's improvement points, to give advice on how to develop and adapt their business model, and also to train the workers so that the service is sustainable for years to come, full of changes and developments.

Since the industry is very competitive and always developing, launching a digital consulting business might be a challenging task. This thesis intends to give a full guide to creating a successful digital consulting start-up, encompassing everything from market research and positioning to the value proposition and target definition. Specifically, it will focus on three major aspects: the characterization of digital transformation market growth; the size and development of the current consulting market; and the demand side, in order to analyze what customers recognize as valuable features and to gain a better understanding of which target to concentrate on more specifically since the definition of SMEs as a target is still too broad.

1.1. Research Questions

1. How is the market for digital consulting expected to grow over the next five years? What is its current size and growth potential?
2. How does *Advwise* position itself in the market?
3. What are the most important characteristics and preferences of the target customer for a digital consulting firm, and how can the business tailor its features/services to better meet the needs and expectations of its customer?

This thesis intends to give insights that will assist new businesses navigate the difficult terrain of the digital consulting market and boost their chances of success by answering these research

questions. The overall goal is to provide practical and actionable recommendations to guide new digital consulting start-ups to succeed.

2. Literature Review

In the literature review section, the study will commence by researching and defining **digital transformation**, which represents the primary force for the market going digital. Subsequently, an investigation will be conducted into the importance of a **business model** for building a business in the contemporary area. The review will culminate with an analysis of the **consulting market** and its significant trends. These three distinct but interconnected concepts will define the identity of *Advwise* and form the basis for the execution of the thesis. Comprehensive research of these three topics will aid in the launch of a digital consulting startup.

2.1 Digital Transformation

The term digital transformation is currently one of the most often-used buzzwords, particularly since the pandemic period. But what is its actual **meaning**?

Actually, there is not just one specific definition; in reality, there are various interpretations of this idea, which is increasingly dependent on a subjective perception rather than an objective one. Although “(...) digital transformation has become a high priority for management within traditional organizations (...)” (Loonam *et al.*, 2018, p.102) it is a huge challenge to try to define it in a simple and intuitive way.

The Covid-19 pandemic forced new ways of connecting with consumers, employees, and suppliers across all industries, accelerating the push toward digital transformation. Consumers nowadays are thoroughly involved in digital experiences, and their needs and desires are becoming increasingly complex (Khalid *et al.*, 2023).

According to Furr *et al.* (2022), digital transformation is not an objective state, but rather a strategic decision made by executives from various options. It has a distinct meaning in various industries, and even between companies within the same industry (p. 598). Digital transformation is a process of adopting new digital technologies, including virtualization (e.g., cloud computing and artificial intelligence), mobility (e.g., social media and the internet), and analytical systems (e.g., big

data) (Loonam *et al.*, 2018). But it entails far more than just embracing the technology (Li *et al.*, 2018). Besides its adoption, it also entails process alignment and cultural transformation aiming to drive value creation, enhanced productivity, performance, and profitability (Leão *et al.*, 2021). It is about rethinking business models, it requires a dedicated effort to improve processes, engage with teams, use data, and develop organizational structures in order to maximize the potential of emerging digital technology. It presumes to adopt a digital mindset, which means: “(...) staying curious and committing to the digital transformation journey, collaborating with multidisciplinary teams, hiring the best talent, rewarding innovation efforts, and understanding and measuring impact (...)” (Khalid *et al.*, 2023, p. 21).

Therefore, digital transformation is not just a technological advancement process, but a cultural change in the business’s core strategy. But **why** would companies, nowadays, with an economy still recovering from the pandemic, invest in digital transforming their business?

“Organizations that successfully craft a vision that aligns internal business process integration with external digital technology opportunities will leverage significant strategic advantages within their respective industry.” (Loonam *et al.*, 2018, p. 102). It is really about getting a competitive advantage and keeping up with the new trends. In their report on digital transformation, KPMG (2021) argues that the pace of digital change is rising, and the need to reach clients wherever they may be is intensifying. A flexible, "commerce everywhere" business model as well as a renewed emphasis on employee experience is critical to improve and personalize the customer experience. Without a robust competence in digital commerce, it will be difficult to compete. After the pandemic, digitally-transformed firms will certainly have an advantage. They can respond with more agility to the demands of customers, employees, and suppliers since their decisions are based on data.

Indeed, it is now recognized that digital transformation is central to business, but its execution is no less complex. Several researchers have devoted their research to determining **how** to achieve this change, but the only right answer is that it varies depending on the circumstances of each organization because digital transformation implementation is determined by digital business strategies, the competitive environment, customer pressure, and the digital skills of employees (Holopainen *et al.*, 2023).

“Organizations seeking to implement effective digital technologies will need to ensure customers become active participants, where insights directly influence the product and service offer”

(Loonam *et al.*, 2018, p. 107). In the case of SMEs (*Advwise's* target), scholars identify that the entrepreneurs of those companies should engage not only in building managerial capabilities, but also organizational ones. Self-transforming is crucial to induce strategic changes in their businesses, the so-called digital mindset (Li *et al.*, 2018). Becoming digital requires a continuous and systematic improvement of processes, team engagement, data usage, user understanding, and current/emerging technologies leverage (Khalid *et al.*, 2023).

2.2 Business Model

The term "business model" has evolved in terms of its definition over the years. For instance, "the term first came into widespread use with the advent of the personal computer and the spreadsheet" (Magretta, 2002, p.5), and has just been openly thrust into the public consciousness during the past twenty years (Teece, 2010).

Many scholars in the area characterize the term "business model" as if it were a scientific procedure, in which the entrepreneur begins with an hypothesis and then tests it in the market (Magretta, 2002). A learning experiment based on trial and error with the goal of discovering a model that can capture value from new business opportunities (Shen *et al.*, 2018). In other words, a business model is management's hypothesis about what consumers want, how they want it, and what they are willing to pay, as well as how a company might organize to best satisfy those demands and make money in the process (Teece, 2010). And according to Ojala (2016), a business model includes four components:

1. The product/ service – how it creates value and is related to others in the market;
2. The value network – the importance of relationships with key stakeholders;
3. The value delivery – value delivery to various partners and customers in the network;
4. The revenue model – how the firms make money (p.453).

For the purpose of this thesis, the focus will be on analyzing and exploring the first and third points of the business model components. Specifically, it will delve deeper into how the service creates value and its relation to other services the market has to offer. Additionally, it will also examine the value delivery to the customers in the network, emphasizing its significance in building sustainable relationships. Although the revenue model is an important aspect of any business, it will not be included in this preliminary analysis.

The guidelines for developing a business model are straightforward; however, knowing how to modify these guidelines to fit the current environment is essential. To keep up in a world where value is increasingly created through information rather than procedures, businesses must increase their spending on sector expertise. Developing a feedback system that allows managers to establish performance metrics that reward value-creating activities, is another crucial consideration in modern business planning (Agatstein *et al.*, 2000). This highlights the necessity of design as context-making in a world where technology advances rapidly and innovation does not necessarily follow a linear path (Ojala, 2016). Overall, in today's fast-paced and competitive business world, the importance of a solid business model cannot be overstated. It assists businesses in being flexible, innovating, and creating value for consumers, workers, and shareholders.

2.3 Consulting

Consulting is a cooperative relationship that involves a consultant and a client working together towards achieving defined goals or overcoming challenges. The consultant provides professional guidance and direction, utilizing their expertise, skills, and experience to identify opportunities for improvement and develop customized solutions (Cummings & Worley, 2014). Consulting can take numerous forms, such as management consulting, IT consulting, and digital consulting, amongst others. This thesis will focus on digital consulting, which, although having comparable characteristics to IT consulting, is a distinct field.

While IT consulting focuses on advising and guiding organizations on how to use technology (IT systems) more effectively to improve efficiency (Bode *et al.*, 2022), digital consulting is based on a consultant-client collaboration aimed at assessing, designing, and deploying digital tools and processes to meet the specific goals of a given firm. Using their expertise and digital skills, consultants in the modern digital sphere search for new business opportunities in emerging markets and develop innovative strategies for their clients. It leverages technology to achieve particular business goals, such as enhancing customer experiences and adopting emerging technologies (e.g., artificial intelligence and the Internet of Things), (Yussuf *et al.* 2020). This illustrates that, while IT consulting is more concerned with enhancing an enterprise's IT infrastructure and systems, digital consulting is more focused on utilizing digital technology to improve business models, processes, and value propositions.

Whereas the significance of digital transformation is widely acknowledged today, little has been done to examine its influence on the consulting market, particularly the digital consulting niche. Yet, the majority of academics recognize that consulting services have undergone a profound transformation. As a result of globalization, customers are expanding internationally, and consulting companies are establishing themselves in new regions and joining the digital sphere to remain competitive. This enables cost reduction and investment in superior digital solutions. Demographic shifts have also impacted this market due to the reduced availability of experienced consultants (Bode *et al.*, 2022). In recent times, there has been a notable change in the value proposition of consulting firms, with a shift from merely providing advice, to delivering end-to-end solutions. In the past, traditional consulting firms have typically dealt with similar issues across their clients, offered standardized products and services, and focused on resolving recurring managerial challenges while managing multiple projects simultaneously. However, modern consulting companies have adopted a more customized approach, creating highly personalized solutions to address unique problems. To achieve this, it is essential to embrace the role of an ecosystem player, given the rapid pace of development, innovation, and information. As such, consultants need to collaborate with external actors who can provide complementary services as members of the ecosystem. Traditional consulting businesses continue to engage in the internal development of their consultants and digital skills, but the emerging trend is to acquire fully established human resources and capabilities via mergers and acquisitions (Tavoletti *et al.*, 2021).

3. Methodology

The purpose of this thesis is to design a successful business strategy for the positioning and value proposition of *Advwise*, a digital consulting start-up seeking to establish itself in the Portuguese market for small and medium-sized businesses. Therefore, it is essential to comprehend the existing features and future developments of the industry, the preferences of consumers, and how to tailor the services offered to them, as well as the market approach that *Advwise* should take. This can be achieved by tailoring the study's methodology to address the specific concerns raised by the research questions.

In the next chapter, a market study will be conducted to define the Portuguese consulting market more in-depth, figuring out the digital transformation's impact on it, analyzing the strategies of the major players in the market and any potential competitors, and anticipating the most important

developments in the industry. This preliminary study will lay the groundwork for the subsequent in-depth interviews that will be used to examine how Portuguese SMEs perceive this subject. Talking to and gaining insight from clients is essential for properly tailoring services to individual requirements. To that end, this study will employ in-depth interviews with selected organizations (non-random sampling) to collect data for a single snapshot in time (cross-sectional) that will then be subjected to qualitative analysis, which encompasses content and thematic analysis. This part will provide an essential chance to learn about the opinions of company representatives who operate in the real market. It will be critical to grasp their perspective on the issue under consideration, as well as their worries and future expectations. It will assist *Advwise* in adapting its service offering to the needs of its target market, thereby improving the user experience.

4. Data Analysis

4.1 Market Study

4.1.1. Definition of the Business Idea

Advwise, a digital consulting start-up, aims to assist small and medium-sized businesses address their lack of digital development by enhancing their digital strategy through the provision of tools, guidance, and problem-solving consulting. Multinational Portuguese companies want to become market leaders and compete on a worldwide scale, thus they often hire consultants, typically from the Big 4 consulting firms, to help them update their operations and strategy. There is an urgent need to call for an eye toward the future and the agility to adapt to shifting market conditions. Keeping this in mind, and understanding that in order to thrive in such a competitive business and ever-changing world, even small and medium-sized enterprises (SMEs) must reinvent themselves day after day, through higher quality or distinctive products/services, or cheaper products/services. Herein lies *Advwise*'s added value. What if the solution to achieve competitive advantage was to grab the new opportunities and trends that the market is presenting before the competition? What if the solution was to make a digital transformation in the way business is run? That is exactly what *Advwise* intends to do. And going even further, it will differentiate itself by providing customized solutions. Rather than offering "one-size-fits-all" solutions, *Advwise* will provide services tailored to the requirements of each client in order to assist them in achieving their business objectives, something that a generic

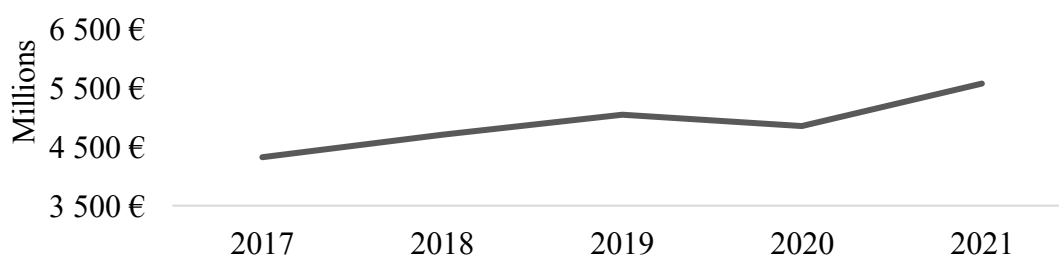
solution would not accomplish. In addition to consulting services, it will also provide ongoing support to clients as part of its business strategy. It will include training programs, follow-up consulting, and other resources that will aid clients in simply and rapidly adjusting to the ever-changing digital environment.

4.1.2. Portuguese Consulting Market

Consulting is one of the world's oldest practices since individuals have always offered assistance and advice to one another on a vast array of concerns. However, it was not until the late 1950s that the consulting business began to see major expansion, signaling the start of a shift that has made it a key component of the dominating service sector of the present day (da Costa & Antonio, 2015). This industry has been consistently expanding in Portugal over the past several years, mainly due to the dynamic and complex business environment in which Portuguese enterprises operate. As can be seen in the supporting graphic from INE, the number of businesses offering accounting, auditing, and consulting services rose by around 29% between 2017 and 2021:

Figure 1: Services provided in accounting, auditing, and consulting activities (€)

Source: INE, 2022



This development is the result of pressure from governments, customers, and financial institutions, as well as a more competitive environment than ever. Companies feel the need to rely on external consultants more than ever before, whether for strategic or operational concerns (da Costa & António, 2015). The financial instability and bankruptcies of several businesses have boosted consulting activity like never before. According to the Sector Tables of the Banco de Portugal, this positive trend also persists when analyzing the specific sector of business and management micro consulting companies' activities. Between 2018 and 2021, this form of micro consultancy developed by an average of 7% per year. Even during the pandemic, the number of companies reached 15.145, a 7% increase over the previous year. However, their net income in 2020 did not follow this pattern and was an outlier. In the remaining years, the net income of these micro consulting firms consistently

increased at a rate always higher than 50%. Comparing 2021 to 2019, for example, the net income growth rate was 163%. In general, the market for micro consulting firms specializing in business and management appears to be characterized by a high degree of competitiveness and dynamism, with a variety of firms providing services to companies of small and medium size. The substantial increase in net income growth in the preceding years indicates a considerable possibility for these enterprises to further extend their offerings and customer reach.

Following a pandemic and the current state of war tension, uncertainty has remained, boosting the consulting industry as a guide for businesses seeking to achieve environmental, technological, or sustainability objectives. According to *Mazars Portugal* Head of Consulting Rui Lavado, "almost two-thirds of executives (62%) intend to modify their sustainability strategy in the future years, and this percentage is topped by those who aim to engage in technology transformation (68%)". These two ideas—digital transformation in particular—appear to be at the heart of the new consulting trend in Portugal (Costa *et al.*, 2022).

Throughout the same article by Costa *et al.* (2022), the opinions of some leaders of the main consulting firms operating in Portugal were also analyzed. The importance of consulting firms in assisting their clients to become more data-supported, adopt flexible and agile structures, work with automated processes focused on the satisfaction of the final client, and integrate into competitive ecosystems was highlighted by Carlos Oliveira, Managing Partner of LBC. According to Paulo Morgado, the creator of *BridgeWhat*, firms no longer need to be specialists in a variety of tasks; rather, they should focus on their core competencies and seek partners to combine customer bases and complement each other's offerings. Clients want to pay for problem-solving, not information. It is important to emphasize the role of an ecosystem in the world of consulting today, as clients are increasingly requesting end-to-end services, which frequently involve knowledge in a variety of fields. Another current trend, according to Bernardo Maciel, CEO of *Yunit Consulting* is the elimination of rigid rules and linear growth. Long-term initiatives are hazardous, and the market demands the capacity to foster flexibility (pp. 18-34).

In conclusion, for a consulting start-up to survive in the market, it should provide a **personalized, ecosystem-based**, and ongoing **problem-solving** service for businesses that wish to thrive and continuously **adapt** to market volatility.

4.1.3. Target Market

Micro, small, and medium-sized enterprises (SMEs) account for nearly all of Portugal's businesses. In 2021, 96% of Portugal's SMEs are micro, 3% are small, and 0.6% are medium-sized, according to the official archive Pordata (2023b). While the overall number of SMEs fell by 2.1% in 2020, it rebounded by 3.2% the following year, returning to its pre-pandemic increasing pattern. Wholesale and retail trade has been the most prominent economic activity segment at SMEs over the years, making up 16% of the market in 2021. This is followed by farmland, animal production, hunting, forestry, and fisheries, making up 9% of the market. In Portugal, 99.9% of all market-active companies over the past decade were small and medium-sized enterprises, while only 0.1% were large corporations (Pordata, 2023c). And considering the gross value added of companies, i.e., the wealth they contributed within 2021, 60.7% of the total Portuguese companies' structure was comprised of SMEs. According to the official Pordata (2023d) archive, the trend is clear: the gross value added of small and medium-sized enterprises represents the majority and it is growing more than that of large corporations.

The prevalence of enterprises run by individual families is another distinctive aspect of the Portuguese economy. Family firms account for more than 70% of all businesses, contributing with 50% in employment creation, and representing 2/3 of the GDP (Marques, 2018).

SMEs are known for being forward-thinking and agile, able to react rapidly to shifting market conditions and emerging consumer preferences due to their smaller structure. As a result, *Advwise's* target focuses on those companies in Portugal, offering services and solutions to facilitate their development and expansion. The initial focus of this study is on small and medium-sized enterprises. However, it is anticipated that the interviews conducted in one of the next sections will enable the identification of a more precise target audience, with due consideration given to the client's size, by the end of the research. The objective is to ascertain whether the target audience is inclined more toward medium-sized enterprises possessing greater purchasing power or smaller enterprises that are relatively easier to penetrate. It is also crucial to determine whether the emphasis should solely be on a particular intervention domain or on a comprehensive range of services within the ecosystem.

This previous data proves that the Portuguese economy is mostly supported by SMEs. They are true engines of competitiveness and an important source of business skills, innovation and employment. However, due to their small size, they face daily problems of diverse nature, due to market failures (in areas such as finance, research, innovation, among others) and structural obstacles

(such as lack of technical management skills, rigid labor markets, and limited knowledge of international expansion opportunities). Each SME has its own reality, each with its own specific challenges, the main one being digital transformation (Brito, 2021). There are now more possibilities for SMEs, but in order to take advantage of them, employees need to be equipped with digital skills, because information tools and methods that accelerate the digital shift have been adopted by businesses across all industries (PHCSoftware, 2022a).

PHCSoftware's "Guide for the Digital Transformation of SMEs" surveyed 500 managers at Portuguese small and medium-sized enterprises to gain insight into their perspectives on digital transformation. This emerging technological trend is seen by them as a means to better processes, to better meet client requirements, to lessen administrative burden, to increase cost management, to speed up product development, to boost the commercial sector, and to increase productivity. Nonetheless, they raise some concerns, such as not keeping up with market shifts; employees not being able to use digital tools; processes being slower than the competition; failing to meet legal requirements; failing to adjust to online trade; and lack of privacy. One of the main challenges identified, in more detail was the e-commerce. 45% of Portuguese SMEs in the poll said they do not engage in e-commerce, and 64% admitted they do not have the financial resources to spend on this innovation. Only 100 surveyed SMEs actually engage in e-commerce, and only 22% plan to increase their spending in this field over the next few years. These companies would rather put their money into things like process automation, cloud computing, finance management, portability, and team management software. Although there has been an explosion in digital commerce as a consequence of the pandemic, Portuguese SMEs do not see this as a priority. Managers also report being unprepared for digital mobility, another major tendency of the digital era. Employee safety worries, the preference for the traditional system of working in the office, the nature of the enterprise, and the magnitude of the investment all lend credence to these arguments (PHCSoftware, 2022b).

Innovation and digitalization are top priorities for the Portuguese government. Numerous business associations and clusters play an important role in the collaboration and integration of SMEs to encourage digitalization through the promotion of best practices and use cases, networking, and the matching of consumers and sellers, as well as the provision of training and guidance. Despite this, the overall level of digital adoption is lower than the EU average. SMEs appear to be more focused on digital technologies that increase sales channels and efficiency benefits (manufacturing and administrative operations). Small businesses' ambition for larger innovation and investment remains restricted as compared to larger ones. On the supply side, there are gaps in awareness and knowledge of SMEs' specific needs. The new digital firms seem not to be fully aware/interested in supplying

digital solutions to domestic SMEs in traditional sectors. Moreover, providers of these digital solutions are fragmented across digital/start-up SMEs, and competence/R&D centers associated with larger enterprises. This can be difficult to navigate for traditional SMEs looking for digitalization. Despite the positive role of clusters and other industry associations in disseminating best practices and digitalization developments, there is still a significant portion of SMEs that are unaware of the available solutions and their potential benefits, particularly for smaller, family-owned SMEs in traditional sectors (European Investment Bank, 2019).

SMEs that delay starting their digital transition will be left behind by the competition and unable to capitalize on the changing customer landscape. Adopting technological solutions for businesses to become data-driven is crucial to the company's decision-making process because it paves the way for quicker, more precise, and more cost-effective responses. Having these solutions in place enables management to see all aspects of the business and respond swiftly to opportunities and threats (IT Insight, 2020).

Hence, despite being the backbone of the country's economy, micro, small, and medium-sized enterprises experience constant difficulties due to market insufficiencies and structural barriers. There is still a lot of challenges to overcome, particularly in the e-commerce sector, but digital change offers an excellent opportunity for them to better their processes and lower costs. To sum up, small and medium-sized Portuguese enterprises can contribute to the growth of the Portuguese economy by embracing digital change, but they must first overcome some obstacles. Thus, it is essential for companies to continue to invest in change management and skills development, keeping up with constant market innovation and ensuring sustainable, informed, and prosperous growth (IT Insight, 2020).

4.1.4. Competitors

The foregoing research suggests that digital consulting businesses have more potential than ever before to help SMEs achieve their goals for the future. The market for this type of consulting service is growing, so naturally there is more rivalry among providers. In the first sub-section, a look at the leading Portuguese firms that offer digital consulting services to SMEs, thus constituting **direct** competition to *Advwise*, will be taken. The companies under consideration were selected because they are micro/small enterprises operating in Portugal, they have an excellent reputation, their digital

presence is very similar, and their size is more comparable to that of a startup. In addition, they are completely committed to the digital transformation aspect of the business and its digitization, specializing in the same field as *Advwise*. In the second sub-section, two larger businesses are included. Although they are considered **indirect** competitors of *Advwise* due to their superior size, greater market experience, and, of course, larger budgets, they are essential benchmarks for the possible development and scalability of future services. It is also a method for determining whether these larger companies offer any services that *Advwise's* direct competitors do not, which can be incorporated into the value proposition.

4.1.4.1. Direct competitors

This analysis will allow to learn more about the market in which *Advwise* will operate and identify opportunities for differentiation by analyzing the value propositions of these companies. The following is a summary of the most important information that can be found in a digital consulting business, based on an examination of their websites:

- Whether or not it presents a definition of what digital consulting is/how it defines its value proposition;
- If it distinguishes the areas of work in which it operates, giving the customer an overview of the benefit that this type of services can bring;
- If it specifies the services, giving the client a more detailed view of the digital consulting process;
- How they organize the monetization of their services, and if they use work plans.

By analyzing Figure 2, it can be determined that the four companies' websites define the concept of digital consulting and how they intend to create client value. They concentrate on transforming their clients' strategies, enhancing their processes with new technologies, and analyzing data. Next, they describe the areas in which they specialize, which include digital strategy and client engagement. With the exception of *Mind Forward*, they present their services in greater detail, allowing the consumer to have a clearer understanding of the services they can employ. Only *Frederico Carvalho*, discloses pricing plans that account for the recurring nature of the services he provides.

Figure 2: Direct competitors' value proposition website analysis

Source: Corporations' website

Competitor's name	Digital consulting definition	Areas of work	Offered services	Pricing
<i>Frederico Carvalho</i>	Develop a digital strategy that increases and maintains competitive advantage	Digital Strategy	Audit digital assets for improvement opportunities	Basic single project (5 hours): 590 euros
		Online operations optimization	Research target audience, keywords, digital consumer behavior to align with audience	
	Adapt the organization and its operations to take advantage of digital opportunities with new digital technologies that will impact your business	Digital Customer Experience	Digital narrative development	Recurring plan (minimum 5 months): 1350 euros
		Process automation	Recommendation on prioritization of digital channels	
		Conversion rates	Content marketing strategy and plans	
	Select accessible products and markets, optimizing costs and leveraging revenues aligned with consumer behavior.	Digital technologies	Guidance on hiring the right marketing team members	
			Go-to-market plan	
		Search Engine Optimization		
		Social media & email marketing		
		Lead generation		
<i>Consultoria Digital</i>	Developing the best of technology and customizing it to the client's needs	Data analysis	Data gathering and requirements analysis	n.a.
		Strategy	Creativity and technology	
		Digital marketing and SEO	Target audience identification	
		Web design	Digital strategy definition and implementation	
	Support when it comes to online connections, such as websites, cell phones, desktop applications, mobile, campaigns, or also when it comes to data analysis	Applications	Results analysis and follow-up	
	Digital security			
<i>Mind Forward</i>	The digital marketing and strategy consulting studio, which identifies problems and helps find solutions. They analyze their clients' business in digital in order to find the most effective way to achieve their goals.	Consulting and digital marketing	n.a.	n.a.
		Data intelligence		
		Search Engine Optimization		
		UX/UI Design - ease of navigation		
		Web and Mobile development		
		Social media		
		Motion and Video Design		
		Content Production and Copy		
Digital Media Campaigns				
<i>Happy Fact</i>	We build lean digital growth strategies that accelerate your goals with high impact results.	Metrics & Analysis of User Behaviour	High impact content marketing	n.a.
		Deliver value	User generated content & influencer marketing	
	Iteration and testing	Crisis management & troubleshooting		
	Digital strategy development	Digital omnichannel brand alignment		
		Multi-target audience interaction		
		Constant data analysis: tracking results & metrics		
		Continual strategy optimization		

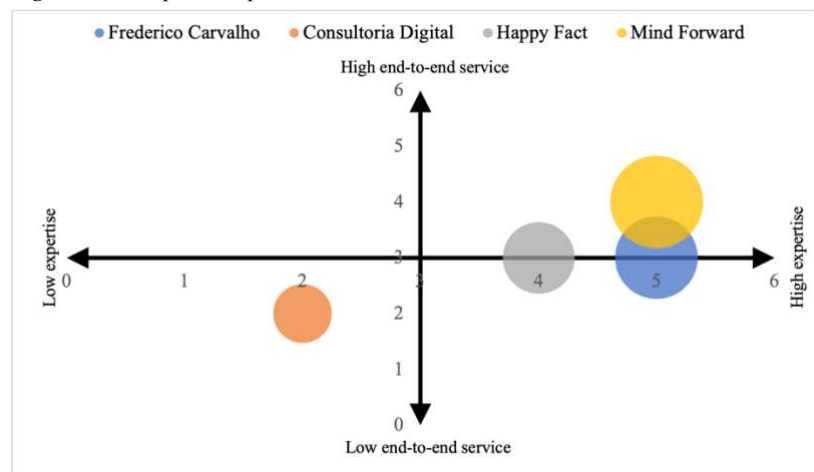
In addition, a perceptual analysis was conducted to determine how *Advwise* could position itself on the market in light of the characteristics of the competition. The same four companies were analyzed based on their website, the place where they communicate their value proposition, taking

into account three attributes: level of expertise (x-axis), level of end-to-end services offered (y-axis), and level of digital presence (circle size).

- **Expertise** is a critical attribute in the digital consulting market as it signifies the possession of knowledge, skills, and experience by the consultant. This, in turn, promotes confidence in clients regarding the consultant's ability to provide digital transformation solutions.
- The **end-to-end** service attribute pertains to the consultant's capacity to provide a comprehensive range of services, encompassing various aspects of the digital transformation process, starting from issue identification, and culminating in the implementation of its solutions across multiple business domains.
- The attribute of **digital presence** holds significant importance as it serves as a reflection of a company's online visibility, reputation, and engagement with diverse stakeholders via digital platforms. Maintaining a robust online presence involves a dedication to remaining current and interconnected with the clients.

Figure 3: Perceptual map

Source: Corporations' website



Upon examining the perceptual map, it is evident that *Mind Forward* holds a more robust position compared to its competitors, as indicated by a rating scale ranging from 0 to 5. End-to-end service is characterized by providing a comprehensive range of services that encompass

marketing, operations, and the integration of technological tools. Furthermore, it showcases a more cohesive online presence compared to its counterparts and is commensurate with the level of expertise shown by the *Frederico Carvalho* enterprise. Both entities exhibit a favorable reputation based on their previous projects of significant interest and the level of professionalism with which they communicate their value proposition. In consideration of the aforementioned attributes, *Consultoria Digital* appears to hold a comparatively inferior position. Obtaining a recognized level of expertise presents a challenge to the positioning of *Advwise* as a digital consulting firm, given the absence of clients to provide input or contribute to its reputation. Nevertheless, an opportunity exists in offering a comprehensive range of end-to-end services. Despite the fact that *Mind Forward* currently provides a relatively broad service, there is still more potential. This presents a promising market opportunity

for *Advwise* to not only conduct a thorough analysis of the company, identify areas for improvement, and develop solutions, but also to facilitate the implementation of technological and structural changes and provide support for human resources through training. An additional prospect lies in prioritizing the creation of a strong digital presence. The trio situated on the far right of the horizontal axis exhibits a good digital presence, but only based on their website. Exploring alternative social networks could potentially be a worthy path to take.

4.1.4.2. Indirect competitors

This segment analyzes the data obtained from the websites of two of the largest digital consulting firms working in Portugal, *LBC Innovative Transformation* and *Axians*. The value proposition presented by these companies is far more extensive than that of *Advwise's* direct competitors; therefore, the comparison will not be presented in table format as was previously done.

LBC provides services in four major groups, which include management, talent, development, and digital transformation. According to the scope of this thesis, the focus will be on the last one. There is no concrete definition of "Digital Consulting" presented, in fact, this concept is never mentioned on the website, however, there is a clear message that *LBC* supports organizations in decision-making, in a business transformation logic, using the most adequate technologies. The services include Digital Transformation Strategy; eGovernment; Industry 4.0 (service in partnership with a German company); Digital Platforms; Process Automation; Digital Neashore (IT service provision); Business analytics; and Project and Change Management. It has a straightforward structure, with broad work areas and, more specifically, services within each.

Axians intends to support companies in the digital transformation process, relating it to the personal and human side of people. It reinforces the importance of combining the two worlds. The firm recognizes itself not as a digital consultant, but as a digital facilitator. It presents two major work groups, one focused on the public client, through consulting dedicated to Smart education; Energy supply; Digital health care; Smart mobility; and National tax system. And the other focused on the private client, providing services in the areas of Telecom infrastructures; Cloud and data infrastructures; Enterprise networks; Digital workspaces; Business applications and data analytics; Cybersecurity; and Managed services.

4.1.4.3. Direct vs Indirect competitors

Regarding *Advwise's* direct competitors, there is a significant concern regarding the definition of digital consulting. Even though some of the analyzed companies do it better than others, they all define this concept. Something that may indicate, and could be confirmed through the next interviews section, is that they feel the need to communicate to people what this entails, how the digital transformation is occurring, and how to take advantage of this change for the business's benefit. Something that, at least according to the online information obtained, does not occur with indirect competitors. They are not as concerned with defining digital consulting as they are with sharing the overall impact and difference they can bring to businesses. They concentrate on digital transformation in its entirety.

Referring back to the direct competition, these businesses take greater care in making a more specific division of work areas, i.e., they explain in detail everything they work on, with the outline of a plan/strategy, data analysis and its incorporation into operational business decisions, and digital marketing being some of the most common services. Contrary to larger consulting firms, the smaller ones report every activity they perform within their areas of expertise, including audits, testing, and go-to-market planning, among others. This may suggest that the target market of small consulting firms, or at least the majority of them, is unaware of this digital evolution and are slow to adopt it. They end up selling service by service. Small consulting firms feel compelled to "teach" their clients about the service they intend to sell. In the larger consulting firms targeting larger companies, which are more evolved and cognizant of this digital transformation, the communication of their value proposition emphasizes the significant internal and external impact it will have on the business. As they have a large number of clients and employees, they naturally place a great deal of emphasis on their social impact. Due to their broader areas of intervention, large consulting firms, unlike smaller ones, do not elucidate each service they can provide in as much detail.

An additional characteristic of indirect competitors is that they provide consistent and recurring support. While smaller consultants are more likely to only propose enhancement plans and strategic recommendations, larger consultants do the same, but they also finalize them. In other words, these businesses support their implementation, even if it necessitates incorporating new applications, platforms, or software that requires greater IT technical expertise. They are able to provide a service from beginning to end within the same organization because they have a larger budget and more employees.

In the case of Axians, it is noted that the large consulting firms have a more diverse clientele, including educational institutions throughout the country, the Tax and Customs Authority, and city councils. In other words, its services impact society as a whole, not just private entities. Their work entails a degree of social responsibility that is less apparent in smaller consulting firms.

There is a vast difference between direct and indirect competitors when communication and sharing of the value proposition and services on the website are considered. The former is concerned with a website's aesthetics, usability, and the transmission of information in a clear and concise manner. While the latter site is significantly more extensive. Not only because they provide more services, but also because of the way they explain the entire digital transformation narrative and its impact, because they include "insights," that is, articles and news about the subjects they deal with, and because they have brochures for the client to download if he wishes to gain a more comprehensive understanding of the company's value proposition. The "insights" section is particularly interesting, as it demonstrates that the consulting firm is aware of what is going on around it, in the specific area of digital, conveying solidity in its knowledge and confidence in the areas in which it operates, as it demonstrates constant market evolution. There is a clear message to clients that they are experts in their field and are concerned with maintaining their knowledge updated. Unlike smaller consulting firms, the websites of these large firms are continually updated and dynamic. On the contrary, direct competitors present their services and areas of operation on a website that will likely be the same in a few months, and they do not include any news or articles that demonstrate to their clients that they are current with the latest societal changes, except for *Frederico Carvalho* that offers a weekly newsletter.

4.2. Interviews' thematic analysis

Thematic analysis is a technique for identifying, analyzing, and reporting patterns within data sets. It helps to comprehend the day-to-day experiences of people who are embedded in the labor market, in this case, managers and company directors, in great detail in order to understand the phenomenon under consideration. Since the purpose of the thesis is to position *Advwise* in the consulting market and to adapt and customize its services to meet the requirements of its target clients, there is no better way to accomplish these goals than by visiting the actual market and interviewing prospective clients. In this section, the analytical procedure will involve a progression from description to interpretation, to show patterns in semantic content, where the significance of the

patterns and their broader implications will be theorized (Braun & Clarke, 2006). As stated in the previously cited article, the process of the analysis will be performed in the following way:

1. Achieve familiarity with the data through its transcription, reading it, and noting down initial ideas, based on the interviews performed with the companies;
2. Generate initial codes of interesting features of the data in a systematic way;
3. Search for themes, collating codes into them;
4. Review themes to check if they work in relation to extracted codes;
5. Define and name themes, generating clear definitions and the overall story the analysis tells;
6. Produce the report with the main findings, relating back to the analysis of the research question and literature.

The interview process began with the preparation of a standard message, with recipient-specific customizations, to contact companies via email or social networks such as LinkedIn. Several dozens of messages were sent, but only nine recipients responded and consented to interviews. Seven of these interviews were viable, with complete and succinct responses that could be analyzed within the scope of the thesis. Small and medium-sized Portuguese enterprises were sought out during the selection process, as this is the market segment that *Advwise* intends to serve. Within this market, there was an attempt to conduct interviews with micro companies with one or two employees, and medium-sized companies with thirty or more employees, as well as companies with many years in the market and start-ups with months of life. This was a crucial method for obtaining diverse opinions and, consequently, results to analyze. Given the challenge in getting responses from companies, the scope of the industries in which they worked was not so detailed, however, no two responses were from the same market, so as not to limit the results to a single industry. A further requirement was the ability to communicate with company representatives who held strategic positions that allowed them to make operational and management decisions. All seven interviews were conducted with chief executive officers, general or commercial coordinators. Therefore, the interviews were conducted with representatives who had a general and structural understanding of the company in order to address the questions posed, which included, for example, budgetary concerns that only they could answer.

Figure 4: Interviewees' characteristics

Source: Interviewees' responses

	Company 1 (C1)	Company 2 (C2)	Company 3 (C3)	Company 4 (C4)	Company 5 (C5)	Company 6 (C6)	Company 7 (C7)
Industry	Food Distribution	Real Estate	Tourism Animation	Logistics and distribution of hygien and health products	Higher education tutoring	Tax Consulting	Construction Materials (wood)
Target	B2B	B2C	B2C	B2B	B2C	B2B	B2B
Nr workers	30	25	40	35	1	3	38
Representative	CEO	General Manager	Comercial Manager	CEO	CEO	CEO	General Manager

Following a comprehensive examination of the interviews, the primary insights of each response were extracted and categorized into 1st order codes, totaling 112 codes. These codes were subsequently organized into 14 more general themes, known as 2nd order codes. Finally, the 2nd order codes were matched to 3 major dimensions, namely:

- Characterization of digital transformation market growth;
- Consulting market positioning;
- Customer preferences.

- Concept have changed across time.
- Gradual shift from manual to digital tools.
- Selling through digital and online platforms and social networks.
- Automation of processes.
- Faster and more efficient management, with immediate data integration.
- Incorporate technology to scale processes, achieve economies of scale, and surpass traditional competitors becoming more efficient.
- Simplification of bureaucracy.



Awareness of digital transformation concept

- There is a need to use more technology, but doesn't know how and where to apply it.
- Doesn't know what is available to help the business.
- Have to be the first, otherwise someone else will do it.
- Need to become more digital on promoting and selling activities.
- New generations use different platforms and systems.
- Companies need to adapt to the digital transformation and reinforce digital media presence.
- Who doesn't think about it end up doomed in the short-term.
- Market in which it operates has a weak digital presence.
- There is a need to balance face-to-face and digital presence to achieve consumer confidence.



Dimension of digital transformation in the market

- Modeled management software.
- Partnership with Portuguese start-up to manage and transact properties through blockchain technology. Includes all the intermediaries in one digital platform, fully digital.
- Website reformulation.
- Platform where customers can access and order to replace products, automatically processed.
- Several pages of complex information written by a robot to save consultants' time.
- New billing device that provides real time information about the product and automatically connected to the warehouse stock.



Measures taken to accompany the transformation

- Have to understand the added value before investing in digital services.
- Continue to invest in digital services to reduce bureaucratic burden.
- Following the digital transformation but aware that an hybrid model that responds to all kinds of public is key.
- Always looking for anything to facilitate operations.
- Commitment to digital transformation ensures ability to maintain high level of professionalism, without increasing the cost of services provided.



Future digital investments

Characterization of digital transformation market growth

- Develop a better platform and change the business model, including better digital support through partners that process payments online.
- Develop a platform with artificial intelligence to personalize the service to the client's needs.
- Invest in the billing, customer service, or industry areas to make them more digital and easier to use.



Future digital investments (cont.)

- Very important due to one of its sales online channels.
- Reduces people's intervention and helps to streamline the sales operation of products.
- E-commerce works best when there is consumer confidence on the product/service. Needs to build trust first.
- Business is all based on e-commerce.
- Doesn't make sense in this market because it's a business of the "real", there is a need to physically see the product.



Awareness of e-commerce opportunity

- Doesn't have anything specific, depends on the purpose and benefit of the investment on digital services.
- 50 thousand per year to keep tools current and to invest in digital transformation.
- This amount is expected to increase over the years, but at the same time increases turnover and decreases labor cost.
- 10% to 15% of profit spent in digital products and services.
- One third of the budget goes to technology.
- On average 7-10 thousand euros annually.



Budget allocated to the digital

- Marketing and operations strategy is done in-house, the rest is outside.
- Outsource marketing and communication, and IT services to another company that works with the whole group.
- Given the size of the company is outsourcing.
- Due to the fast and transversal digital transformation is difficult for a person inside the team to keep up with the adaptation needed.
- Outsourcing would bring experience from outside, it's more benefiting.
- All done inside-house, would make sense if the level of turnover was higher.



Outsourcing vs insourcing digital services

Characterization of digital transformation market growth (cont.)

- Digital consultants are more focused on the technological side and market positioning.
- Digital consulting is more useful to reach new markets focused on e-commerce.
- Traditional consulting is more useful for the operationalization of activities.
- Traditional consulting helps to improve company's performance, in terms of management indicators.
- Digital consulting guides towards the procedures that can be used using digital solutions. Optimizes business processes and improves cost/operation ratios.
- Associates traditional consulting to the big companies, like BCG and McKinsey.
- Digital consulting focuses on lead generation, image development on digital channels, SEO and the overall digital presence.
- Digital consulting brings cost optimization, product scalability, reach to more people.
- What differs is the areas they focus on.
- Both types of consulting services include an analysis to the state of the company, and a presentation of solutions, to keep up with the market trends.

- Better automation and organization of processes.
- Online customer contact.
- Digital consulting is important because companies still work its digital side very poorly.
- It is a business opportunity that I find very often.
- The priority would be to contract digital consulting services, focusing on information technology, how to use tools to anticipate future digital trends, and to understand more about artificial intelligence and how it will change the business.
- Digital consulting more useful for finding new ways to manage the business, bringing more revenue in the short-term.

- Contracted operational and financial consulting services.
- Bi-weekly operations and commercial consulting.
- Consulting service focused on the financial investment.
- Contracted consulting services to update management procedures from one family generation to another, and how to prepare it for the future.
- Never contracted consulting services, only individual service on a platform to help on digital marketing design.
- Contracted to investigate the value added and the impact to the company by incorporating some innovation in the production.



Digital vs traditional consulting



Utility of digital consulting



Previous contracted services

Consulting market positioning

- Availability.
- Technical competence.
- Problem resolution.
- Price.
- Well established.
- Credibility.
- In line with client's values.
- Open communication.
- Structured and quick solutions.
- Honesty.
- Trust.
- Notoriety.
- Sensitivity to the business.
- Ability to adapt to the context.
- Knowledge.
- Projects history.
- Reviews.
- Consistency.

- Useful to automate processes that evolves a lot of human resources and human intuition.
- Achieve more efficiency.
- Although a good job on the digital and social media is being done good, it's important to have a outside perspective on the things we can improve.
- When talking about digitalization and automatization of processes through a software it makes sense to contract such service.
- Contract digital consulting services to digitally improve the business and bring a sustained strategy.
- In another phase, with more years in the market, it would make sense in order to increase income and enter new markets.
- Would make sense in a more developed stage to update technology to optimize services provided, bringing an outside perspective.
- To analyze and open different paths.
- Capturing leads through alternative channels is priority.
- What is needed is someone to analyze social media and create a digital content plan.

- Priority for intervention is marketing.
- Overall digital presence.
- Products/services digital promotion.
- Google platform.
- Intervention in the operations area.
- Digitalization of processes.
- Real time information and open communications is another priority.
- Want to focus on what brings the most money directly.
- Processes automation.
- Technological support in the incorporation of artificial intelligence, therefore, the operational area.
- Operations and management areas.
- Digital marketing is not a concern.



Values

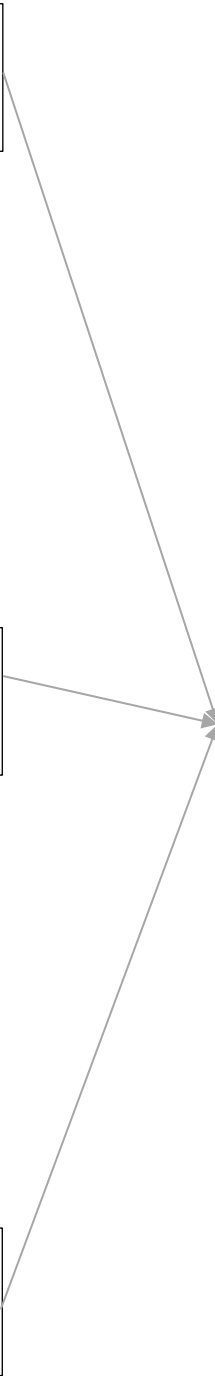


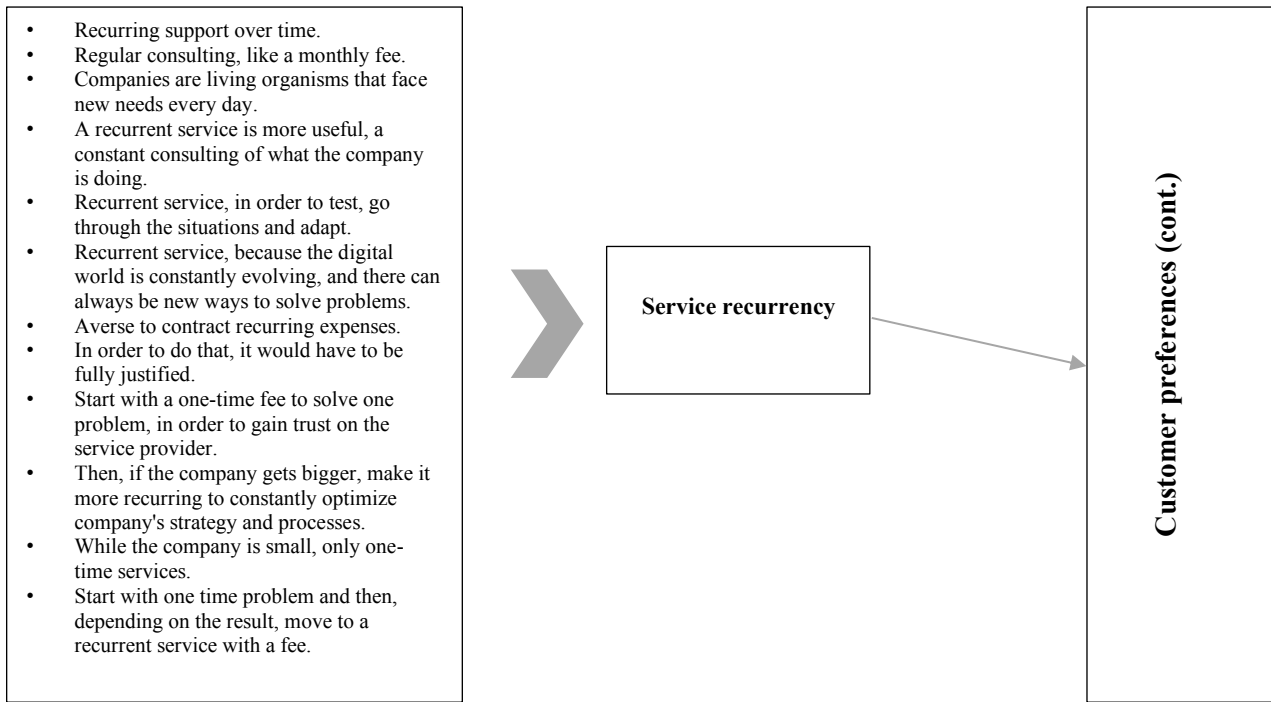
Intervention purpose



Intervention areas

Customer preferences





4.2.1. Characterization of digital transformation market growth

The analysis started by characterizing the market in light of the impact of digital transformation, attempting to determine how the interviewees understood this concept, and if it was proven, as indicated in the section of the literature review, that it was a complex and subjective term in which there was no clear definition, changing over time in accordance with the new trends. In fact, there are two types of responses. Some are highly subjective, with 4 respondents defining the transformation based on their personal perspective, on the reality of their work, and providing examples of how they implement it into their company. The others are extremely generic, with the major definitional trends being the shift from manual to digital, the automation of processes, the simplification of bureaucracy, and the reduction of human resources. Through this preliminary analysis, it is hypothesized that the interviewees comprehend the meaning of the concept, but do not define it in detail; they have a very shallow understanding of the concept's implications for their businesses and daily lives. Importantly, the interviewee from company 5 (C5) acknowledged, as noted in the literature review, that it is a continuously evolving concept, as he stated: "Now the same concept has a different meaning than it did before, because everything is digital (...)".

Upon analyzing the respondents' perspectives regarding the potential impact of digital transformation on their respective markets, it became evident that they all place a significant emphasis on integrating emerging digital trends into their business operations in order to gain a competitive

advantage. Some even asserted that those who did not adopt this new trend immediately, would not be able to endure in such a competitive market. They characterize the Portuguese market as having a limited digital presence, and despite the importance they place on this transformation, they do not know where and how to implement it, nor are they aware of the resources that can assist them.

This is demonstrated by the limited measures they take in this regard. The majority of their resources are devoted to digital marketing, such as social network management and website redesign, and IT investments, such as management and accountancy platforms, applications, and software. Except for C6's incorporation of artificial intelligence in one area of work, no other response indicated that the business had implemented a more structural and strategic digital measure.

The future intention of digital investment is also the scope of analysis. In addition to understanding the level of importance companies place on this topic and the measures they are currently implementing, it is essential to assess how these companies tend to think about the future and how they intend to define their strategy for the coming years. In this regard, all responses were positive; interviewees indicated a willingness to continue investing in new digital trends, but always with an eye toward maintaining a balance between the digital and interpersonal spaces. As C2 stated: "(...) it will be necessary to have at least a hybrid model that can respond to all kinds of public (...)". Some are still more reticent, wanting to first comprehend the true objectives of this type of investment and the potential business benefits it may bring, indicating that they have not yet developed a future digital strategy. Moreover, despite the interviewees' willingness to invest in digital services in the future, they were unable to present a clear action/investment plan with concrete measures. Only two of the seven companies interviewed provided a more comprehensive plan for business implementation. This is the case of C2, which intends to implement blockchain technology through a partnership in order to integrate the various players of its service onto a single digital platform, and C5, which intends to change its business model through a partnership with an online payment company and the incorporation of artificial intelligence in order to personalize the services provided to its customers.

One of the major trends of digital transformation is e-commerce (online commerce), and through the interviews, it could be determined whether the companies were already in this market or intended to enter it. In this sense, there were a variety of responses in which everyone acknowledged its utility, particularly during the COVID-19 pandemic, but its implementation varies by business. When it comes to construction materials, such as in the case of C7, where the material must be seen

in person, the business promptly ruled out e-commerce (“It doesn’t make sense, it’s a business that lives a lot of what is real”). However, one of the smallest companies (C6) has the largest online presence, being entirely e-commerce based, and for C4 it represents one of the most important sales channels. The other interviewees do not have a real presence in this market, they assume that it could work within their business, but right now they only use the online services to capture clients, not to make an actual sale. An essential insight obtained from this topic's discussion is the significance of consumer trust in services/products for the success of e-commerce. The more expensive the service or product to be sold online, the more consumer trust must be earned.

It has already been demonstrated that businesses recognize the importance of keeping up with new digital trends, but to truly validate their commitment, nothing is more effective than to quantify their willingness to invest in this development. Not all interviewees disclosed how much of their budget is allocated to this, but responses from those who did were overwhelmingly positive. It allowed to better understand that the degree of importance they mentioned in the previous queries is consistent with what they tend to invest, with companies planning to allocate, for example, 10 to 15 percent of their profit or as much as 25 percent of their annual budget. However, there is a perception that this investment is more for updating the existing digital services/products and/or IT investments than for potential digital consulting services.

As a means of defining in more detail *Advwise's* potential target, it is also important to determine if these companies employ or would employ external digital service providers, or if they conduct the entire process internally. On this topic, the smaller companies (C5 and C6) believe that they should do as much as possible within the company itself. For them, it makes no sense to pay for an external service, as they argue that this type of process is a form of internal learning and due to the company's size, it is easier to control its operations and strategy. Larger companies, on the other hand, are more likely to embrace outside services, with one of the primary justifications being to bring in a different perspective, since managers are so immersed in their daily work. Recruiting an outsider with a fresh understanding and expertise in the field, and a complete digital transformation mindset is a huge advantage. Many of the interviewees mentioned that they already outsource companies, but they are primarily concentrated on IT technologies, such as updating software, platforms, accounting, and payment programs, among others.

4.2.2. Consulting Market Positioning

Advwise proposes itself as a digital consultancy; consequently, it will be inserted into the consulting market, and it is crucial to understand how it can position itself in this environment, how it can differentiate from the competition, and how it can develop a strong value proposition. In order to achieve this objective, it is necessary to hear the opinion of market-active corporations; this is the purpose of this segment. It started by evaluating the respondents' ability to differentiate between digital and traditional consulting. The responses were heavily centered on delineating each service separately, with little emphasis on their distinguishing characteristics. The only distinguishing characteristic that was satisfactorily described was C7's: "What differentiates them is the areas they focus on." The definitions used to describe digital consulting were relatively more comprehensive and illuminating, associating the service with the technological aspect of businesses, the use and incorporation of new digital solutions and tools to optimize processes, the incorporation of e-commerce into the business, and, most importantly, the opportunity to enter new markets and scale the business. Traditional consulting, on the other hand, was weakly defined, being more associated with the operational and management aspects of businesses. C5 confessed that when he considered this type of consulting, he immediately thought of large international consulting firms like McKinsey and BCG. Even though it is not entirely clear that respondents can differentiate between digital and traditional consulting, they end up with a more complete understanding of digital, associating it with concrete and accurate concepts, even if it falls short of its full potential.

When asked which service they would find most beneficial for their businesses today, all respondents ranked the digital consulting service as number one. As justification, they cited the need to strengthen their weakest business segment, namely the digital one. They view this service as an opportunity to stay updated on digital trends and even anticipate upcoming developments. In addition, they prioritize the development of the client's online presence and the automation of processes. According to C5, digital consulting is more useful than traditional consulting because "(...) it would bring me more revenue in the short term".

Regarding their prior history of contracting for consulting services, the responses can be summed up as follows:

Figure 5: History of contracted consulting services

Source: Interviewees' responses

	C1	C2	C3	C4	C5	C6	C7
Contracted	Yes	Yes	Yes	Yes	No	No	Yes
Focus	Operational, management and financial consulting	Bi-weekly operational consulting	Financial investment consulting	Operational and organizational consulting.	n.a.	n.a.	Product innovation and industrial consulting.

The two smaller companies have no history of hiring this type of service, whereas the medium-sized companies have confirmed, at least once, the acquisition of consulting services, which are primarily concentrated on the company's organizational and operational aspects. C2 distinguishes itself by procuring this service twice per week in a meeting format centered on the operational and commercial aspects of its day-to-day business practices.

4.2.3. Customer Preferences

In the final segment of the interviews the objective was to understand the specific preferences of consumers in order to meet the initial objective of the study, which was to better tailor and adapt the solutions offered by *Advwise* to the actual needs of its potential customers. And since choosing and employing external service providers is not an arbitrary process, it is essential to comprehend what values the respondents seek to identify in the companies they hire, in order for *Advwise* to establish a strong identity that incorporates their most valued characteristics. Those can be analyzed in the following table:

Figure 6: Most important values of a service provider

Source: Interviewees' responses

	C1	C2	C3	C4	C5	C6	C7
Values identified	Availability	Adaptability	Reputation	Credibility	History	Reputation	Loyalty
	Problem resolution	Differentiation	Shared values	Notoriety	Reviews	Reviews	Availability
	Technical competence		Price	Knowledge		Trust	Price
	Price		Communication	Sensitivity		Consistency	
			Availability	Adaptability		Reliability	
			Honesty			Communication	
		Trust			Availability		

Availability (mentioned by four respondents) and price (mentioned by three respondents) are the values that should be highlighted because they are used more frequently. Regarding the first, respondents indicate the need to feel that they are accompanied by a company that not only solves the identified problems and provides the presented services but is also available at all times to clarify any questions that may arise, to update processes, and to promptly fulfill their requests.

Therefore, providing availability to the clients is crucial, as it conveys a commitment to being accessible and receptive to their requirements. This can help create trust and loyalty, values that were also mentioned by the respondents, because they will feel confident that they can depend on the provider. Furthermore, price is the second most-mentioned factor in their responses. However, when asked about it, respondents indicated that it is not the most essential. They believe it should be a fair amount, but this was not the deciding factor in their choice.

Following this, interviewees were provided with a more in-depth description of what a digital consultancy like *Advwise* proposed to offer their business in terms of service and value creation. This was only performed at this point so as not to influence the responses to the preceding questions. The objective was to determine how respondents believed this type of service would benefit their companies and what type of measures they imagined being implemented. Again, some of the most common responses were to introduce an outside perspective to the business, to increase efficiency, to enter new markets, to automate data, and, in general, to promote their growth and sustainable digital strategy. According to these responses, even after a more comprehensive description of what a digital consultancy was, their opinion and understanding of the concepts of digital transformation and digital consultancy did not change. Almost all of the responses provided at this stage are repetitions of those presented in response to the initial questions.

Concerning the areas where it would be most imperative to intervene, the operational and management aspects of the business are the most prominent trend. Some interviewees also acknowledged that digital marketing is not currently a priority. They concentrated on general online market presence, information and data processing, and the incorporation of artificial intelligence, but only in these two areas.

Lastly, as a means of adapting the manner in which *Advwise* would provide consulting services, determining whether businesses prefer a recurring and more continuous service or the provision of a service to address an isolated problem and/or develop a particular solution is crucial. There were various responses, depending on the characteristics of the interviewee's businesses.

Smaller businesses strive to contract as few recurrent costs as possible because, as the C4 representative stated, "I'm a bit risk-averse when it comes to recurring costs." With little experience in the market, few employees, and limited financial resources, it is clear that they do not wish to incur such expenses. It would be in the form of a fixed and finite service. In contrast, larger companies have already acknowledged that it makes more sense to contract for a recurring service. First, since a solution that can be implemented today may not make as much sense and become obsolete in the near future, they place a great deal of emphasis on maintaining a constant awareness of the market and emerging trends. Second, these larger companies require a more time-spaced follow-up, with processes and profound changes that require more time to implement, due to a larger organizational structure, and more employees. However, taking into account two of the responses obtained, another factor to consider is that many times these medium-sized businesses, despite finding a recurring service to be more beneficial, want to test the service in an isolated manner, i.e., for a one-time fee, and then, based on the results, move on to the recurring service.

Thus, the recurrence of the service provided depends on the size of the company, with smaller businesses preferring one-time services and larger businesses preferring more recurring ones, although it may be necessary to initially gain their trust through the success of one-time fee services.

4.2.4. Interview's main findings

After analyzing the respondents' responses, it is evident that businesses have taken the initial step toward digital transformation, recognizing its importance to their operations. To assure a competitive advantage in the market and establish a successful and sustainable strategy for the future, they recognize that it is essential to adopt a new mentality and implement digital solutions. Despite this recognition, the vast majority of interviewees lack knowledge of the required steps for digital transformation, indicating a need for guidance and assistance. In addition, the market lacks differentiation between digital and traditional consulting firms and IT firms, making it difficult for businesses to identify the most suitable service providers. Prospective customers in the digital consulting industry place a premium on a service provider's credibility, competitive pricing, and especially availability. In terms of intervention areas priorities, operational and business management are frequently emphasized. To effectively serve the SMEs market, it is essential to provide both one-time fee and recurring services. Micro companies favor one-time fees, whereas larger businesses favor a combination of both. Furthermore, clients have a favorable outlook due to the allocated budget

for digital investments and the history of contracted consulting services. Companies have acknowledged the significance of digital transformation, but they need direction on how to proceed.

5. Conclusion & recommendations

After conducting this analysis, it is determined that the digital consulting market is highly competitive, with *Advwise*'s direct and indirect competitors holding well-established market positions and well-defined value propositions. Through the market analysis performed and the companies' interviews, the formulation of a market positioning strategy was framed in order to distinguish itself from the competitors.

The way in which *Advwise* transmits its services and value proposition is crucial. Throughout this study, it was discovered that, on the one hand, Portuguese companies recognize the significance of digital transformation, but on the other hand, they admit not knowing how to explore its full potential, how to implement this transformation in their business, and how the new digital tools can assist them. It is essential to communicate through a website and other social networks the services offered in a very detailed matter and explain in which way it will benefit the business in order to educate the market. Additionally, it is also crucial to separate itself from traditional consulting firms and IT ones. In a way, the term "Digital Consulting" is not the most clarifying, being for example "Digital Strategy" better associated with the purpose of *Advwise*, assuming itself as a digital development strategist for companies. This is the way it should present itself to the market.

In terms of target, for which one of the goals of this study was a more precise formulation, *Advwise* should focus on medium-sized businesses that already have the financial capacity to employ these services. Having a larger and more complex structure than micro companies, its intervention would make more sense to implement changes that have an actual impact on the company and its operating market. It was demonstrated that, unlike larger companies, microbusinesses and particularly startups still see digital consulting as an unnecessary service.

Providing a broad spectrum of services, from end-to-end, is crucial for *Advwise* to differentiate itself from its direct competitors and follow the functions of larger consulting firms. In addition to providing strategic analysis and improvement plans that consider technological trends, companies are increasingly seeking comprehensive services. *Advwise* aims to meet this demand by offering a more complete range of services because, in addition to the aforementioned strategic analysis, its execution and implementation are of equal significance. It is imperative for *Advwise* to function as a consultant

that is capable of implementing the strategies it recommends, including the implementation of digital tools, the creation of marketing and graphic online design, and the provision of human resources digital training, in order to ensure the sustainability of the services it offers. One potential approach towards attaining this objective is to adopt the role of a digital facilitator, in addition to serving as a digital strategy consultant. This entails leveraging a network of partnerships to provide a diverse range of services, given the limitations of specializing in a single area. A cluster comprising proficient partners in digital marketing, IT, data and information management, and human resources development, can serve as a viable strategy to achieve a competitive advantage over competitors. This solution would also help to explore one of the challenges identified, which was the creation of reputation and expertise in the client's eyes, which is something very relevant in the market that the firm proposes to operate in. *Advwise* would, therefore, still specialize in the strategic analysis of its clients' digital domain and developing an action plan for enhancements, but now with the partners' assistance in implementing the plan, thus eliminating the need for clients to engage with other providers. The service offered would be based on two types: recurrent and isolated. Through the interviews it was determined that although medium-sized companies recognize greater usefulness in a more continuous consulting service, the provision of isolated services is important to gain their confidence, that is, to attract new clients.

6. Limitations

In the literature review, there is not a high range of academic journals focusing on the digital transformation and digital consulting market in Portugal. In order to complement this in the market research section, a lot of information was based on social media (interviews on national journals), which was the best way found to better understand the opinions of the representatives of important consulting firms operating in Portugal and the people that were more into the topic.

In the section of the analysis of *Advwise's* direct and indirect competitors, the comparison was only based on the websites of the consulting firms, which provide limited information and lack of client perspective.

The number of interviews conducted was not the most representative, either in terms of the general market or in terms of evaluation by industry more specifically. This did not make it possible

to further specify *Advwise's* ideal target in detail, where an analysis by sector would be important for the company to know in which one to specialize in the first instance when it enters the market. The qualitative analysis, despite being richer and allowing for a more in-depth study of the market of potential customers, given the small number of interviewees does not allow for the generalization of results. Nevertheless, the richness of the results, as well as the triangulation with other sources, allows reliable conclusions to be confirmed.

The SMEs market is still not very aware of the usefulness of digital consulting services, so a huge job of educating the market will have to be done.

Creating an ecosystem/cluster of partners is a great opportunity for differentiation and competitive advantage, but it is challenging to locate companies that are available and interested in such a partnership, with the same shared values as *Advwise*. The next big challenge would be to build a cluster that actually covers customer service from A-Z.

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8. Appendix

8.1. Interview guide

- Could you briefly introduce your business and the role you play in it?
- How many employees does your firm have?
- What is the company industry?

- Are you familiar with the term “Digital transformation”?
- In your business and environment have you felt the need to become more digital/technological?
 - If so, what measures did your company take? (If any?)
- Are you planning to invest/continuing to invest in digital services for your business in the future?
- Have you already entered or considered entering the e-commerce market?
- Can you share (eg. As percentage of your revenues) what is the budget that you allocate to digital transformation?
- Do you outsource digital transformation services or do you do it inhouse?

- In your opinion, what sets digital consulting firms apart from traditional consulting firms?
 - Of the two, right now which one would be more useful to your business?
- Have you contracted any service from a consulting firm? If so, focusing in which areas?
- What are the most important factors you consider when choosing a service provider for your business, in terms of values?

- How would you think a digital consulting firm like *Advwise* could benefit your business?
- Are there any specific areas of digital consulting that you are particularly interested in, such as website design, social media management, digital advertising, internal digital operations/management?
- Given this type of service, would you value a one-time service, or a more recurring support? Which do you think would be more useful for your business?

8.2. Full statement and 1st order codes

Interviewee	Full Statement	1st order codes
C1	Yes, the definition is the gradual shift from the manual operating lot to using digital tools. Such as incorporating social media into the sales process, or creating an online sales platform, these are all solutions that have now come into existence. Companies that now use these new tools will be fulfilling this digital transformation/transition process.	Familiar with the topic.
		Gradual shift from manual to digital tools.
		Incorporate social media in sales.
		Create online sales platform.
C1	I have trouble understanding the term digital. It's not a word that immediately gives me any idea of what I have to do. But if it refers to using technologies more, yes, I feel there is more of that need. Now, I don't really have a sense of where I can use it, and how it can help my business. Since I don't know this world very well, I don't really know what is available to help me in my business. So, only if someone would present me with such a solution.	Trouble understanding the term digital.
		Feels that there is a need to use more technology but doesn't know how and where to apply it.
		Doesn't know what is available to help the business.
C1	For example, we have a management software with modules designed to help in the day to day running of the company. I don't know all the modules, maybe I have modules that could be useful to me, and I don't use them, even though I bought a complete module with all the modules, because I don't know what they are for and the potential available, and the company that gives us computer support doesn't present us with these solutions. This is what I mean, the solutions are there but I don't know what I can do with them or how I can incorporate them.	Modeled management software to help run the business but doesn't know how to explore its full potential.
		IT company contracted provides an incomplete service, sells the software without further support.
C1	Yes, if I understand well the added value they bring me. As I don't really understand what solutions exist and what I can gain with them, I don't know, I won't invest for the sake of investing. I have that willingness if I understand what my gain is. But yes, I see the continuous investment in new technologies as fundamental to be in line or ahead of the rest of the market.	Have to understand the added value before investing in digital services.
		Continuous investment in new technologies are fundamental to be ahead of the market.
C1	It depends a lot on the specific situation, the circumstances of the investment, the purpose and understanding the benefit it would bring to my business.	Understand the purpose and benefit of the investment in digital services.
C1		Outside service provider.

	I hire an outside service provider. However, the social media management part and the marketing strategy and operations I visualize myself.	Marketing and operations strategy is done in-house.
C1	What differs are the types of people. Digital consultants are more focused on this more technological side. The services themselves. The market positioning.	Digital consultants are more focused on the technological side and market positioning.
C1	At the moment digital consulting. I feel that I need to pick up the business and see how through digital platforms and tools I can develop my business, mainly for the organization and automation of processes. Online contact with customers would also be an important aspect in which to intervene.	How to develop business through digital platforms and tools. Better automation and organization of processes. Online customer contact.
C1	Yes, I did. It had nothing to do with the technological part, it was always operational and financial. There was a follow-up during a certain period of time of our operations, of our way of working, by consultants from two different companies. One focused more on the management side of the business, including the financial side, and the other focused more on the operations side. It involved visits, interviews with people, and out of this came a report with suggestions.	Contracted operational and financial consulting services. Involved presential visits, interviews, and a final report with suggestions.
C1	Availability for when we need the service, this is the first factor. Second, effective resolution of the problem, that I immediately feel a solution to the problem that I have identified, so technical competence. And third, an acceptable price, since it is always a cost to me. It has to be good but it can't be too expensive.	Availability. Effective resolution of the problem. Technical competence. Acceptable price.
C1	It would make a lot of sense, because there are a lot of operations that we develop involving a lot of human resources and a lot of human intuition. If there was a dose of automation here we could be much more efficient.	Useful to automate processes that evolves a lot of human resources and human intuition. Achieve more efficiency.
C1	Marketing would be my priority, because we are very stagnant, without developing anything special. All kinds of digital presence and promotion of products and services would be my priority.	Priority for intervention is marketing. Overall digital presence. Products/services digital promotion.
C1	I would prefer recurring support over time, regular consulting, corresponding to a monthly fee, for example. More or less the same way I have accounting at the moment. Because companies are living organisms and every day they face new needs, and if you hire them just once, you run the risk that in a while that solution won't be enough for the business to stay alive and strong.	Recurring support over time. Regular consulting, like a monthly fee. Companies are living organisms that face new needs every day.

C2	<p>100%, and here I also believe that one of the advantages we have is that our entire team and our entire structure is very young, that easily accepts and implements everything related to digital transformation, and today, for example, 95% of the contacts we receive, both from property owners who want to sell and buyers, are through digital and online media, such as real estate portals, social networks, and so on. And I feel that in real estate brokerage, in this business in particular, there is a very big resistance to this, and there is a huge opportunity that whoever can implement, accept and see how these tools work, and do this digital transformation faster has a tremendous advantage over their competitors. I can give a practical example that was the biggest deal we have ever done, and it was also the only deal I ever did, because I don't do commercial work in the company, so I wouldn't be competing with the commercials. A friend of mine, a contact of mine called me and said he knew someone who had a building in Lisbon to sell for 5.5 million Euros, and I, in another situation, in other circumstances would have thought of a consultant who was doing a good job, but if I handed this business over to a consultant I would be being unfair to the others, so I chose to handle this business myself. And when this came to me the property came to me, it was already in 14 other real estate agents, we were the 15th to promote the property. We ended up being the ones to sell it in about 4/5 months, simply because we were the only one of the 15 real estate agents that understood how the algorithm of the real estate portals worked, and what was valued in the property ad, in terms of photos, description, video. We ended up selling, and doing the biggest deal ever for the company, without any investment, so it cost us zero, we didn't spend a cent on this property, simply because we understood the digital part and the advantage of understanding how things work. So nowadays there is very little paper in our company, only what is required by law. We have to have a file with all the documents from the property, but otherwise everything that is communications with each other, procedure manuals, visit sheets and reports is all digital.</p>	<p>Familiar with the topic.</p> <p>Team and structure being young is an advantage to implement digital transformation.</p> <p>Selling through digital and online platforms and social networks.</p> <p>In real estate brokerage there is resistance to the digital, constituting na opportunity to whoever implements it.</p> <p>Investing in digital transformation creates a tremendous advantage over the competitors.</p> <p>Understanding platform's algorithms.</p> <p>Turning communication and papers into digital.</p>
C2		

	No doubt, and we are even trying to go a little further. We are well aware of that, I believe that if we are not the first, someone else will do it, so we are looking at the endless possibilities.	Trying to go further on becoming more digital. Have to be the first, otherwise someone else will do it.
C2	We are currently studying a partnership with a Portuguese startup that will allow us to manage and transact a property, through blockchain technology, with the intervention of lawyers, solicitors, notaries, city councils, all through a digital platform based on that technology, which will not require a single piece of paper, nor people to travel from one place to another to do a deed or to sign a promissory contract.	Partnership with Portuguese start-up to manage and transact properties through blockchain technology. Includes all the intermediaries in one digital platform, fully digital. Prevent the usage of paper and people's transportation to sign a contract.
C2	Yes, the real estate market is super bureaucratic, you need a huge amount of documents, signatures, legal and bureaucratic procedures, and there is no way around it yet, and this startup is trying to find a way to do it, however, we cannot think in the business only as what will facilitate us, we have to think who is our target audience, and we sell houses to couples of 25 or 30 years old who are starting a life together and who are completely technological and have a cell phone in their hands, and we sell real estate to 70, 80 year old people who have just inherited from someone and can't make a phone call, and so we are following the path of this digital transformation, but aware that for some time it will be necessary to have at least a hybrid model that can respond to all kinds of public, since we really have all kinds of public.	Continue to invest in digital services to reduce bureaucratic burden. But the focus can't be only to the things that facilitates our business, but also to the target audience. Following the digital transformation but aware that an hybrid model that responds to all kinds of public is key.
C2	In my opinion it makes more and more sense to have consulting services dedicated to the digital part because I think that we still work very little and very badly on the digital side of the companies and I say with all frankness that it is one of the business opportunities that I identify more often. Every time I talk to a company that doesn't have a functioning website or a minimally presentable Facebook page, and doesn't have an Instagram, a fire almost forces me to offer digital consulting services. That's a huge amount of organizations that need that. My challenge and the barrier that I think this market has is, we for example, in real estate mediation, we don't need to convince people that they need to sell their house and they need to buy, it's a need that arouses in them at a certain point in their lives, digital consulting and because a digital marketing agency dedicated to small businesses was my first business, with a friend when I was 17, it lasted about two weeks but it was the first. And I think the main barrier is you have to do a thorough job of proving to people that they need that. And sometimes the result they get is not financial, and the Portuguese entrepreneur is still very formatted for that. This is a challenge for me. And now, as for the importance, I am	Digital consulting is important because companies still work its digital side very poorly. It is a business opportunity that I find very often. The main barrier is proving people that they need those services and to accept that sometimes the result is not financial, and the Portuguese

	completely aware and agree that the existence of these consulting firms will be more and more important.	entrepreneurs are still formatted for that.
		The existence of these consulting firms will be more and more important.
C2	Yes, I have a bi-weekly consulting session to my company with a person who specializes in the real estate market and gives us operations consulting, in the background almost commercial.	Bi-weekly operations and commercial consulting.
C2	I think that consulting ends up being an activity that is always very connected to some coaching aspects, other commercial aspects, other strategic aspects, and I, deep down, what I most look for when I have this approach and what makes, for example, I say this because I've seen people who work with consultants or people who do this kind of consulting, but they have a base line and repeat it exhaustively and regardless of the client's context. They don't adapt the speech and the strategy to the reality. And I feel this because we have already had someone else follow us through the network, we are part of who was a little like that, they would talk to agencies that were invoicing 400 thousand euros in the same way they would talk to others that had just opened and were invoicing 20 or 30 thousand, so they didn't adapt their speech.	Consulting must adapt to the context of each client and do not provide base line repeated reports. It should adapt the speech to the reality of the client, understanding its dimension.
C2	I believe so. We recently went through a process of changing our website to be more optimized for SEO and everything else, and it was a thorough process, because we were also lucky enough to be part of a network that is aware of this trend and the importance of this issue. I always looked favorably on it, even though I think we do a good job on the digital level and on the social media level. I always believe that there is room for improvement, and I always believe that when we think we are doing well we need someone to come along and say that we can do everything much better. I would always see it as an investment that would always have a return.	We are part of a network that is aware of the digital trend and the importance of it. Although a good job on the digital and social media is being done good, it's important to have an outside perspective on the things we can improve. It's an investment that always have a return.
C2	Maybe this answer is a little bit conditioned to the market where we are and the way the market is built and the circumstances of the market today. The area where I saw more importance was in capturing leads through, for	The most important area for the specific business is the Google platform, in order to capture leads.

	<p>example, Google, because real estate agencies are increasingly hostage to real estate portals, namely the most important one of all which is the idealist, that's where the vast majority of leads for real estate and for buyer clients come from. We are doing a work of using Google to capture these leads, we just did a test recently that allowed with a specific ad for a property for 3 or 4 days we were able to have, through Google, the same visibility in that ad as it would have in the idealist, but it's still a long way to go, because we did this with one ad, but here, our group alone has on average between 150 to 200 active ads. I think it's interesting and important for real estate agents to have more and more ways to be independent from a real estate portal, especially when that portal is raising prices 40% every year, trying to monopolize the market and closing the doors to all other types and entities that might be competitors. So, given the market and my reality I would say that capturing leads through alternative channels is my priority.</p>	
		<p>For real estate agents is important to become independent from real estate portals.</p>
		<p>Capturing leads through alternative channels is priority.</p>
<p>C2</p>	<p>In my business I would say that it would always be a recurrence, that is, permanent consulting of permanent analysis of what we are doing because, being a franchise, I have no responsibility to host the site, I have no responsibility to deal with programmers and the like, and I know that when the site has a problem someone will solve it, I don't need to have a company to solve these issues. Maybe I need someone who can analyze my social media results every month and give me suggestions on how to improve the content, the type of content, the keywords, a digital content plan.</p>	<p>In terms of IT consulting there is no need, already have someone to solve it.</p>
		<p>What is needed is someone to analyze social media and create a digital content plan.</p>
		<p>A recurrent service is more useful, a constant consulting of what the company is doing.</p>
<p>C3</p>	<p>Yes, I'm familiar with the topic. It was very recurrent during the pandemic, when there was a need for companies to adapt, so the way in which I define digital transformation within what is my knowledge on the subject will be, deep down, the transformation of processes that normally took place more manually, for processes framed within a platform or a system, or more digital procedures. I am talking, for example, about booking activities, we went from a time when people called, went to our website, saw and contacted us, to a more automated process.</p>	<p>Familiar with the topic.</p>
		<p>Adaptation specially during pandemic.</p>
		<p>Transformation of processes from manual to processes within a platform or system.</p>
		<p>Automation of processes.</p>
<p>C3</p>		

	In terms of promoting and selling our activities, yes. The market changed with the pandemic, it changed with the new generations that use different platforms and systems. Therefore, it is imperative that companies adapt to this transformation and reinforce their presence in digital media.	<p>Need to become more digital on promoting and selling activities.</p> <p>New generations use different platforms and systems.</p> <p>Companies need to adapt to the digital transformation and reinforce digital media presence.</p>
C3	We, for example, made an almost complete alteration and reformulation of our website, because we felt that it was out of date and we had this well-identified need to adapt and transform it to what are the current demands of the market, the internet and over there.	Website reformulation to adapt to the new market demands.
C3	Yes, we have this intention.	Intention to continue to invest in digital services.
C3	Bearing in mind that our online presence is very important, as I mentioned, and bearing in mind that one of our sales channels is our partners in the so-called online travel agencies, yes we are present and it is very important in what our strategy.	<p>Present in the e-commerce market.</p> <p>It is very important because one of the sales channels is online travel agencies.</p>
C3	The company is part of a group. Within this group we have one company, in fact two, one specialized in marketing and communication and the other specialized in everything that is part of technology and information technology, and they are the companies that provide support.	Outsource marketing and communication, and IT services to another company that works with the whole group.
C3	I think that both in the more traditional consulting part and in the digital consulting part, the important thing is that it is a service/company that is always up to date and anticipating what the new market trends are, so that, if there is a need to consultancy there is, in the first instance, the capacity for a detailed analysis of the state in which the company being consulted is, and at a later stage there is the presentation of various solutions, from the most traditional to those that are the latest trends in the market, therefore, I think that what essentially distinguishes a digital consultancy from a traditional one are the means in which it operates and the focus. What distinguishes a good digital consultancy is having the ability to analyze and quickly foresee solutions that solve problems and place the company that carries out the consultation in a much more comfortable position in the market.	<p>Both types of consulting services include an analysis to the state of the company, and a presentation of solutions, to keep up with the market trends.</p> <p>The main difference is in the means in which one operates and its focus.</p> <p>A good digital consultancy analyses and quickly foresees solutions to problems, in order to improve the company's position in the market.</p>
C3		

	Our scope of action is vast, therefore, the question as you pose it turns out to be a bit vague, if we are talking here about the need to reach new markets that are very focused on e-commerce, a digital consultancy. If we are talking here about a type of consultancy more related to the operationalization of activities, then naturally it had to be what defines a more traditional consultancy.	Digital consulting is more useful to reach new markets focused on e-commerce. Traditional consulting is more useful for the operationalization of activities.
C3	Yes. More on the financial investment part.	Consulting service focused on the financial investment.
C3	Okay, the question is quite interesting because we are a company certified under the ISO9001 standard, we have here established internal procedures with well-defined criteria for choosing potential partners or consulting companies. What we are looking for are companies that are well established, that have a good reputation, that are in line with our values, price, of course, is a factor to take into account, although I am not saying that the most important, and companies that have good communication with us, that are available, and that present us in a structured and quick way with solutions that meet what we need when we consult them. Therefore, delivering service and value is very important to us. Naturally, I think that, being a company established in the market for 20 years, we place a lot of importance on honesty and trust. But this for us is very basic, that's why I didn't make a point of mentioning it either because it's basic.	We have established internal procedures with specific criteria for choosing partners. Well established. Good reputation. In line with the firm's values. Price. Availability. Communication. Structured and quick solutions. Service and value delivery. Honesty. Trust.
C3	As I told you, we have two companies in the group that are dedicated, at least, the scope of their activity touches a little on what you mentioned, at the moment it would not make much sense to us. For example, we have a series of records within the company, documents within the company that we have to fill out when we carry out activities, if we are talking about, for example, looking for software that could streamline or digitize this process, yes, it would it made sense to hire a company that was more used to this. However, if we were to hire someone to give us input or advice on the type of hardware, tablets, and computers, then we have an internal company that takes care of that.	Contracting a digital consulting right now doesn't make sense because the company has two partners inside the group that provide similar services. But when talking about digitalization and automatization of processes through a software it makes sense to contract such service. No need for IT consulting.
C3	Taking into account the support we already have from internal companies; I think that what we need to intervene on would be a more operational part. (Digitalization of processes)	Intervention in the operations area. Digitalization of processes.

C3	I think that eventually it would end up being recurrent because, being processes that have been in the company for many years and that have implications for what our quality management system is, response to possible customer complaints, we could not simply implement and stick around. We had to implement, test, go through the situations and adapt.	Recurrent service, in order to test, go through the situations and adapt.
C4	In terms of digital transformation, it means putting the business from an increasingly digitized perspective. Which means using all the means that may exist in order to facilitate the integration of partners and streamline a more bureaucratic component. Therefore, the whole business communicating with partners digitally, ensuring less bureaucratic burden, faster, more efficiently, because there is immediate integration of data in both companies, because my business is B2B. Therefore, digital transformation is the automatic integration of procedures and documents, when previously it was done in a very manual way.	<p>Familiar with the topic.</p> <p>Turning the business more digitalized.</p> <p>Facilitate integration of partners and streamline the bureaucratic burden.</p> <p>Faster and more efficiency, with immediate data integration.</p> <p>Automatic integration of procedures and documents, that were previously done manually.</p>
C4	Yes, I think it's a strategy for the company, and those who don't think about it in this way end up doomed in the short term. This need also stems from the fact that most of our partners are large multinational companies that over the years have been challenging and monitoring what is done in terms of information. The partners we work with, such as L'oreal, are seen as leaders in the digital transformation, which has been happening for over 10 years. There was a time when we were invited to participate voluntarily in this project, but nowadays, even if we didn't want to, we were practically obliged. And seeing the added value that this brings to our business, we, the smaller partners, ended up effectively asking that this be the path, and we even ended up being the digital transformation factor. The fact that we realize this importance, we took the initiative to introduce tools that lead to the digitization of the entire operation, which is very productive for it.	<p>Who doesn't think about it end up doomed in the short-term.</p> <p>It's a need because of the multinational partners, that are leaders in digital transformation. They challenge and monitor what is done in terms of information. Its practically an obligation.</p> <p>Realized its importance by taking initiative to introduce digital tools on the operation to increase productivity.</p>
C4	We have a pest area control in which the companies we work with need to have control at all times in terms of documentation of all the operations that are carried out, when they are carried out, which products they are going to use, and aware that we would need to always be making this information available , the customer now has access to our application at any time, where they can access all this information. If they have an inspection, if	Creation of an application in the area of pest control, that gives the client access to real time information they need on the operation when they have inspection or any process going on. Reduces human resources usage and bureaucratic burden. The operation is now done automatically.

	<p>they have a process going on, they have all the information online and in real time. It frees us from the human resources that were previously needed and from all the bureaucratic burden. The operation is now done automatically, the customer accesses the information without having to intervene in the process.</p>	
C4	<p>Undoubtedly. We are always looking for anything that can facilitate our operation. We are always looking for tools that can be digitized, that is, that can be integrated into automated operations. For our part, we are fully available because we are also aware of the impact it has on our business, and one way or another, we end up reaching more customers in a more efficient way. Increasingly in a market where margins have to be worked on a lot in order to be competitive, it is the commitment to digital transformation that ensures that we are able to maintain a high level of professionalism, without this implying an increase in the cost of the service.</p>	<p>Always looking for anything to facilitate operations.</p>
		<p>Looking for tools that can be digitalized and integrated in automated processes.</p>
		<p>To reach more customers in a more efficient way.</p>
		<p>Commitment to digital transformation ensures ability to maintain high level of professionalism, without increasing the cost of services provided.</p>
C4	<p>In our specific case, we work in B2B, and in our region, we face some complications. However, we did an experiment, which is going well, which is in the case of office drinks, in which customers want to replace water and coffee. They already have machines that are ours, and the contact they had with us was to order two demijohns, a box of coffee, a box of sugar, which could be done when our sales representative visited, or by telephone order. There was always some source here that could cause some wear on the relationship, and therefore we developed a platform where customers access and only have to insert their order and it is automatically processed. This platform is currently in operation. 100% of our orders still do not go through the platform, but 50% already do. Although it is a very small percentage, it is still interesting because it is always a part of the operation that no longer requires the intervention of several people. It helps us to streamline the replacement operation for these products.</p>	<p>Developed a platform where customers can access and order to replace office drinks, automatically processed.</p>
		<p>Reduces people's intervention and helps to streamline the sales operation of products.</p>
C4	<p>Everything that involves the IT part, we already know that it turns out to be a significant investment. Even though there are already some predefined applications/platforms, these have to be adapted to the</p>	<p>IT investment is normally high.</p>

	<p>specifics of the business with associated costs. We here, perhaps I would always think of not less than 50 thousand euros per year to keep these tools current, and also to start including other business areas or other procedures that are no longer digitized and automatic. But I am aware that this amount may increase over the years, but on the other hand, our expectation is to increase turnover and maintain the cost of labor associated with this growth.</p>	<p>50 thousand per year to keep tools current and to invest in digital transformation.</p>
		<p>This amount is expected to increase over the years, but at the same time increases turnover and decreases labor cost.</p>
C4	<p>It always has to be outsourcing given the size of the company. There is no justification for having one person exclusively carry out this type of operation. Especially because it would tend to be used for other things. Also, I believe that this type of transformation turns out to be very fast and very transversal to many business areas, it is difficult for a person in a team that is related to our company to be agile in finding solutions and adapting them to our reality. The fact that it is outsourcing, there are other people who already work with companies in areas more or less similar to ours, and who also end up bringing their experience to our company, and we only benefit from that.</p>	<p>Given the size of the company is outsourcing.</p>
		<p>Due to the fast and transversal digital transformation is difficult for a person inside the team to keep up with the adaptation needed.</p>
		<p>Outsourcing would bring experience from outside, it's more benefiting.</p>
C4	<p>I understand that a traditional consulting firm will be a team that could join our business and that will essentially try to help put together tools that improve our performance, in terms of management indicators. A digital consultancy will look at our business and will, according to its knowledge and currently existing tools, guide us and clarify the procedures that can be used using digital solutions. So, I think they are different segments, one will help in terms of management indicators, the other will help in terms of optimizing business processes and improving cost vs. operation ratios.</p>	<p>Traditional consulting helps to improve company's performance, in terms of management indicators.</p>
		<p>Digital consulting guides towards the procedures that can be used using digital solutions. Optimizes business processes and improves cost/operation ratios.</p>
C4	<p>Now it would be more the digital consultancy. This is because everything related to information technology has evolved at a very fast speed, even though we are located on islands, far from urban centers, we can take advantage of what is being done worldwide. I would like to know if, analyzing the tools we use, we could go further and be more comprehensive, and to what extent we can anticipate future digital trends. Also because of the curiosity I have for the topic and how it could help the business in the future, which is the issue of artificial intelligence. Personally, I still know very little about its impact, but I have no doubt that it will be the big trend in</p>	<p>The priority would be to contract digital consulting services, focusing on information technology, how to use tools to anticipate future digital trends, and to understand more about artificial intelligence and how it will change the business.</p>

	the coming years and that it could make a lot of difference in the way we perceive our business.	
C4	Yes, a few years ago, we had a consulting company here to support the transition from one generation to the next. And this family business that was formed in the 90s, and was managed in a family way, and when I joined the company, I knew that the future would not involve using the same procedures that were used previously. Here the big risk was to professionalize management levels, which until then practically did not exist. And at that time, I resorted to this consultancy service to effectively understand what was feasible to do or not, and that did not compromise the health of the company, and that prepared it for the future. Therefore, it was more an intervention at an operational and organizational level.	<p>Contracted consulting services to update management procedures from one family generation to another, and how to prepare it for the future.</p> <p>The intervention was on the operational and organization level.</p>
C4	Credibility and notoriety. I am always looking for someone in whom I recognize at a professional and academic level some value and some knowledge to provide this type of service. It is difficult to oppose a company that has no history, although, obviously, companies have to start somewhere, but the company has to show itself with sufficient knowledge and sensitivity to the specificity of our business. And given our reality and geography, it is also difficult to hire someone who wants to implement generic and large company procedures, something that would not work here. Given our limitations in terms of geography, population density and the fact that we are a family business, it is essential to find someone who is aware of this reality and can adapt solutions to it.	<p>Credibility.</p> <p>Notoriety.</p> <p>Professional and academic value.</p> <p>Knowledge.</p> <p>Sensitivity to the business.</p> <p>Aware of the reality.</p> <p>Ability to adapt.</p>
C4	Without a doubt, I would resort to the consultancy service. Mainly to have a different and sustained perspective on how to improve my business in digital terms.	Contract digital consulting services to digitally improve the business and bring a sustained strategy.
C4	It would always be in the operational part, because in our case we don't feel the need for the digital marketing and advertising component, since most of our clients are through public tenders and, therefore, the issue of the company's notoriety does not arise as an issue. fundamental, obviously not failing to recognize its importance and its role in the business strategy. Our biggest concern at this stage will be to optimize all procedures/processes in order to minimize errors and minimize human intervention, and on the other hand,	<p>Intervention in the operations area.</p> <p>Digital marketing is not a priority since most of the clients are through public tenders.</p> <p>Main concern is to optimize procedures/processes in order to</p>

	streamline the experience for us. Nowadays, the companies that work with us want to have information and a way to communicate with us almost like an always open channel, they don't want to have to wait.	minimize errors and human intervention. Real time information and open communications is another priority.
C4	It would have to be of a more lasting character over time. I don't see this as a "here and there" solution, and because the digital part is constantly evolving. It makes more sense to keep it going over time, because even in terms of solutions, there can always be new ways to solve problems, so it always has to be something that lasts over time.	Recurrent service, because the digital world is constantly evolving, and there can always be new ways to solve problems.
C5	Now the same concept has a different meaning than before, because now everything is digital, so when we talk about digital transformation it can be about internal processes, automation of manual work in order to reduce the loss of time, the very way of managing a business, and how to attract consumers. I think there are several forms of digital transformation, both internally and on the consumer side.	Concept changed across time. Automation of manual work to reduce loss of time. Impacts how to manage a business and how to get customers. There are several forms of the concept, both internally and on the consumer side.
C5	With regard to the tutoring center market in Portugal, most have a weak presence in the digital world, at most they have websites that even so seem not to be updated very regularly. And therefore, S2S differs a lot from the others because it is a digital platform, however, nowadays there are several things that one has to consider, because, for example, we are very digital, and people are sometimes a little insecure about see things on the internet that are being sold. For this reason, and especially considering my business, there has to be a balance between face-to-face and digital presence. But yes, the digital presence is super important, because if not it looks like I'm nowhere. But to have consumer confidence, there must be a combination of the two spaces.	Market in which it operates has a weak digital presence. Differs by having a digital platform. There is a need to balance face-to-face and digital presence to achieve consumer confidence.
C5	For example, in September, I changed the whole website to work in a different way and this has helped a lot in converting sales. Normally what I do are publications on Instagram, I have some digital presence, I follow potential students from the University.	Website reformulation to better convert sales and social media usage.
C5	Yes, one thing I've been wanting to do for some time now is to develop a more interesting platform and change the	Develop a better platform and change the business model, including better

	business model a bit, which includes greater digital support through partners that help me process payments online. Or even develop a more complete platform with artificial intelligence, in order to create a more personalized study plan for the student, which at the same time increases the productivity of the tutor himself.	digital support through partners that process payments online. Develop a platform with artificial intelligence to personalize the service to the client's needs.
C5	I think e-commerce works best when you have a lot of confidence in a product. When we talk about explanations, it is difficult for the student to want to pay for something without knowing that the product is good, there is a high degree of uncertainty involved. Tutorials are not products that you spend 20 euros on at once and then move on with your life, you always pay between 100 and 300 euros to prepare yourself for a test. There is a need to make a greater commitment. But maybe e-commerce in my case could work for the students I've already managed to convert and who already trust the service, it would work better.	Doesn't use e-commerce until now. E-commerce works best when there is consumer confidence on the product/service. Needs to build trust first.
C5	What we spend on online products/services is usually between 10% and 15% of profit.	10% to 15% of profit spent in digital products and services.
C5	Right now I'm the one doing everything. If I had a higher level of turnover, maybe it would make more sense to hire someone to help me. I was able to spend 500 euros a month on this support, for example, but at the moment it still doesn't make sense.	All done inside the house. Would make sense to hire someone from outside if the level of turnover was higher.
C5	When I think of a traditional consultancy, I think of BCG, McKinsey, that is, the big market players. When I think of digital consulting, I think of companies that focus more on lead generation, image development on digital channels, on the website, on SEO. Basically, they focus on developing the online presence of companies.	Associates traditional consulting to the big companies, like BCG and McKinsey. Digital consulting focuses on lead generation, image development on digital channels, SEO and the overall digital presence.
C5	Hiring a large-scale consultant was obviously impossible, and even a smaller one cost wouldn't be ideal either. At this moment I would say one more digital, because I feel that I don't need someone to enter my business and look for new ways to manage it, at least at this current stage. I preferred more digital consulting because I think it would bring me more revenue in the short term.	Impossible to hire large-scale consultants right now. Digital consulting more useful for finding new ways to manage the business, bringing more revenue in the short-term.
C5	No. I already hired people on an individual service platform to help me with some things but I didn't like it very much. They are made to perform a minimal service that helps me very little. In that case it was in the area of	Never contracted consulting services, only individual service on a platform to help on digital marketing design.

	design for online publications, therefore more dedicated to marketing.	
C5	In the process of choosing, I always look for past projects that they had done, to see if what they did is somehow similar to what I want. Reviews of your work are also very important.	History of projects, to look for similarity to the business. Work reviews.
C5	I think so, however not now. It still doesn't make sense, because it's not worth spending money when I'm at a very early stage of my business. I focus on what is essential right now. The circumstances of my business require me to do this type of work myself, even as a way of learning. If I were in another phase, with a few years already in the market, with things going well and I wanted to increase my income, because I know that there is a bigger market yet to be explored, then it would make sense. Then it would be good to bring someone outside to take a look and build a strategy together.	Since the business is at an early stage doesn't make sense to contract digital consulting right now. In another phase, with more years in the market, it would make sense in order to increase income and enter new markets.
C5	I think in operations it might make more sense. I would always pay attention to what would help me make the most money directly. Although, for now, automating some processes that I do manually, for example, would of course make me waste less time, but taking into account my current turnover, it is still not imperative, it would not translate into a way to make money directly.	Intervention in the operations area. Want to focus on what brings the most money directly. Automation of processes would also be important, reduce loss of time.
C5	I'm a bit risk-averse when it comes to recurring expenses. The only two things I pay monthly are my phone and iCloud space. For me to pay a monthly fee to a company it would have to be fully justified.	Averse to contract recurring expenses. In order to do that, it would have to be fully justified.
C6	It's taking traditional processes and trying to automate or digitize them in some way and simplify bureaucracy.	Automate and digitize traditional processes, simplifying bureaucracy.
C6	Yes, 100%. There is a growing need for digital transformation, and I think this theme is embedded in the definition of a start-up today. It is important to use the digital transformation to scale processes, achieve economies of scale, be able to surpass your traditional competitors with these extra efficiencies that new technology brings.	Familiar with the topic. Growing need for digital transformation, it's embedded in the definition of a start-up. Incorporate technology to scale processes, achieve economies of scale, and surpass traditional competitors becoming more efficient.
C6		

	The main one is undoubtedly our base value proposal, which is that we are generating applications for tax incentives through artificial intelligence. We're putting together several pages of complex information about the company that's not being written by anyone, it's being written by a machine. It saves us almost 80% of the time a consultant normally spends producing these applications.	Generate tax incentives through artificial intelligence. Several pages of complex information written by a robot to save consultants' time.
C6	Yes, no doubt.	Intends to continue to invest in digital services.
C6	We have no other way to sell. It's an online sale of a service, and therefore I have no other way of selling it than out there. I don't have a physical channel or anything like that. It's all online.	Business is all based on e-commerce.
C6	It will always depend on the budget that we have allocated to our product team. So I would say around 1/3 of our budget goes to technology.	One third of the budget goes to technology.
C6	What our CTO is doing is taking several services that already exist and optimizing them for our case. It develops software using our technology but based on software from other companies. So overall I'd say this is inhouse, although we haven't developed anything from scratch on this topic.	Digital services done in-house. Develop its own technology.
C6	Digital consultancy is completely directed towards processes of greater operational efficiency that uses technology to reduce time on mundane tasks. Whether in cost optimization, increased product scalability, because using technology you can reach more people.	Digital consulting focuses on using technology to develop better operational efficient processes in order to reduce time waste.
		Brings cost optimization, product scalability, reach to more people.
C6	It would always have to be a consultancy with a strong digital component, it would never be a purely traditional one. If digital was totally focused on digital and couldn't give me some guidance in terms of financial strategy, accounting, etc., that could also be a problem because this complete service can be useful.	Prefer consulting with strong digital component but would have to guide in terms of financial and accounting strategy too. Should deliver a full service.
C6	Not at the moment.	Haven't contracted any consulting service.
C6	Having some kind of reputation, especially in a globalized world with many competitors, a person tends to go to the one that has the most recommendation, whether from nearby companies or online reviews. Reputation is closely linked to trust in the company. Then also consistency, reliability and constant communication are very important. I have to know that	Reputation and reviews.
		Trust.
		Consistency.
		Reliability.
		Open communication.

	if I need anything they will be able to help me and respond in a timely manner.	Availability.
C6	Not at this stage. But if I become a big company, if I happen to happen, eventually it would make perfect sense. Because people are missing out on updating and need this external help, but for now, our company works around the constant use and updating of technology to optimize services provided. Therefore, I doubt that an outside person will be able to actively help me and be an asset in my team's digital transformation.	Doesn't make sense to contract right now, due to the size of the company. Would make sense in a more developed stage to update technology to optimize services provided, bringing an outside perspective.
C6	In this scenario where the company was bigger, it would depend on the areas in which the company needs improvement. I believe that I would need more technological support in the incorporation, for example, of artificial intelligence in my business, therefore, in the operations of the business itself.	Technological support in the incorporation of artificial intelligence, therefore, the operational area.
C6	I think I would always start by buying the solution to a problem, with a set-up fee or a one-time fee to solve a "pain" that I have in the company. But after that, if the service was done well, it would make perfect sense to make it more recurring in the future, especially if the company gets bigger, as it will constantly need to optimize its processes and strategy. As long as the company is small, one-shot service.	Start with a one-time fee to solve one problem, in order to gain trust on the service provider. Then, if the company gets bigger, make it more recurring to constantly optimize company's strategy and processes. While the company is small, only one-time services.
C7	The objective of digital transformation is to facilitate all the work that exists within an institution, be it a company or teaching. From applications to programs that are used for billing.	Facilitates work, from the usage of applications to billing programs.
C7	There is mainly in a very specific area, which is the wood sawmill itself. We already have some more developed machines that need less support manpower, and that can saw trees up to 12 meters. It makes work and labor a lot easier. It also helps with the precision of the cut, using digital tools the cut is much more accurate and correct than when done manually. More than ever, we must bet on increasingly developed machines, not least because this type of highly specialized workforce is increasingly difficult to find.	Machinery development to help labor work, and to provide more accurate products. Substitute to a highly specialized and difficult to find workforce.
C7	In the billing part, we use machines that are PDA's. They are bar code readers. And even through the cell phone,	New billing device that provides real time information about the product and

	there is an application that allows you to do so. It allows whoever is going to make the invoice to have access in real time to all the information about the product, as well as automatically no longer being available, in real time, in our stock. Our invoicing system is already in line with some platforms that allow you to issue invoices online, without any physical paper involved.	automatically connected to the warehouse stock. Online invoice system.
C7	We must always continue to invest, yes. Whether in the billing and customer service area or in the industry area, to make it more digital and easier to use. It will allow you to provide better quality work.	Invest in the billing, customer service, or industry areas to make them more digital and easier to use. It's investing in better work quality.
C7	We thought about it in the pandemic. It doesn't make sense, it's a business that lives a lot of what is real. There is always a need to physically see this type of product, especially in the areas of construction and carpentry.	Doesn't make sense in this market because it's a business of the "real", there is a need to physically see the product.
C7	Annually, a limit of 7 to 10 thousand euros. This value is an average.	On average 7-10 thousand euros annually.
C7	As a general rule, it is an external provider. Except for something that we ourselves know how to solve, but the basis is external.	Normally it's an external provider.
C7	As a digital consultant, it starts by analyzing the needs of the company and, from there, presents a way to improve the entire functioning of the company in digital terms. The traditional in practice does the same, it has to be based on an analysis of what exists and new opportunities. What differs are the areas they focus on.	Digital consulting is based on an analysis to the company and a presentation of ways to improve the business in digital terms. Traditional is based on an analysis of what exists and bringing new opportunities. What differs is the areas they focus on.
C7	Digital consulting will be a good bet, because they have a completely different vision and knowledge than we do.	Would bet on digital consulting because of the different vision and knowledge it can bring to the business.
C7	Yes, consultancy focused on the industrial part. About 8 years ago, to investigate the possible use of our solid waste for energy production. Evaluating the possibility, we had in terms of the quantity we produced in relation to what would be the needs of production itself, and whether it would be worth it or not, taking into account the impact on our energy expenditure, and whether it would be able to be sold abroad. It ended up coming to nothing, and we didn't move forward with this innovation.	Contracted to investigate the value added and the impact to the company by incorporating some innovation in the production.

C7	Loyalty and availability. Of course, prices also matter.	Loyalty. Availability. Prices.
C7	Yes, it always makes sense. At least to analyze and open some paths different from those we usually use.	To analyze and open different paths.
C7	The operations and management part of the business. The issue of digital marketing does not concern us much. Our customers have carpentry shops, small businesses, that is, the end customer is not ours, and advertising is not fundamental for us, because our customers know what we do and where to look for us.	Operations and management areas. Digital marketing is not a concern.
C7	For now, I would start with something that was very specific. I would have to try it out to see, and depending on the result, and if I really had a volume of work to do so, then I would think of something like a fee.	Start with one time problem and then, depending on the result, move to a recurrent service with a fee.

8.3. Thematic analysis – 2nd order codes & dimensions

1st order codes	2nd order codes	Dimensions
Concept have changed across time.	Awareness of digital transformation concept	Characterization of digital transformation market growth
Gradual shift from manual to digital tools.		
Selling through digital and online platforms and social networks.		
Automation of processes.		
Faster and more efficient management, with immediate data integration.		
Incorporate technology to scale processes, achieve economies of scale, and surpass traditional competitors becoming more efficient.		
Simplification of bureaucracy.		
There is a need to use more technology but doesn't know how and where to apply it.		

Doesn't know what is available to help the business.	Dimension of digital transformation in the market	
Have to be the first, otherwise someone else will do it.		
Need to become more digital on promoting and selling activities.		
New generations use different platforms and systems.		
Companies need to adapt to the digital transformation and reinforce digital media presence.		
Who doesn't think about it end up doomed in the short-term.		
Market in which it operates has a weak digital presence.		
There is a need to balance face-to-face and digital presence to achieve consumer confidence.		
Modeled management software.	Measures taken to accompany the transformation	
Partnership with Portuguese start-up to manage and transact properties through blockchain technology. Includes all the intermediaries in one digital platform, fully digital.		
Website reformulation.		
Platform where customers can access and order to replace products, automatically processed.		
Several pages of complex information written by a robot to save consultants' time.		
New billing device that provides real time information about the product and automatically connected to the warehouse stock.		
Have to understand the added value before investing in digital services.	Future digital investments	
Continue to invest in digital services to reduce bureaucratic burden.		

<p>Following the digital transformation but aware that an hybrid model that responds to all kinds of public is key.</p>	
<p>Always looking for anything to facilitate operations.</p>	
<p>Commitment to digital transformation ensures ability to maintain high level of professionalism, without increasing the cost of services provided.</p>	
<p>Develop a better platform and change the business model, including better digital support through partners that process payments online.</p>	
<p>Develop a platform with artificial intelligence to personalize the service to the client's needs.</p>	
<p>Invest in the billing, customer service, or industry areas to make them more digital and easier to use.</p>	
<p>Very important due to one of its sales online channels.</p>	<p>Awareness of e-commerce market opportunity</p>
<p>Reduces people's intervention and helps to streamline the sales operation of products.</p>	
<p>E-commerce works best when there is consumer confidence on the product/service. Needs to build trust first.</p>	
<p>Business is all based on e-commerce.</p>	
<p>Doesn't make sense in this market because it's a business of the "real", there is a need to physically see the product.</p>	
<p>Doesn't have anything specific, depends on the purpose and benefit of the investment on digital services.</p>	<p>Budget allocated to the digital</p>

50 thousand per year to keep tools current and to invest in digital transformation.			
This amount is expected to increase over the years, but at the same time increases turnover and decreases labor cost.			
10% to 15% of profit spent in digital products and services.			
One third of the budget goes to technology.			
On average 7-10 thousand euros annually.			
Marketing and operations strategy is done in-house, the rest is outside.			
Outsource marketing and communication, and IT services to another company that works with the whole group.	Outsourcing vs insourcing digital services		
Given the size of the company is outsourcing.			
Due to the fast and transversal digital transformation is difficult for a person inside the team to keep up with the adaptation needed.			
Outsourcing would bring experience from outside, it's more benefiting.			
All done inside-house, would make sense if the level of turnover was higher.			
Digital consultants are more focused on the technological side and market positioning.	Digital vs traditional consulting	Consulting market positioning	
Digital consulting is more useful to reach new markets focused on e-commerce.			
Traditional consulting is more useful for the operationalization of activities.			

Traditional consulting helps to improve company's performance, in terms of management indicators.		
Digital consulting guides towards the procedures that can be used using digital solutions. Optimizes business processes and improves cost/operation ratios.		
Associates traditional consulting to the big companies, like BCG and McKinsey.		
Digital consulting focuses on lead generation, image development on digital channels, SEO and the overall digital presence.		
Digital consulting brings cost optimization, product scalability, reach to more people.		
What differs is the areas they focus on.		
Both types of consulting services include an analysis to the state of the company, and a presentation of solutions, to keep up with the market trends.		
Better automation and organization of processes.		
Online customer contact.		
Digital consulting is important because companies still work its digital side very poorly.		
It is a business opportunity that I find very often.		
The priority would be to contract digital consulting services, focusing on information technology, how to use tools to anticipate future digital trends, and to understand more about artificial intelligence and how it will change the business.	Utility of digital consulting	
Digital consulting more useful for finding new ways to manage the business, bringing more revenue in the short-term.		
Contracted operational and financial consulting services.		

Bi-weekly operations and commercial consulting.	Previous contracted consulting services.	
Consulting service focused on the financial investment.		
Contracted consulting services to update management procedures from one family generation to another, and how to prepare it for the future.		
Never contracted consulting services, only individual service on a platform to help on digital marketing design.		
Contracted to investigate the value added and the impact to the company by incorporating some innovation in the production.		
Availability.	Values	Customer preferences
Technical competence.		
Problem resolution.		
Price.		
Well established.		
Credibility.		
In line with client's values.		
Open communication.		
Structured and quick solutions.		
Honesty.		
Trust.		
Notoriety.		
Sensitivity to the business.		
Ability to adapt to the context.		
Knowledge.		
Projects history.		
Reviews.		
Consistency.	Intervention purpose	
Useful to automate processes that evolves a lot of human resources and human intuition.		
Achieve more efficiency.		

<p>Although a good job on the digital and social media is being done good, it's important to have a outside perspective on the things we can improve.</p>	
<p>When talking about digitalization and automization of processes through a software it makes sense to contract such service.</p>	
<p>Contract digital consulting services to digitally improve the business and bring a sustained strategy.</p>	
<p>In another phase, with more years in the market, it would make sense in order to increase income and enter new markets.</p>	
<p>Would make sense in a more developed stage to update technology to optimize services provided, bringing an outside perspective.</p>	
<p>To analyze and open different paths.</p>	
<p>Capturing leads through alternative channels is priority.</p>	
<p>What is needed is someone to analyze social media and create a digital content plan.</p>	
<p>Priority for intervention is marketing.</p>	Intervention areas
<p>Overall digital presence.</p>	
<p>Products/services digital promotion.</p>	
<p>Google platform.</p>	
<p>Intervention in the operations area.</p>	
<p>Digitalization of processes.</p>	
<p>Real time information and open communications is another priority.</p>	
<p>Want to focus on what brings the most money directly.</p>	
<p>Processes automation.</p>	
<p>Technological support in the incorporation of artificial intelligence, therefore, the operational area.</p>	

Operations and management areas.		
Digital marketing is not a concern.		
Recurring support over time.	Service recurrency	
Regular consulting, like a monthly fee.		
Companies are living organisms that face new needs everyday.		
A recurrent service is more useful, a constant consulting of what the company is doing.		
Recurrent service, in order to test, go through the situations and adapt.		
Recurrent service, because the digital world is constantly evolving, and there can always be new ways to solve problems.		
Averse to contract recurring expenses.		
In order to do that, it would have to be fully justified.		
Start with a one-time fee to solve one problem, in order to gain trust on the service provider.		
Then, if the company gets bigger, make it more recurring to constantly optimize company's strategy and processes.		
While the company is small, only one-time services.		
Start with one time problem and then, depending on the result, move to a recurrent service with a fee.		