

Authors

Miriam Bruhn
World Bank

Dean Karlan
Northwestern University

Antoinette Schoar
Massachusetts Institute of Technology

**The Impact of Consulting Services on Small
and Medium Enterprises: Evidence from
a Randomized Trial in Mexico**

Miriam Bruhn

World Bank and Institute for the Study of Labor (IZA)

Dean Karlan

*Northwestern University, Innovations for Poverty Action, Journal Poverty Action Lab,
and National Bureau of Economic Research*

Antoinette Schoar

Massachusetts Institute of Technology, National Bureau of Economic Research, and IZA

A randomized control trial with 432 small and medium enterprises in Mexico shows positive impact of access to 1 year of management consulting services on total factor productivity and return on assets. Owners also had an increase in “entrepreneurial spirit” (an index that measures entrepreneurial confidence and goal setting). Using Mexican social security data, we find a persistent large increase (about 50 percent) in the number of employees and total wage bill even 5 years after the program. We document large heterogeneity in the specific managerial practices that improved as a result of the consulting, with the most prominent being marketing, financial accounting, and long-term business planning.

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