

THE NORDICS CONSULTING MARKET IN 2016



Including market sizing data, growth rates,
current market trends, and forecasts

EXECUTIVE SUMMARY



- Despite a challenging economic and political environment, the Nordic consulting market grew by a respectable, if underwhelming, 3.2% in 2015. 2015, though, was a year in which talking about the market as a homogenous whole was misleading: There were quite marked differences between the growth in each market, with Norway (1.7%) and Finland (1.9%) growing more slowly than Denmark (3.3%) and much more slowly than Sweden (4.9%).
- There were differences, too, in terms of the conditions impacting each market. While Norway dealt with the impact of low oil prices, Finland continued to struggle from its exposure to Russia. Meanwhile in Sweden, although a buzzing start-up scene is having relatively little direct impact on the fortunes of consultants, it is acting as a local reminder for Swedish multinationals of the ever-growing threat of disruption, and that's stirring many into transformative action.
- There are, though, trends that unite these markets. Digital transformation is taking place everywhere, partly because of the opportunity it presents organisations to become more customer-centric and to do more with less, but also because of the threat of disruption. And consulting firms, no matter what part of the region they call home, are facing stark choices about the parts of the market in which they want to be present—and the questions those choices raise about their business model.
- From a sector perspective, healthcare is where the highest levels of growth were to be found (8.6% in 2015). The combined effects of ageing populations and the rising cost of healthcare provision are forcing organisations onto a transformative footing, in which technology is playing a big role. But the greatest growth in absolute terms is coming from the financial services and public sectors—far and away the region's largest. Growth is much stronger in financial services (6.0%) than it is in the public sector (3.4%), largely as a result of regulation, but consultants were busy in both.
- From a service perspective, technology dominated, growing by 4% on the back of a busy digital transformation story. But there was a strong strategy component to this work, too, to the extent that the strategy market also grew slightly faster (3.5%) than the market as a whole.
- Nordic clients tell us that they're immensely busy at the moment, and they appear to have an impressively big appetite for using consultants to help them get things done. But there's much to dampen their mood and constrain their growth, and it's hard to see growth in the market picking up much in 2016. Our forecast is for growth of 3%.

CONTENTS

Executive summary	2	Consulting firms	61
Methodology	4	Type T	63
Definitions	4	Type A	64
Sources	4	Type S	66
Definitions of industries and services	7	Type P	67
Contributors	9	Forecast	68
Nordic summary	10	A word on methodology	68
Market overview	12	Forecasts	68
Sweden	14	The consultant's view	68
Denmark	14	The client view	68
Norway	15	Forecasts for 2016	73
Finland	16	Industries—prospects for growth 2016	73
What everyone's talking about	17	Services—prospects for growth 2016	74
Digital transformation	17	Firm types—prospects for growth 2016	74
Carrots and sticks	17	About the authors	75
Outside and inside	18	Consulting market programme	76
The role of consulting firms	19	About Source	77
The consulting business model	20		
The lure of the premium end of the market	21		
Threats	22		
Oil	23		
Talent	25		
Market data	26		
Industries	26		
Public sector	27		
Financial services	30		
Manufacturing	32		
Technology, media & telecoms	35		
Services	37		
Pharma & biotech	39		
Energy & resources	41		
Retail	43		
Healthcare	45		
Services	47		
Technology	49		
Operational improvement	51		
Strategy	53		
Risk & regulatory	55		
HR & change management	57		
Financial management	59		

METHODOLOGY

Definitions

Our definition of management consulting includes a broad range of business advisory services, but excludes: tax advisory; audit; the implementation of IT systems; the delivery of outsourced/offshored services; and HR compensation/benefits administration and technology. Where mergers and acquisitions work is concerned, consulting on deals is included (under strategy), but corporate finance fees on deals themselves are generally not included although it is not always straightforward to separate the two.

For more information about how we classify consulting services and industries, please see 'Definitions of industries and services'.

Sources

Our report is based on two major sources of primary data:

Clients of consulting firms:

We interview senior end users of consulting in the Nordics to help us to build up a rich picture of how trends in the consulting market are playing out within clients' organisations. Our conversations focus on the following areas:

- **What's driving change in their organisation**
- **How they are using consultants**
- **Factors that affect the way clients work with consulting firms**
- **What they value the most—and least—about working with consultants**

We also carry out client surveys. We surveyed 78 senior clients of consulting firms across the Nordics. The majority work for private sector organisations, many of which are multinationals. The majority work in organisations with revenues in excess of \$500m, and over 250 employees.

Our survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2016 and into 2017, and what initiatives they'll be working on and how likely that is to drive consulting work. Their responses are just one of the factors that we take into account when forecasting future growth rates.

Figure 1

Survey respondents by industry

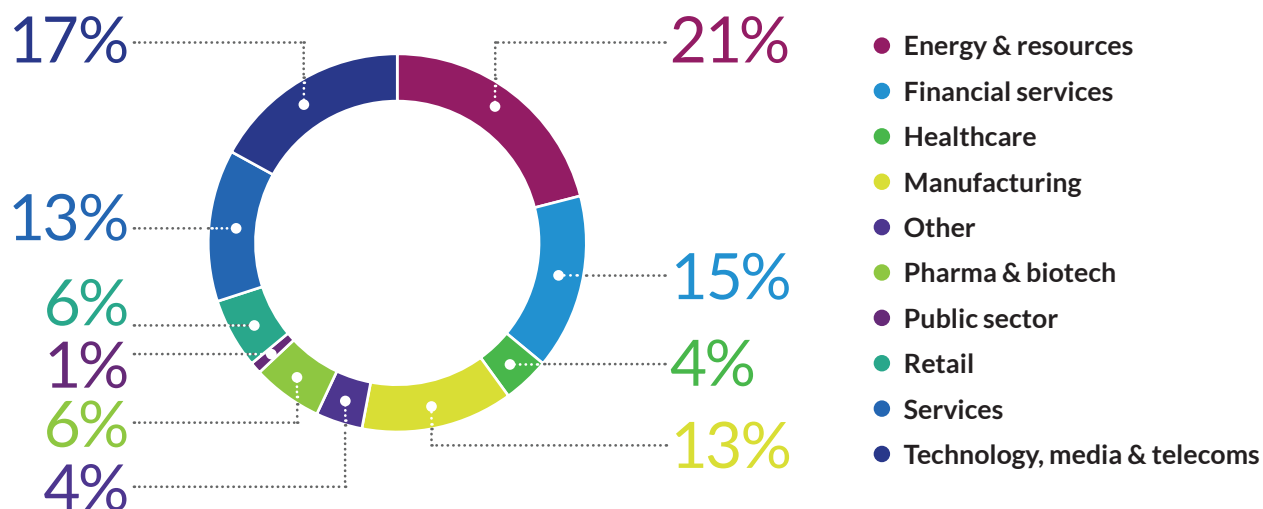


Figure 2

Survey respondents by organisation size (revenues)

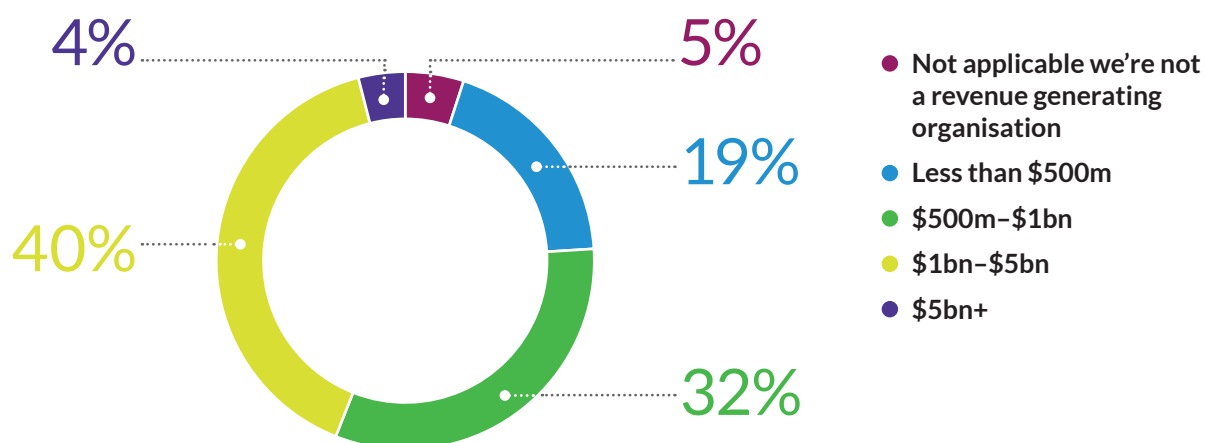
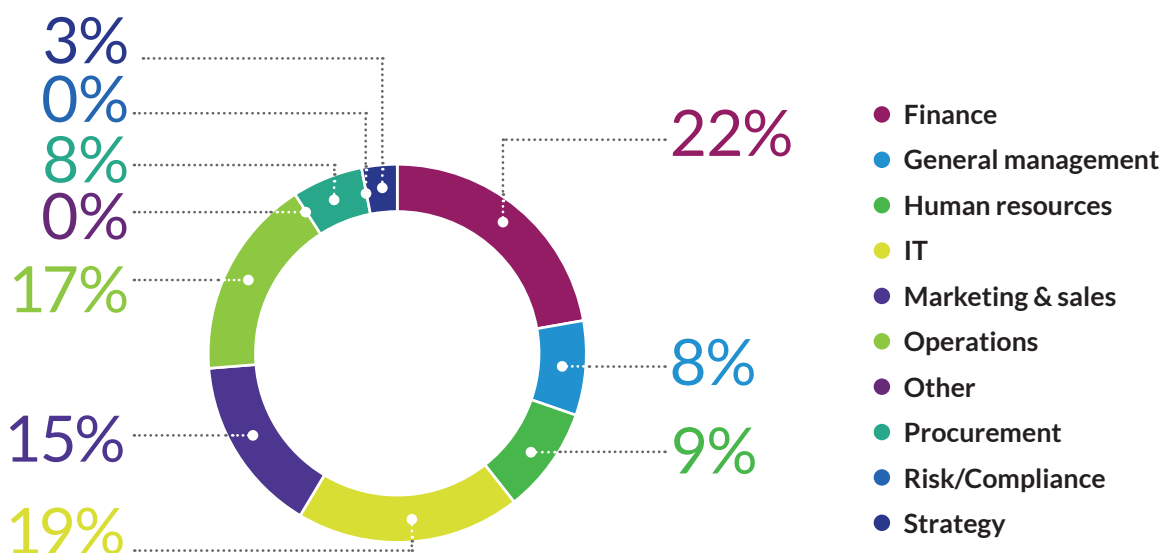


Figure 3

Survey respondents by function



Consulting firms:

The quantitative data contained in this report focuses on consulting done by mid- and large-sized consulting firms (those with more than 50 consultants) and typically includes work they have carried out for mid- and large-sized clients—what we at Source call “big consulting”. It therefore reflects the “addressable” market for the majority of mid- and large-sized consulting firms; we don’t try to track the long, thin tail of work done by very small firms for very small clients, nor the contractor market, as most readers of this report would not seek or be able to compete with this part of the market.

Using this definition, Source has built a bottom-up model of the global consulting market from the information we get from consulting firms and our own research, and we use it to size the industry and its growth rates. This is based on our global model which contains detailed data about almost 1,600 firms, plus higher level estimates about a further 400,000 firms, all with more than 50 consultants apiece, in addition to primary research carried out by Source analysts.

Please note that our 2014 baseline figures have changed a little since last year, as we have refined and implemented improvements to our research methods. We are happy to provide subscribers with a restated set of 2014 baseline figures should this be of interest.

We should emphasise that there are no standard sources of definitions of data within geographies let alone between them. We are, however, confident that the richness of our qualitative data, combined with Source’s unparalleled industry expertise, means that our analysis fairly and accurately reflects the state of the market.

All figures given in this report are in euros. For reference Source is using the following exchange rates in our reports this year:

- | | |
|------------------------------|--------------------|
| • US dollar to British pound | \$1 = £0.66 |
| • US dollar to euro | \$1 = €0.88 |

In addition to our quantitative research, we interviewed 33 very senior consultants (typically the most senior person in their country) from most of the leading consulting firms in the country and many smaller local specialists to understand more about how the consulting market is performing, and what the major trends, changes, and challenges are. Throughout the year Source analysts remain plugged into the global consulting market through our bespoke research and consulting projects, adding further depth to our understanding of the consulting industry.

Definitions of industries and services

Industries



Energy & resources

Energy

Includes the exploration and production of energy, including oil, gas, coal, and renewables.

Utilities

Includes the delivery of electricity, gas, water, sanitation, and other related services.

Primary resources

Includes agriculture, chemicals and chemical products, commodities, forestry, fishing, metals, mining, and plastics.



Financial services

Banking

Includes retail banking, commercial banking, and lending.

Insurance

Includes general insurance (e.g., motor, home, pets, health—anything on an annual contract), life insurance, pension products, retirement planning.

Private equity

Includes both consulting work for private equity firms and consulting work with private equity portfolio businesses.

Capital markets

Includes investment banking, trading of stocks and financial products, corporate finance, and broking.

Investment and wealth management

Includes private banking, high net-worth banking, investment management, trust funds, the management of pension funds, and asset management.



Manufacturing

Aerospace

Includes space research and technology, the manufacture of aircraft, aircraft parts, rockets and other space equipment, and tanks and ammunition.

Automotive

Includes the manufacture of motor vehicles, industrial vehicles, and vehicle supplies and parts.

Construction

Includes surveying, architectural, and engineering services, heavy construction, house building, and the building of infrastructure.

Consumer packaged goods

Includes the manufacture of clothes, foods, alcohol, tobacco, furniture, home furnishings, cleaning products, small arms, children's toys, and sports equipment.

Consumer and industrial electronics

Includes electrical components, household and industrial appliances, commercial and professional equipment.

Industrial products

Includes industrial machinery, steel and metal products, and plastic products.



Pharma & biotech

Includes research into and the production of drugs, biological products, medicinal chemicals, and life sciences.



Healthcare

Includes private and publicly-funded healthcare, hospitals, laboratories, and medical equipment.



Public sector

Government

Includes federal/national, state/regional, local government, emergency services, justice, social services, public transport, and conservation.

Education

Includes public and private schools, universities, and libraries.

Defence

Includes national security and consulting around defence issues.



Retail

Includes the selling of clothes, food, consumer goods, and automobiles.



Services

Logistics

Includes warehousing, storage, packing and crating, and distribution including cargo, freight, and haulage.

Business services

Includes services relating to law, accountancy, IT maintenance, security systems, advertising, employment agencies, and vehicle leasing.

Leisure

Includes museums, art galleries, theatre, golf courses, hotels, hospitality, travel agencies, restaurants, and bars.

Real estate

Includes estate agencies and operators of residential and commercial buildings.

Transportation

Includes private and people-related transportation, including airlines, airport management, train operators, rail infrastructure management, water transportation, courier services, and private bus services.



Technology, media & telecoms

Telecoms

Includes telephone, mobile, digital, and other communication services.

High-tech

Includes IT related devices, computer and computer related devices, audio and video equipment, broadcasting and communication equipment.

Media

Includes radio, television and digital broadcasting stations and services as well as printing and the publishing of newspapers, periodicals, and books.

Services



Financial management

Includes finance function and budgeting/financial planning process.



Risk & regulatory

Includes responding to regulation, technology and security risk services, operational risk, financial risk, programme risk.



HR & change management

Includes HR strategy and effectiveness, benefits, compensation and pensions, change management, internal communications, organisational design and culture, stakeholder management, team effectiveness and collaboration, leadership and governance, performance management, talent management/training and development.



Operational improvement

Includes business continuity and recovery, knowledge management, Lean and Six Sigma, property and estate management, quality and performance management, supply chain management, cost-cutting, innovation, M&A integration, managing quality, post-M&A integration, process design and re-engineering, procurement/purchasing, research and development, benchmarking, distribution strategy, environmental, sustainability and CSR, and operational review.



Strategy

Includes business and financial modelling, corporate re-structuring, corporate recovery and turnaround, corporate strategy, market analysis and strategy, market research, policy formulation, strategic sourcing/offshoring strategy, due diligence and valuation, infrastructure/asset financing and management, PFI, mergers and acquisitions, customer service, new product development, branding, marketing and channel management, customer relationship management, pricing, sales force effectiveness, category management, sales and distribution planning.



Technology

Includes ERP consulting, IT training, application of new technology, hardware/software selection, IT design and build, IT strategy, planning and review, IT testing and integration, management information and business intelligence, requirements definition, web and internet consulting, project and programme management (e.g., where consulting firm has been engaged to run a specific project that it is otherwise not involved in).

CONTRIBUTORS

We are extremely grateful to all the people we spoke to for making this report possible. Below is a list of the individuals who have contributed from consulting firms (some consultants choose to remain anonymous).

Name	Job title	Firm
Omar Ahmad	Managing Partner	Simon-Kucher & Partners
Niels Ahrengot	Managing Director	Implement Consulting Group
Terje Andersen	Partner	EY
Eva Borgert Palm	Senior Partner	4Focus
Adrian Edwards	EMEIA Advisory Markets Leader	EY
Tobias Eriksson	Vice President and Managing Director Nordics	EFESO
Frithjof Frederiksen	Sales Director	Bekk Consulting
Sjur Gaaseide	Managing Partner	Deloitte Consulting Norway
Marianne Hagen	Brand Leader, Sweden	Right Management
Joakim Hörwing	Senior Managing Director	Capacent
Jesper Jelmtæg	Senior Vice President, Industrials	Hitachi Consulting
Soren Knudsen	Country Head, VD, Member of PAs Management Group	PA Consulting
Seppo Kokko	Managing Partner, Consulting	Deloitte
Victor Kotnik	Managing Partner Consulting	Deloitte
Frank Madsen	Partner and Country Head	PA Consulting
Mika Niemela	Partner FS	BearingPoint
Per Nilsson	Managing Partner	Roland Berger Strategy Consultants
Thomas Nordas	Managing Director Business Consulting Scandinavia	Sopra Steria
Peter Nordstrom	Director and Partner	XLENT Strategy
Elisabet Palm-Werner	Partner	Centigo
Emanuel Ramstedt	Head of Advisory, Partner	PwC
Karl Thomas Reinertsen	CEO Norway	Capgemini Consulting
Morten Ry	Managing Partner	Deloitte
Anneli Samuelsson	CEO/VD Capgemini Consulting Sweden—Finland	Capgemini Consulting
Poul Skadhede	Group CEO	Valcon
Sigurd Skjæveland	Managing Director	A-2 Norge AS
Hallgeir Skøien Varsi	Vice President	Karabin AS
Jonas Strömgård	Principal	XLENT Strategy
Ulrika Tiverman	CEO	Preera
Øyvind Torpp	Senior Partner and Managing Director	The Boston Consulting Group
Petter Vold	Partner	PwC
Pål Wæhle	Managing Partner	Bene Agere Norden AS
Joerg Weidenfeld	Managing Director Nordics	Alvarez & Marsal

ABOUT THE AUTHORS

Ed Haigh

Ed was Source's first employee and is now a Director of the business. Prior to joining Source in 2008, he spent seven years in various marketing roles for Sony Europe, followed by a spell as Marketing Director for a small start-up venture. Ed oversees Source's strategic marketing activities, writes many of our reports and speaks regularly to domestic and international audiences about the consulting market.



Zoë Stumpf

Zoë leads Source's Consulting Market Programme. She has been with us since the beginning of 2012, and prior to this had more than 12 years working as a Management Consultant, firstly with KPMG where she led a number of operational improvement and post-merger integration projects, before moving on to be Head of Marketing and Internal Communications at Atos Consulting. She has also worked as an Independent Marketing Consultant at the UK Management Consultancies Association and at Xantus Consulting.





How to subscribe

You can either subscribe to the whole programme (the cheapest way of getting access to everything) or buy reports individually. All reports in the *Consulting Market Programme* come with a global licence, so once you've bought them you can use them anywhere in your firm.

For more details about how you can subscribe please contact [Alice Noyelle](#).

Reports for different regions vary in length but the content includes:

- Overall description of the market in the region/industry
- Data for the consulting market:
 - Regional report: by industry, service, and firm type
 - Industry report: by sector, service, and geography
- High-level breakdown:
 - Regional report: by geography within region
 - Industry report: by sector within industry
- Discussion about the current state of, and prospects for, the consulting market:
 - Regional report: by industry, service, and firm type
 - Industry report: by sector, service, and firm type
- Analysis of the key challenges and opportunities in the market
- Feedback from clients in selected regions
- Growth forecasts

Please note that this content is subject to slight changes and amendments

2016 Consulting Market Programme research schedule

February	UK	August	India
March	Nordics	September	Brazil
	France		Africa
April	GCC		Energy & resources
	Benelux	October	China
May	US		Financial services
	DACH		Healthcare
June	Eastern Europe	November	South East Asia
	Russia		Technology, media & telecoms (TMT)
July	Spain		
	Italy		
	Australia		

For information about the products or services available from Source, please contact:

UK, EUROPE, AND US

Alice Noyelle

+44 (0)20 3795 2662

alice.noyelle@sourceglobalresearch.com

MIDDLE EAST

Jodi Davies

+971 52 989 5224

jodi.davies@sourceglobalresearch.com

www.sourceglobalresearch.com

About Source

Source Global Research is a leading provider of information about the market for management consulting. Set up in 2007 with offices in London and Dubai, Source serves both consulting firms and their clients with expert analysis, research, and reporting. We draw not only on our extensive in-house experience but also on the breadth of our relationships with both suppliers and buyers. All of our work is underpinned by our core values of intelligence, integrity, efficiency, and transparency.

Source was founded by Fiona Czerniawska and Joy Burnford. Fiona is one of the world's leading experts on the consulting industry. She has written [numerous books](#) on the industry including [The Intelligent Client](#) and *The Economist* books [Business Consulting: A Guide to How it Works and How to Make it Work](#) and [Buying Professional Services](#).

For further information please visit: www.sourceglobalresearch.com

UK AND EUROPE

Source Information Services Ltd

📍 20 St Dunstons Hill • London • EC3R 8HL

☎ +44 (0)20 3795 2668

MIDDLE EAST

📍 PO Box 340505 • Dubai • United Arab Emirates

☎ +971 (0)52 989 5224

✉ info@sourceglobalresearch.com

🌐 www.sourceglobalresearch.com

© Source Information Services Ltd 2016

Source Information Services Ltd and its agents have used their best efforts in collecting the information published in this report. Source Information Services Ltd does not assume, and hereby disclaims, any liability for any loss or damage caused by errors or omissions in this report, whether such errors or omissions result from negligence, accident, or other causes.

