

Part 6: Market Attractiveness Index 2016

6



Contents

Introduction	3
About this report	4
Changes to geographical coverage	4
Market attractiveness index 2016	5
Talent	8
Growth	11
Average revenue per consultant	14
Propensity to buy	17
About Source	26

Introduction

We've committed a number of column inches* in previous editions of this report to comparisons between emerging and mature consulting markets, and generally (though we say so ourselves) the comparison has been instructive. Coming off the back of a period, during the financial crisis, when emerging markets were attractive and mature markets were unattractive, we entered a phase in which the reverse was true: last year, for instance, most emerging markets were grouped towards the bottom of our index while most mature markets featured at the top.

But as a broad determinant of the attractiveness of a market, the question of maturity is becoming increasingly redundant. Some emerging markets (the GCC) are doing incredibly well while others (Brazil) are...well...not. But the same goes for mature markets: the biggest (the US, the UK, DACH) still occupy the top spots in our index, but you'll also find mature markets all throughout the list, including very near the bottom. Just run your eyes down the index looking for Italy. Keep going...keep going...yes, there.

Admittedly, the maturity question is not yet completely redundant: by two of our measures of attractiveness—talent and clients' propensity to buy consulting—the distinction between mature and emerging markets is still quite useful and plays a big part in what keeps mature markets generally looking more attractive. But in respect of growth and average revenues per consultant, the picture is almost completely muddled.

Behind that is a story of BRIC economies falling over and mature economies standing back up, and in consulting terms, of fragmentation and consolidation. It's a story of structure and culture and changing models. Taken together, all of this suggests, somewhat usefully we suspect, that the time has come to stop judging the attractiveness of a consulting market based on something as simplistic as its maturity and to start judging it in a much more meritocratic, way.

*We don't really have columns and should probably admit a preference for centimetres anyway.

About this report

This is the third time we've published our market attractiveness index, and following a number of improvements last year, our methodology for assessing the attractiveness of a market remains unchanged. In summary, we award a score out of five (where one is the lowest and five is the highest) for each of the following:

Talent:

How easy it is to find and retain the people you need.

Growth:

What are the market's prospects for growth in 2016? This is converted from the forecasts published in our *Consulting Market Programme* for 2015, which take into account:

- How clients expect their consulting expenditure to change
- GDP growth forecasts
- Inward investment
- Political stability
- The number of companies headquartered in the market

Average revenue per consultant:

Using data from our Consulting MegaModel.

Propensity to buy:

Based on the size of consulting markets relative to the GDP of the geographies in which they sit (International Monetary Fund 2014 figures)

Changes to geographical coverage

The bulk of the geographies covered in this report remain unchanged since last year. The only addition is Portugal, although this has been included alongside Spain as 'Iberia'.

Because we haven't published reports about them in 2015, we prefer not to speculate about Turkey and Mexico and have omitted them from this year's index.



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About Source

Source Information Services Limited (Source) 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*.

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