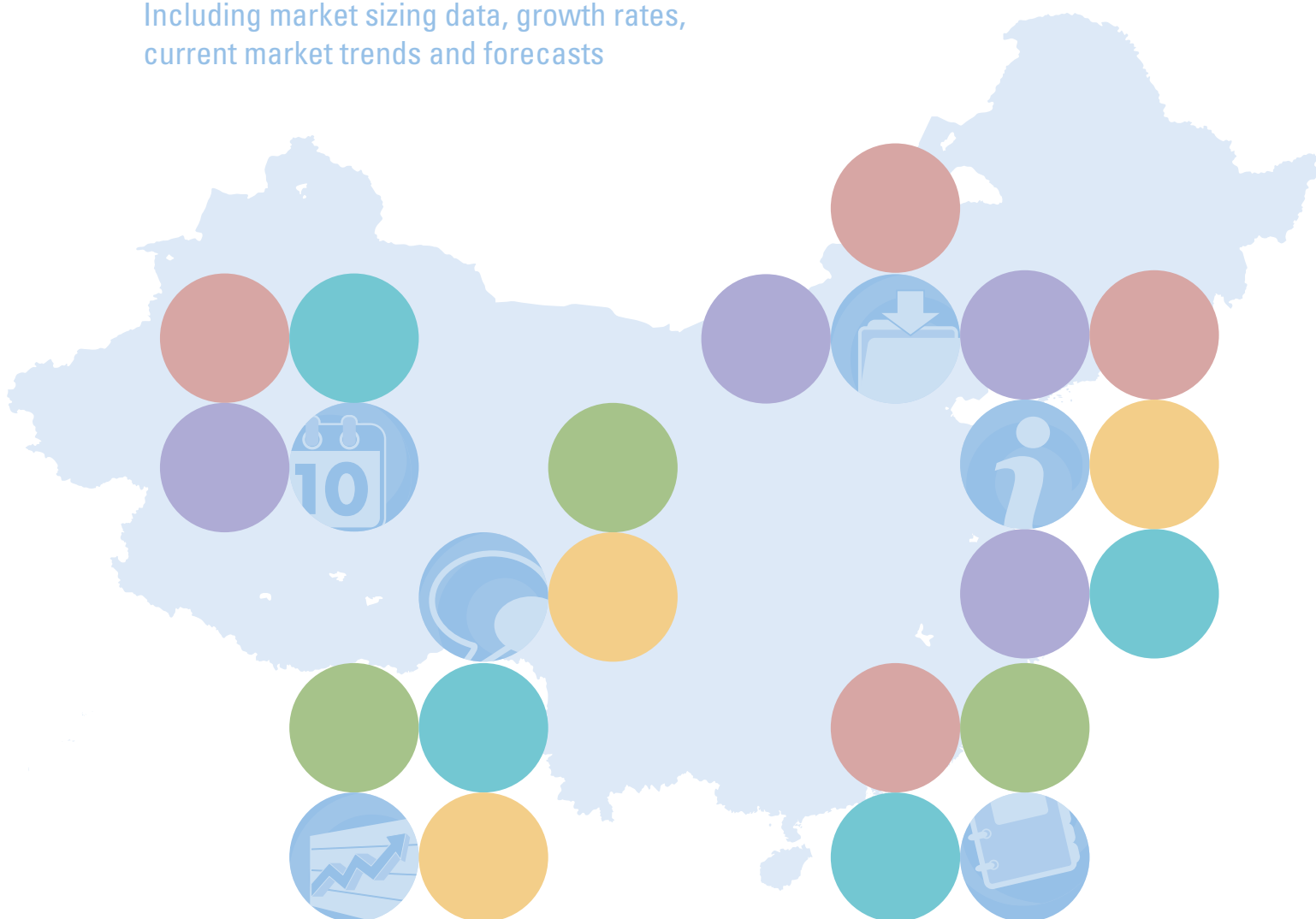


CONSULTING MARKET PROGRAMME

The consulting market in China in 2014

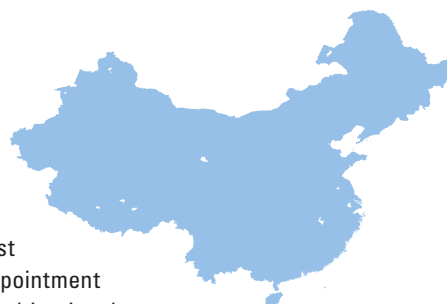
Including market sizing data, growth rates,
current market trends and forecasts



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Executive summary



- Though the Chinese economy continues to be a strong performer by most standards, a recent slowdown has been viewed as something of a disappointment at home and possibly even a sign of worse things to come. As a result, multinational corporations (MNCs) operating here have been in a conservative mood and have been paring back their use of management consulting. Still, consulting has continued to enjoy good levels of growth similar to that of the economy as a whole.
- With multinationals becoming a less reliable source of revenue, Western consultants are branching out into the local market. It's not an easy road to take – domestic clients are still relatively immature buyers, and the vast state-owned enterprise market is subject to heavy and frequently changing government requirements. Recently, an anti-corruption campaign that has made clients nervous about using preferred vendors and a prohibition on the use of US-based firms have made navigating this space particularly tricky.
- Though Chinese businesses have a reputation for being slow to adopt new technology, consultants we spoke with this year report doing a good business in this area. Some of the work they are doing is in efficiency-minded digital transformation, but at least as important is supporting clients in using new technologies to reach China's vast and quickly growing wealth, and middle-class consumer base. We expect this to be a very strong growth area over the next few years, though making the most of the opportunity will mean being able to offer clients specific expertise and a strong industry focus.
- Increasingly well-off and demanding Chinese consumers were also the driving force behind highly impressive growth in the healthcare, pharma, and biotech sector in 2013. Energy and resources also did especially well thanks in large part to investments in cleaner and renewable energy sources.
- Technology was China's fastest-growing consulting service area last year, again owing to a mix of efficiency and back-office improvements as well as social media utilisation. Financial management and risk also performed well, driven largely by demand from heavily regulated industries, such as finance and telecoms, and work related to compliance with government anti-corruption measures.
- Big consulting in China still belongs to international firms, but domestic Chinese consulting is on the rise and could be a force to be reckoned with in the near future. At the moment, however, local firms' ambitions are being stymied by the high cost of acquiring quality talent in this highly competitive market. The growing strength of local firms is also fuelling a consolidation trend with global players looking at strategic acquisitions as a way to fight off the mounting threat small firms pose while providing expedited entry to the local market.

Definitions of sectors and services

Sectors	Sub-sectors
Energy and resources	Includes utilities
Financial services	Includes banking, insurance, investment and capital markets
Manufacturing	Includes construction
Pharma and biotech	
Healthcare	Includes publicly-funded healthcare
Public sector	Includes federal/central and state/regional/local government, state-owned organisations and education. Excludes healthcare
Retail	
Services	Includes business and consumer services, real estate, professional services and transportation
Technology, media and telecoms	

Services	Sub-services
Financial management and risk	Responding to regulation
	Finance function
	Budgeting/financial planning process
	IT risk
	Operational risk
	Financial risk
	Programme risk
HR and change management	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
	Business continuity and recovery
	Knowledge management
Operational improvement	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

Services	Sub-services
Strategy	Distribution strategy
	Environmental, sustainability and CSR
	Operational review
	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	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
	Technology and security risk services
	Hardware/software and systems implementation
	Requirements definition
	Web and internet consulting
	Project and programme management (eg where consulting firm has been engaged to run a specific project which it is otherwise not involved in)



2014 Consulting Market Programme research schedule*

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

- Overall description of the market in the region
- Data for the consulting market, by sector, service and segment
- High-level breakdown by geography within region
- Discussion about the current state of, and prospects for, the consulting market by sector, service and segment, combining the feedback of consultants
- Analysis of the key challenges and opportunities in the market
- Feedback from clients about individual firms (in selected regions)
- Growth forecasts

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

January	UK
March	Gulf Cooperation Council (GCC)
	Nordics
April	France
	Benelux
May	Germany, Switzerland, Austria (DACH)
	USA
June	Eastern Europe, Russia
	Southern Europe
July	Australia
September	Africa
	India
October	China
	Brazil

* Source has produced three additional country reports in the autumn of 2014 covering Mexico (free report), Turkey and South East Asia. Please contact Alice Noyelle (details below) for further information.

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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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