

EXTRACT



CONSULTING MARKET PROGRAMME

# The global consulting industry in 2015: An overview

CONTRIBUTORS' REPORT

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# Introduction

This report is an extract of Source's research in 2015, which has been prepared specifically for those individuals who very generously gave up their time to be interviewed. It provides a snapshot of the global consulting market as it was at the end of 2014 and a high-level summary of our client-side research on the prospects for growth in 2015 through 2016.

The methodology section at the end of this report explains our research in greater detail. Please note that we have improved our model of the market since last year. The scope of what is covered has expanded to include all consulting markets globally, rather than focusing on major markets only (as we have done in previous years). The model is now more advanced and more accurate, and in undertaking this exercise, we have restated some of our figures since last year.



## Headlines from around the globe

Some of the highlights and lowlights from the global market:

- 2014 was a stellar year for consultants in the US. Already the largest market in the world, it grew a further 9% over the year, swelling the market size to over \$50bn. A strong domestic economy arguably fuelled growth more than anything else, but the growing consensus is that digitisation has reached a tipping point and is driving demand for consultants across every function, in every sector.
- Once again, the GCC (Gulf Cooperation Council) was the fastest growing market in the EMEA, growing at over 15% in 2014 to reach a value of just under \$2.5bn, although growth has slowed since last year. As of late 2014, low oil prices have yet to take their toll on the market, and consultants remain quite sanguine about the prospect of their doing so any time soon – a shortage of talent and a huge list of investments will ensure demand stays high, at least in the near-term.
- Demand in the UK market continued to rise as clients finally started to feel the benefit of economic recovery, giving them the confidence to start spending on strategic initiatives and projects that had been on hold for some time. The market grew just under 7% to reach a value of over \$9bn.
- The German consulting market continued to enjoy strong growth, reaching a value of just under \$8bn (up 6.4% for the year), despite concerns about a possible 'Grexit', weakening demand from China, and instability radiating from Ukraine.
- Several markets in Europe performed well, including Switzerland, the Nordic region, Eastern Europe, and even Spain, which saw growth of 5.6% after several lacklustre years. The same can't be said, however, for many other European markets: France managed just 2.4% growth, while places like Italy and Portugal remained nearly flat.
- Russian consultants had a very tough year. The market contracted 12.4% in 2014 and is set for a similarly dismal 2015. A triple-whammy of international sanctions, falling oil prices, and a tumbling rouble meant that work either began to dry up or that consultants found their contracts were suddenly worth a lot less once revenues were converted into dollars or euros for their global firms. Indeed, many firms experienced both of these pressures at once.
- The African market as a whole grew 6% over 2014 – a disappointing result for such a small, typically fast-moving market.<sup>1</sup> The southern African market continued to manage only slight growth, while northern Africa continued at 2013's slow pace. The exceptionally high growth western Africa has seen in the last few years was stunted somewhat as concerns about Ebola, terrorism, and election-related unrest impacted business confidence. Eastern Africa saw high growth, but it remains heavily dependent on donor cash to fund projects.
- The biggest consulting markets in Asia-Pacific (China, Australia, and Japan) are delivering relatively low levels of growth, but the smaller markets of South East Asia are faring considerably better. The market is a magnet for Western consultants looking to expand abroad, but while it delivers high levels of growth, it still suffers the same issues that other emerging markets have to deal with: insufficient talent to meet demand, pricing challenges, poor infrastructure, and market volatility.

<sup>1</sup>The figure of 6% growth for Africa is higher here than the figure quoted in our Consulting Market Programme report. The figure in our Consulting Market Programme report is based on the 15 most significant African markets that we analyse in detail, whereas the figure here is based on every market in Africa.



## 2015 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 firm type
- High-level breakdown by geography within region
- Discussion about the current state of, and prospects for, the consulting market by sector, service and firm type, 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*

<b>February</b>	UK
<b>March</b>	Gulf Cooperation Council (GCC)
	Nordics
<b>April</b>	France
	Benelux
<b>May</b>	Germany, Switzerland, Austria (DACH)
	USA
<b>June</b>	Eastern Europe, Russia
	Iberia
	Italy
<b>July</b>	Australia
	India
<b>September</b>	Africa
	Brazil
<b>October</b>	China

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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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