



THE NORDICS CONSULTING MARKET IN 2017

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

EXECUTIVE SUMMARY



- The Nordics consulting market is on the rise, with overall growth of 4.8% in 2016. Indeed, all four countries in the market improved on their 2015 consulting growth levels. An upturn in spending among financial services clients was one of the biggest drivers of growth and helped push the market to a value of €2,619m. Still, this market isn't entirely homogenous, and fortunes of consultants were dependent to some degree on their country of operation. Those in Sweden fared the best, as an uptick in consumer spending boosted clients' levels of discretionary spending. At the other end of the scale, the continued challenges in the oil and gas sector made Norway a tough environment, although the country still managed to better its 2015 consulting performance.
- A commonality across all four countries was a growing interest in digitisation. At the heart of the digital revolution is the opportunity to create a step-change in customer service. Consultants have found that if they get that piece right for clients, it opens the door to a wave of further digital transformation work—from mining data insights to protecting clients' digital operations with the latest in cybersecurity. And more technological developments are on the way; firms are laying the foundations for an expected deluge of demand in robotics and AI.
- Digital isn't the only way the shape of the Nordics market is changing. Traditionally, firms serving the Nordics have run operations in all four countries in a disparate fashion, but this is changing as firms seek to mirror the global mindset of their clients. Bringing currently separate practices together to serve the Nordics cohesively affords firms a number of benefits, from shared pools of talent to a deeper knowledge base.
- Meanwhile, financial services and healthcare were the standout industry performers in 2016. Clients' demand for all things digital was particularly prevalent in the former, and injected even more demand into a consulting market already benefiting from clients' ongoing demand for support with regulatory compliance. The pressing need for transformation in healthcare accelerated consulting growth in that industry, although consultants are still vulnerable to fee pressures. Elsewhere it was a less inspiring picture: Low growth was the order of the day in services, TMT, and manufacturing, while the market for energy & resources consulting shrank.
- Digital transformation made an impact in several service lines, as clients sought digital solutions to address their entire business model. Technology had a particularly good year, as the demand for digital augmented continued demand for traditional IT. The general upturn in the economy allowed many clients to focus on growth, rather than being fully devoted to cost-cutting or efficiency measures.
- Economic forces sparked changes in the competitive landscape, too, with new entrants emerging and a general acceleration in the market. It's not just their peers in consulting that firms need to worry about—clients' efforts to bolster their in-house consulting teams have seen firms lose out on work. Bigger is often better for consulting firms in the Nordics, as their fungibility allows them to seek out work in the most buoyant industry of the day.
- Consultants largely expect 2017 to be an even better year. The region's economies are looking stronger, while improvements in the oil price are improving confidence levels in the beleaguered energy & resources industry. This positive climate will continue to attract competitors, particularly as the projected wave of interest in robotics and AI gives rise to a greater number of boutiques and start-ups with relevant expertise. Yet despite a largely optimistic outlook, there are some who remain nervous, conscious that a global climate of economic and political instability has the potential to burst the Nordics bubble just as things are taking off.

CONTENTS

Executive summary	2	Services	54
Methodology	4	Technology	56
Definitions	4	Operational improvement	58
Sources	4	Strategy	60
Explore the data	7	Risk & regulatory	62
Definitions of industries and services	8	HR & change management	64
Contributors	10	Financial management	66
Nordic summary	11	Consulting firms	68
Market overview	13	The consulting landscape	69
Sweden	14	Convergence	69
Denmark	15	In-house competition	69
Norway	15	Price pressure and value	70
Finland	16	Big, small, and in between	70
What everyone's talking about	17	End-to-end and ecosystems	71
All digital, all the time	17	Type T firms	72
Where things stand	17	Type A firms	73
The digital journey: first things first	18	Type S firms	74
The digital journey: the view from the vanguard	20	Type P firms	75
What digital means to firms	22	Forecast	76
Consultant, heal thyself	22	A word on methodology	76
Delivering end-to-end	22	The consultant view	76
Globalisation in the Nordics consulting market	24	The client view	77
Global trends in the consulting industry	27	How clients think their consulting expenditure will change	77
Coping with convergence	27	What clients are working on	78
The changing world of data & analytics	29	How much of that is turning into consulting work?	80
The people problem	30	Will they need consultants for capacity or capability?	80
Market data	32	Forecasts for 2017	82
Industries	32	Industries—prospects for growth 2017	83
Public sector	34	Services—prospects for growth 2017	84
Financial services	37	Firm types—prospects for growth 2017	85
Manufacturing	40	About the authors	86
Technology, media & telecoms	42	Source report programmes	87
Services	44	About Source	88
Pharma & biotech	46		
Retail	48		
Energy & resources	50		
Healthcare	52		

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 247 senior clients of consulting firms across the Nordics. The majority (89%) work for private sector organisations, many of which are multinationals. The remaining 11% work in various public sector organisations. All work in organisations with 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 2017 and into 2018, 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

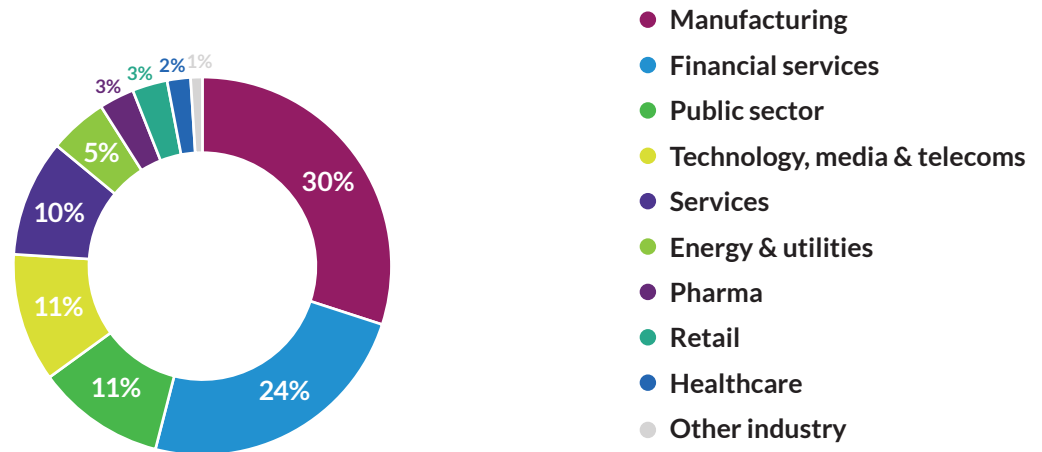


Figure 2

Survey respondents by organisation size (headcount)

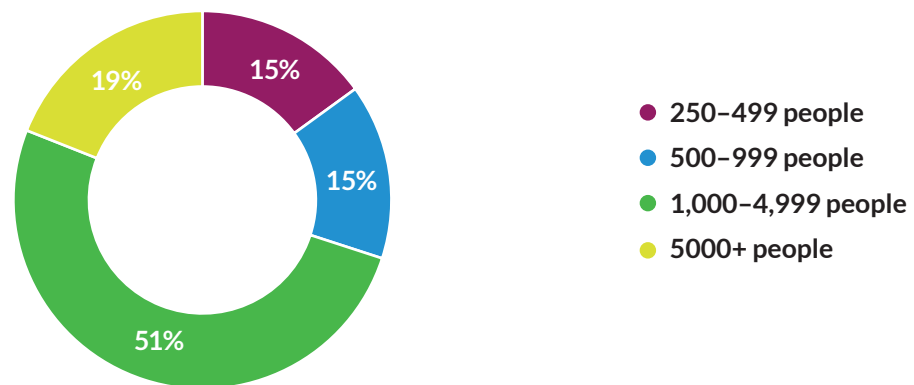
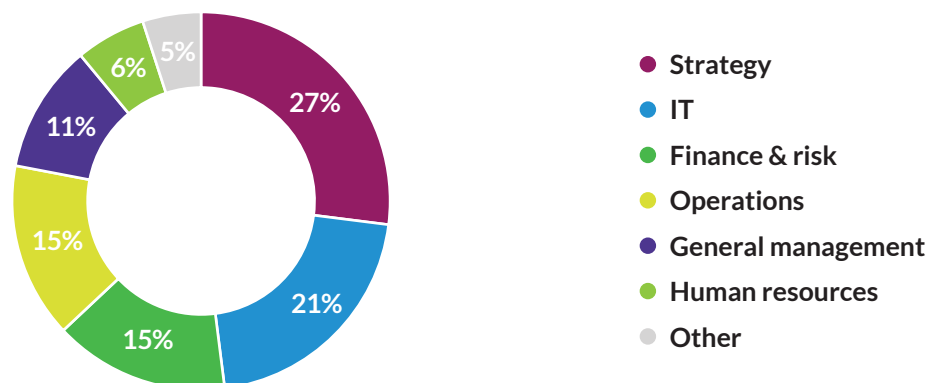


Figure 3

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. Our analysts work out the addressable size of the market through desk research, identifying the number of firms that meet our criteria, and extrapolating from that to reach a figure for the market as a whole.

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 2015 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 2015 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 = £0.74**

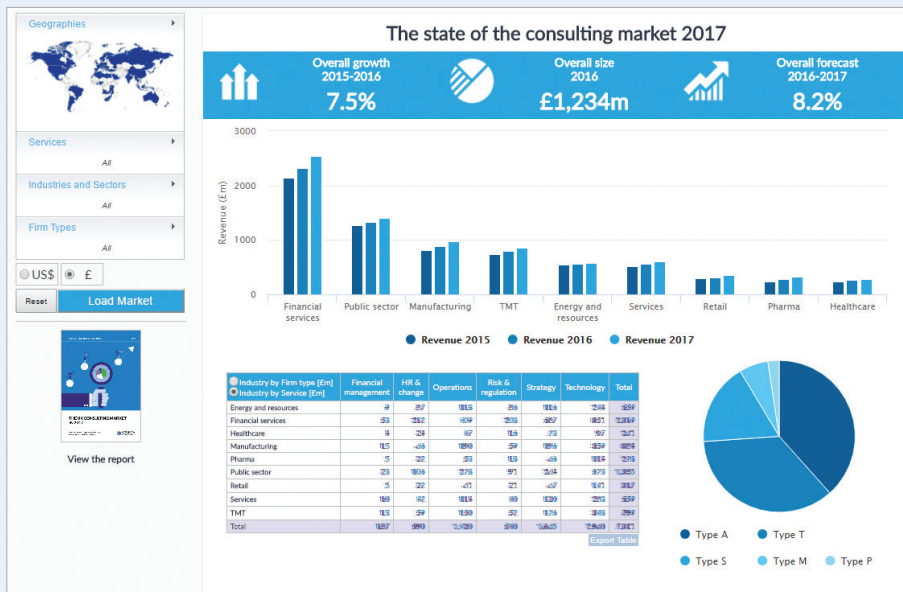
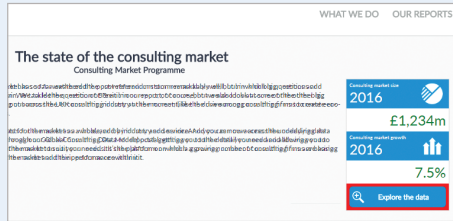
- **US dollar to euro** **\$1 = €0.90**

In addition to our quantitative research, we interviewed 30 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.

EXPLORE THE DATA

All of the market size data in this report is available to explore online through our Global Consulting Data Model portal. You are able to interact with the data in more detail and create custom views of the market to suit your needs.

You can access the data via our reports page, as seen below:



Our Global Consulting Data Model is the biggest and most sophisticated model of the consulting industry available. It provides data on market size, growth rates, and forecasts across 29 sectors, six service lines, 84 countries, and five firm types. It's the platform on which a growing number of consulting firms are basing their understanding of the market and their performance within it.

Click here <http://sourceglobalresearch.com/our-reports> to access the data.

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
Terje Andersen	Partner	EY
Tobias Antefelt	Senior Project Manager	Capacent
Hans Henrik Beck	Managing Director	QVARTZ
Lars Jacob Bø	Senior Partner	Bain & Company
Oskar Ebbinghaus	Partner	PwC
Jens Ekberg	MSc Director	3gamma
Thomas Fischer	CEO, Management Consultancy	Valcon
Frithjof Frederiksen	Sales director	Bekk Consulting
Kristoffer Fredriksson	Managing Director, Sweden	Resource Global Professionals (RGP)
Hans Erik Holmen	Partner	Sprint
Andreas Jonason	Managing Partner	Simon-Kucher & Partners
Peter Lindstrom	Partner, Head of Management Consulting	KPMG
Morten Moenster	Managing Partner, Head of Advisory	KPMG
Mika Niemela	Partner FS	BearingPoint
Peter Nordström	Director and Partner	XLENT Strategy
Kevin O'Reilly	Vice Chairman	Deloitte
Eva Borgert Palm	Senior Partner	4Focus
Kjell Rusti	CEO Nordic	Sopra Steria
Anneli Samuelsson	CEO / VD Capgemini Consulting Sweden—Finland	Capgemini Consulting
Poul Skadhede	Group CEO	Valcon
Rune Skjelvan	Head of Advisory	KPMG
Sigurd Skjæveland	Managing Director	A-2 Norge AS
Jonas Strömgård	Principal	XLENT Strategy
Harald Tellmann	Partner / Managing Director	Tellmann Executive Advisors
Øyvind Torpp	Senior Partner and Managing Director	The Boston Consulting Group
Bjørn Petter Ulvær	Partner	Implement Consulting Group
Petter Vold	Partner	PwC
Harri Wihuri	Partner	KPMG
Pål Ødegaard	Managing Director	Accenture Strategy

CONSULTING MARKET PROGRAMME

- A series of detailed reports that contain the most accurate view available about the consulting market in an extensive list of countries and regions. These explore key themes, provide market sizing data, growth forecasts, and deep analysis, all backed up by extensive quantitative and qualitative research amongst consulting firms and clients.
- As well as our country reports, we also produce a global view of four different industries. These reports contain industry analysis, market sizing data, and growth forecasts at a global level, as well as breakdowns by sub-sector, service, and geography.

STRATEGIC PLANNING PROGRAMME

- A series of reports that take a detailed look at the big trends in the global consulting industry, interpreting them in terms of what they mean for consulting firms and who is best placed to exploit them.

CLIENT PERCEPTION PROGRAMME

- A series of reports based on our huge client survey, that reveal what clients think about the leading consulting firms in a number of regions and industries. We rank the leading consulting firms in terms of clients' perceptions of things like quality and value.
- As part of this programme, we also publish brand perception summaries. These give an in-depth and unique view of the world's leading consulting firms. Available on request.

WHITE SPACE

- A series of reports that analyse the quality and effectiveness of thought leadership. These are included in all White Space subscriptions.

How to subscribe

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

What's included

- A global licence.
- An executive summary (8-10 pages) highlighting key themes.
- Relevant content, updated regularly: blogs, podcasts, and spotlights.

Want to know more?

For more details about how you can subscribe, 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

Or simply visit our website, have a more in-depth look at what we do, and drop us a question at:

www.sourceglobalresearch.com

2017	CONSULTING MARKET PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME	WHITE SPACE
January				Hot topics in thought leadership
February	UK	Forecasts for 2017	GCC	Quality ratings of thought leadership for the second half of 2016
March	France GCC	Mega trend #1: Digital transformation	US UK	Analysis of recent thought leadership
April	Benelux Nordics		Energy & Resources	
May	US Canada	Mega trend #2: Cognitive computing, robotics, AI	Nordics Financial Services	Analysis of recent thought leadership
June	DACH Eastern Europe Russia		Trends in procurement	
July	Italy Spain Australia	Mega trend #3: Assets and productisation		Maximising the impact of thought leadership
August	India		Healthcare TMT Germany	
September	Africa Brazil Energy & Resources	Planning for growth in 2018	France	Quality ratings of thought leadership for the first half of 2017
October	Financial Services China Healthcare			
November	TMT	Mega trend #4: Brand and business models		

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 2017

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.

