



THE BENELUX CONSULTING MARKET IN 2017

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

EXECUTIVE SUMMARY



- After a healthy growth rate of 5% in 2015, 2016 was a relatively disappointing year for the Benelux consulting market, which reverted back to a slower 3.6% growth rate to reach a size of €2,016m. Some firms managed to do well, but many others struggled, while some even contracted. All three of the countries that make up the region saw slower growth compared to 2015, with the smallest market of Luxembourg faring the best—driven by a large financial services consulting market—and the two larger markets of the Netherlands and Belgium enduring tougher years amid political and economic disruption.
- While 2016 was a year of widespread transformation for many regions globally, there was an overwhelming focus on more tactical initiatives in Benelux. The approach to regulation in the region was a prime example, with clients limiting themselves to simple compliance rather than using it as a platform for transformation. Digital, too, has a different taste in Benelux. Despite now being mainstream across the Benelux consulting market, digital demand is yet to really become the widespread driver of holistic change it is elsewhere.
- With patchy growth persisting, the question of whether Benelux is or isn't a viable standalone consulting market has arisen once more. Larger, global players continue to be in a better position than geographically limited local firms in this region, thanks to their global networks and expertise and their ability to work on a global or local basis as required.
- With clients reassured that they're getting access to the best and the brightest and firms delighted to be accessing expertise they don't have in-house, the formation of ecosystems is an increasingly popular way of working, and one we expect to see more of in the coming years.
- Yet for all of its challenges, there are many opportunities to be had in Benelux, including new types of initiatives around robotics and artificial intelligence. Firms that are open to reinventing themselves are likely to fare best. Whether by replacing 50-page reports with projects that provide tangible outcomes or by developing customisable assets that offer greater value, firms that are willing to meet client demands for demonstrable results are more likely to be rewarded.
- From an industry-perspective, 2016 was a mixed picture for consultants in Benelux. Some industries—financial services, healthcare, pharma & biotech, retail—were still pretty happy places for consultants from a growth perspective, driven by a combination of regulatory, cost, and digital factors. While others—manufacturing, the public sector, and services—were steady, but largely underwhelming. And then there was a third group—telecoms, media & technology and energy & resources—that experienced little to negative growth in 2016.
- Risk and technology were the best performing service lines in 2016, both growing above 5% thanks partly to a combination of increased digital and cybersecurity demand. While operational improvement and strategy both saw steady, but lower, growth rates owing to greater pressure on fees and a lack of appetite for longer-term advice in strategy, HR & change management and financial management experienced very low levels of growth.
- Aside from the growing popularity of ecosystems, very little has changed in the Benelux consulting landscape from a high-level perspective. Type A firms were, once again, the fastest growing firm type in the region, owing partly to their global brand and scale. While technology and strategy firms also experienced relatively good levels of growth in 2016, type P firms were the clear outliers, with little to no growth brought about by ever-expanding convergence from other firm types.
- Consultants have mixed views about how the 2017 market will shape up. With continued slow economic growth against a backdrop of global instability, 2017 will likely be another year of slow growth—but growth all the same. We continue to expect strong activity around the quest for efficiency, with a growing reliance on digital, robotics, and artificial intelligence supporting wider back-office changes.

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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 Benelux 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 50 senior clients of consulting firms across Benelux. The majority (90%) work for private sector organisations, many of which are multinationals. The remaining 10% 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

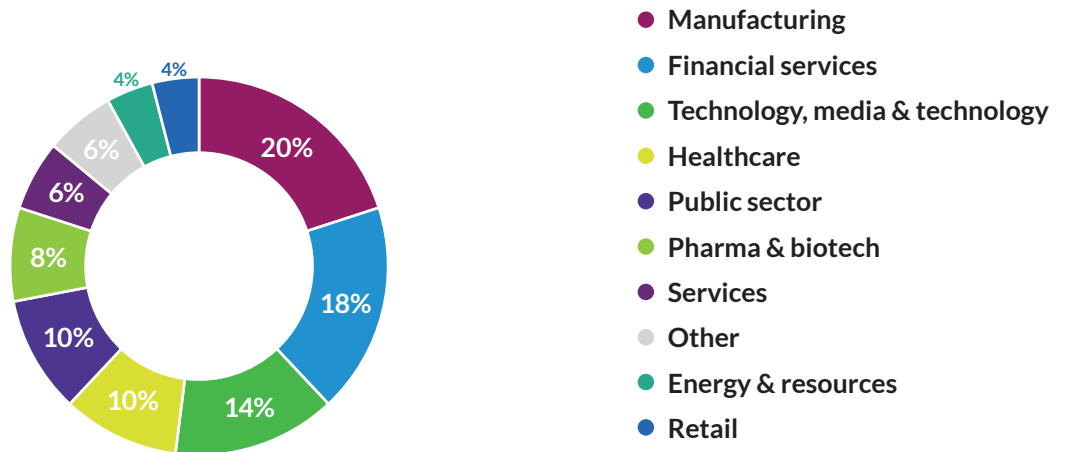


Figure 2

Survey respondents by organisation size (headcount)

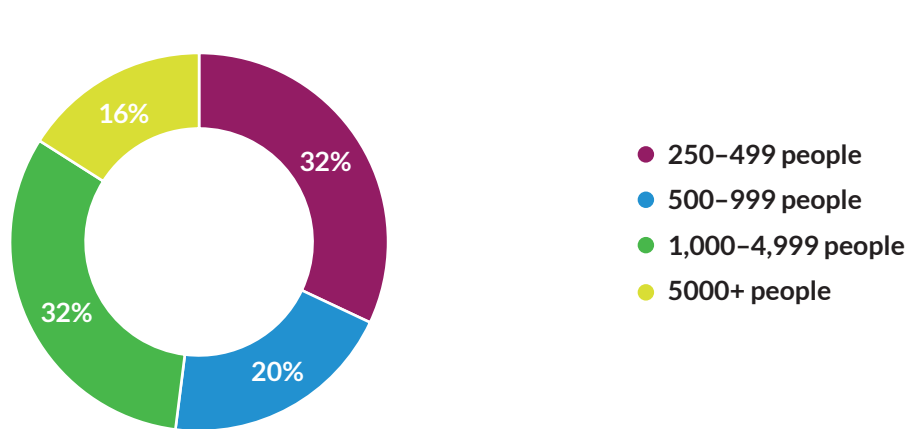
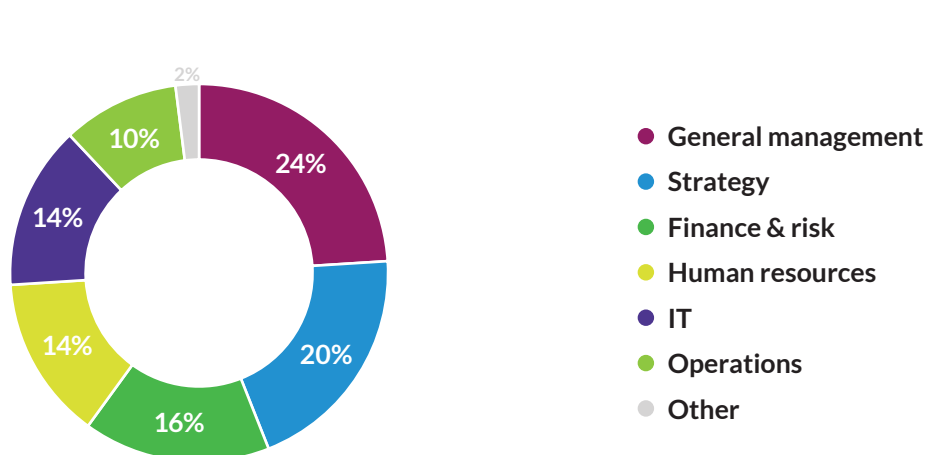


Figure 3

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**

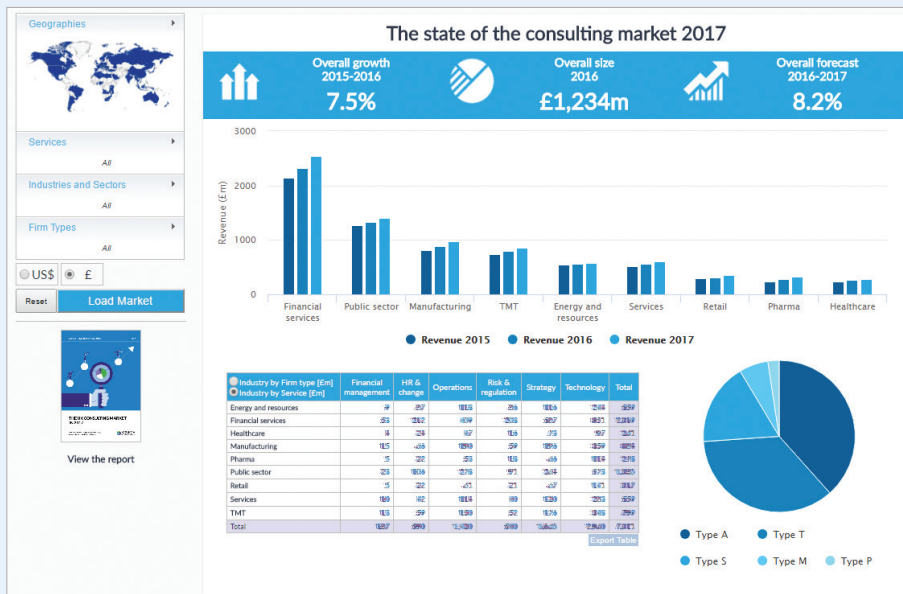
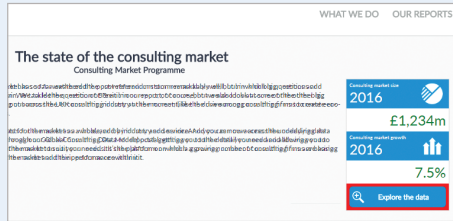
- **US dollar to euro** **\$1 = €0.90**

In addition to our quantitative research, we interviewed 14 very senior consultants (typically the most senior person in their country) from most of the leading consulting firms in the region 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](#) 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
Waseem Alkhateeb	Partner	KPMG
Jaap Buechli	Country head Netherlands	PA Consulting
Michel van Buitenen	Managing Partner	Atos
Madeline Dessing	Managing Director	Korn Ferry Hay Group Netherlands
Jeroen Dossche	Partner	Capco
Mark Hofland	Capgemini Consulting Deputy CEO of the Netherlands	Capgemini Consulting
Vincent Köller	Head of Management Consulting	KPMG
Benjamin Losseau	International Expansion Manager	Intys
Joost Loves	Managing Director	Synechron
Jan van der Oord	Partner	A.T. Kearney
Alan Picone	Managing Director—Global Head of Risk & Management Company Solutions	Duff & Phelps
Robert Spieker	Partner—Digital retail / Omni-channel	IG&H Consulting & Interim
Bas Van der Velde	General Manager	Rijnconsult
Bart Walterus	Head of Management Consulting, Belgium	KPMG

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.

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- 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.

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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:

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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

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