



# THE SPAIN CONSULTING MARKET IN 2017

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

# EXECUTIVE SUMMARY



- Spain's consulting market enjoyed healthy growth for the second year in a row, expanding nearly 6% during 2016 to reach a value of €1,280m. Slow-but-steady improvement in the domestic economy, combined with clients' renewed interest in growth initiatives, has left many consultants confident that the market has turned a corner and is likely to remain strong for several years.
- It's not all good news, however, as consultants are having a great deal of difficulty raising the bargain-basement prices they were forced to adopt during the economic downturn, and there is fear that prices will remain low in Spain even as the economy recovers. Price pressure is particularly acute in the beleaguered public sector consulting market, which endured a flat year in the face of a tumultuous domestic political environment.
- Spain continues to lag behind other mature economies in terms of digitisation uptake, though there was a discernible increase in interest in 2016. A desire for growth and a need to stave off digital-native start-ups has hastened the adoption of customer-facing digital initiatives in the financial services and retail industries. In addition, digital's promise in the areas of cost cutting and productivity drove good levels of demand across industries, most notably in manufacturing.
- The combination of endemic low prices and demand for end-to-end digital delivery is putting pressure on the consulting business model in Spain. In response, many firms are forming partnerships and ecosystems, both with fellow consulting firms and with other professional services providers, in order to provide clients with the one-stop shopping experience they want.
- Financial services was Spain's fastest growing consulting market last year, with strong demand for services ranging from cost cutting and efficiency to customer experience improvements, all employing digital technology. Nearly every industry performed well, however, with only the public sector market remaining flat and energy & resources the only other market to offer growth below 5%.
- Technology is the biggest consulting service line in Spain, and in 2016 it was one of the fastest growing, too, as demand for digital continued to rise. The risk & regulatory service line grew the fastest, however, with both regulatory compliance and cybersecurity generating a good deal of interest.
- The largest firms in Spain were also the fastest-growing in 2016, as clients appreciated their breadth of services and international footprints. Many smaller players also enjoyed a good year, with clients seeking out their niche expertise and higher degree of agility. A growing interest in digitisation helped ensure that technology firms performed best last year, growing just shy of 7%.
- 2017 has proven another solid year so far, and we forecast a similarly strong performance in 2018, with a growing interest in digitisation looking set to serve consultants well over the next few years.

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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 quantitative and qualitative research of consulting firms in Spain. 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 adjust the metrics in our model to try and counter the effect of currency fluctuation in order to get a sense of true consulting growth, with as much noise from external sources filtered out. 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:

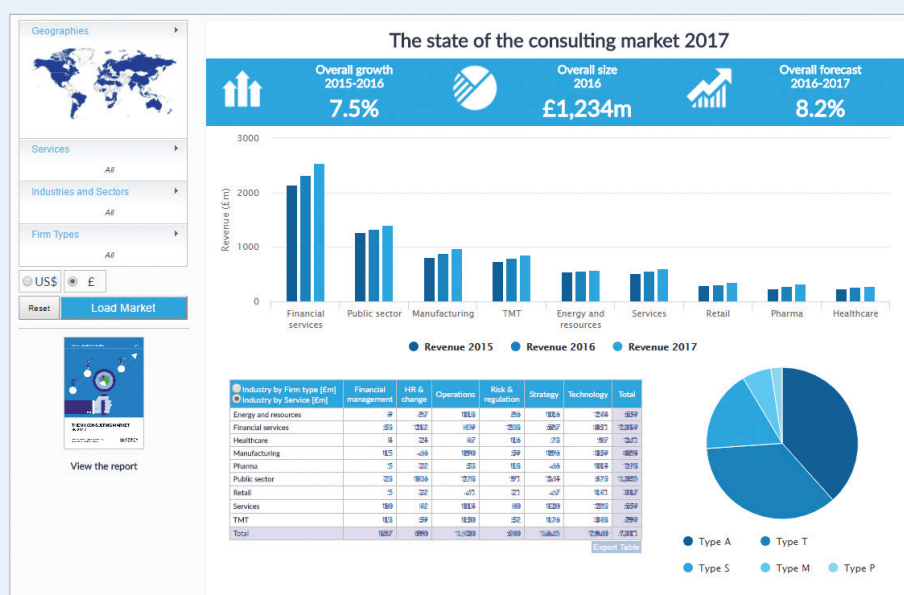
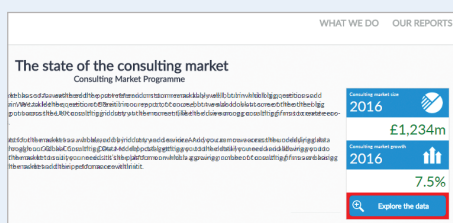
- **US dollar to British pound**      **\$1 = £0.74**
- **US dollar to euro**                      **\$1 = €0.90**

In addition to our quantitative research, we interviewed 10 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](#) to access the data.

# Definitions of industries and services

## Industries



### Energy & resources

#### Energy

*Includes the exploration and production of energy, including oil, gas, coal, and renewables.*

#### Utilities

*Includes the delivery of electricity, gas, water, sanitation, and other related services.*

#### Primary resources

*Includes agriculture, chemicals and chemical products, commodities, forestry, fishing, metals, mining, and plastics.*



### Financial services

#### Banking

*Includes retail banking, commercial banking, and lending.*

#### Insurance

*Includes general insurance (e.g., motor, home, pets, health—anything on an annual contract), life insurance, pension products, retirement planning.*

#### Private equity

*Includes both consulting work for private equity firms and consulting work with private equity portfolio businesses.*

#### Capital markets

*Includes investment banking, trading of stocks and financial products, corporate finance, and broking.*

#### Investment and wealth management

*Includes private banking, high net-worth banking, investment management, trust funds, the management of pension funds, and asset management.*



### Manufacturing

#### Aerospace

*Includes space research and technology, the manufacture of aircraft, aircraft parts, rockets and other space equipment, and tanks and ammunition.*

#### Automotive

*Includes the manufacture of motor vehicles, industrial vehicles, and vehicle supplies and parts.*

#### Construction

*Includes surveying, architectural, and engineering services, heavy construction, house building, and the building of infrastructure.*

#### Consumer packaged goods

*Includes the manufacture of clothes, foods, alcohol, tobacco, furniture, home furnishings, cleaning products, small arms, children's toys, and sports equipment.*

#### Consumer and industrial electronics

*Includes electrical components, household and industrial appliances, commercial and professional equipment.*

#### Industrial products

*Includes industrial machinery, steel and metal products, and plastic products.*



### Pharma & biotech

*Includes research into and the production of drugs, biological products, medicinal chemicals, and life sciences.*



### Healthcare

*Includes private and publicly-funded healthcare, hospitals, laboratories, and medical equipment.*



### Public sector

#### Government

*Includes federal/national, state/regional, local government, emergency services, justice, social services, public transport, and conservation.*

#### Education

*Includes public and private schools, universities, and libraries.*

#### Defence

*Includes national security and consulting around defence issues.*



### Retail

*Includes the selling of clothes, food, consumer goods, and automobiles.*



### Services

#### Logistics

*Includes warehousing, storage, packing and crating, and distribution including cargo, freight, and haulage.*

#### Business services

*Includes services relating to law, accountancy, IT maintenance, security systems, advertising, employment agencies, and vehicle leasing.*

#### Leisure

*Includes museums, art galleries, theatre, golf courses, hotels, hospitality, travel agencies, restaurants, and bars.*

#### Real estate

*Includes estate agencies and operators of residential and commercial buildings.*

#### Transportation

*Includes private and people-related transportation, including airlines, airport management, train operators, rail infrastructure management, water transportation, courier services, and private bus services.*



### Technology, media & telecoms

#### Telecoms

*Includes telephone, mobile, digital, and other communication services.*

#### High-tech

*Includes IT related devices, computer and computer related devices, audio and video equipment, broadcasting and communication equipment.*

#### Media

*Includes radio, television and digital broadcasting stations and services as well as printing and the publishing of newspapers, periodicals, and books.*

## Services



### Financial management

*Includes finance function and budgeting/financial planning process.*



### Risk & regulatory

*Includes responding to regulation, technology and security risk services, operational risk, financial risk, programme risk.*



### HR & change management

*Includes 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.*



### Operational improvement

*Includes business continuity and recovery, knowledge management, 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, distribution strategy, environmental, sustainability and CSR, and operational review.*



### Strategy

*Includes 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

*Includes 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, requirements definition, web and internet consulting, project and programme management (e.g., where consulting firm has been engaged to run a specific project that it is otherwise not involved in).*

# 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
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# SPAIN SUMMARY

Consulting market size

2016\*



€1,280m

Growth

2016



5.9%

\*Note that these figures refer to what we call the "big consulting" market only (consulting done by firms with more than 50 consultants globally and for clients with revenues in excess of about \$500m). We estimate that this represents 65% of the market in Spain, making the entire market in Spain worth €1969m. All figures from here onwards in our report refer to the "big consulting" market only.

Economic growth



GDP growth 2016

3.2%<sup>1</sup>

GDP growth forecast 2017

3.1%<sup>2</sup>

EXPLORE THE DATA HERE



1 World Bank, *Spain: Annual GDP Growth (%)*, last visited Jul. 18, 2017. Available at: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2016&locations=ES&start=2015>

2 International Monetary Fund, *Spain and the IMF*, Jul. 18, 2017 (last accessed Jul. 24, 2017). Available at: <http://www.imf.org/external/country/ESP/>

## Breakdown of the Spain consulting market in 2016 (€m)

## Growth rates 2016

## By industry



Financial services



367

8.1%



Manufacturing



210

7.3%



Services



171

5.6%



Public sector



144

0.5%



Energy &amp; resources



141

4.3%



Technology, media &amp; telecoms



135

6.5%



Healthcare



44

5.8%



Retail



35

7.2%



Pharma &amp; biotech



33

5.4%

## By service



Technology



636

7.2%



Strategy



205

6.7%



Operational improvement



194

2.2%



Risk &amp; regulatory



137

8.5%



HR &amp; change management



75

0.7%



Financial management



33

3.0%

## 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.

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	CONSULTING MARKET PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME	WHITE SPACE
2017				
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](#).

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