



THE AFRICA CONSULTING MARKET IN 2017

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

EXECUTIVE SUMMARY

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- 2016 was a good year for Africa's consulting market, the continent's 19 largest markets collectively growing 6.3% to reach a total value of \$2,191m. This growth was accomplished despite slowing GDP growth in many African nations as economies continue to suffer as a result of low commodities prices and political uncertainty. An increasing tolerance for uncertainty (in Africa as elsewhere) and gains in client maturity are helping consulting to grow despite Africa's many challenges.
- Digitisation is still at a relatively early stage in Africa, but clients are increasingly interested in how digital solutions can help them to become more efficient and connect with the expanding middle class. A lack of existing infrastructure means opportunities to "leapfrog" straight to the latest and greatest new technologies (including a surprisingly strong demand for robotics), and a recent uptick in data & analytics work further suggests a maturing digital landscape.
- The growing interest in digitisation is changing how firms operate in Africa. Offering the full scope of capabilities digital requires means bringing together skills and expertise from different silos within firms and/or forming wider ecosystems that allow firms to access resources they don't have in-house. Even so, finding the skills needed to serve the market can be tough; firms are finding that providing development opportunities and interesting work can go a long way towards attracting and retaining top talent.
- Southern Africa's consulting market saw low growth last year, due to difficulties in South Africa, the region's dominant buyer. South Africa's beleaguered economy and fraught political landscape made for a hesitant client base, resulting in nearly flat growth. Consultants report being encouraged by a growing tendency for South Africa's clients to ask more sophisticated questions and invite them deeper into their organisations, but this trust may be threatened by consulting's ensnarement in the Gupta corruption scandal. Elsewhere in the region, markets are smaller but growing at a far faster pace.
- Eastern Africa, which has been growing rapidly for a number of years now, continued the trend in 2016 with consulting revenues increasing about 20%. Rwanda was the fastest growing consulting market, but from a very small base, while Ethiopia and Kenya remain the star players: They are Eastern Africa's two largest markets, and both grew roughly 25% last year. Kenya's never-ending presidential election has triggered a slight slowdown in that country in 2017, but the nation's famously business-friendly environment makes for a robust market that can still expect strong growth this year and next.
- Western Africa was the continent's second fastest growing consulting market in 2016, thanks to strong activity in the region's francophone countries. Very solid growth in Côte d'Ivoire, Cameroon, and Ghana was enough to push Western Africa consulting to double-digit growth overall, despite a disappointing performance in Nigeria, which expanded only 5%. Things are starting to look up for Nigeria's consultants, however, as many clients have decided they can put off investments no longer and are cautiously beginning to take on new projects this year.
- Northern Africa saw solid, moderate consulting market growth in 2016 thanks in large part to a mature client base that is able and willing to make use of consulting whether times are good (as in Morocco) or trying (as in Egypt). The region's smaller, less mature markets mostly struggled, however, under the weight of low oil prices and terrorism fears.
- In many ways, Africa's consulting landscape mirrors the global landscape, with the major multinational accounting, strategy, and technology firms taking the lion's share of the work, while some regional players are able to do very well on the back of their local knowledge and high levels of expertise. The mid-market, meanwhile, is increasingly squeezed, and the prevalence of freelancers contributes to intense price pressure. Technology firms grew fastest last year, but accounting firms remain the behemoths, owning about 60% of consulting revenues.
- Consultants are optimistic about Africa's prospects through 2018. Most say this will remain a challenging market, but it is set to enjoy improvements in growth rates as clients grow in confidence and maturity and become even more enthusiastic about digital solutions.

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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 Africa. 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.

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 US dollars. 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 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.

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.

Not for profit

Includes non-commercial research organisations, religious, political and professional membership organisations, trusts, labour unions, and business associations.



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 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
Tilahun Girma Argaw	Principal	Abamela Consulting
Lere Baale	Regional Director	Howes Group
Joachim Breidenthal	Partner	Bain & Company
Dr Hesham Dinana	Vice President & Managing Director	EFESO
Emmanuel de Dinechin	Partner	Altai Consulting
Mike Eldon	Chairman	DEPOT Kenya
Jean-Michel Huet	Partner	BearingPoint
Hennie Human	Advisory Markets Leader—Africa Region	EY
Andrew Jackson	Head of Advisory and Markets, East Africa	KPMG
Bisi Lamikanra	Head of Nigerian Advisory Practice	KPMG
Edwin Macharia	Partner	Dalberg
Reza Maghsoudnia	Strategic Development Director	Wavestone
Tony Manning	Independent Management Consultant	Tony Manning Strategy
John McIntosh	Head of Advisory for Europe, Middle East and Africa	KPMG
Diego de Miguel	Partner	Oliver Wyman
Pradeep Mukherji	President & Managing Partner	Avasant
Mark O'Flaherty	Consulting Leader	PwC
Malcolm Pannell	Country Chair South Africa	Korn Ferry
Thiru Pillay	Consulting leader—Deloitte South Africa	Deloitte
Mohamed Radwan	Managing Director	Platinum Partners
Tomas A Romero	Global Practice Leader	Wipro Consulting Services
Stephen Rothgiesser	Managing Director	The Change Consulting Group
Magdi Abdel Sayed	Managing Director	SDG Middle East for Consulting
Stefan Schaible	CEO—Germany & Central Europe	Roland Berger
Anne-Magriet Schoeman	CEO South Africa	Mercer
Eileen Shaiyen	Founder/CEO	H. Pierson Associates
Richard Shediak	Managing Director, Middle East	Strategy&
Roderick Wolfenden	Managing Partner, Business Advisory Services	EY

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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.

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- 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:

www.sourceglobalresearch.com

	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](#).

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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