



THE US CONSULTING MARKET IN 2018

Understand where to target your investment, how to plan your business effectively, and the competitive landscape in which you operate. Including market sizing data, growth rates, current market trends, and forecasts.

CONTENTS

US SUMMARY

Provides an at-a-glance view of the main trends in the market alongside key statistics.

Executive summary	3
US overview	4
Explore the data	8

THE US MARKET—WHAT YOU NEED TO KNOW

Explores the key trends and topics that are front of mind for consulting firms in this market right now.

Unpredictability as status quo	9
The urgency of digitization	11
Consulting to the empowered client	15
Digital working and the evolution of consulting business models	17
Changing delivery models	19
Cost and value in a digital world	22

MARKET DATA

Looks at growth, sizing, and forecast data split by sector, service, and consulting firm type, together with analyst insight about what's happening in the market.

Sectors	27
Services	50
Consulting firms	67

FORECASTS FOR 2018

A consultant and client view of what's likely to happen in the market in 2018 alongside a summary of forecast growth figures for 2018 by sector, service, and consulting firm type.

The consultant view	74
The client view	75
Forecasts for 2018	79

ABOUT THIS REPORT

Our report draws on four main sources:

- Our global consulting data model with 9.7m data points
- Our annual global client perception survey of senior end-users of consulting firms
- Our interviews with senior management consultants from a range of consulting firms
- Our interviews with senior clients of consulting firms across a range of sectors and functions

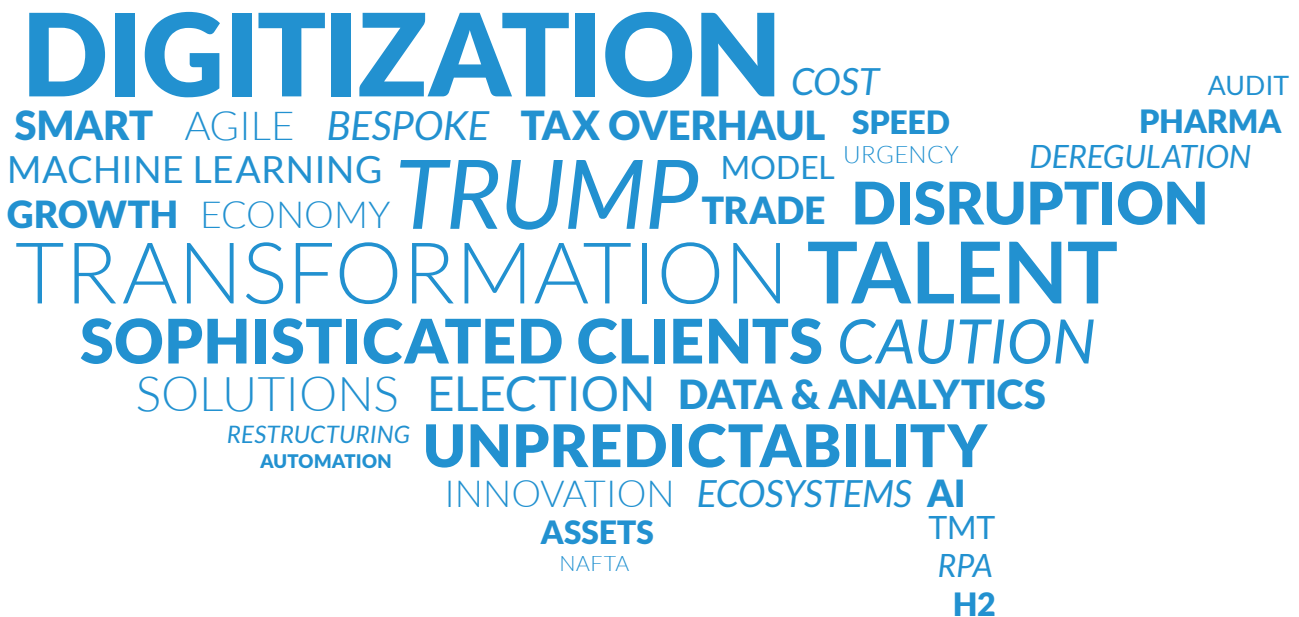
A detailed view of our methodology and more information about Source can be found below.

Methodology	82	About the authors	88
Definitions of sectors and services	85	Source report programmes	89
Contributors	87	About Source	91

CLIENT PROFILES

Senior finance director, energy industry	35	CIO, biotech industry	49
Chief development officer, healthcare sector	38	HR director, financial services sector	65
HR director, education industry	41	Communications director, energy industry	78
Senior director, services sector	45		

US OVERVIEW



The US consulting market enjoyed another year of excellent growth in 2017, with good client demand on the back of a robust economy.

“
 2017 was a fabulous year, strong across most major sectors.
 Peter McKelvey, L.E.K. Consulting

“
 The market is hot right now. The stock exchange is high, and when it's high, people have money to spend. That's benefiting consultants right now.
 John Tobin, Slalom

But while the economy remained strong through the year, the US political environment was uncharacteristically uncertain, and consultants had mixed opinions regarding the impact the unpredictability of the Trump administration had on their businesses last year. Some report that political and economic uncertainty generated by the White House made their clients skittish and dampened demand, but most tell us that any anxiety their clients may have been feeling was overwhelmed by enthusiasm for the administration's tax overhaul and commitment to deregulation. Indeed, even clients who started 2017 as reluctant buyers often felt more surefooted as the year progressed, leading to an even stronger market from mid summer onward.

“
 The change in administration, and the lack of speed in filling positions in government, created a lot of uncertainty last year. As a result, a number of our clients paused to see what was going to happen before spending money.
 Lee Spierer, Navigant

“
 It's hard not to associate an uptick in demand in the second half of 2017 with the election being over. The stock market started to take off and confidence flowed back into the economy, both of which were positive for the consulting market.
 Dan Reardon, North Highland

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:

The UK Consulting Market In 2018

Consulting Market Programme 2018

This report contains the most accurate view available about the UK consulting market. You get market sizing data, growth forecasts, and deep analysis, all backed up by extensive quantitative and qualitative research among consulting firms and clients.

You can access the underlying data about the UK market through our [Global Data Model portal](#), getting you to the detail you need and allowing you to create custom views of the market to suit your needs. It's the platform on which a growing number of consulting firms are basing their understanding of the market and their performance within it.

Consulting market size
2017
£7,805m

Consulting market growth
2017
6.1%

Explore the data

Geographies

Services

Industries and Sectors

Firm Types

US\$ £ €

[Load Market](#)

[Reset Form](#)

[View the report](#)

The UK Consulting Market In 2018

Overall growth 2016-2017
6.1%

Overall size 2017
£7,805m

Overall forecast 2017-2018

Industry by Firm type (€m)	Financial management	HR & change	Operations	Risk & regulation	Strategy	Technology	Total
Energy and resources							
Financial services							
Healthcare							
Manufacturing							
Pharma							
Public sector							
Retail							
Services							
TMT							
Total							

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](#)

8 © Source Information Services Ltd 2018

REPORT EXTRACT: non-exclusively licensed for internal use only

ABOUT THIS REPORT

Methodology

Sources

Our report is based on quantitative and qualitative research of consulting firms in the US. This includes:

Megamodel: our global consulting data model

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, we’ve 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 comprehensive primary research carried out by Source analysts.

Please note that our 2016 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 who bought last year’s report with a restated set of 2016 baseline figures should this be of interest.

We should emphasize 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 its reports this year:

- US dollar to British pound \$1 = £0.78
- US dollar to euro \$1 = €0.89

Client view

We interview senior end users of consulting in the US to help us to build up a rich picture of how trends in the consulting market are playing out within clients’ organizations. Our conversations focus on the following areas:

- What’s driving change in their organization
- 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 735 senior clients of consulting firms across the US. The majority (97%) work for private sector organizations, many of which are multinationals. The remaining 3% work in various public sector organizations. All work in organizations 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 2018 and into 2019, 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 13

Survey respondents by sector

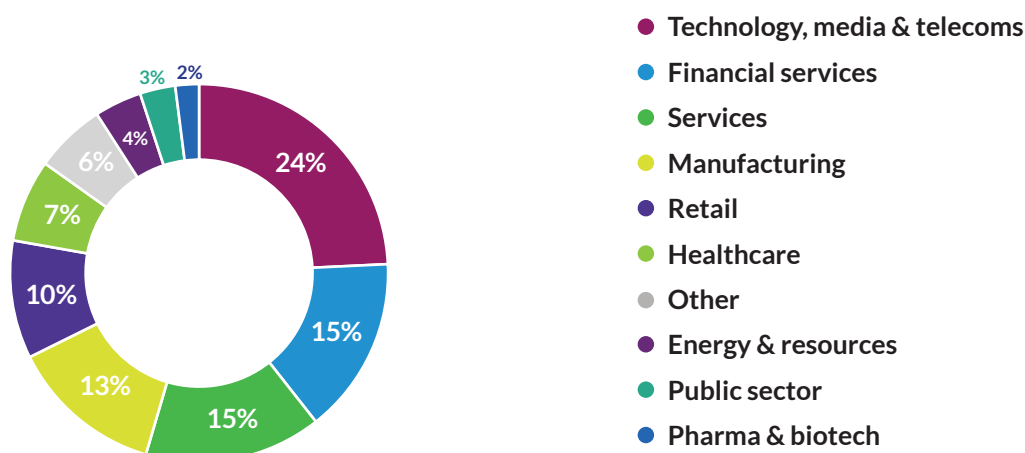


Figure 14

Survey respondents by organization size

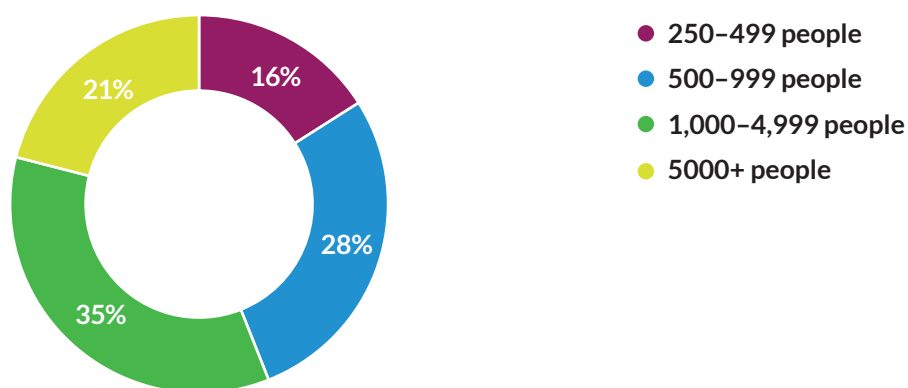
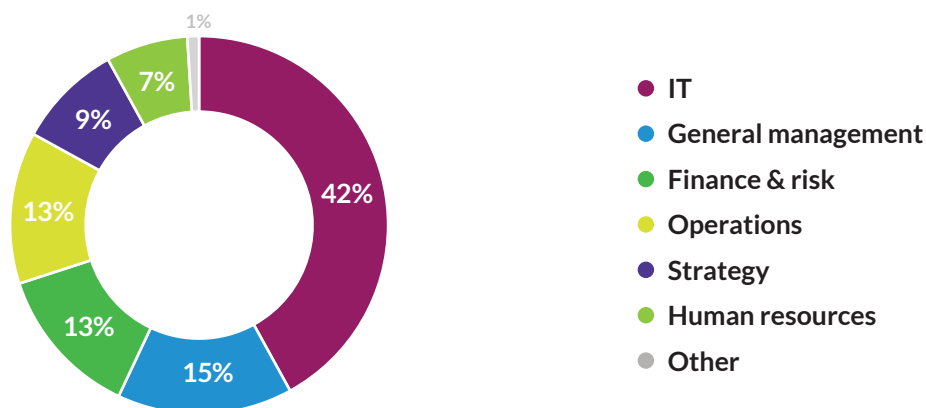


Figure 15

Survey respondents by function



Interviews with senior consultants

In addition to our quantitative research, we interviewed 40 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.

In-depth desk research

We also conducted a thorough PEST analysis in the US that drills down into finer macroeconomic details on a holistic and sector-by-sector basis and allows us to fit our research into a wider macroeconomic picture.

Definitions of sectors and services

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

- 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 sectors, please see “Definitions of sectors and services”.

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
Ismail Amla	Managing Partner, North America	IBM
Ted Bissell	Global Director of Digital Consulting	Axis Corporate
Tom Bolger	Managing Director of Strategic Growth	West Monroe
Alex Bombeck	Managing Director and President	North Highland
Chris Brahm	Global Practice Leader, Advanced Analytics	Bain & Company
Randy Browning	Global Advisory Markets Leader	PwC
Carl Carande	Vice Chair, Advisory	KPMG
Kris Denton	Managing Partner	Wipro Consulting Services
Chris Ekonomidis	Senior Director, Business Consulting	Synechron
Tracey Figurelli	Executive Vice President	RGP
Casey Foss	Director of Marketing	West Monroe
Dominic Gammarati	Managing Director, USA	Axis Corporate
Steve Goodrich	President and Chief Executive Officer	The Center for Organizational Excellence
Cory Gunderson	Executive Vice President	Protiviti
Traci Gusher	Principal, Data & Analytics and Artificial Intelligence	KPMG
Anthony Gutierrez	Senior Vice President	RGP
Christian Kroll	North America COO	Capgemini Consulting
Thomas Mataconis	SVP, FSI Business Consulting	NTT DATA Consulting, Inc.
Kevin McCarty	CEO	West Monroe
Mike McClaine	President	Aspirant
Peter McKelvey	President, Americas Region	L.E.K. Consulting
Rob Mann	Vice President	North Highland
Les Moeller	Chairman of North and South America	FTI Consulting
Jim Pajakowski	Executive Vice President	Protiviti
Allan Platt	Partner	Clareo Partners
Hank Prybylski	Americas Go To Market	EY
Tom Puthiyamadam	U.S. Consulting Competencies Leader & PwC Digital Services Leader	PwC
Dan Reardon	CEO	North Highland
Tom Reichert	Chair of the Practice Areas, Global Leader Digital and Analytics	The Boston Consulting Group
Hernan Saenz	Partner	Bain & Company
Pete Sanborn	Co-President Performance, Reward & Talent	Aon Hewitt
Scott Schlesinger	Chief Analytics Officer	Cognizant
Chell Smith	Senior Vice President, Global Head of Consulting	Cognizant
Jim Smith	CEO	Enterprise Management Group
Lee Spirer	EVP, Global Business Leader	Navigant
John Tobin	President and Co-Founder, North America	Slalom
Geoff Vickrey	Americas Advisory Performance Improvement Leader	EY
Neil Webers	Head of Operations, Americas	EFESO
Marc Winterhoff	Senior Partner	Roland Berger
Hsiu Mei Wong	Partner	PA Consulting

ABOUT THE AUTHORS

Alastair Cox

Alastair is a Senior Analyst at Source, specializing in the Consulting Market Trends area of the business. His responsibilities include interviewing senior consultants and clients, analyzing data, writing reports, and presenting research to clients. Alastair has also championed the development of Source's philanthropic activities; encouraging the team to raise awareness and funds for Alzheimer's Research UK. Prior to joining Source, Alastair was a management consultant with PwC, working on a multitude of projects across a number of different industries and service lines.



Alastair Cox

✉ alastair.cox@sourceglobalresearch.com

B.J. Richards

B.J. is the senior editor at Source and is responsible for ensuring consistency in quality, content, and tone across the core programme. She also writes a number of our core reports and participates in Source's market research. An accomplished writer and editor, B.J. has provided strategic communications for senior executives ranging from a US senator to presidents of Harvard University. She earned her juris doctorate from the University of Georgia and is a member of the Georgia bar.



B.J. Richards

✉ bj.richards@sourceglobalresearch.com

Clarrie Wakeling

Clarrie is a Senior Analyst at Source and has extensive experience writing, interviewing, and in data analysis. She works on Source's core consulting reports, and also on bespoke projects for clients around market sizing and growth opportunities. She has also worked on key trend reports, and white papers on hot topics in the consulting industry. Clarrie worked as a consultant at Accenture, as well as at a couple of boutique firms, before joining Source.



Clarrie Wakeling

✉ clarrie.wakeling@sourceglobalresearch.com

Zoë Stumpf

Zoë is Head of Consulting Market Trends at Source and is responsible for all reports published as part of the Consulting Market Programme. A world-leading expert on consulting trends, she is the driver behind Source's bespoke analysis of consulting's biggest geographical and industry markets. She is an active member of the Source research team and spends much of her time interviewing consultants and their clients all over the world, collecting their first-hand accounts of what is happening in the consulting world. She also brings extensive experience as an analyst and writer to her post.

Prior to joining Source, Zoë spent more than 12 years working as a management consultant in a variety of roles with KPMG and Atos Consulting. She has also worked as an independent marketing consultant.



Zoë Stumpf

✉ zoe.stumpf@sourceglobalresearch.com

OUR CUSTOM RESEARCH SERVICES



Over the course of the last 10 years we've worked with leaders in many of the world's biggest professional services firms, to help them find solutions to some of their most important challenges. Here are some typical examples of the kind of work we do.

You need to know how big your market is

We have a global data model of the professional services industry that is the biggest and most sophisticated of its kind ever created. It provides data on market size, growth rates, and forecasts across 29 industrial sectors, six service lines, and 84 countries. It also breaks down the market by different types of firm.

We can provide you with a version of the model that's customized to fit your needs, giving you data on all the countries, sectors, and service lines that matter to you, and none that don't. But we won't stop there, unless you want us to: Our analysts will work alongside you to make the model yours, mapping our definitions to yours, so you can look at the market on your terms rather than ours.

You need to understand what the numbers mean for you

For many of the firms we work with, pure data isn't enough, and nor are standard reports able to offer a view that's sufficiently tailored to their needs. In these situations, our analysts start with a blank sheet of paper, put your firm in the middle of it, and draw on all our data and knowledge—including about clients' perceptions—to build a picture of the world around you. You get a story that's laser-focused on your challenges and your opportunities, and which helps you to translate data and insight into action.

You're new in your role and need to understand the market for which you're now responsible

For people who have just moved into a new role, we can create packs of information specific to a particular geography, sector, or service line. Our market sizing data can be used to quantify the market's potential, and our analysis of clients' perceptions and the competitive landscape will help you understand how best to seize the opportunities and respond to the threats.

You need to create clear propositions around your services

Our research tells us that having a big brand is no longer enough: Increasingly, clients expect professional firms to have a clearly articulated proposition for each service that differentiates them from their competitors. But the best propositions aren't built in a day: Our analysis, because it's grounded in facts about clients' perceptions and behaviour, helps firms quickly cut through internal disagreement and build a clear sense of direction.

You need help with your inorganic growth plans

We also work with firms that are supplementing their organic growth with acquisitions, helping buyers find and qualify suitable targets for acquisitions. Leveraging our deep knowledge of the professional services sector, we can scan the market, profile companies, and even effect introductions. Firms use our services because we're well connected in the industry, independent, and fast.

You need to understand how you measure up against your competitors in the minds of clients

Understanding what your clients think about your firm is critical in today's fast-changing and highly competitive market. New circumstances demand new, expert-led strategies to brand benchmarking, and that requires both independence—to get to the real story, not the one your clients think you want to hear—and deep knowledge and data about your market and your competitors.

We usually have a head start here, because of the data we already have, but we've got all the expertise and experience that's needed to conduct new research among your clients and those of your competitors, in order to understand where your strengths and weaknesses lie, and what you need to do to stand out. The focus might be on your firm alone, but it might also be on how you can create competitive advantage over specific, named competitors.

You need to create better, more effective, thought leadership

Thought leadership has come to dominate the marketing activities of professional service firms, and with good cause: Our research with clients finds consistent evidence that good thought leadership matters to them, too. It helps them to do their job, to identify where world-class capability exists in these firms, and even to shortlist firms for projects.

How well does your thought leadership measure up? We can conduct in-depth reviews to assess quality in a sample of material that's either random or defined by you, from single pieces to entire bodies of work, on an ad hoc or routine basis. We can also help you shape your approach to topics and understand what your competitors are doing, and can provide guidance about how to approach a specific piece of high-profile thought leadership.

We also recognize that good thought leadership doesn't happen by accident, but because you've put in place the right processes and engaged the interests and enthusiasm of your key subject matter experts. We help professional services firms create the foundations, organizational structure and processes for high-quality content. We can also run workshops that inspire your people and help make them more effective at creating thought leadership.

About Source

Source Global Research is a leading provider of information about the market for professional services. Set up in 2007, Source serves the professional services industry 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

Source Information Services Ltd

📍 20 Little Britain • London • EC1A 7DH

☎ +44 (0)20 3478 1207

✉ info@sourceglobalresearch.com

🌐 www.sourceglobalresearch.com

© Source Information Services Ltd 2018

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.

