

EXTRACT

PLENTY OF BUCK, BUT NO BANG?



MOST ACQUISITIONS REINFORCE THE STATUS QUO, RATHER THAN CHALLENGE IT

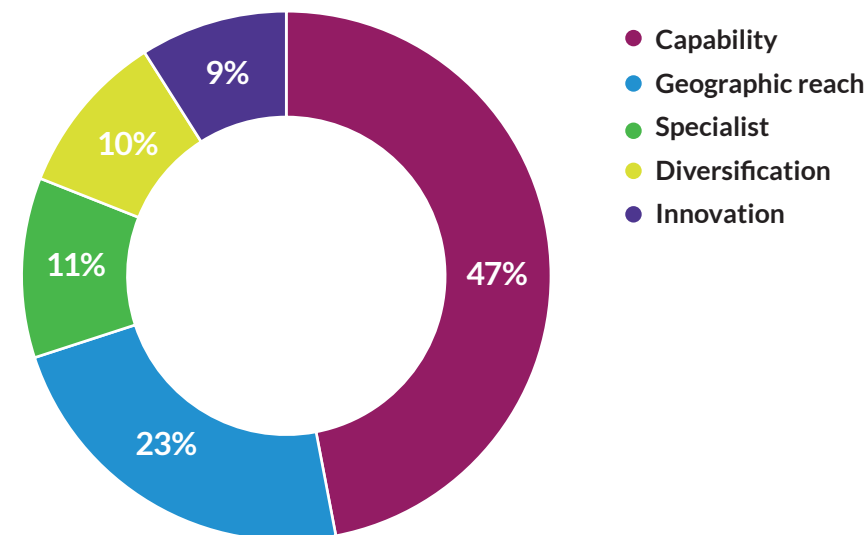
Inorganic growth is the key means by which consulting firms can accelerate their growth. For all the problems associated with transactions in the professional services space, recruitment can only ever offer incremental change—at a time when the market is changing rapidly.

Which is why we think it's interesting to note that most of the acquisitions consulting firms have made since the start of 2018 appear to be aimed at building up firms' existing strengths, instead of helping them speed up their diversification into new services.

We examined around 100 acquisitions involving consulting firms since the start of this year, and estimate that almost half of these were driven by the desire to consolidate existing capabilities, with a further 23% to increase geographic reach. Another 11% of deals were for very specialised firms, deepening the firms' expertise rather than broadening it.

Fewer than one in five acquisitions appear to have been primarily motivated by a desire to diversify the acquiring firm's business and by a wish to build the latter's reputation for innovation.

Acquisitions in 2018, by objective



Source Global Research data and analysis

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](#).

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