

November 2019

---

# The South East Asia Consulting Market in 2019

Market Trends Programme

# Contents

## 1 South East Asia summary

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

<b>Executive summary</b>	<b>3</b>
<b>South East Asia overview</b>	<b>5</b>
<b>Explore the data</b>	<b>16</b>

## 2 The South East Asia 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.

<b>Pros and cons of uncertainty</b>	<b>17</b>
<b>Evolving business models in a developing market</b>	<b>22</b>
<b>Digitising at their own pace</b>	<b>26</b>

## 3 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.

<b>Sectors</b>	<b>36</b>
<b>Services</b>	<b>65</b>
<b>Consulting firms</b>	<b>89</b>

## 4 Forecast

A consultant and client view of what's likely to happen in the market in 2019 alongside a summary of forecast growth figures for 2019 by sector, service, and consulting firm type.

<b>The consultant view</b>	<b>96</b>
<b>The client view</b>	<b>97</b>
<b>Projections for 2019</b>	<b>101</b>
<b>Forecasts for 2020</b>	<b>105</b>

## 5 About this report

Our report draws on five main sources:

- Our global data model with 9.7 million 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
- Our in-depth desk research on the market

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

<b>Methodology</b>	<b>109</b>
<b>Definitions of sectors and services</b>	<b>113</b>
<b>Contributors</b>	<b>115</b>
<b>About the authors</b>	<b>116</b>
<b>Programme schedule for 2019</b>	<b>117</b>
<b>Our custom work</b>	<b>118</b>
<b>About us</b>	<b>119</b>

## Client profiles

<b>Chief financial officer, TMT sector</b>	<b>70</b>
<b>Head of technology &amp; banking governance, banking industry</b>	<b>74</b>
<b>Vice president, banking industry</b>	<b>81</b>

## South East Asia overview

PRODUCTIVITY TECHNOLOGY  
EXPANSION DATA  
ELECTIONS DISRUPTION  
OPPORTUNITY CYBERSECURITY AI CAUTION ROBUST  
GROWTH STRONG DIGITAL

Consultants serving clients in South East Asia report strong growth across the region, though their experiences of 2018 and the first half of 2019 vary depending on geography. Several markets saw diminished growth in the wake of elections (with some recovering faster than others), and there are anxieties about how slowing global growth and trade might affect these emerging economies.

*“It’s hard to talk about the overall market in Asia or even South East Asia, as there are so many differences between countries.*

Vincent Kasbi, Sia Partners

*“The ASEAN market is growing rapidly as the local economies continue to speed ahead.*

Nicholas Bahr, Dupont Sustainable Solutions, global

*“There’s overall good performance in the region; however, headwinds in a few of our markets were evident.*

Sundara Raj, PwC

*“Wherever there’s a change in government, there’s a change in priorities, and clients usually take a brief break while they see what happens. So, that’s been the experience in Malaysia and Indonesia in recent months, but they’re starting to come back.*

Sang Hoe Chow, EY

Generally speaking, however, we’re hearing about a market that has generated—and continues to generate—very strong growth for consultants, even as a changing trade landscape and political uncertainty threaten to make life a little more complicated for those serving clients in this diverse region.

## The South East Asia Consulting Market in 2019

*“We’ve seen a more cautious sentiment take hold of the market in recent months, and caution tends to decelerate growth. Clients are increasingly looking inward, which means a greater focus on costs and a reduction on discretionary spending.”*

Rahul Chawla, Aon

*“The end of 2018 and the first half of 2019 has been a challenging period for us. My sense is that we aren’t the only firm finding the current market conditions challenging.”*

Senior management consultant, South East Asia

*“There are still a lot of countries in South East Asia which are both at a fairly early stage of development and with enormous potential. They’re now growing steadily, but you still have to be careful where you invest.”*

Julien Bourdinere, Capgemini Invent, China



## Explore the data

All of the market size data in this report is available to explore online through our global 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 data model is the biggest and most sophisticated model of the professional services industry available. It provides data on market size, growth rates, and forecasts across 29 industries, six service lines, 84 countries, and five firm types. It's the platform on which a growing number of professional services firms are basing their understanding of the market and their performance within it.

# The South East Asia market— what you need to know

## Pros and cons of uncertainty

Emerging markets tend to be attractive to consulting firms because of their potential for fast growth, despite inherent risks: When markets grow quickly, it's typically because of rapid change that brings with it a high degree of uncertainty. Operating in an emerging market means being quick on your feet—and recognising that a single event, such as an election or a shift in international trade, could change client priorities, for better or worse. As such, emerging markets often present a high-risk, high-reward opportunity.

South East Asia is certainly delivering on the high-reward side of the equation, with 2018 offering a continuation of 2017's double-digit growth as ambitious clients looked to grow their businesses, governments promoted development, and organisations of all stripes digitised. At the same time, however, domestic and foreign forces are generating instability and make certain that firms never forget the risks that accompany the rewards.

## Elections with consequences

Elections are a common force of uncertainty in consulting markets around the globe, whether they are emerging or mature. Indeed, we've come to expect a temporary slowing of consulting growth before and immediately after national elections as domestic clients and foreign investors delay investments while they wait to see whether and how their priorities change in the face of new leadership. So, to a certain extent, there's nothing unusual about consultants telling us that the many elections happening across South East Asia—in Malaysia in 2018; in Indonesia, Thailand, and the Philippines in 2019; and upcoming in Myanmar late next year—have had a disruptive effect on their market.

“There have been too many elections within a compressed time frame. That's had an impact on the public sector but also on demand among private sector clients who have a strong connection to the government.”  
Senior management consultant, South East Asia

“It's typical that public sector demand comes to a standstill four or five months before an election. Private sector clients that have a strong dependency on the government may also see demand slow down.”  
Thomas Klotz, Roland Berger

# About this report

## Methodology

### Sources

Our report is based on quantitative and qualitative research of consulting firms in South East Asia. This includes the following:

#### Megamodel: our global 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 2017 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 2017 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.

Please note that we have refined and implemented improvements to our research methods for digital data, taking a bottom-up approach to firm-level data this year.

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	US\$1 = £0.75
US dollar to euro	US\$1 = €0.85

## Client view

We interview senior end-users of consulting in South East Asia 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

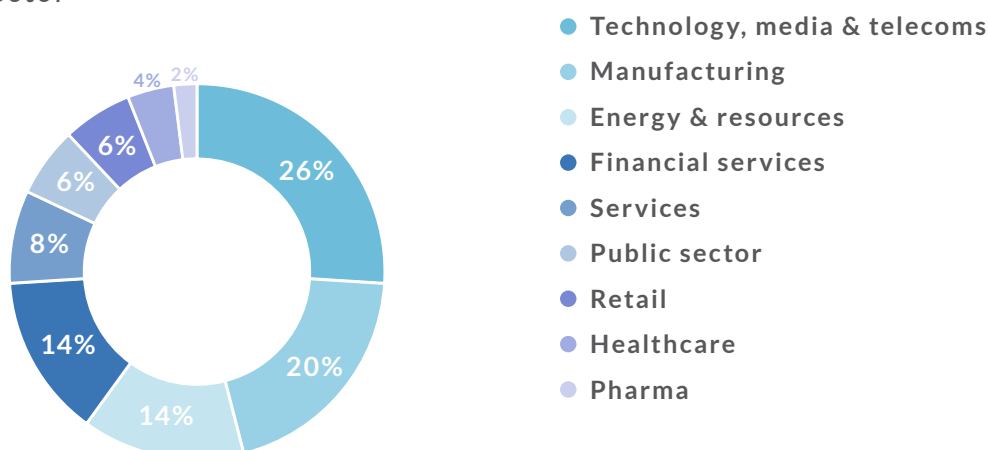
We also carry out client surveys. We surveyed 50 senior clients of consulting firms across South East Asia. The majority (94%) work for private sector organisations, many of which are multinationals. The remaining 6% work in various public sector organisations. All work in organisations with over 250 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 2019 and into 2020, what initiatives they'll be working on, and how likely it is that those initiatives will drive consulting work. Their responses are just one of the factors that we take into account when forecasting future growth rates.

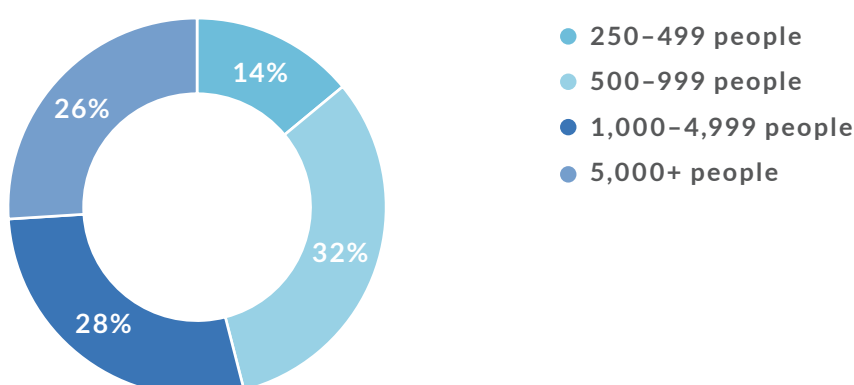


**Figure 19**

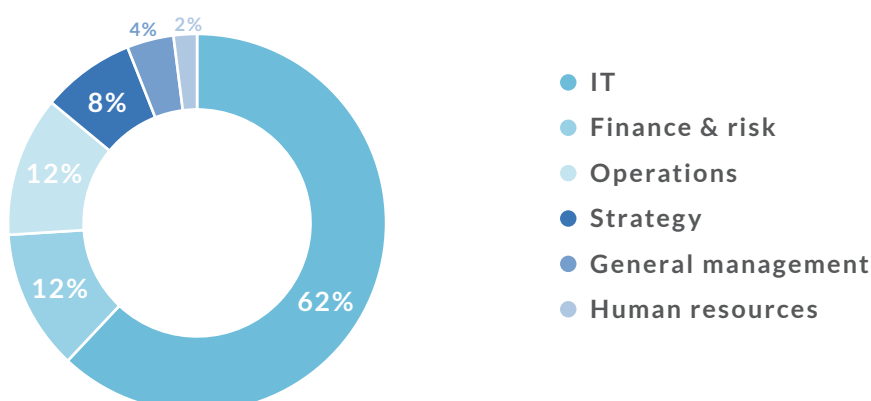
*Respondents by sector*


**Figure 20**

*Respondents by organisation size*


**Figure 21**

*Respondents by function*



## Interviews with senior consultants

In addition to our quantitative research, we interviewed 18 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.

## In-depth desk research

We also conducted a thorough PEST analysis in South East Asia 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 & 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
Nicholas Bahr	Operational Risk, Safety, and Resilience Global Director	Dupont Sustainable Solutions
Colum Bancroft	Managing Director	AlixPartners
Julien Bourdinier	APAC CEO	Capgemini Invent
Rahul Chawla	Practice Leader	Aon
Sang Hoe Chow	Partner	EY
Tom Evrard	Senior Managing Director	FTI Consulting
Bill Johnston	President Director & Chief Executive Officer	Mercer
Vincent Kasbi	Head of Asia	Sia Partners
Thomas Klotz	Managing Partner, South-East Asia	Roland Berger
Chulayuth Lochotinan	Partner	PwC
Ross Macallister	Managing Partner, Consulting, KPMG Vietnam	KPMG
Fabio La Mola	Partner and Managing Director, Singapore	L.E.K. Consulting
Satya Radjasa	Chairman & Managing Director	Korn Ferry
Sundara Raj	CEO, PwC South East Asia Consulting	PwC
Satya Ramamurthy	ASEAN Regional Hub Leader	KPMG
Mihir Shah	Head of APAC	Synechron
Jonathan Sharp	Managing Director (ASEAN)	Publicis Sapient
Sebastian Troen	Chief Growth Officer	Publicis Sapient

## About the authors

### *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](mailto:bj.richards@sourceglobalresearch.com)

### *Ashok Patel*

Ashok is a writer and editor at Source, contributing to our Market Trends Programme and Client Perception Programme reports. Prior to joining Source, he was an editor and a consultant in the commodities market, and he also brings experience from the UK automotive sector.

#### **Ashok Patel**

✉ [ashok.patel@sourceglobalresearch.com](mailto:ashok.patel@sourceglobalresearch.com)





## Programme schedule for 2019

Reports 2019	Market Data and Analysis	Client and Brand Insights	Emerging Trends
January	Forecasts for 2019		
February	UK	UK Nordics GCC	
March	GCC Benelux Nordics	France Germany US	The Future of Pricing
April	France DACH Southern Europe	Energy & Resources Financial Services Healthcare Technology, Media & Telecoms	
May	US Eastern Europe & Russia		The Value Problem
June	Canada		
July	South America Australia	Perceptions of Audit Firms Perceptions of Risk Firms Perceptions of Tax Firms	
August	Africa Risk		The Make-Buy Decision
September	India Energy & Resources Planning for Growth in 2020	Talent Attractiveness in 2019	
October	Financial Services China South East Asia		
November	Japan Healthcare Technology, Media & Telecoms		The Future of Delivery
December	Tax		

### White Space

A powerful research tool that allows subscribers to keep up to date with the latest content being produced and maximise their return on investment. A series of reports that analyse the quality and effectiveness of thought leadership are published throughout the year.



## Our custom work

---

We provide advice and custom research services to the world's most successful professional services firms, helping them to identify, and develop strategic responses to, their most pressing opportunities and challenges.

Among other things, our work includes:

- Deep market and competitor analysis
- Acquisition strategy
- Proposition strategy and development
- Brand and client sentiment analysis
- Thought leadership strategy, development, and review

For more information about any of these, please visit our website or get in touch.

## 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 Information Services Ltd  
20 Little Britain | London | EC1A 7DH  
UK +44 (0)20 3478 1207  
US +1 800 767 8058  
[info@sourceglobalresearch.com](mailto:info@sourceglobalresearch.com)  
[www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

© Source Information Services Ltd 2019

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.