

September 2019

The India Consulting Market in 2019

Market Trends Programme



Contents

1 India summary

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

Executive summary	3
India overview	5
Explore the data	9

2 The India 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.

Challenges at home	10
Challenges—and opportunities—from abroad	13
Digitisation on the rise	15
The evolution of India's consultants	18

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.

Sectors	27
Services	45
Consulting firms	54

4 Forecast

A consultant 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.

The consultant view	57
Projections for 2019	58
Forecasts for 2020	61

5 About this report

Our report draws on three main sources:

- Our global data model with 9.7 million data points
- Our interviews with senior management consultants from a range of consulting firms
- Our in-depth desk research on the market

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

Methodology	64
Definitions of sectors and services	66
Contributors	68
About the authors	69
Programme schedule for 2019	70
Our custom work	71
About us	72

India overview

TAX **ECONOMY** ROBUST
 STRONG **DATA**
 TALENT TRANSFORMATION **TRADE**
DIGITAL GROWTH
 OPTIMISM **REGULATIONS** BUOYANT


2018 was another good year for India's consultants, with the market continuing to expand by more than 17% to reach a total value of US\$2,892m. While not quite reaching the heights of the 18.2% growth of 2017, consultants were still largely positive about the market's performance, with 2018's performance well up on the sub-14% increases of the mid-2010s.

Last year, the market was buoyant.
 Deepankar Sanwalka, PwC

Consulting as an industry grew pretty well in 2018—around 15-20%. We expect this momentum to continue.
 Amit Wagh, Cognizant

The consulting market was quite good overall in 2018.
 Deepak Sharma, Kanvic

While the economy didn't expand at quite the same pace as it did for most of 2003-10, there was still solid growth, and combined with an increasingly favourable business environment, this created an atmosphere in which clients were more than willing to spend, and at times, spend big. Many of the government's economic modernisation policies continued to drive growth in the consulting market, with firms benefiting from the prolonged fallout caused by 2016's demonetisation and the introduction of the Goods and Services Tax (GST) in 2017. And consulting work went well beyond dealing with the repercussions of these policies, with digital transformation a particularly hot topic across the market as clients seek to modernise their operations and create a solid, digital foundation for future growth.

 *We benefited from being closely aligned with the economy's main growth areas: digital, manufacturing, infrastructure, and housing.*

Deepak Sharma, Kanvic

There are, however, some significant challenges still facing India's consultants. Concerns over the robustness of India's economy remain, with GDP growth still lagging. Firms also saw some short-term headwinds from the federal election in May 2019, with public sector clients putting projects on hold in the months leading up to the election and limited opportunities in the private sector as clients waited to see the outcome before embarking on new initiatives.

Despite this, there are still plenty of reasons for India's consultants to be positive, with a post-election uptick in demand as Prime Minister Modi returns to office with an even bigger majority and the government continues its ambitious economic reforms programme. Additionally, the changing international trade landscape, while offering its own challenges, has also been a somewhat unexpected boon for India's businesses, and by extension, its consultants. While some companies have been hit in the short term by tariffs and the changing flow of products, overall, consultants are starting to see more opportunities from domestic and overseas clients exploring opportunities for growth in India, setting things up nicely for further growth in 2020.

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.

Challenges—and opportunities—from abroad

The changing international trade landscape was a key feature of many of our recent discussions with India's consultants. The rise of greater protectionism in the international trade arena, particularly in the US, is creating a number of challenges for Indian businesses—particularly in manufacturing and energy & resources. The US government's decision to place tariffs on some imports has been a double whammy for some Indian clients, limiting their ability to sell into the US market while also encouraging Chinese producers to seek new markets for their goods, with India being a popular export target. With limited ability to sell into the US market and the inflow of cheap Chinese products flooding the market, the finances—and consulting budgets—of India's manufacturers are being squeezed. And while firms and clients remain hopeful that India's government will step in to limit the inflow of goods with its own tariffs, there is a recognition that it will likely take time for any changes to take effect, with the market remaining under pressure for some time yet.

“We're seeing a greater flow of Chinese goods into India, especially in metals. This is definitely impacting local manufacturing. We hope it will be temporary, because it will have a fairly disruptive impact on the Indian manufacturing industry, but if not, the government will need to take some action.”


Shanker Gopalkrishnan, Madras Consultancy Group

It isn't all doom and gloom though. The barriers placed on the flow of goods between the US and China are causing significant consternation among international companies—especially those based in the US—who are worried that that an escalation of current tensions could further jeopardise their current global value chains. As a result, more and more US companies are examining their supply chain setups and exploring the potential to shift some of their manufacturing capabilities and their supply base to other countries. As companies cast their gaze around for a country with a business environment accessible to Western companies and a strong manufacturing base, many of them are turning their attention to India.

“At a high level, protectionism affects the entire global value chain. The gains that are lost in protectionist nations are transferred to other nations. The question is how well the latter are prepared to take advantage of this. We need to make sure we're well placed to make the most of the opportunity.”


Kameswara Rao, PwC

As a result, India's consultants are seeing a rise in work helping US companies to form and grow partnerships with local businesses and build and expand their operations. Whether in manufacturing, energy & resources, business services, or elsewhere in the economy, firms are seeing opportunities across the market. And while some of this work is going the way of the biggest players, local firms are also getting in on the action. "We're seeing more companies expanding their operations in India," says Madras Consultancy Group's Shanker Gopalkrishnan. "If you look at manufacturers such as Foxconn, they're reporting high production levels in India and are starting to look at how they can increase their operations further."

 *The trade war has the potential to be very positive for India's agriculture industry.*

Aashish Chandorkar, Capgemini Invent

And the even better news for firms operating in India is this shift from China to India is only likely to continue to gain momentum, even if there is a thaw in US-China relations, with companies eager not to be caught in the middle of any trade disputes in the future. "Companies looking to invest here want to know about opportunities for local partnerships, aligning their value proposition with Indian customers' needs, and adapting their business model," Deepak Sharma from Kanvic tells us. "They're looking for previous experience in these specific areas, coupled with international presence and strength. Existing relationships count too of course." So, it appears that, with India being the destination of choice for many US companies' overseas operations, and signs that India's economy is recovering from its recent shocks, India's consultants can expect a growing stream of work helping them build their local relationships through 2020 and beyond.

 *The trade war between China and the US has been a good opportunity for India. There are still some barriers because of tariffs on some goods into India and Indian goods into the US, but if the government can rationalise those tariffs, there are some big opportunities for India.*

Aashish Chandorkar, Capgemini Invent

About this report

Methodology

Sources

Our report is based on quantitative and qualitative research of consulting firms in India. 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

Interviews with senior consultants

In addition to our quantitative research, we interviewed 13 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 India 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
Sanjeev Agarwal	CEO & Managing Director	Protiviti India
Aashish Chandorkar	Managing Director of Capgemini Invent India	Capgemini Invent
Shanker Gopalkrishnan	President	Madras Consultancy Group
Arvind Gupta	Head of Management Consulting, India	KPMG
Kameswara Rao	Partner	PwC
Rohan Sachdev	India Advisory Services Leader and Global Emerging Markets Insurance Leader, EY	EY
Deepankar Sanwalka	Partner/India Advisory Leader	PwC
Saumitra Sehgal	Partner	Roland Berger
Jitin Sethi	Partner, Global Education Practice	L.E.K. Consulting
Deepak Sharma	Partner & co-founder	Kanvic
Shashwat Sharma	Partner	Oliver Wyman
Akhilesh Tuteja	Head of Risk Consulting, India	KPMG
Amit Wagh	Global Vice President, Consulting	Cognizant

About the authors

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

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





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
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.