

EXTRACT



March 2019

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# The GCC Consulting Market in 2019

Market Trends Programme

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## GCC summary

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

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## The GCC 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.

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## About this report

Our report draws on four 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

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

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<b>HR director, public sector</b>	<b>87</b>

## GCC overview

# TRANSFORMATION GROWTH OIL INSTABILITY DYNAMIC IMPLEMENTATION DIGITISATION PAYMENT SCALE CONCERNS DIVERSIFICATION

The GCC consulting market could never be accused of being boring—indeed, the region offers something of a rollercoaster ride for consultants. A boom and bust cycle of oil revenue-driven economic growth has created peaks and troughs in the consulting market too, resulting in a need for different types of consulting support. The all-out growth agenda of a few years ago has now been replaced by an appetite for cost cutting, and consulting firms scrambling to rebadge their core expertise as a result.

Of course, it's not just the vagaries of economic growth that influence the level of demand in this or indeed any market—consultants have their uses in both good times and bad. But generally speaking, economic growth is not a bad predictor of consulting volume, which makes it all the more interesting that 2018, after a slow start, proved to be a strong year for the GCC consulting market, despite pretty modest economic growth across the region.

“ 2018 was a year of heavy growth, whether in terms of clients, areas, or countries.

René Seyger, Roland Berger

“ The market in the GCC has been improving as oil prices are getting back to a more stable position. However, at the start of the year the market was struggling.

Nicholas Bahr, DuPont Sustainable Solutions

“ The GCC is a dynamic market with a huge amount of activity. For Deloitte, there is an unprecedented amount of activity and RFPs, and the scale of consulting opportunities is larger than in the past.

Tim Parr, Deloitte

The Saudi Arabia market—accounting for almost half of all consulting spend across the GCC—saw particularly good levels of growth in 2019, and there is one main factor to thank for this: the National Transformation Program (NTP), established to diversify the country’s economy away from a reliance on oil. The resulting wealth and complexity of ambitious change initiatives has been a boon to consultants in the region, with pretty much every firm benefiting from—and indeed growing to rely upon—the pipeline of work this is generating. Even serious international concerns about Saudi leadership activity show no signs—at least so far—of harming this rich seam of work. Indeed, diversification has been a positive theme across most of the region’s consulting market, and an increased interest in digital initiatives has also stimulated a greater appetite for consulting support.

“*The consulting market continues to be very strong across the board in the GCC. We have seen revenues growing handsomely in the double digits and an increased number of accounts, especially driven by demand from the public sector, energy sector, and in financial services.*

Waddah Salah, PwC

“*Growth has mainly been driven by three things in the region: Saudi's Vision 2030, diversification programmes, and digital transformation—including developing digital capabilities.*

Dr. Anil Khurana, PwC

Outside Saudi Arabia, growth has been patchy. Qatar’s increasing isolation makes it a difficult market to serve, resulting in lacklustre growth, and the Bahrain and Oman markets are sluggish at best. On the other hand, clients in the UAE continue to generate good levels of demand for consulting services, and firms operating in Kuwait have seen an uptick in work. Overall, this was a market that grew by an impressive 9.1% in 2018, with demand looking pretty good into 2019.

# 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.

# About this report

## Methodology

### Sources

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

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<b>US dollar to British pound</b>	<b>US\$1 = £0.75</b>
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<b>US dollar to euro</b>	<b>US\$1 = €0.85</b>
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## Client view

We interview senior end-users of consulting in the GCC 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:

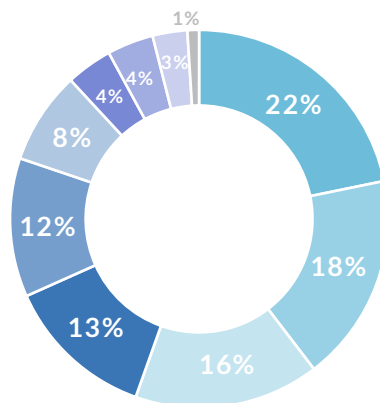
- What's driving change in their organisation
- How they are using consultants
- Factors that affect the way clients work with consulting firms
- What they value the most—and least—about working with consultants

We also carry out client surveys. We surveyed 277 senior clients of consulting firms across the GCC. The majority (97%) work for private sector organisations, many of which are multinationals. The remaining 3% 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 15**

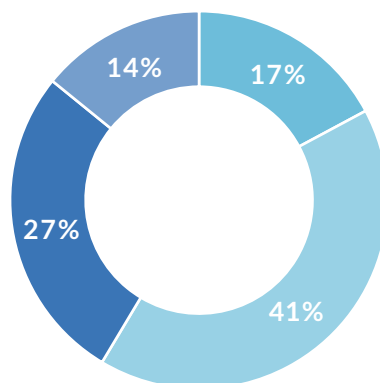
*Respondents by sector*



- Technology, media & telecoms
- Financial services
- Energy & resources
- Services
- Manufacturing
- Retail
- Healthcare
- Pharma & biotech
- Public sector
- Other

**Figure 16**

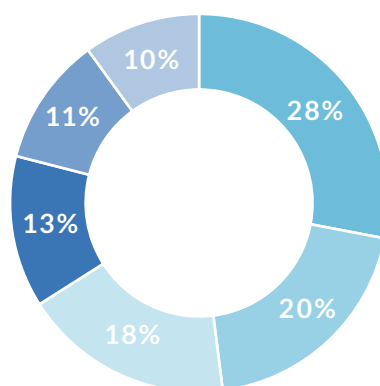
*Respondents by organisation size*



- 250-499 people
- 500-999 people
- 1,000-4,999 people
- 5,000+ people

**Figure 17**

*Respondents by function*



- IT
- Operations
- Finance & risk
- General management
- Human resources
- Strategy



## Interviews with senior consultants

In addition to our quantitative research, we interviewed 23 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 GCC 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 for Middle East & India	Protiviti Member Firm
Abdulah Al-Shamma	Vice President	Araamis
Nicholas Bahr	Global Director Operational Risk, Safety, and Resilience	DuPont Sustainable Solutions
Guy Elkington	Senior Managing Director	Ankura
Osama Ghouh	Managing Partner Middle East	Devoteam Group
Nuno Gomes	Principal, Career Business Leader MENAT	Mercer
Stephan Haller	Managing Partner Middle East	Horváth & Partners
Jonathan Holmes	Managing Director Middle East & Africa	Korn Ferry
Wasim Khan	MENA Regional Advisory Leader	EY
Dr. Anil Khurana	Partner, Advisory	PwC
Rafael Lemaitre	Partner	Sia Partners
Tom O'Byrne	Director, Market Development & Client Services (Middle East)	Willis Towers Watson
Pedro Oliveira	Partner, Middle East & Africa Head	Oliver Wyman
Vikas Papriwal	Partner, Head of Advisory at KPMG Lower Gulf	KPMG
Tim Parr	CEO Consulting, Deloitte Middle East	Deloitte
Francesco Pavoni	Managing Director MENA Region	PA Consulting Group
Gianmario Pisanu	Managing Director - Consulting Lead - Middle East & Turkey	Accenture
Visar Sala	Managing Director of Accenture Strategy for Middle East & Turkey	Accenture
Waddah Salah	ME Consulting Leader	PwC
René Seyger	Managing Partner Middle East	Roland Berger
Chris Seymour	Managing Director Middle East	Mott MacDonald
Kushal Shah	Head of Digital, Asia and Middle East	Roland Berger
Derek Sprackett	Head of Business Advisory, Middle East	Arcadis

## About the authors

### *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.

### *Ashok Patel*

Ashok is a writer and editor at Source, contributing to our Consulting Market 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.

#### Zoë Stumpf

✉ [zoe.stumpf@sourceglobalresearch.com](mailto:zoe.stumpf@sourceglobalresearch.com)

#### 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	Global Perceptions of Audit Firms Global Perceptions of Risk Firms Global Perceptions of Tax Firms	
July	South America Australia		
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		

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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)

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