

April 2019

The DACH Consulting Market in 2019

Market Trends Programme

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

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The DACH market—what you need to know

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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.

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Director, transportation industry	53
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DACH overview

DIGITISATION VALUE STRONG **DISRUPTION** GROWTH **AUTOMOTIVE** ECONOMY CONCERNS TECHNOLOGY

Last year's concerns about the possibility of a cyclical downturn in the consulting market have proved unfounded, evidenced by another year of stellar growth across DACH—indeed, a market increase of 8.2% meant that 2018 was an even better year than 2017.

Particularly strong growth in demand from the large base of financial services and manufacturing clients provided a big boost, though all sectors saw an uptick in demand. In terms of countries, Germany once again led the pack, with an 8.5% expansion in consulting work taking the country's consulting market to a value of over €9bn, while the smaller markets in Switzerland and Austria both grew by more than 6%. 2018 was a good year all round.

“ DACH put in a good performance across the board in 2018.
Rainer Meckes, Simon-Kucher & Partners

“ The market performed well for us in 2018, achieving an uptick on the previous year.
Stefan Aichbauer, h&z

“ Overall, the DACH market was quite strong last year.
Stephan Biallas, EY

The vigorous growth of DACH's consulting industry is even more impressive given the less-than-spectacular economic growth in Germany—a factor that might have been expected to lead to tightening client purse strings and more cautious buying behaviour. The fact that this didn't happen is down to one main factor: digitisation. A major topic for clients across the region was the need to incorporate new technologies into their operations, and demand for help in this area was clearly higher than in previous years.

“The big trend in 2018 was digitisation. There was a lot of demand for digitisation support across the market. Whether you're working in financial services or manufacturing, there isn't a sector that isn't affected.

Marcus Hulshoff, impacore GmbH

“Technology-driven growth was one of the primary drivers of demand.

Bernd Kreutzer, Accenture

“The consulting market has performed quite well from my perspective over the last year or so. We have seen a shift in some of the work from transformation to digital transformation as the technology focus increases. However, the classical consulting space has also been very good, and it has been quite an overwhelming year overall.

Markus Schmid, goetzpartners

Despite current strong performance, DACH's consultants continue to fear that a cyclical downturn could bite in 2019. Expected worsening economic performance across the region plus the spectre of a number of global headwinds all have the potential to derail the current growth trajectory, though it's our view that this market will continue to turn in a performance that would be the envy of many others right now.

“Overall, I think the market will be slightly lower in 2019 than it was in 2018. A big reason for that is the uncertainty whether the economy is going to rise or fall, and that might have an impact on client spending in several fields.

Stefan Schaible, Roland Berger

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 DACH. 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 euros. 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 DACH 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:

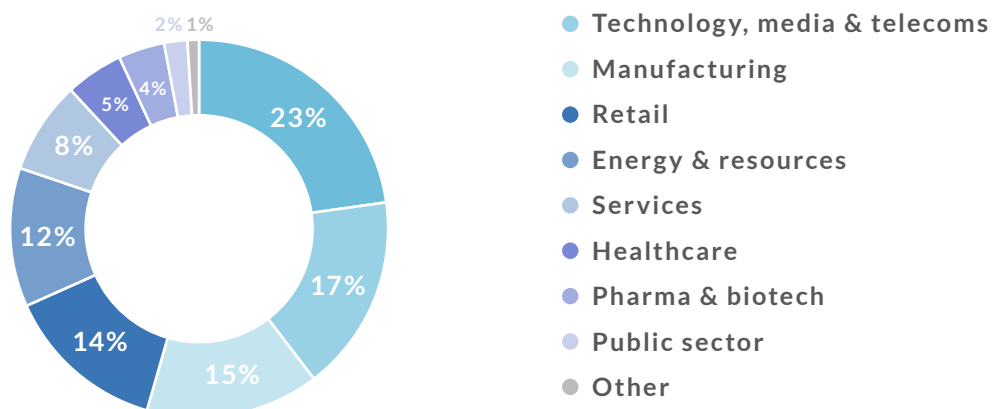
- What's driving change in their organisation
- How they are using consultants
- Factors that affect the way clients work with consulting firms
- What they value the most—and least—about working with consultants

We also carry out client surveys. We surveyed 561 senior clients of consulting firms across DACH. The majority (98%) work for private sector organisations, many of which are multinationals. The remaining 2% work in various public sector organisations. All work in organisations with over 250 employees.

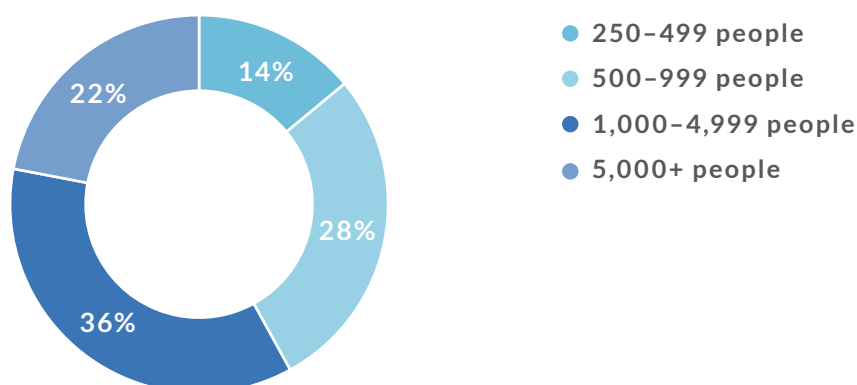
Our survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2019 and into 2020, what initiatives they'll be working on, and how likely it is that those initiatives will drive consulting work. Their responses are just one of the factors that we take into account when forecasting future growth rates.

Figure 15

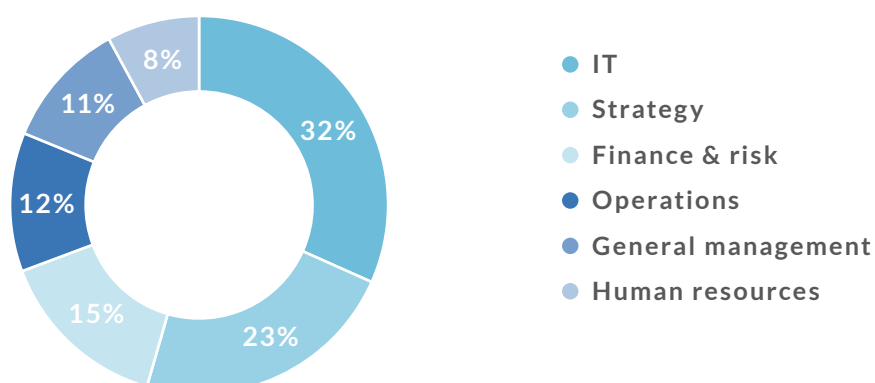
Respondents by sector


Figure 16

Respondents by organisation size


Figure 17

Respondents by function



Interviews with senior consultants

In addition to our quantitative research, we interviewed 21 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 DACH 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
Stefan Aichbauer	Managing Partner	h&z
Gustav Baldinger	Managing Partner	PwC
Stephan Biallas	Lead Partner Mid-Market Consulting – DACH	EY
Markus Brandes	Partner, Digital Transformation & Cognitive Solutions Leader	IBM
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Michael Klinger	Country Market Lead, Germany	Protiviti
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Christoph Treichler	Managing Partner	Cardea

About the authors

Zoë Stumpf

Zoë is Head of Market Trends at Source and is responsible for all reports published as part of the Market Trends 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 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.

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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		

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- 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.

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