

June 2019

The Canada Consulting Market in 2019

Market Trends Programme



Contents

Canada summary

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

Executive summary	3
Canada overview	5
Explore the data	9

The Canada 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.

Learning to live with a noisy neighbour	10
What's new in digitisation	14
Practising what they preach	18

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	28
Services	59
Consulting firms	81

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.

The consultant view	88
The client view	89
Projections for 2019	93
Forecasts for 2020	96

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.

Methodology	99
Definitions of sectors and services	103
Contributors	105
About the authors	106
Programme schedule for 2019	107
Our custom work	108
About us	109

Client profiles

Head of strategy and digital transformation, energy & resources sector	17
Head of customer experience, TMT sector	49
CIO, retail sector	55
Head of digital, TMT sector	64
Chief information security officer, services sector	67

Canada overview

TRADE GROWTH RPA ASSETS ECOSYSTEMS DATA DIGITISATION CONCERN BLOCKCHAIN MANAGED SERVICES

Canada's consulting market continued to gain speed in 2018, growing 5.5% after a 4.9% hike in 2017 and a 3.2% improvement in 2016. A healthy (albeit slowing) economy and big demand for new technology solutions have proven a winning combination for consultants in this market, which finished the year valued at US\$4,127m.

“We've been growing year over year, and the market is still very attractive.

Tim Christmann, Deloitte

“2018 was a wonderful year for us—we were ahead of the previous year in terms of growth. There has been tremendous momentum in the firm for the past couple of years—it's been a really incredible ride.

Patrick Lortie, Oliver Wyman

“Canada saw good growth, partly due to its increasing maturity of services and some beneficial economic factors.

Randy Browning, PwC

“The biggest area of demand last year was emerging technologies.

Wayne Ingram, Slalom

In 2019, the market continues to look robust, even if there is growing concern about what's on the horizon. With further slowing predicted for the Canadian economy and the fate of North American trade agreements unresolved, some consultants report that client confidence is beginning to waver. For now, however, the economy remains strong enough—and the pull of digitisation powerful enough—to support healthy levels of demand at least through the end of the year. For these reasons, we predict continued growth of around 5% in 2019 and through the end of 2020.

“ External factors such as the upcoming election and the North American trade situation haven't really had an impact on the economy, which has been surprisingly resilient. There has been lots of talk about a global and local economic slowdown, but it hasn't affected Toronto yet.

David Dawson, Protiviti

“ A near-term challenge would be an economic recession. There are a lot of discussions about this, and I wonder if this will change the investment mindset and buying behaviour of our clients, becoming a self-fulfilling prophecy.

Tim Christmann, Deloitte

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 Canada. 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 Canada 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:

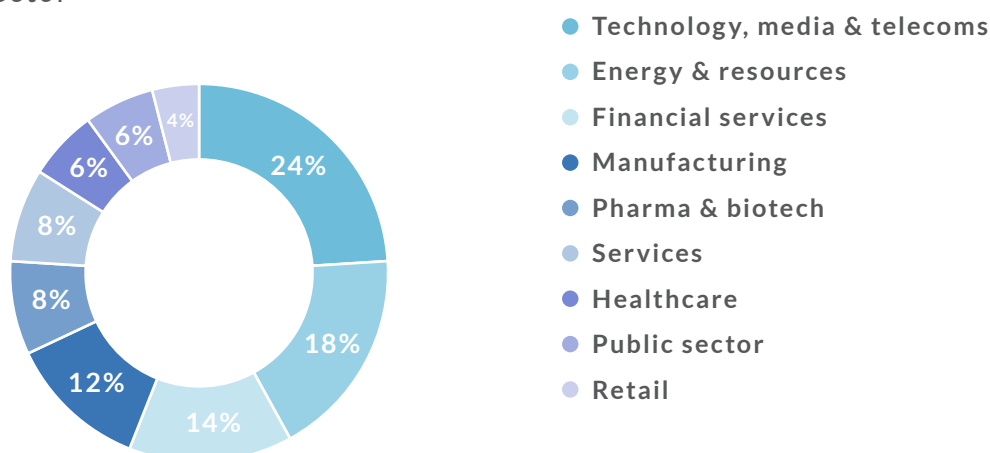
- What's driving change in their organisation
- How they are using consultants
- Factors that affect the way clients work with consulting firms
- What they value the most—and least—about working with consultants

We also carry out client surveys. We surveyed 50 senior clients of consulting firms across Canada. The majority (94%) work for private sector organisations, many of which are multinationals. The remaining 6% work in various public sector organisations.

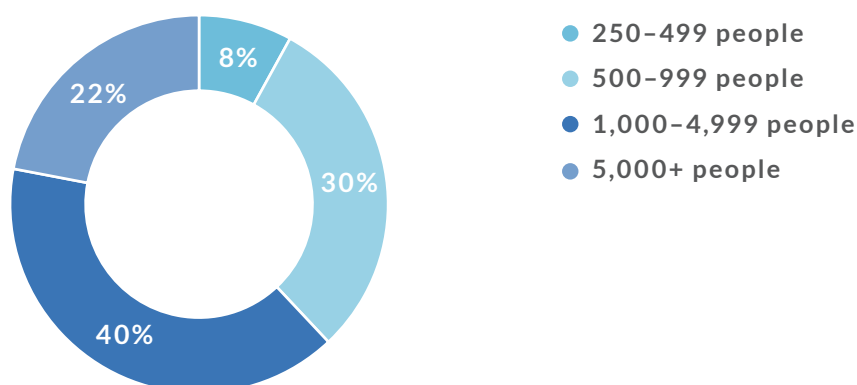
Our survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2019 and into 2020, what initiatives they'll be working on, and how likely it is that those initiatives will drive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

Figure 17

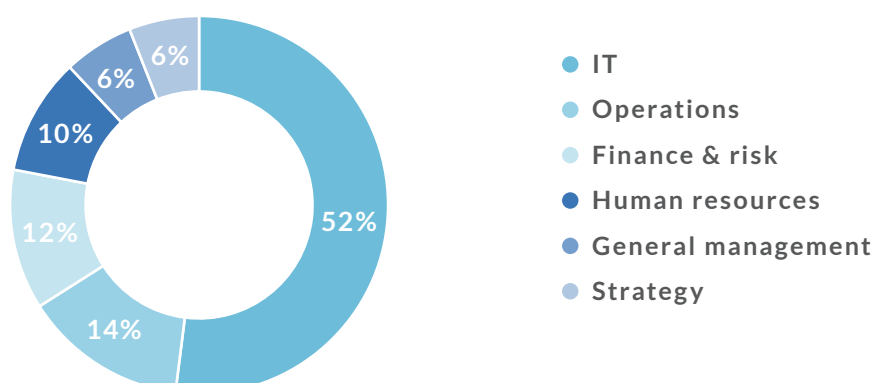
Respondents by sector


Figure 18

Respondents by organisation size


Figure 19

Respondents by function



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 Canada 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
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Jason Boggs	National Consulting Leader, Canada	PwC
Randy Browning	Partner	PwC
Tim Christmann	CEO, Consulting, Canada	Deloitte
Jeremy Cole	Executive Vice President, ON, QC & Atlantic Canada	MNP LLP
David Dawson	Managing Director, Canada	Protiviti
Wayne Ingram	Country Managing Director – Canada	Slalom
Wei Ke	Managing Partner	Simon-Kucher & Partners
Patrick Lortie	Partner and Canada Market Leader	Oliver Wyman
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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.

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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.

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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	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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- 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.

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