

November 2020

The Consultant of Tomorrow

Emerging Trends





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How we can help your firm to deal with what's happening now and prepare for what comes next

Even before COVID-19, the professional services industry was entering a period of change the likes of which it had never experienced. But the pace of that change is now being accelerated, as firms respond to the crisis and reimagine their future in a changed world. We're working side by side with them, using our experience, data, and deep sector knowledge to help them create effective strategies for extraordinary times.



Real-time forecasting

Since mid-March, we've been supplementing our unique model of the global professional services sector with data collected from hundreds of consulting firms around the world. Our weekly updates have become the industry's satnav, providing up-to-date estimates of the likely impact of the crisis by region, sector, and service, which change as the market changes, helping consulting firms to adjust their strategy accordingly. But this publicly available data is for the market as a whole, and every firm faces a unique set of challenges. As you plan for the next 12-18 months, we can provide forecast data that's tailored to your business.



Immediate market feedback

One of the biggest challenges facing consulting firms is uncertainty: How has client behaviour changed as a result of the crisis? Whether we're leveraging our own research carried out over the previous few weeks, or undertaking custom research around your services and markets, we can provide you with quantitative and qualitative feedback very quickly, enabling you to take quick and informed decisions.



Client-led propositions

Past crises have shown that the speed with which a consulting firm adapts its services will determine its resilience—and that's truer than ever in the current environment, when clients' expectations around what's possible have radically shifted. They're looking to consulting firms to deliver better, faster solutions—and consulting firms will need to respond by being more precise about where they can add tangible value and more compelling in the way they articulate this. We've worked with many firms over the last decade helping them test their ideas with clients.

About us



We're nerds: We take a data-driven approach to helping firms take investment decisions. Since we started, we've invested millions in sophisticated, proprietary research techniques that give us unique insights into current and future trends.



We're experts: We've been focusing exclusively on the professional services sector for more than a decade, and we keep our knowledge up to date by interviewing hundreds of senior partners in professional services firms around the world each year.



We're future-focused: We undertake the largest regular quantitative surveys of the professional services sector anywhere in the world, and we're constantly talking to professional services firms' clients in order to understand how changes in their behaviour will reshape the industry in the future.



We're independent: Our analysis and recommendations are derived from our data and experience. We don't recommend firms to clients, and we will never tell you what you want to hear just because you've paid us.



We're obsessed with value: Our information and insights have underpinned some of the most strategic investment decisions made by professional services firms. That's because we know that, if we're going to have an impact, how we communicate is as important as what we communicate.



We're easy to work with: We'll work with you as you want, whether that's providing you with off-the-shelf data or multi-country custom research. Because we want our work to add value, we charge for what you need. We don't run a meter and we don't have complicated licensing that limits who can read our material.



Executive Summary



For the last few years, there have been two main trends that have reshaped the role of the modern consultant. The first of these trends is the increased importance of software. Nowadays, if you're providing consulting services to large, multi-national clients, the expectation is that you're going to leave some sort of software solution behind. Clients don't want consultants to keep coming back every year and doing the same work; they want them to leave them with technology that will allow them to do that work themselves going forward. The second big trend has been increased pressure from clients for firms to create real added value. In our work in the talent and HR consulting space, for example, the typical client now has a much more mature understanding of these issues than they did a few years ago—which means that there's more scrutiny on us to bring ideas to the table that the client wouldn't be able to come up with themselves.

Andre van Hooren, Willis Towers Watson



The big challenge for consulting firms, going forward, is to learn to think not just in terms of project deliverables, but more in terms of actual impact. And I'm not just talking about the impact on the client's top and bottom line; firms also need to consider the impact that they have on society and the environment. We want our team to be the number one place for people who can imagine and bring to life the future in all of its dimensions—and that includes keeping our fingers on the pulse of business and digital transformation along with the big social and sustainability challenges the planet is facing, and what those challenges mean for ourselves and for our customers.

Laurence Metzke, Capgemini Invent

There is a remarkable paucity of fictional management consultants—especially when compared to their close cousins in the legal sector. Among the few times Hollywood has tried to portray the profession on screen, two stand out as the most notable. In the TV show *House of Lies*, Marty Kaan, played by the inimitable Don Cheadle, leads a crack team of sharply dressed jet setters working for an only-slightly-fictionalised version of McKinsey; each season, the crew use their sharp wits and ruthless cunning to solve seemingly intractable problems for their C-suite clients.

By contrast, the 1999 cult classic *Office Space* presents a much more down to earth view of the profession. Two consultants—both named Bob, referred to throughout the film simply as “The Bobs”—are brought in purely to provide cover for their client’s downsizing programme. They take up position in a drab conference room and function mostly as an obstacle standing in the way of the protagonists—the people with real jobs and actual responsibilities.

The former probably represents how a lot of consultants see themselves; although the latter may be closer to how some of their clients view them. But the truth is that all of these stereotypes about consultants are rooted in a time when the industry looked very different from how it does today. Times have changed, and consulting firms have had to change with them. While a time-travelling consultant from 1990 or 2010 would find much to recognise about the modern industry, he or she would also be struck by



just how much has moved on. Consulting projects, for example, involve a much higher degree of collaboration between service provider and customer than they once did; digital platforms and data models now play a much greater role in the day-to-day life of consultants; and firms are often expected to be able to work alongside external experts sourced from their ecosystem partners.

This report will provide a full accounting of how the role of the consultant has evolved over the last few years, so that we may better predict the future trajectory of that evolution. Our focus will be on one key question: What is the consultant of tomorrow going to be like? In order to answer that question, we will need to understand the type of relationship they are likely to have with their clients; the skills and personal background they will possess; and the tools and methodologies they are likely to make use of on a day to day basis. Additionally, we will examine the profound impact that these changes are likely to have on how professional services firms ought to manage their human and intellectual capital.



I believe that at the root of any strong client/consultant relationship, there has to be a foundation of deep expertise. So while I always want the people I bring into my team to be fluent in the language of management consulting, that's a secondary concern; it's more important that they have experience that is going to be relevant to the clients they'll be working with. It used to be that bright young graduates could have a successful consulting career without needing any more experience than that. But now, clients can get that kind of person anywhere; you need a real degree of specialist expertise if you're going to stand out from the crowd.

Anonymous



However many new tools and new methodologies come along that consultants have to adapt to, the core skillsets required of them will remain the same; what's worked in the past will continue to work in the future. Fundamentally, consultants have to be naturally curious individuals with a drive towards continuous learning. I often say I want my project teams to be made up of people who are 'comfortable with being uncomfortable'; if you know how to manage through periods of change and how to innovate, you'll be able to adapt your way of working as the technology landscape changes.

Ron Lefferts, Protiviti

Prior to COVID-19, there were two trends that stood out as the most important motivating factors behind the changing role of the management consultant. Firstly, there were the changing expectations that clients were bringing to their consulting engagements. Clients have become highly capability-driven—both in the sense that they want to buy access to capabilities, not pre-packaged services or solutions, and in the sense that they expect consultants they work with to bring a high level of specialist expertise to the project team in order to justify their own place within it. In response to these changing client expectations, firms have started to rethink the shape and structure of their talent pools—finding new ways to expand the range of capabilities they have access to and refining their ability to fit those capabilities together in fresh and innovative ways.



Methodology

Unless otherwise specified, the data in this report comes from a study conducted in October and November 2020 of 150 US-based senior executives, all of whom had personal experience using consulting services within the last two years; 61% of them had used consulting services in the last three months. All respondents in this study worked in organisations with 500 or more employees.

86% of these executives had personally made the decision to bring in consultants. 59% had been part of project steering committees, and 41% of them had experience working in project teams alongside external consultants. Further details about their employers and their roles within their organisations are shown in Fig. 0.1, Fig. 0.2 and Fig. 0.3.

Where necessary, we have also drawn on data from our global data model, a bottom-up model of the professional services industry that we use to size the industry. This model covers over 80 countries, and includes detailed data on almost 1,600 firms, as well as higher-level estimates for a further 400,000. Additionally, we have at certain points calibrated data against our annual Client Perception Study, in which we ask thousands of clients around the world about their views on firms that they have worked with or have considered working with. Except where noted, the data that we have used in this report refers specifically to the US market.

To explore different perspectives on the evolution of the consultant of tomorrow, we conducted a series of interviews with leaders in the professional services industry. Many of these individuals were leaders of business units within their organisations, or worked in HR or talent management functions, and so were well-placed to provide insight into the future workforce needs of their firms. A full list of contributors is available at the back of this report.

A selection of these conversations have been made available to subscribers of our Emerging Trends programme as an accompanying interview series. You can read transcripts of these interviews—and access interactive data visualisations and other additional pieces of content—by going to the [Emerging Trends platform](#) on the Source Global Research website. If you do not have access to this platform, please contact your account manager.



Figure 0.1

Sectors represented in our sample

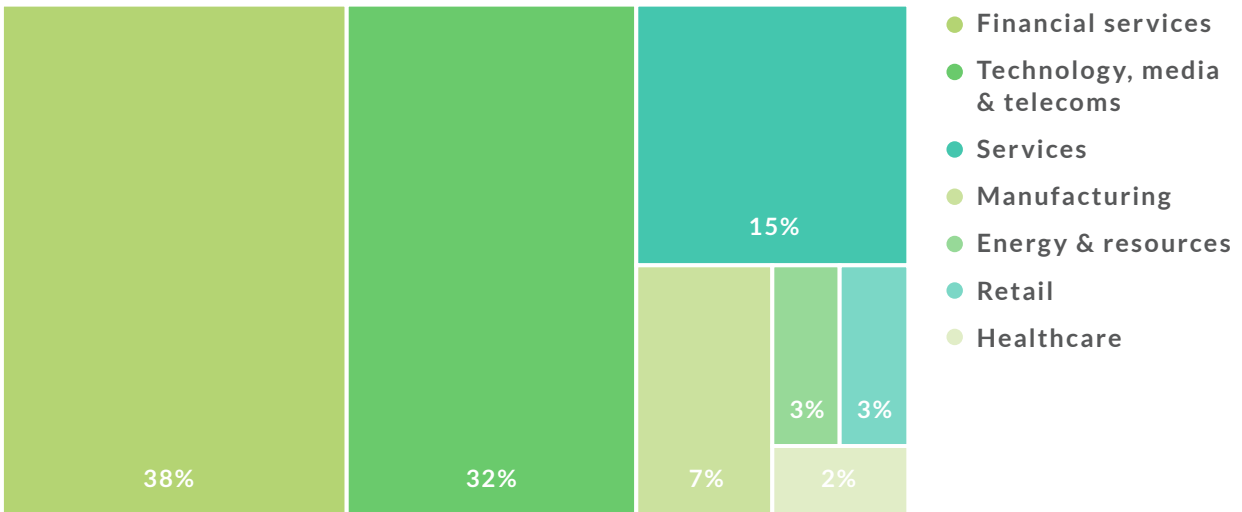


Figure 0.2

Size of clients' organisations in our sample by revenue

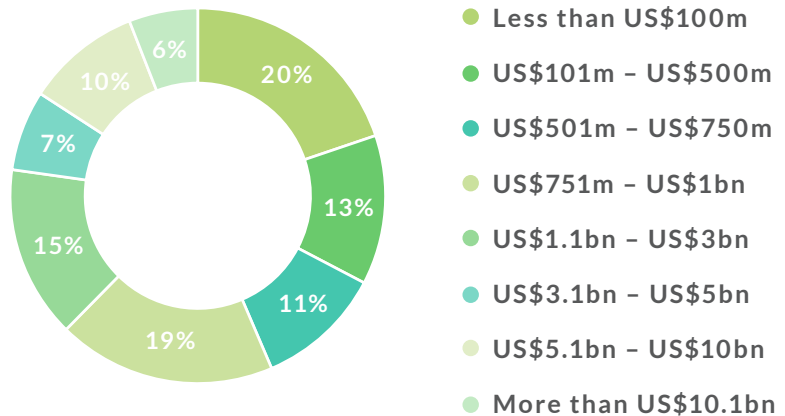


Figure 0.3

Sample distribution by job role

