

April 2020

The Nordics Consulting Market in 2020

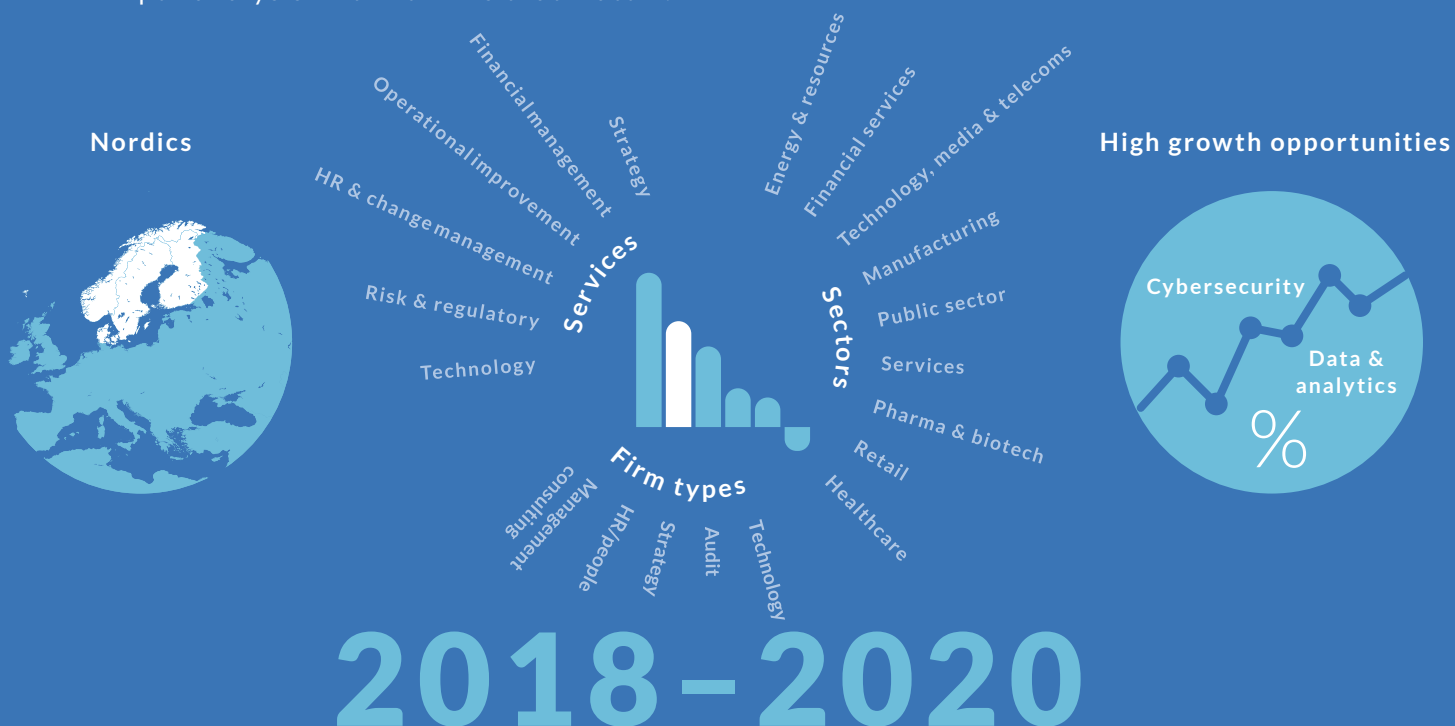
Market Trends Programme





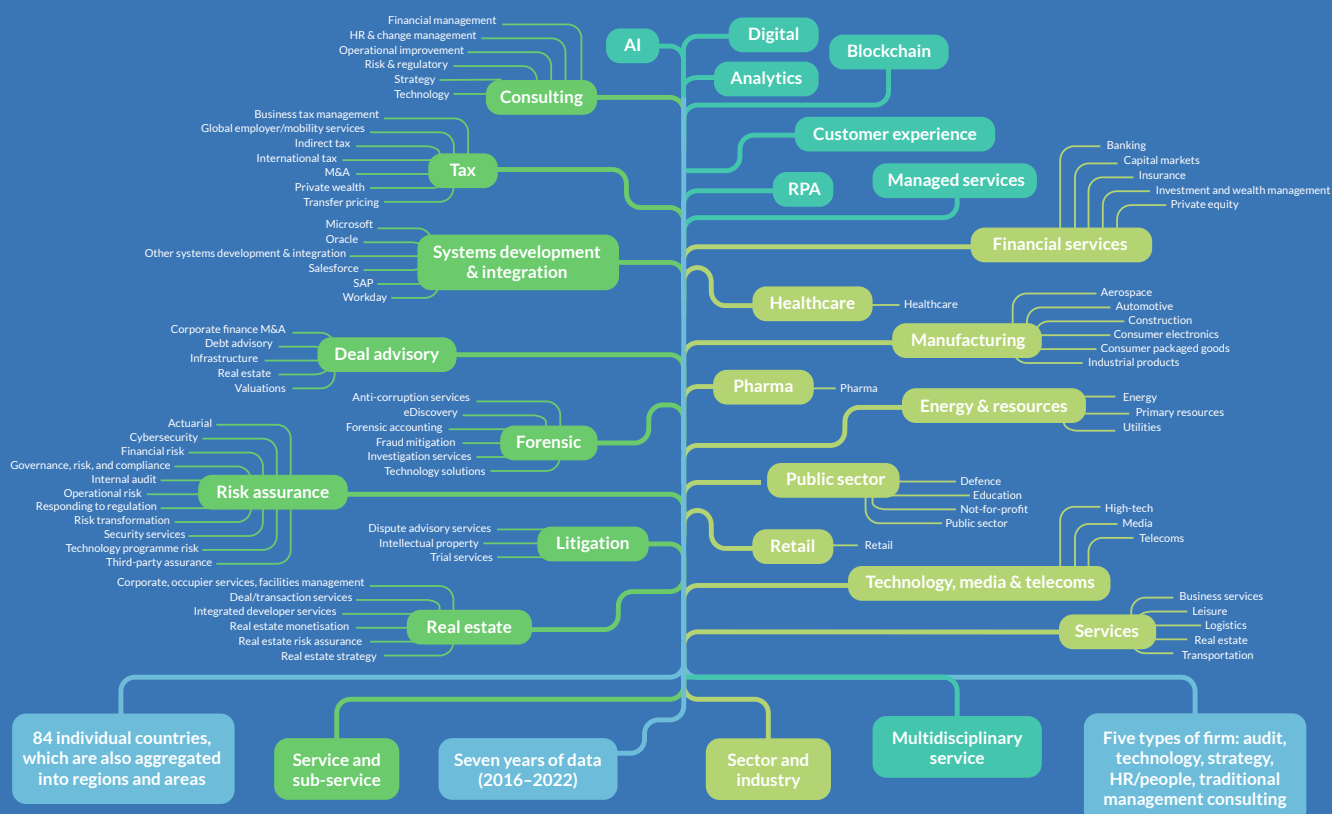
What's included in this report

Our reports offer a wealth of market sizing, growth, and forecast data alongside engaging, in-depth analysis of the trends that matter.



What else we cover

Our highly flexible, multidimensional model provides firms with robust, trusted data to make informed decisions about strategic investments and plan for the future.





Contents

Nordics summary

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

Executive summary	4
The Nordics consulting market in numbers	6
Explore the data	9
Introduction	10

The Nordics consulting market in 2020

A view of what's likely to happen in the market in 2020.

The immediate impact of COVID-19	41
How firms should respond	43
What next?	44
How firms can prepare	49
Global trends in the consulting industry	60
2020 forecast	65

The Nordics consulting market in 2019

Explores the key trends that were front of mind for consulting firms in this market in 2019.

Overview	11
Sweden	13
Denmark	14
Norway	15
Finland	16
Four things that changed in 2019	17
Key trends in services in 2019	18
Key trends in sectors in 2019	29
How the competitive landscape changed in 2019	35
Clients' perceptions of firms	39

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 in-depth desk research on the market
- Our geography-specific survey focusing on how different trends are affecting clients' organisations and their use of consulting

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

Methodology	66
Definitions of sectors and services	71
Contributors	73
About the authors	74
Programme schedule for 2020	75
Our custom work	76
About us	77



Introduction

The COVID-19 pandemic has changed our lives, our communities, the global economy, and the consulting market, and its impact is likely to be felt for some considerable time to come. Against this backdrop, we wanted to develop a report that is as useful as possible in understanding the immediate impacts of the crisis while helping firms navigate a way forward.

Once the recovery starts, clients' needs will be dictated by the needs that were already there, coloured by recent events. Therefore, understanding both the situation before the crisis and the things that are changing right now will be essential for firms to support clients through the recovery. With this in mind, this report includes the following:

- In-depth analysis of the consulting market in 2019, including key trends and analysis of demand by sector and service
- A look at how COVID-19 is changing the market currently and an assessment of the sectors and services most likely to experience demand once the situation improves
- Commentary around how firms will need to change what they do and how they do it in order to meet client expectations in a changed landscape
- A link to our latest forecasts for 2020, which will be updated on a weekly basis until further notice

We have drawn on a number of data sources in order to develop our analysis:

- 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 this 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.
- We're very grateful for the input of a wide range of firms, who are helping us assess the impact of COVID-19 on the market by providing up-to-the minute information that we are using on an ongoing basis to adjust our existing model of the industry.
- We also carried out two client surveys to help us build a rich picture of how different trends in the Nordics are affecting clients' organisations and their use of consulting, covering:
 - how clients expect to use consultants over 2020 and into 2021
 - factors that affect how clients work with consulting firms
 - the ways consulting firms market themselves to clients and the impact this has on client decision making.

Although these surveys were completed prior to the COVID-19 outbreak, this gives us some insight into clients' priorities going into the crisis.

For our latest global analysis of the effect of the COVID-19 pandemic on the consulting market, please [click here](#).





The Nordics consulting market in 2019

Overview

For Nordics consulting, 2019 was another good year in a string of good years. With overall market growth hovering around 5%, the market didn't expand as quickly as it has in the recent past (2018 growth nearly hit 8%, while in 2017 it was closer to 6%), but performance was better than many expected given the volatility of international trade and uncertainty around Brexit. With healthy levels of growth in every sector (and an exceptional performance in some) and generally solid demand for consulting service lines, it would be difficult to paint 2019 as anything other than positive for consulting.



It was a good market in 2019 with growth in all segments. Some countries were stronger than others, but all were in good health.

Arne Matre, EY



People were expecting to see an economic downturn in 2018, and then they thought the same in 2019. The strength of this last year goes to show that you can't slam the brakes, or even take your foot off the gas, until you see clear indications that the good times are over—otherwise you risk losing market share. Back in 2018, a number of clients learned this the hard way: As soon as they saw flight indications, they hit the red button. You really can't do this—you have to keep going as long as the market is with you.

Soren Knudsen, PA Consulting

Even so, 2019's slowing growth rate lent weight to suspicions that the market's cracks were starting to show in 2019. Several noted that a sluggish global economy hampered the critical exports market and made clients skittish; others believed consulting's slowdown was evidence that fear of recession was turning into a self-fulfilling prophecy, with clients holding off on decision making even in the absence of any real financial strain.



There was a bit of a broad slowdown in 2019 across all lines of business that we have, but it didn't slow by an amazing amount.

Jan Beckeman, Roland Berger



One impact we see from the economic slowdown, or concerns about a slowdown, is extended buying cycles. That's something that often comes with uncertainty. In general, a good economy or a bad economy are actually positives for consultants, but uncertainty is bad because when clients are uncertain, they tend to take longer to make decisions and spend money.

Sean Cory, Oliver Wyman



I think from a broad perspective, it was a pretty good year. Having said that, while the economy in Sweden has been fairly good in recent years and it hasn't gone down into recession, I can see that it's cooling down. In 2019, there was more hesitation in the market as some projects were postponed and customers were waiting and not starting anything big.

Eva Borgert Palm, 4Focus



There is a fear of something wholly unexpected happening. We live in what feels like strange times: There's a global perception that there are several potential geopolitical black swan scenarios brewing that could spark a downturn at any moment. These are hard to predict: You wouldn't have any lead time to prepare—we're talking about things that could transform the market in days or weeks. While our clients are trying to ride out the market growth for as long as possible, they all have detailed plans of what they should do the moment they are absolutely sure they are heading into tough times.

Soren Knudsen, PA Consulting

Meanwhile, even clients who were feeling bullish last year were often constrained by a pressing talent challenge, with industries demanding more highly skilled people (especially digitally skilled people) than the economy can produce. The need for extra hands and extra brains creates opportunities for consulting firms, though taking advantage of these is tough, given that the consulting industry experiences this talent squeeze as intensely—perhaps more intensely—than its clients.



Talent remains a big challenge for us. If you look at where the market is going and what is driving demand, there's a huge need for us to not only keep our existing talent but recruit and train new people.

Senior management consultant, Nordics



Four things that changed in 2019

- 1 Anxiety turned to action:** Nordic clients had been anticipating a significant economic slowdown since at least 2018, with some consultants saying uncertainty as to when it would hit or what form it would take played a role in 2019's slower growth. However, as economic fears began to turn into realities, many clients put defensive measures into action, driving consulting work. As a result, efficiency improvements and consolidation look set to be priorities going forward.
- 2 Digitisation in the interest of innovation:** As Nordics clients continue down the digitisation road, the projects they're pursuing are becoming more exciting and, for consultants, more lucrative. While standard customer experience improvements and streamlined back offices continued to drive the lion's share of demand in 2019, there was a growing interest in using digitisation in pursuit of true innovation, such as in new AI-rooted solutions and data-enabled strategic decision making.
- 3 The transformation of sustainability:** Sustainability work has long been a driver of demand for consultants in the Nordics, though talk has been more prevalent than action, and much of the work that has been available has focused on such unglamorous topics as environmental audits and disclosure. This began to change in 2019, with clients looking for support to reduce, rather than just measure, their environmental impact; develop innovative new green offerings; and put sustainability approaches at the heart of their decision-making activities.
- 4 Consulting scales up:** With clients demanding end-to-end delivery of increasingly sophisticated projects, firms joined forces to meet demand, setting off a wave of consolidation as the market's consulting behemoths snatch up smaller firms and tech players. Bain & Company's (Bain hereafter) acquisition of QVARTZ at the tail end of 2019 is the most talked-about example.



Contributors

We are extremely grateful to all the people we spoke to for making this report possible. Below is a list of individuals who have contributed (excluding those consultants who wished to remain anonymous).

Name	Job title	Organisation
Hans Henrik Beck	Founder and Managing Partner	QVARTZ
Jan Beckeman	Managing Partner, Roland Berger Nordics	Roland Berger
Kristin Blix-Elton	Marketing and Communication Director Scandinavia	Sopra Steria
Sean Cory	Market Leader Nordics	Oliver Wyman
Cecilia Flatum	Norwegian Consulting Leader and Managing Partner	Deloitte
Frithjof Frederiksen	Commercial Director	Bekk Consulting
Hans Erik Holmen	Partner	Sprint
Ulf Holmgren	CEO Capgemini Sweden and Finland	Capgemini Invent
Ilkka Huikko	Partner – Financial Services Industry Leader	Deloitte
Andreas Jonason	Managing Partner	Simon-Kucher & Partners
Soren Knudsen	Country Head, VD, Member of PA's Management Group	PA Consulting
Christian Liljeström	Partner	KPMG
Peter Lindstrom	Partner, Advisory	KPMG
Arne Matre	Nordics Markets Leader	EY
Morten Moenster	Partner and Head of Advisory	KPMG
Sten-Erik Molander	Principal	EFESO
Eva Borgert Palm	Senior Partner	4Focus
Kjell Rusti	CEO Nordic	Sopra Steria
Sigurd Skjaeveland	Managing Director	A-2 Norge AS
Rune Skjelvan	Head of Advisory	KPMG
Stig Thorgersen	Nordic Advisory Leader	EY
Lars Christian Torhaug	Managing Partner	Bene Agere Norden AS
Petter Vold	Partner	PwC



About the authors

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

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.

Zoë Stumpf

✉ zoe.stumpf@sourceglobalresearch.com





Programme schedule for 2020

Reports 2020	Market Data & Analysis	Client & Brand Insights	Emerging Trends
January	Forecasts for 2020		
February	UK	UK	
March	GCC Benelux Nordics	GCC Nordics	The Future of Account Management
April	Southern Europe DACH France	Germany	
May	US Eastern Europe & Russia Global Tax Advisory	US France	
June	Canada South America	Financial Services Technology, Media & Telecoms	Sustainable Futures: Building Resilient Businesses
July	Mexico Australia Global Risk Services	Energy & Resources Healthcare	
August	India China Africa	Perceptions of Audit Firms Perceptions of Tax Firms	
September	Energy & Resources Planning for Growth in 2021	Perceptions of Risk Firms	Sustainable Futures: A Climate Transformed
October	Financial Services South East Asia Japan		
November	Healthcare Technology, Media & Telecoms		The Consultant of Tomorrow
December			

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 and content 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 2020

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.