

May 2020

The Southern Europe Consulting Market in 2020

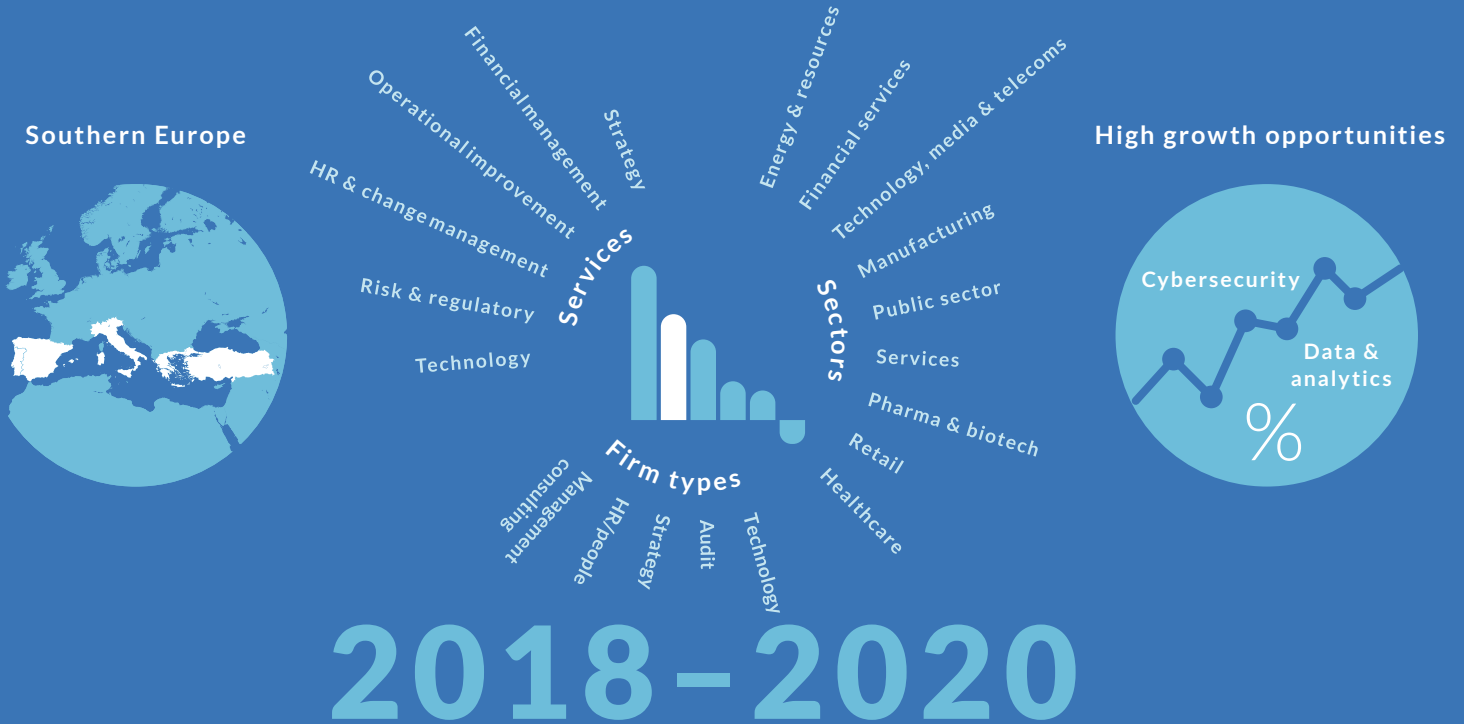
Market Trends Programme





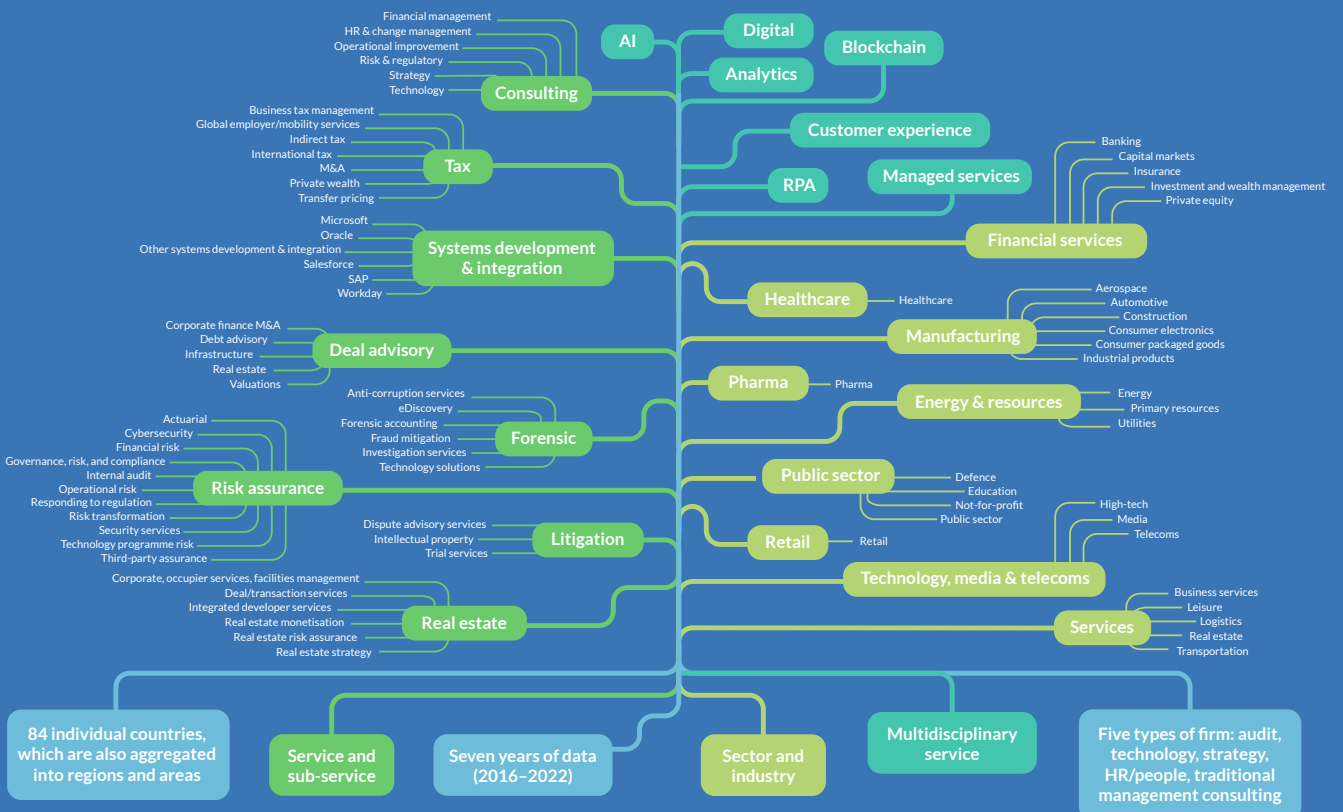
What's included in this report

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.





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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 Southern Europe consulting market in 2020

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

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The Southern Europe consulting market in 2019

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

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About this report

Our report draws on three main sources:

- Our global data model with 9.7 million data points
- Our interviews with senior management consultants from a range of consulting firms
- Our in-depth desk research on the market

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

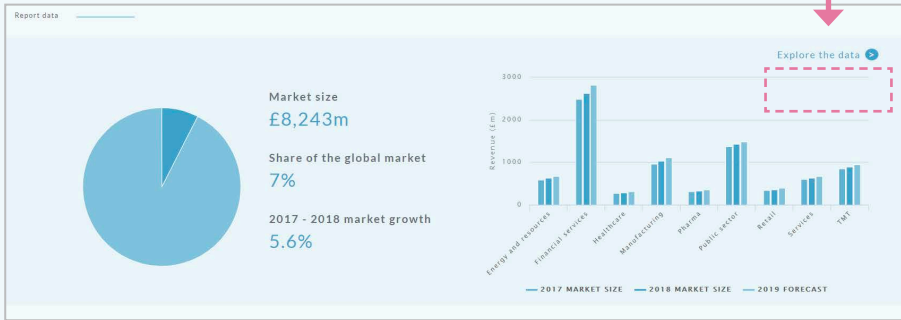
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Explore the data

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, 12 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.



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

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.

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





The Southern Europe consulting market in 2019

Largest markets

Spain—Southern Europe's largest consulting market—continued to grow at a healthy pace in 2019, with revenues rising 6.5% to total €1,624m. While ongoing political uncertainty—culminating in an indecisive election result in November—had the potential to limit growth, solid economic growth and a need to maximise growth opportunities and reduce costs ensured businesses continued to invest in new projects. Meanwhile in Italy, the region's second-largest consulting market, consulting revenues increased by 6%. With economic and political uncertainty a fact of life in recent years, companies ploughed on with their transformation ambitions, seeking consulting support to grow their operations, boost their international reach, and improve their customers' experience.



In Spain the market performed pretty well in 2019. The growth in the consulting industry was between 6-7%, which isn't bad. Our growth was close to 20%, so we keep gaining market share.

Héctor Flórez Crespo, Deloitte



Despite the Italian economy being stagnant last year—the national GDP grew by just 0.2% in 2019—we actually had a very good year. Demand for consulting grew nearly 10% and our revenues increased quite significantly for both traditional consulting and technology.

Paolo Coacci, KPMG



It's been a good market, but there has been a little bit of a slowdown compared with 2018. There is greater macroeconomic caution around things like Brexit, trade agreements between the US and China, and other systematic concerns that are putting constraints on consulting projects. Beyond this, there is what we call 'a deep reflection on digital transformation'. People are experiencing big failures in these programmes, so they are becoming more cautious in exploring technology investments. There are some other areas that remain hot such as cybersecurity, AI, automation of the front end and data, and overall, 2019 has been a good year, but it has not been as bubbly as 2018.

Fabio Troiani, BIP Consulting



In 2019, we saw good demand and an overall increase in work compared to the previous year. The major drivers were digitisation and an increased appetite from medium-sized companies to buy consulting services and accelerate their projects. Another big trend we saw was a lot of work developing clients' IT landscape—we saw growing opportunities for end-to-end synchronisation and process improvements.

Andrea Montermini, EFESO



2019 was a really good year for many firms, not only for PwC. We grew by 27-28%, but the Italian market grew overall. All clients are asking for support from consultants because they're redefining their approach to the market and they're in a transformation phase. They need to change their products and want us to help them in thinking about new products and services. They also want to lower their costs and redesign their organisation and their ways of working, and so firms are helping clients redesign the way they approach the market, manage their people, and upskill their people because they need a new type of worker. Employees need to be more skilled on the digital side using new tools to better approach the needs of their customers.

Fabiano Quadrelli, PwC

The rest of the region

A slump in economic growth, high inflation, and a volatile lira saw Turkey fall from star performer in 2018 to middle of the pack for consulting market growth last year. That said, despite the recent economic woes, Turkey's consultants saw continued demand from clients seeking to bolster their finances and boost their ability to tap into new growth opportunities, and digitise their operations, particularly in energy & resources and the public sector. Portugal's consultants had another year of solid growth, with revenues rising 4.8% thanks to continued growth in investment from overseas and particularly strong demand from clients in financial services, energy & resources, healthcare, and pharma & biotech. Elsewhere in Southern Europe, Greece—the laggard of the region in recent years—remained the smallest consulting market but saw stronger growth, with revenues increasing 3.4% in 2019. Relatively strong economic growth and the mid-year election of a centre-right government eager to incentivise investment and accelerate growth boosted clients' willingness to spend on new initiatives.



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
Francisco Ruiz Barrientos	Director of Business Consulting	Everis
Pablo Bernad	Partner, Head of Advisory	KPMG
Paolo Coacci	Management Consulting Lead, Italy	KPMG
Héctor Flórez Crespo	Consulting Leader - Deloitte Spain	Deloitte
Vincenzo Grassi	Partner	PwC
Andrea Montermini	Vice President	EFESO
Andrea Paliani	Clients and Industries Managing Partner Mediterranean Region	EY
Fabiano Quadrelli	Partner	PwC
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About the author

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.

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Programme schedule for 2020

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

Please note that with the purchase of all country Market Data & Analysis reports in 2020, you will also gain access to monthly updates regarding the impact COVID-19 is having on the consulting industry more widely.

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.

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