

May 2020

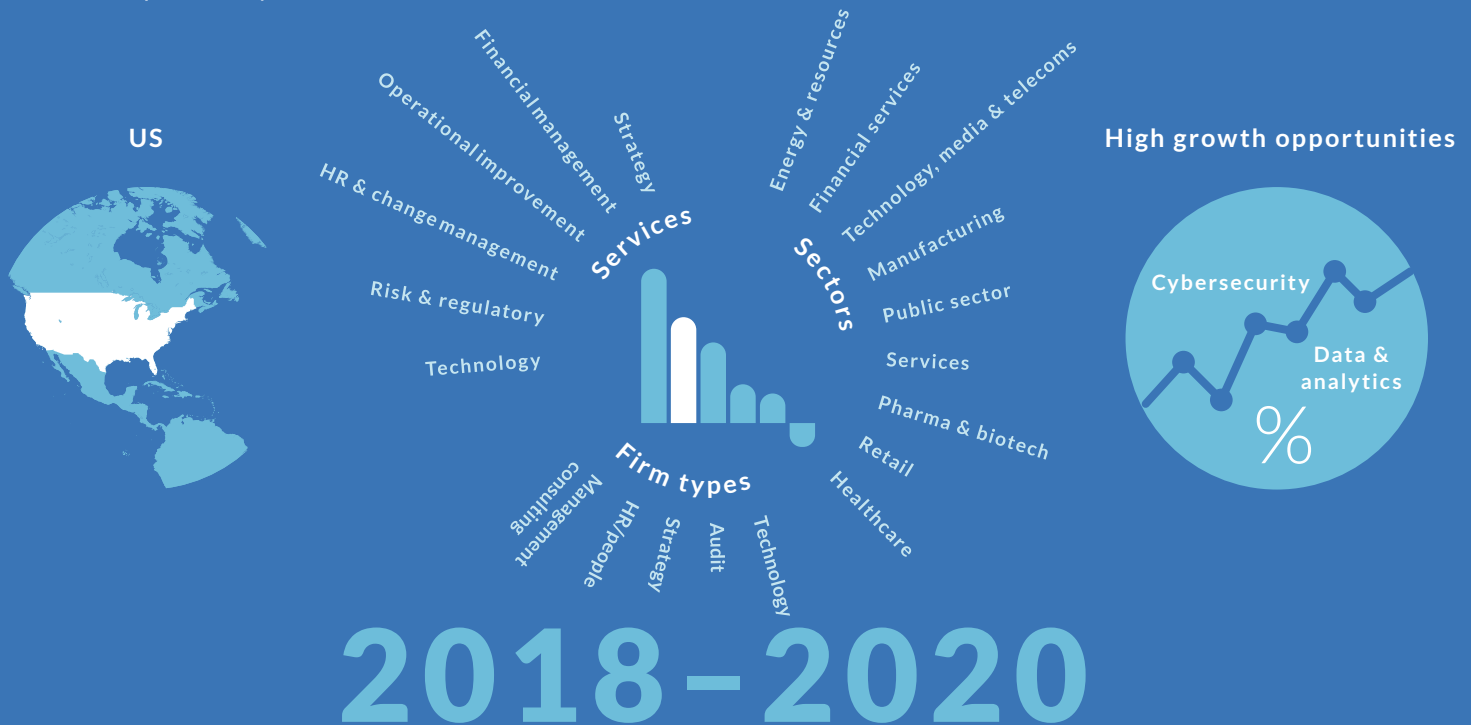
The US Consulting Market in 2020

Market Trends Programme



What's included in this report

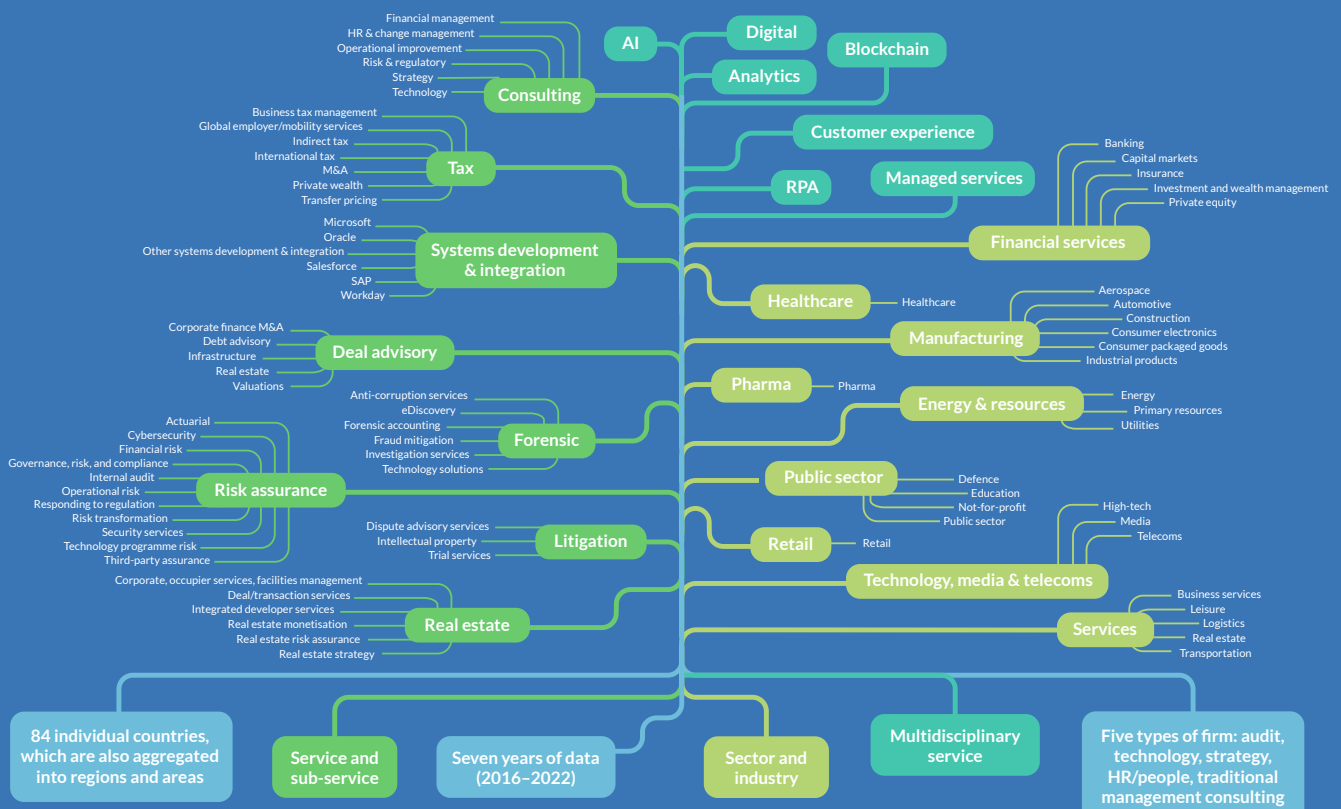
Our reports offer a wealth of market sizing, growth, and forecast data alongside engaging, in-depth analysis of the trends that matter.



2018–2020

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 US 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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The US consulting market in 2020

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

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

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

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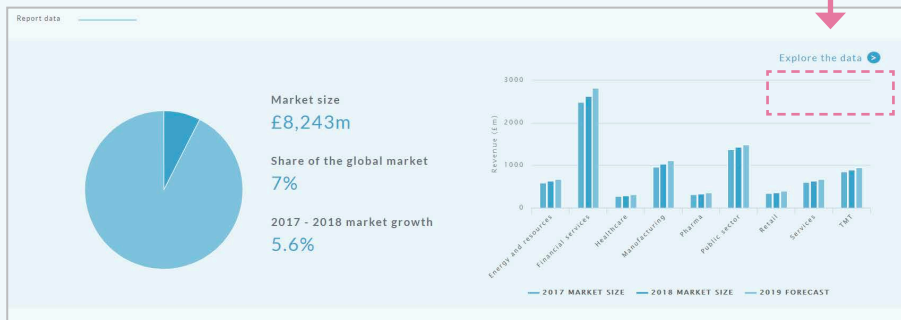
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Explore the data

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:



Explore the data

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, colored 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:

- Analysis of the consulting market in 2019, including key trends, and analysis of demand by sector and service
- Insights from firms around demand drivers in 2019, and how this is being reshaped in 2020, as well as how they are organizing themselves and approaching the market
- A link to our latest forecasts for 2020

Recognizing how quickly the COVID-19 pandemic is reshaping the consulting market, we will also provide subscribers with regular, monthly updates during the second half of the year. This will include our latest thinking about the impacts of the crisis, together with global forecasts split by region and accompanied by high-level commentary.

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 US are affecting clients' organizations 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](#).

 **COVID-19 model**



The US consulting market in 2019

Overview

2019 was yet another good year for the huge US consulting market—though somewhat less good than 2018, when growth was almost two points higher. There were a number of reasons behind this flattening out of the growth curve. Fears of an economic downturn made some clients nervous and slow to commit to spending, and a whole host of macroeconomic and geopolitical issues—including concerns about the US-China trade war and Brexit—added to anxiety levels. Given all of this, most firms were pleased with their performance in 2019.

The transformation trend gained momentum, with clients eager to exploit digital technologies to the fullest and to think differently about how to run their businesses and ensure a laser-like focus on the end customer. There was a continued move away from digital as a tool to cut costs and drive efficiency and towards leveraging technology to support a much more innovative and growth-focused mindset, with CEOs emboldened by clear evidence of payback on their digital investment.

Cloud and RPA have long played a core role in clients' digital transformation efforts, but 2019 saw excitement grow around AI as consultants found clients routinely demanding support in this space. Data & analytics demand also evolved, as clients sought help developing more sophisticated approaches, often linked with AI solutions. Indeed, data & analytics work has become so prevalent that by the end of the year, it made up 19% of the total US market, with growth in demand significantly outpacing that of the overall market—which was great news for firms that had carved out a niche and a strong reputation in this area.

Another fast-growing area of demand was cybersecurity. The nature of the threat is such that clients were forced to invest, recognizing that the best protection requires best practice solutions to be embedded right across their organization. Cybersecurity work may lag some way behind data & analytics in terms of market share, but 2019 saw it growing at an exciting rate—one of the factors contributing to good levels of overall demand in the risk & regulatory service line.

Elsewhere, the need for workforce transformation to help manage and embed digitally driven change was a solid source of work, and clients were also eager to upgrade their employee experience offering to aid retention in a tight talent market.

At the same time, while there was more chat about sustainability work in 2019, interest in the topic remained patchy. Although many firms were gearing up for increased demand for sustainability support before the crisis struck, there was no widespread impact in 2019.

Looking at the market through a sector lens, we see some of the key factors that impacted overall growth. Across the huge financial services market, low interest rates took their toll on discretionary spending, resulting in much slower growth than in recent years, though technology-enabled approaches to regulation saw steady demand, and insurance work saw a boost from clients interested in help developing more customer-centric models. The sizable manufacturing market performed slightly better,



with growing interest in intelligent automation—including across entire supply chains—one of the key factors fueling healthy growth.

Meanwhile, TMT was one of the fastest-growing markets in 2019, with clients eager for support to completely rethink their models to cope with considerable disruption. But it was the small pharma & biotech market that topped the growth league table, as clients sought help to develop new revenue streams, ensure greater patient-centricity, and explore new types of ecosystem.

Segmentation classification of consulting firms

Type M: Management consulting only

Type S: Consulting on strategic decisions and operations alongside M&A-related work

Type A: Consulting alongside audit, tax, and corporate finance services

Type P: Consulting on people-related issues, but also investment advice, risk management, and in some cases, HR outsourcing and HR package implementation

Type T: Firms that either specialize in technology or combine technology, outsourcing, and consulting

Data & analytics—our definition

The rise of "big" data and analytics has been one of the defining trends in consulting and the wider professional services market over recent years. While much work is still focused on the basics—basic data management and the gathering and integration of data into coherent storage spaces, growth has been highest in advanced analytics (which goes beyond simple mathematical calculations to use mathematical and statistical formulas and algorithms to generate new information, to recognize patterns, and also to predict outcomes and their respective probabilities), data visualization, and business intelligence.

Cybersecurity—our definition

Cybersecurity is one of the genuine "blockbuster" consulting services of recent years, fueled by widespread public and board-level concern. Moreover, as new threats emerge, this is a market that's constantly evolving. Our definition of cybersecurity includes strategic advice around systems design, attack prevention, and response; securing systems, networks, and users through firewalls, endpoint security, multi-factor authentication, etc.; business continuity and crisis management during and after a cyberattack; and testing a computer system, network, or web application to find security vulnerabilities that an attacker could exploit.



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	Organization
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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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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.

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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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