EXTRACT

SOURCE GLOBAL RESEARCH

November 2020

The Technology, Media & Telecoms Consulting Market in 2020

Market Trends Programme

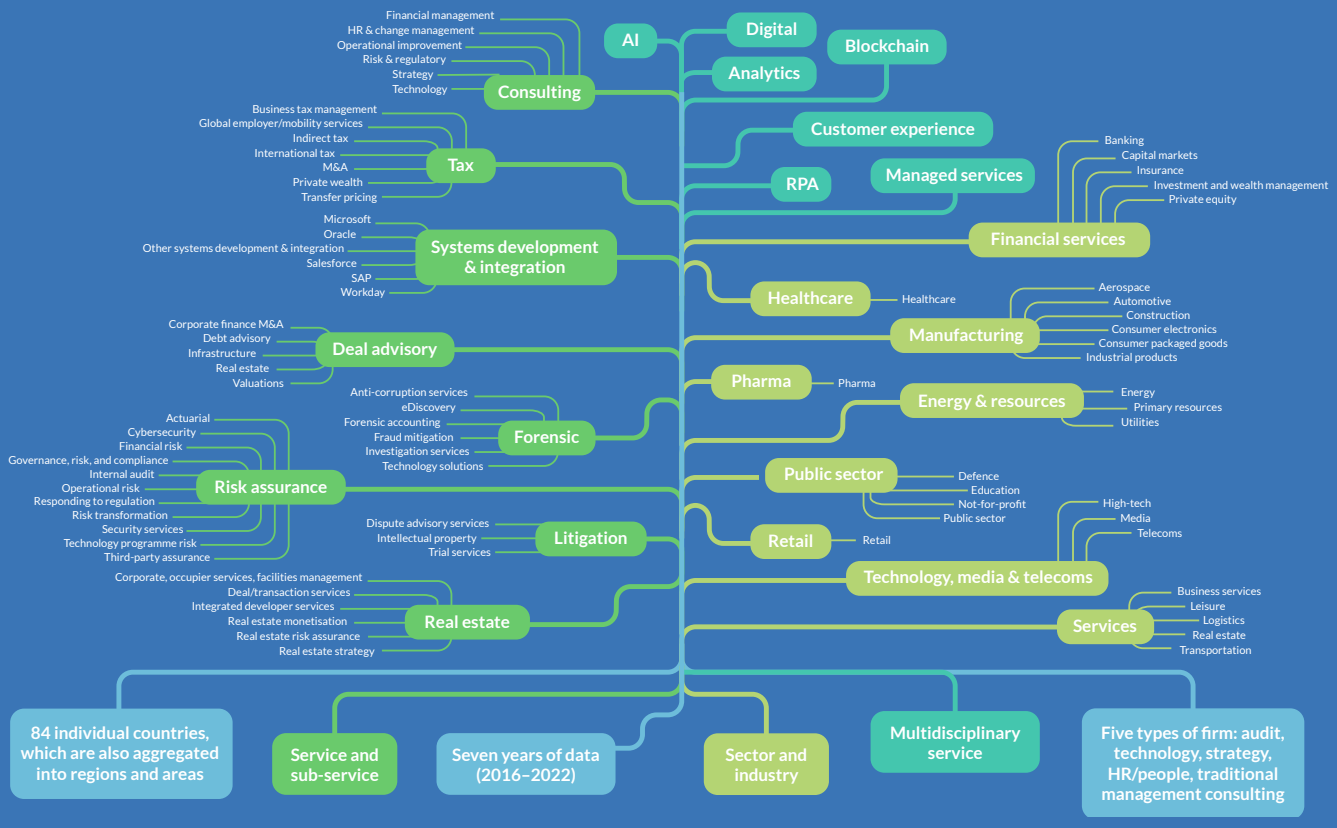
What's included in this report

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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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 fortnightly 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.

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Our report draws on four 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 sector-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:

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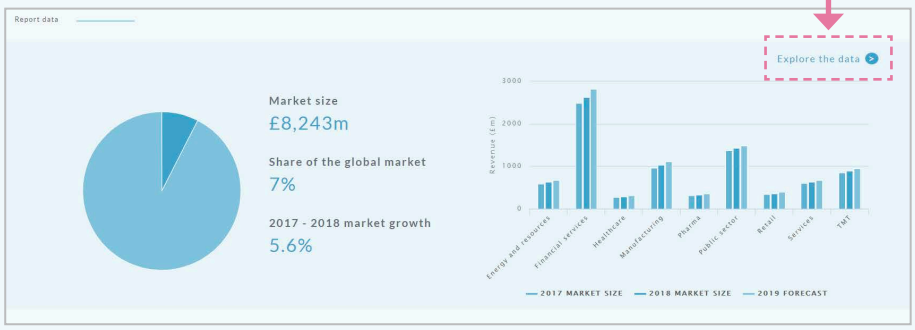
Explore the data

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.

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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:

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

Recognising 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 key 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.

COVID-19 model

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The technology, media & telecoms consulting market in 2019

Technology, media & telecoms overview

The global TMT consulting market continued to grow at a healthy pace in 2019 as clients sought support to deal with increased regulatory scrutiny and the planning and roll-out of new networks, and traditional players continued to respond to the challenges of new competitors. As a result, consulting revenues increased 7.2% to total US$13,850m, after rising 9.5% in 2018.

Risk & regulatory expertise was in high demand, with revenues rising 8.5% in 2019, making this service line the fastest growing last year. Tighter regulatory scrutiny on the high-tech high-flyers in particular generated new opportunities for consultants as clients sought support navigating investigations and hearings by legislatures in Europe, Australia, the US, and elsewhere. Consulting firms also benefited from the volatile international trade landscape amid pressure on companies to shift manufacturing bases to new locations and to block certain suppliers from network infrastructure. Technology remained the largest service line and one of the sector's fastest growing as clients—particularly in the media and telecoms markets—sought support in digitising their customer-facing operations in a bid to better compete with digitally native competitors. The rise of 5G and the rolling-out of physical network upgrades were also boons for consulting firms as telecoms looked to update their IT infrastructure to better cope with changes in products and customer behaviours.

From a regional perspective, the US remained the largest market, accounting for around half of all consulting revenues in the TMT sector. With almost all the major high-tech players based in the US, it is no surprise that consulting firms' fortunes have been boosted by the changing regulatory landscape. They've also benefited from clients' voracious appetite for deals, whether in the guise of pre-deal due diligence or post-deal integration. TMT consultants in Europe also had a good year, with significant investment in the region's high-tech space from many of the largest US-based players. 5G was also on the agenda, with telecoms across Europe progressing with their network planning and roll-out even in the face of uncertainty over the inclusion of Huawei.

The development of 5G was a key driver of work in South America too, with telecoms seeking support to identify suitable suppliers and prepare for spectrum auctions. The creation of local data centres also generated consulting work in the region, as well as in South Africa, as companies sought to onshore data processing to improve speeds and capacity as well as to avoid falling foul of data privacy concerns.

The roll-out of 5G—and related consulting demand—was somewhat slowed in early 2020 by the coronavirus pandemic as telecoms were forced to prioritise keeping existing networks up and running as work shifted from business to residential areas. Demand for deals expertise, however, remained strong across the TMT sector this year, as did clients' desire for support to enhance the value propositions of their

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enterprise offerings—such as video calling and cloud services—and consumer content platforms—including streaming video on demand (SVOD) services—in a locked-down world. As a result, at the time of writing, consulting revenues in the TMT sector are forecast to rise by around 2% in 2020 to total US$14,074m, bucking the trend of a sharp contraction that's expected in most other sectors, and in the global consulting market as a whole. To talk of it as a bright spot might be to misrepresent the overriding sentiment in the market right now but set against the backdrop of the wider market it's dazzlingly so.

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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).

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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 US	US France	
June	Eastern Europe & Russia Canada Australia India South America Japan South East Asia China	Financial Services Technology, Media & Telecoms	Sustainable Futures: Building Resilient Businesses
July	Mexico Africa	Energy & Resources Healthcare	
August	Global Risk & Cybersecurity Services	Perceptions of Risk Firms Perceptions of Tax Firms	
September	Financial Services	Perceptions of Audit Firms	Sustainable Futures: A Climate Transformed
October	Energy & Resources Healthcare & Pharma		
November	Global Tax Advisory Technology, Media & Telecoms Planning for Growth in 2021		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.

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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.

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SOURCE GLOBAL RESEARCH

About us

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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