

August 2020

From need to demand

Unlocking potential by giving clients
what they want in the crisis





Executive summary

Since emerging from the global financial crisis, the global consulting industry has enjoyed an uninterrupted period of growth. Initially, waves of regulation kept many busy, and then the digital revolution took over, providing huge opportunities in the latter part of the last decade. While that doesn't make growth easy—firms have had to shift the focus of their capabilities, acquire new ones, reorganise themselves, and in many cases, rebrand to seize the opportunity—there's certainly been ample client demand to help them expand their empires.

The global pandemic has changed all this. For the first time in more than a decade, we expect the global consulting market to shrink significantly in 2020. What's more, clients' attitudes about how and why they use firms, and what they use them for, has changed.

The key finding of this report is that a gap has opened up between need and demand. Clients expect their organisations to change radically as a result of the crisis, and they expect to be busier than ever making their organisations fit for the future. But there are obstacles standing in the way of that work turning into consulting projects, including changes to the way clients want to use consultants, the fact that many either don't have the money or the ability to innovate, however much they need to, and evidence suggesting that vast numbers intend to use their own resources where they can. Added to that, clients are more cautious than ever about which firms they'll partner with, preferring to stick to who they know and trust already, hampering firms' ability to grow into new accounts.

What will matter most in the next 18 months, then, is a firm's ability to direct energy toward overcoming those obstacles and turning client need into demand. Firms can't just turn up to clients with the same old playbook—it was written for a world that doesn't exist anymore. The key that unlocks opportunity has changed, and this report sets out how firms should go about fashioning a new one.



Brief methodology

In June and July 2020 we surveyed 300 senior buyers of consulting services in three regions: the US, Western Europe (France, Germany, and the UK), and Asia-Pacific (covering China, Australia, South Korea, Malaysia, and Singapore). Different parts of the world are in different stages of dealing with the pandemic; some are hit harder than others; different government approaches have led to very different outcomes. A regional approach allows us to see where the differences and similarities are between different markets.

All respondents work for large companies, and all have been personally involved in decisions to use consulting firms in the last two years.

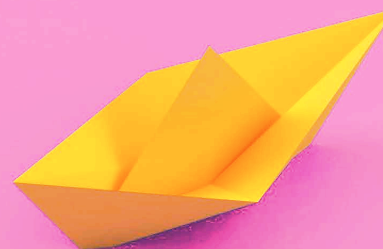
We asked clients to tell us about four key areas:

- How their organisations are changing as a result of the pandemic
- The impact this will have on how much consulting support they anticipate needing, what they'll use consulting for, and how they expect to buy
- How the pandemic has changed their perception of specific firms
- How clients want firms to engage with them in the future to sell work.



Contents

- 1 Despite clients' pressing need for support, there will be fewer opportunities for consultants
- 2 Risk averse behaviour will make it harder for firms to grow
- 3 Despite the outlook, most consulting firms have had a "good" crisis
- 4 How firms can turn clients' need into demand
- 5 Regional and sector profiles





How Source Global Research can help

1

Understanding the size and shape of your market and identifying opportunities for your firm

What clients want from firms is changing. Our Global Data Model is a bottom-up model of the professional services industry, enabling us to size opportunities and forecast how big they will become. On a custom basis, we can tailor our model to individual firms' definitions of sectors and services. With detailed breakdowns and forecasts, you'll be able to place the right bets to create opportunities for your firm in the future, and put a number on your addressable market.

2

Building propositions clients will engage with

Having identified where client demand is, we can help you ensure you have the right propositions and capabilities to capture clients' attention. We'll work with you to understand what a distinctive proposition looks like, how much it could be worth, and specific areas where clients think your firm could be particularly credible. We'll also work with you to understand where your firm can leverage existing capabilities to succeed, and where it needs to invest to become market-leading.

3

Testing and refining propositions

Timely feedback from clients is crucial to creating and communicating compelling propositions. Our expert team of analysts will work with you to test your ideas, understand how to refine and improve them, how best to communicate them to the market, and what hooks will grab clients' attention.

We can also work with you to analyse how your firm can communicate propositions conceptually and practically through marketing, thought leadership, and advertising campaigns.

4

Creating high quality thought leadership

Even before the crisis, thought leadership was one of the most powerful ways of communicating a firm's capabilities and ideas to clients—now it's even more important. We've been reviewing consulting firms' thought leadership for ten years, using our tried-and-tested methodology on over 1,000 pieces of thought leadership a year. We also assess how other content—such as case studies and service descriptions—build client understanding and trust. Our experience puts us in a position to help you understand the competitive landscape, create better content, and get more from your investment.



About the author

Alison is the Head of Client & Brand Insights at Source, overseeing all reports and custom work we deliver in this area. Alison has delivered brand benchmarking projects for several of the world's leading consulting firms, and frequently works on qualitative projects to help firms understand the nuances of how they're perceived by clients and how well they're positioned for the future. She's a regular contributor to the Source blog and speaks at events around the world about our work. Before Source, Alison was a consultant at Deloitte and Moorhouse in London.





Programme schedule for 2020

Reports 2020	Market Data & Analysis	Client & Brand Insights	Emerging Trends	White Space
January				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.
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		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.
August	Global Risk & Cybersecurity Services	Perceptions of Risk Firms Perceptions of Tax Firms		
September	Energy & Resources	Perceptions of Audit Firms	Sustainable Futures: A Climate Transformed	
October	Global Tax Advisory Financial Services			
November	Healthcare Technology, Media & Telecoms Planning for Growth in 2021		The Consultant of Tomorrow	
December				

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.

Contact us

For more details on how we might
be able to help, please contact us.

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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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