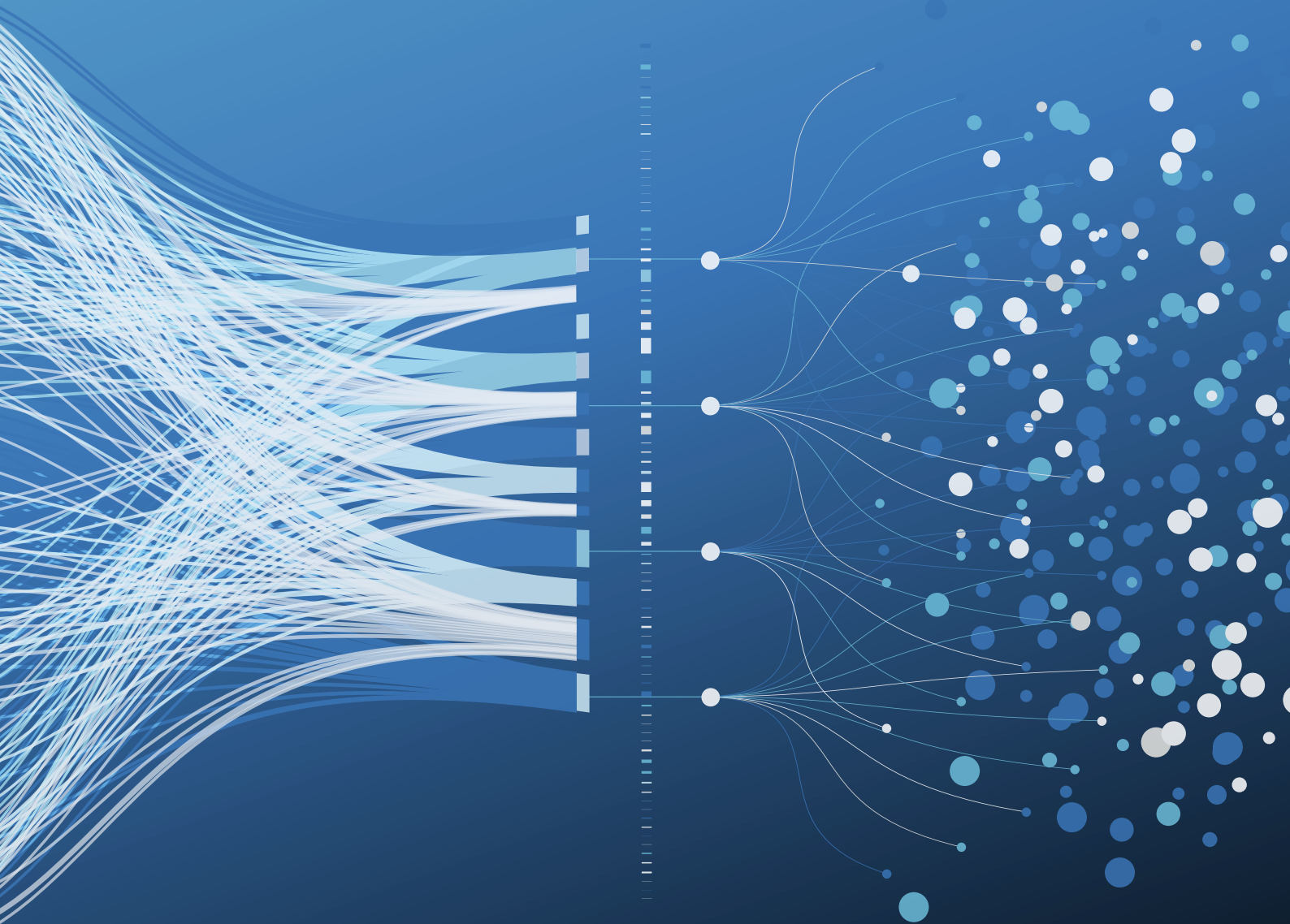


# The Africa Consulting Market in 2021

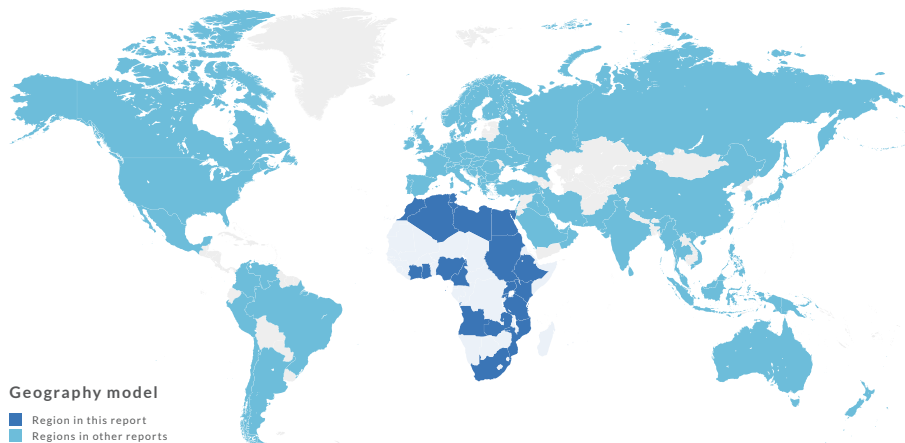
Market Trends Programme





# What's included in this report

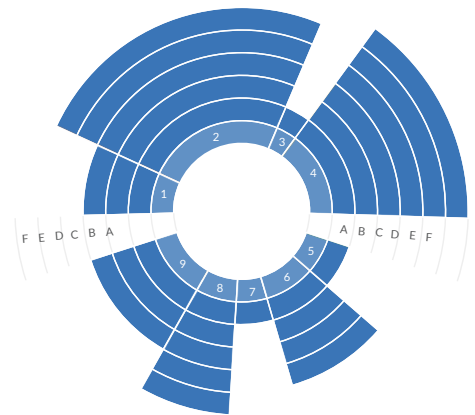
Our reports offer a wealth of market sizing, growth, and forecast data alongside engaging, in-depth analysis of the trends that matter. Using our highly flexible, multidimensional model we provide firms with robust, trusted data to make informed decisions about strategic investments and plan for the future.



Geography model

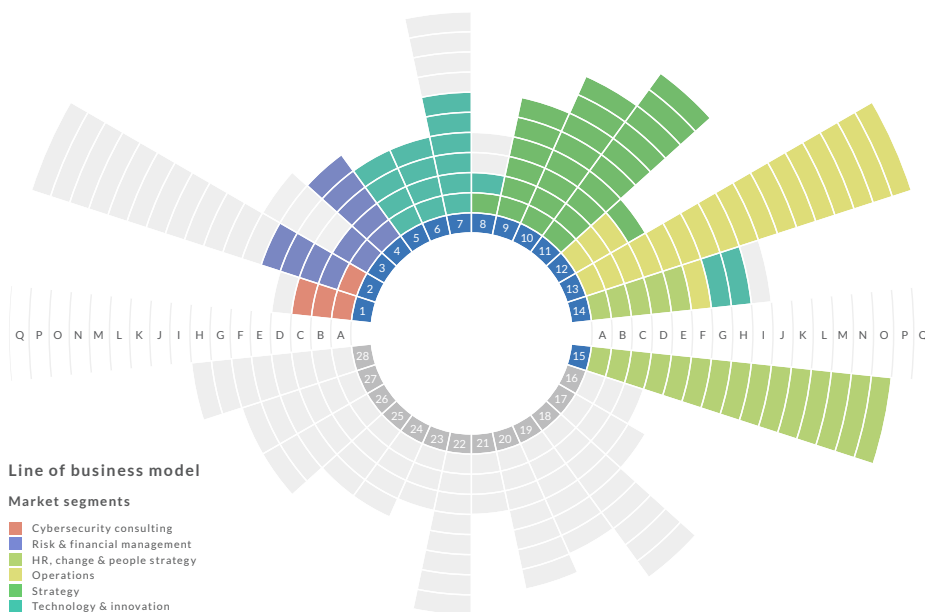
■ Region in this report  
■ Regions in other reports

|           |                |           |             |                  |              |                |
|-----------|----------------|-----------|-------------|------------------|--------------|----------------|
| Albania   | Canada         | Germany   | Kenya       | North Macedonia  | Saudi Arabia | Tanzania       |
| Algeria   | Chile          | Ghana     | Kuwait      | Norway           | Serbia       | Thailand       |
| Angola    | China          | Greece    | Lebanon     | Oman             | Singapore    | Tunisia        |
| Argentina | Colombia       | Hong Kong | Libya       | Pakistan         | Slovakia     | Turkey         |
| Australia | Côte d'Ivoire  | Hungary   | Luxembourg  | Papua New Guinea | Slovenia     | UAE            |
| Austria   | Croatia        | India     | Malaysia    | Peru             | South Africa | Uganda         |
| Bahrain   | Cyprus         | Indonesia | Mexico      | Philippines      | South Korea  | Ukraine        |
| Belarus   | Czech Republic | Iran      | Morocco     | Poland           | Spain        | United Kingdom |
| Belgium   | Denmark        | Iraq      | Mozambique  | Portugal         | Sri Lanka    | United States  |
| Bosnia    | Egypt          | Ireland   | Myanmar     | Qatar            | Sudan        | Venezuela      |
| Brazil    | Ethiopia       | Israel    | Netherlands | Romania          | Sweden       | Vietnam        |
| Bulgaria  | Finland        | Italy     | New Zealand | Russia           | Switzerland  | Zambia         |
| Cameroon  | France         | Japan     | Nigeria     | Rwanda           | Taiwan       |                |



Sector model

| Sectors                        | Sub-sectors                          |
|--------------------------------|--------------------------------------|
| 1 Energy & resources           | 1 A Energy                           |
| 2 Financial services           | 1 B Primary resources                |
| 3 Healthcare                   | 1 C Utilities                        |
| 4 Manufacturing                | 2 A Banking                          |
| 5 Pharma & biotech             | 2 B Capital markets                  |
| 6 Public sector                | 2 C Insurance                        |
| 7 Retail                       | 2 D Investment and wealth management |
| 8 Services                     | 2 E Private equity                   |
| 9 Technology, media & telecoms | 3 A Healthcare                       |
|                                | 4 A Aerospace                        |
|                                | 4 B Automotive                       |
|                                | 4 C Construction                     |
|                                | 4 D Consumer electronics             |
|                                | 4 E Consumer packaged goods          |
|                                | 4 F Industrial products              |
|                                | 5 A Pharma                           |
|                                | 6 A Defence                          |
|                                | 6 B Education                        |
|                                | 6 C Not-for-profit                   |
|                                | 6 D Public sector                    |
|                                | 7 A Retail                           |
|                                | 8 A Business services                |
|                                | 8 B Leisure                          |
|                                | 8 C Logistics                        |
|                                | 8 D Real estate                      |
|                                | 8 E Transportation                   |
|                                | 9 A High-tech                        |
|                                | 9 B Media                            |
|                                | 9 C Telecoms                         |



Line of business model

Market segments  
■ Cybersecurity consulting  
■ Risk & financial management  
■ HR, change & people strategy  
■ Operations  
■ Strategy  
■ Technology & innovation

Line of business

|                                 |
|---------------------------------|
| 1 Cybersecurity                 |
| 2 Risk                          |
| 3 Forensic                      |
| 4 Financial management          |
| 5 Design & UX                   |
| 6 Innovation                    |
| 7 Technology                    |
| 8 Data & analytics              |
| 9 Research                      |
| 10 Deals                        |
| 11 Strategy                     |
| 12 Real estate                  |
| 13 Operations                   |
| 14 Sustainability               |
| 15 HR & change                  |
| 16 Architecture                 |
| 17 Audit & assurance            |
| 18 Business process outsourcing |
| 19 Civil engineering            |
| 20 Legal                        |
| 21 Litigation                   |
| 22 Marketing & creative         |
| 23 Network engineering          |
| 24 Product engineering & R&D    |
| 25 Recruitment                  |
| 26 Software engineering         |
| 27 System integration           |
| 28 Tax                          |

Capabilities

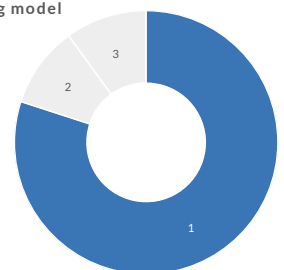
|                                           |
|-------------------------------------------|
| 1 A Cybersecurity advice                  |
| 1 B Cybersecurity incident response       |
| 1 C Penetration testing & wargaming       |
| 2 A Technology & security risk services   |
| 2 B Operational risk                      |
| 2 C Programme risk                        |
| 2 D Responding to regulation              |
| 2 E Risk management                       |
| 3 A eDiscovery                            |
| 3 B Forensic accounting                   |
| 4 A Budgeting/financial planning process  |
| 4 B Debt advisory                         |
| 4 C Finance function                      |
| 4 D Financial advisory                    |
| 4 E Financial restructuring & insolvency  |
| 5 A Corporate identity                    |
| 5 B Customer journey & UX benchmarking    |
| 5 C Graphic & UI design                   |
| 5 D UX & service design                   |
| 6 A Ideation                              |
| 6 B Innovation management                 |
| 6 C Innovation strategy                   |
| 6 D Strategies for growth from innovation |
| 7 A Cloud advice                          |
| 7 B ERP consulting                        |
| 7 C IT strategy, planning & review        |

|                                                                |
|----------------------------------------------------------------|
| 7 D IT training                                                |
| 7 E Programme management                                       |
| 7 F Vendor selection                                           |
| 8 A Advanced analytics                                         |
| 8 B Data visualisation, business intelligence & semantic layer |
| 9 A Customer feedback                                          |
| 9 B Customer segmentation                                      |
| 9 C Employee feedback                                          |
| 9 D Environmental & social impact research                     |
| 9 E Macro/microeconomic research                               |
| 9 F Market research                                            |
| 10 A Capital allocation strategy                               |
| 10 B Commercial due diligence & valuation                      |
| 10 C Financial due diligence                                   |
| 10 D M&A transaction strategy                                  |
| 10 E Operational due diligence                                 |
| 10 F Portfolio & investment strategy                           |
| 10 G Public-private partnerships                               |
| 10 H Technology due diligence                                  |
| 11 A Business & financial modelling                            |
| 11 B Category management                                       |
| 11 C Channel management                                        |
| 11 D Corporate recovery & turnaround                           |
| 11 E Corporate restructuring                                   |
| 11 F Corporate strategy                                        |

|                                                           |
|-----------------------------------------------------------|
| 11 G Market analysis & strategy                           |
| 11 H Policy formulation                                   |
| 11 I Pricing                                              |
| 11 J Strategic sourcing/offshoring services               |
| 12 A Corporate, occupier services & facilities management |
| 12 B Integrated real estate developer services            |
| 12 C Real estate deal/transaction services                |
| 12 D Real estate strategy                                 |
| 13 A Benchmarking                                         |
| 13 B Business continuity & recovery                       |
| 13 C Cost cutting                                         |
| 13 D Customer service                                     |
| 13 E DevOps                                               |
| 13 F Distribution strategy                                |
| 13 G Lean & Six Sigma                                     |
| 13 H Operational review                                   |
| 13 I Outsourcing advice                                   |
| 13 J Post-M&A integration                                 |
| 13 K Process design, re-engineering & automation          |
| 13 L Procurement/purchasing                               |
| 13 M Property & estate management                         |
| 13 N Sales & distribution planning                        |
| 13 O Sales force effectiveness                            |
| 13 P Supply chain management                              |
| 13 Q Target operating model                               |

The revenue-earning model

1 Consulting  
2 Managed service  
3 Other (contingent fees, software licensing, associate networks)





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What clients tell us about their plans for the year—and where they'll be asking consultants for help.

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## About this report

Our report draws on four main sources:

- Our global data model covering the professional services market
- 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

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

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5



# The Africa consulting market in 2020

Africa has been somewhat of a mixed bag for consultants in recent years, with the market in Sub-Saharan and Northern Africa growing at a very healthy rate despite the occasional socio-economic or political challenge, while Southern Africa struggled to maintain an upward trajectory amid an array of industry scandals, political uncertainty, and recession. The arrival of COVID-19 on Africa's shores, however, saw the whole market shift in a single direction—down—as governments put restrictions around everyday life and economies took a tumble. As a result, consulting revenues across Africa fell 4.6% to total US\$3,009m in 2020.

After a turbulent run up to the pandemic, the Southern Africa consulting market, which accounts for more than 50% of Africa's consulting revenues, contracted in line with the overall Africa average. While South Africa—the region's largest market—imposed some of the most stringent COVID-19 restrictions on the continent, consultants' ability to register as essential workers and clients' need to call on expertise to help guide them through the raft of challenges, they were experiencing saw the market hold up better than expected. There were similarly modest dips in Angola, Mozambique, and Zambia—all three of which experienced double-digit growth in recent years—as companies quickly got back to work digitising and expanding their operations after an initial lull in the pandemic's early weeks.

While COVID restrictions were somewhat less stringent and less prolonged in much of Northern and Sub-Saharan Africa, consulting in both regions contracted at a rate similar to that seen in the south as clients paused projects in the immediate aftermath of COVID-19 hitting. The collapse of oil prices and a slowdown in investment from overseas saw a curtailment of some government spending, energy & resources investment, and FDI-related opportunities as clients tightened their purse-strings in the second quarter. However, things started to ease towards the tail end of Q3 and into Q4 with digital once again coming to the fore—amid the growth of fintechs and digital media platforms—alongside demand for cybersecurity and technology expertise.

After a turbulent run up to the pandemic, the Southern Africa consulting market, which accounts for more than 50% of Africa's consulting revenues, contracted in line with the overall Africa average.



# The client perspective

## Introduction

The Africa consulting market has been badly hit by the crisis and continues to suffer as a direct consequence of it. Pressure on fee rates remains intense, and our research highlights some concerns around the extent to which firms have been able to help clients through the crisis. However, a shortage of high-calibre people and clients who simply have too much to do mean that consulting support is needed by both large and mid-sized organisations, especially around technology and risk & compliance work. But as always seems the case with Africa, the opportunities are as great as, if not greater than, the challenges. In particular, our research found that clients are keen to work with consulting firms that can demonstrate they're bringing better solutions—and they're prepared to pay more for that type of support.

### Methodology

We surveyed 100 senior executives over a range of countries in Africa, asking for their views on the priorities and challenges their organisations face and the role consultants may play in dealing with these in the future. The difficulty of carrying out this type of research in the region means that our sample comes predominantly from South Africa, Egypt, Nigeria, and Kenya.

A key part of this report compares the priorities, preferences, and behaviours of large and mid-sized client organisations. Unless stated otherwise, we've defined large organisations as those with 5,000 or more employees (35% of our sample) and mid-sized organisations as those with between 1,000 and 4,999 employees (57% of our sample). An additional 8% of our sample comes from organisations with between 250 and 999 employees, which we include to reflect the structure of the markets in this region.

Details of our survey methodology are [here](#). Please note that we had a relatively small number of respondents from the pharma and retail sectors. Where appropriate, we've included data from these sectors in the charts in this section as a point of comparison, but it should be regarded as directional only.

The Africa consulting market has been badly hit by the crisis and continues to suffer as a direct consequence of it.



## A tale of two markets

### The pandemic is far from over in Africa

At the time of writing, the number of new COVID cases reported in the region is at an all-time high, as are the number of reported deaths. Here, as elsewhere, there had to be rapid adaptation. For some organisations, the crisis has brought unexpected opportunities; for others, disaster. Overall, 57% of the executives we surveyed say that their organisations have been negatively impacted by the crisis—worse than the global average, but not the very worst. As we've noted before in these reports, a negative impact isn't simply the result of falling sales (although 61% those claiming a negative impact cited this) but may also result from a perception that, for example, a company's leadership team has failed to step up the challenges of the last 18 months. Supply chains have failed, and the shift to remote working has been especially problematic: 48% of the companies we surveyed in Africa said they couldn't operate remotely, compared to 28% in other markets. Those who say the crisis has had a positive impact on their organisation may believe the company has responded well in almost impossibly difficult circumstances, but here—more than anywhere else—it's sales growth that's the primary factor driving people's views: 65% of those claiming a positive impact pointed to this, compared to 41% of respondents in other markets.

Figure 4

On balance, what impact did the COVID crisis have on your organisation as a whole in 2020?  
Africa compared to other markets



The crisis seems to have been worse for large companies, 69% of which report the crisis has had a negative impact; mid-sized companies, perhaps because they can adapt more quickly, appear to have fared better. Clients in Nigeria and Egypt are more positive than those in Kenya and South Africa.

## Challenges remain—and attempts to find solutions have produced mixed results

Issues around the transition to remote working during the pandemic point to a deeper-seated problem. Twenty-nine percent of clients said that the greatest challenge they face is around the adoption of new technology. Although that's only slightly less than the average across other markets (25%), other challenges—namely unclear objectives and slow decision-making—come top of the corporate agenda elsewhere. Again, size of organisation matters: Technology adoption is more likely to be a problem among mid-sized organisations, but companies with more than 5,000 employees look more like their international counterparts and tend to be more concerned about decision-making, the quality of management information, and so on.

Interestingly, clients' response—irrespective of whether they're a large business struggling with organisational sclerosis or a mid-sized one not yet making effective use of technology—has been to improve the quality of management information. Thirty-nine percent said this was one of the two most important solutions they've explored, with 30% saying they've revisited their strategy and/or business model.

**Figure 5**

How organisations have responded to the challenges they face



However, if we look at the extent to which these responses have proved effective, we can again see a wide disparity in the experience of large and mid-sized organisations. Big companies have done best: On average, 53% of clients in such organisations rate their response as “very effective”. Views are most positive around initiatives to re-shape strategies (78% rate these as very effective) and make better use of internal resources (75%), but views about improving management information were more mixed: Only 53% of clients saw this work as very effective, and 13% said it was too early to tell.



# 3

## — Insights from consultants

### Interviews with consulting leaders

At Source, we have always believed that the only way to truly understand a consulting market is to have real conversations with the consultants who are on the ground working in that market, serving their clients day in and day out. Below, you'll find condensed versions of our most recent discussions with Africa's consultants, as they reflect on 2020, telling us how the previously unimaginable events of 2020 are reshaping the market, and in the case of a few brave souls, venturing a guess as to what comes next.



## Adam Craker, CEO, IQbusiness

### How did the consulting market in South Africa perform in 2020?

We went into a level-five lockdown at the end of March last year, which had a big impact on the market. In the second quarter, all decisions really slowed down and many projects that hadn't started yet were curtailed or deferred. But as we got closer to the third quarter, we saw the market really pick up as many client organisations adjusted their priorities to remote working, digitisation, online access to customers, new marketplaces, and ecosystems. So, the second half of 2020 was much more positive, and we've seen a reasonable continuation of that in the first half of 2021. Overall, the market had its ups and downs, not least due to a lot of price pressure. Many clients were deferring payments on projects as they battened down the hatches, but we were flexible and engaged with them on that basis.

### To what extent were projects in the second half of 2020 completely new and established as a result of the challenges faced? Or were they an acceleration of what was already on the cards for clients before COVID hit?

The majority of them were already underway but accelerated. There was certainly a renewed focus on prioritising the adoption of new ways of working. If we look at the digitisation projects that are currently active, about 70% were already in the pre-pandemic pipeline while 30% are new and a response to what's happened in the last 18 months.

### Did any sectors come back from the pandemic stronger, and are any still languishing?

Banking has been the strongest throughout, which is good news as it's one we're very active with. Banks have been launching new digital platforms, particularly for retail customers and SMEs, for new apps, products, and services. Just about every one of the major banks have been investing in commercial SMEs for new ecosystems and extended services to enable businesses to operate effectively. We're seeing very rapid investment profiles from mobile telecommunications operators who have responded to the opportunity that they have with their customers in the retail and commercial space to offer financial services. Money transfer and insurance are probably the two leading areas that we've seen significant investment in that area. The sectors and industries that have been impacted catastrophically are

retail, tourism, health, manufacturing, and insurance. Retail clients deferred all projects except those that facilitated online marketplaces and online access to customers. Pretty much every healthcare project and initiative that was planned in the provision of private health was deferred because the entire sector had to prioritise COVID-related efforts. With the South African government having prohibited alcohol sales for several months, even major manufacturers in the alcohol industry were severely impacted. While insurance was actually tracking very solidly last year until February 2021, when a court ruled that insurers were obliged to pay out claims for business interruption insurance. Since then, all non-essential investment programmes have stopped so insurers can preserve their balance sheets.

### To what extent has the people aspect of digital come to the fore?

We've seen strong demand in learning and development, for which we implement bespoke learning capabilities. But we've seen weaker demand in change management, which is typically where we'd see that front end of digital, with new platforms and processes being rolled out. I do think clients are still buying those services so perhaps we're just losing out to other competitors, so it's a case of strengthening our proposition in that space.

### How have you found the transition to serving clients remotely, and how has that impacted your firm?

We've adjusted very quickly since we'd already adopted technologies like Teams, Zoom, and Miro for collaboration. Currently, most of our team work from home, but some are working in the office or at client sites. In South Africa, businesses had to register last year to remain open and active as essential service providers, and we were very quick to do so. This has enabled us to stay focused and achieve a solid team performance, with ebbs and flows of our people in and out of the physical office environment and client environment.

### Have you found generating opportunities with new clients more of a challenge than doing so with existing clients?

We've certainly missed the opportunities to informally bump into people in a corridor at the client site or at a coffee shop. However, we've been very effective in



utilising different approaches to engaging clients. Of course, we've seen a drop-off in sales activity over the last year, but we've really made a major push on social media and on integrating our offerings and capabilities into the conversations we have. Even basic practices such as always keeping our cameras on during calls is part of our culture to help us fully connect with clients. We've also found that clients then come back wanting to keep their cameras on too, to better engage with us.

---

### **What kind of measures have you been able to put in place internally to help your own people navigate their way through the pandemic?**

Well, one step was switching our Human Performance team from classroom-based teaching to remote teaching & engagement with employees. But more importantly, there's a real appreciation of the mental stress that the last 18 months has placed on our people. Our wellness programme provides access points for our IQers to confidentially engage with third parties and, most importantly, our leadership teams. We're constantly looking for new ways of engaging people that have been affected by the struggles throughout the pandemic and reducing the very real risk of mental illness. For example, in meetings, our firm is in the habit of following up the "how are you?" greeting with "how are you really?", which, after a pause, can bring out a very different, less superficial response. We've also implemented a new programme called "Wellness Wednesdays" where we provide hints and tips around how to stay mentally and physically fit. Another recent programme is the "Energy Hub", for which we're working with an external organisation that constantly innovates around how we can boost our energy levels so we can show up to clients as a beacon of positivity and energy.

---

### **How have you been able to navigate price pressures in the market, and how has that impacted your firm?**

Every July, we normally implement market-related increases, bonuses, and promotions, but in July 2020, we decided to implement a zero-increase cycle. Despite this, we were able to have promotions and bonuses at the end of the year. In keeping with our firm's framework, we decided that any decisions we make have to be kept in balance across our people, our clients, and our shareholders. These measures created a lot of relief for us, ensuring we had a successful financial year and that we could resume our usual increase cycle this July. Meanwhile, many other firms have had to reduce salaries, cut staff back, and stop increases.

### **How do you see the market evolving over the rest of 2021?**

Two extraneous factors that will determine how the market evolves are how quickly the population is vaccinated and the political response to the social unrest that occurred in July 2021. There are very low levels of confidence in both the business community and the consumer community as long as those areas remain uncertain. However, we're seeing continued demand in the banking sector and expect other sectors we're active in to gradually return. We've started to invest significantly in the public sector in the expectation that the government will begin to spend again. We've also completed a couple of acquisitions this past year to grow locally and internationally but also to help us serve a potential consulting boom cycle later this year and into 2022 should it happen.

---

### **To what extent do you think M&A within consulting will accelerate as we come out of the crisis?**

I think it will, particularly in the South African market. As the largest home-grown player in this market, I think we're heading into and are part of a period of consolidation of businesses coming together and creating scale. This is being driven partly by the current focus on localisation; partly by many international firms having spoiled their lot here in the South African market, getting embroiled in state capture and corruption. Many clients are moving away from them as a result.



# About this report

## Methodology

## Sources

### Megamodel: our global data model

The quantitative market data in this report comes from our unique model of the global professional services market.

Rather than making high-level assumptions, this model has been built from the bottom up, sizing the market capability by capability—assessing how much work a firm earns delivering each professional capability within each sector and country. This results in a robust view of the size of the supply-side market, which can then be broken down to view the size of the market by country, sector, line of business, capabilities, and market segments.

This year's model has been expanded, with a new capability taxonomy and a much broader range of professional services firms included—all of which reflects convergence and other changes we see in the industry. For the purposes of this report we've focused on types of firm and market segments that broadly equate to traditional definitions of consulting. As a result of these changes to our methodology, there are changes to our market sizing data, which take into account that conventional consulting firms now compete in many non-consulting markets—in essence that their addressable market is larger. Historic data has been restated to match our new definitions, but the inclusion of new types of firm and additional services may also have an impact on growth rates.

Alongside this market segmentation, we also limit our market sizing and analysis to what we at Source call “big consulting”—work done by mid- and large-sized firms (those with more than 50 people). Please note that we don't track the long, thin tail of work done by contractors and very small firms, as most readers of this report would

not seek or be able to compete in this part of the market.

All of the data in the model is calibrated through extensive interviews with, and surveys of, professional services firms and their clients, allowing us to discuss broader trends in the market alongside detailed dimensions such as headcount. These interviews and surveys are supplemented with desk research, which allows us to assess the impact of wider macroeconomic trends on professional services. This, combined with our detailed modelling, results in a long-term view of the market that is able to support both historic and forecast data.

All figures given in this report are in US dollars. For reference, Source is using the following exchange rates in its reports this year:

US dollar to British pound US\$1 = £0.78

US dollar to euro US\$1 = €0.87



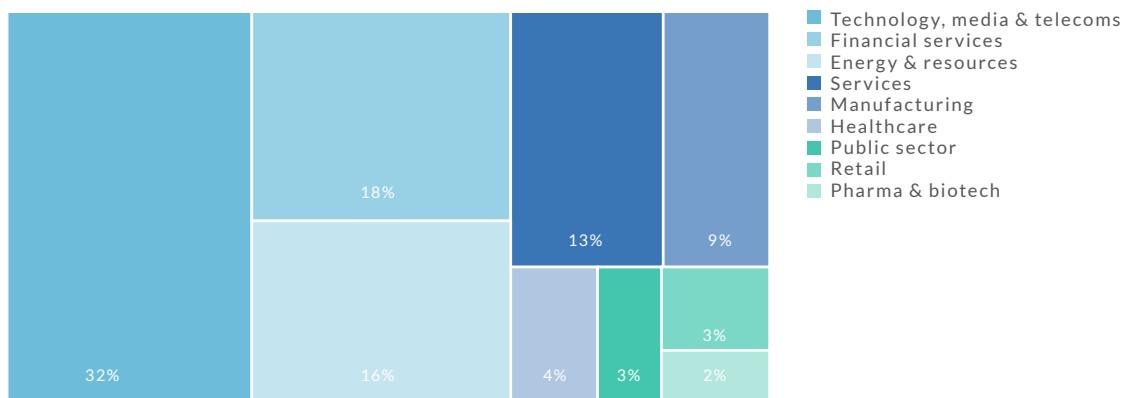
## Client perspective

We carry out a client survey to help us build a rich picture of how different trends in the Africa are affecting clients' organisations and their use of consulting. One survey focuses on trends in Africa, providing detailed insights into the nuances of the market. For this, we surveyed 100 senior clients of consulting firms from across the Africa, all of whom work in organisations with more than 500 employees. This survey focuses on the following areas:

- How they expect to use consultants during 2021 and the first half of 2022
- Factors that affect the way clients work with consulting firms
- The ways consulting firms market themselves to clients and the impact this has on client decision-making

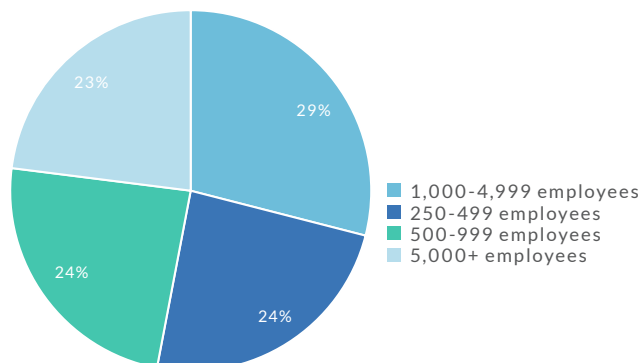
Figure 30

### Respondents by sector



**Figure 31**

Respondents by organisation size



### Interviews with senior consultants

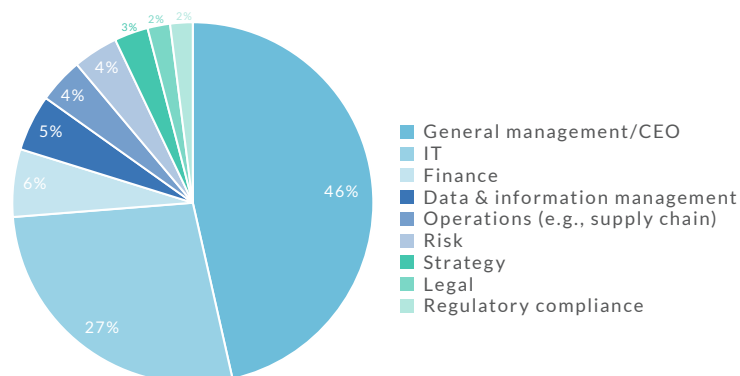
In addition to our quantitative research, we interviewed 10 very senior consultants in Africa, representing most of the leading consulting firms in the geography and many smaller local specialists to understand more about how the consulting market is performing and the major trends, changes, and challenges consultants and their clients face. Throughout the year, Source analysts remain plugged in to the global consulting market through our bespoke research and consulting projects, adding further depth to our understanding of the consulting industry.

### In-depth desk research

We also conducted a thorough PEST analysis in the Africa that drills down into finer macroeconomic details on a holistic and sector-by-sector basis and allows us to fit our research into a wider macroeconomic picture.

**Figure 32**

Respondents by function



### Definitions of sectors and market segments

Our definition of management consulting includes a broad range of business advisory services, but excludes:

- tax advisory
- audit
- the implementation of IT systems
- the delivery of outsourced/offshored services
- HR compensation/benefits administration and technology

Where mergers and acquisitions work is concerned, consulting on deals is included (under strategy), but corporate finance fees on deals themselves are generally not included, although it is not always straightforward to separate the two.

For more information about how we classify consulting services and sectors, please see “Definitions of sectors and market segments”.



## Definitions of sectors and market segments

### Sectors



#### Energy & resources

##### Energy

Includes the exploration and production of energy, including oil, gas, coal, and renewables.

##### Utilities

Includes the delivery of electricity, gas, water, sanitation, and other related services.

##### Primary resources

Includes agriculture, chemicals and chemical products, commodities, forestry, fishing, metals, mining, and plastics.



#### Financial services

##### Banking

Includes retail banking, commercial banking, and lending.

##### Insurance

Includes general insurance (e.g., motor, home, pets, health—anything on an annual contract), life insurance, pension products, and retirement planning.

##### Private equity

Includes both consulting work for private equity firms and consulting work with private equity portfolio businesses.

##### Capital markets

Includes investment banking, trading of stocks and financial products, corporate finance, and broking.

##### Investment and wealth management

Includes private banking, high net-worth banking, investment management, trust funds, the management of pension funds, and asset management.



#### Manufacturing

##### Aerospace

Includes space research and technology, the manufacture of aircraft, aircraft parts, rockets and other space equipment, and tanks and ammunition.

##### Automotive

Includes the manufacture of motor vehicles, industrial vehicles, and vehicle supplies and parts.

##### Construction

Includes surveying, architectural, and engineering services, heavy construction, house building, and the building of infrastructure.

##### Consumer packaged goods

Includes the manufacture of clothes, foods, alcohol, tobacco, furniture, home furnishings, cleaning products, small arms, children's toys, and sports equipment.

##### Consumer and industrial electronics

Includes electrical components, household and industrial appliances, commercial and professional equipment.

##### Industrial products

Includes industrial machinery, steel and metal products, and plastic products.



#### Pharma & biotech

Includes research into and the production of drugs, biological products, medicinal chemicals, and life sciences.



#### Healthcare

Includes private and publicly funded healthcare, hospitals, laboratories, and medical equipment.



#### Public sector

##### Government

Includes federal/national, state/regional, local government, emergency services, justice, social services, public transport, and conservation.

##### Education

Includes public and private schools, universities, and libraries.

##### Defence

Includes national security and consulting around defence issues.

##### Not for profit

Includes non-commercial research organisations, religious, political and professional membership organisations, trusts, labour unions, and business associations.



#### Retail

Includes the selling of clothes, food, consumer goods, and automobiles.



#### Services

##### Logistics

Includes warehousing, storage, packing and crating, and distribution including cargo, freight, and haulage.

##### Business services

Includes services relating to law, accountancy, IT maintenance, security systems, advertising, employment agencies, and vehicle leasing.

##### Leisure

Includes museums, art galleries, theatre, golf courses, hotels, hospitality, travel agencies, restaurants, and bars.

##### Real estate

Includes estate agencies and operators of residential and commercial buildings.

##### Transportation

Includes private and people-related transportation, including airlines, airport management, train operators, rail infrastructure management, water transportation, courier services, and private bus services.



#### Technology, media & telecoms

##### Telecoms

Includes telephone, mobile, digital, and other communication services.

##### High-tech

Includes IT-related devices, computer and computer-related devices, audio and video equipment, broadcasting and communication equipment.

##### Media

Includes radio, television, and digital broadcasting stations and services as well as printing and publishing of newspapers, periodicals, and books.



## Market segments

We've taken the lines of business and capabilities from our taxonomy that broadly align with traditional definitions of consulting and divided them into market segments that include the following. Please note that for some lines of business, for example, forensics, we've taken a subset of the relevant capabilities and excluded others.



### Technology & innovation

Ideation, Innovation management, Innovation strategy, Strategies for growth from innovation, Cloud advice, ERP consulting, IT strategy, planning & review, IT training, Programme management, Vendor selection, Clean technology, Green IT, Corporate identity, Graphic & UI design, UX & service design, Customer journey & UX benchmarking, Data visualisation, business intelligence & semantic layer.



### Strategy

Capital allocation strategy, Commercial due diligence & valuation, Financial due diligence, M&A transaction strategy, Operational due diligence, Portfolio & investment strategy, Public-private partnerships, Technology due diligence, Business & financial modelling, Category management, Channel management, Corporate recovery & turnaround, Corporate restructuring, Corporate strategy, Market analysis & strategy, Policy formulation, Pricing, Strategic sourcing/offshoring services, Real estate strategy, Environmental & social impact research, Macro/microeconomic research, Market research, Customer feedback, Customer segmentation, Employee feedback, Advanced analytics, Sustainable investment.



### Cybersecurity consulting

Cybersecurity advice, Cybersecurity incident response, Penetration testing & wargaming, Technology & security risk services.



### HR, change & people strategy

Benefits, compensation & pensions, excluding actuarial & investment advice, Change management, Diversity & inclusion, Employee engagement, Governance & board effectiveness, HR strategy & effectiveness, Leadership, Organisational design & culture, Organisational training & development, Outplacement, Pension fund evaluation & advice, Performance management, Stakeholder management, Talent management, Team effectiveness & collaboration, Resource-efficiency strategy, Purpose-led strategy & change, Resource-efficiency implementation, Social impact & trust.



### Operations

Benchmarking, Business continuity & recovery, Cost cutting, Customer service, DevOps, Distribution strategy, Lean & Six Sigma, Operational review, Outsourcing advice, Post-M&A integration, Process design, re-engineering & automation, Procurement/purchasing, Property & estate management, Sales & distribution planning, Sales force effectiveness, Supply chain management, Target operating model, Sustainable supply chain, Corporate, occupier services & facilities management, Integrated real estate developer services, Real estate deal/transaction services.



### Risk & financial management

Operational risk, Programme risk, Responding to regulation, Risk management, Budgeting/financial planning process, Debt advisory, Finance function, Financial advisory, Financial restructuring & insolvency, eDiscovery, Forensic accounting.



## 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                |
|----------------------|-----------------------------------------|-----------------------------|
| Adam Craker          | CEO                                     | IQbusiness                  |
| Dr Hesham Dinana     | Vice President & Managing Director      | EFESO                       |
| Emmanuel de Dinechin | Partner                                 | Altai Consulting            |
| Mike Eldon           | Chairman                                | DEPOT Kenya                 |
| Zweli Gwebityala     | MD Business Consulting                  | Ntiyiso Consulting          |
| Jonathan Holmes      | Managing Director Middle East           | Korn Ferry                  |
| Hennie Human         | Advisory Markets Leader – Africa Region | EY                          |
| Mohamed Radwan       | Managing Director & Board Memeber       | Platinum Partners           |
| Stephen Rothgiesser  | Managing Director                       | The Change Consulting Group |



## About the authors

### Ashok Patel

Ashok is a writer and editor at Source in our Market Trends team. He is an experienced writer, editor, and analyst, providing insights into the latest trends and developments across the professional services market. He has been quoted by a variety of trade publications and has previous experience in Source's Client Perception Programme. Prior to joining Source, Ashok was an editor and consultant in the commodities market, as well as working in the UK automotive industry.

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### Fiona Czerniawska

A Co-founder and Managing Director of Source, Fiona is one of the world's leading commentators on the management consulting industry. Since founding Source in 2007, she has been bringing this expertise to bear on our clients' most pressing strategic projects and business issues. Fiona has published a dozen books on consulting topics, including two for The Economist: *Business Consulting: A Guide to How it Works* and *How to Make it Work* and *Buying Professional Services*.

She has more than 20 years' experience as a management consultant, working primarily in the areas of marketing and strategy. She was previously in charge of strategic planning for EY in the UK and has worked in the consulting practice of PwC. Fiona also has a PhD in 17th-century French art and lives in hope that it will be of practical use in business someday.

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### Edward Edgcumbe

Edward leads the Acquisition Strategy team at Source, scanning markets around the world for potential acquisitions and partnerships for some of the world's leading consulting and advisory firms. These searches have covered the consulting and advisory spectrum from coding expertise in specific US cities to Lean consultants in Southeast Asia. He holds degrees in Classics from Magdalen College, Oxford, and an MMus from The Royal Academy of Music.

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## Programme schedule for 2021

| Reports 2021 |           | Market Trends Programme                                                                                                                                                                               | Client Perception Studies                                     | Emerging Trends Programme      |
|--------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------|
| Q1           | January   | Forecasts for 2021<br>US<br>GCC<br>UK<br>Nordics<br>Canada                                                                                                                                            | UK<br>US                                                      |                                |
|              | February  |                                                                                                                                                                                                       | Germany<br>Financial Services                                 |                                |
|              | March     |                                                                                                                                                                                                       | Healthcare & Pharma<br>GCC<br>France                          | Buying and Selling             |
| Q2           | April     | France<br>DACH<br>Australia<br>Southern Europe                                                                                                                                                        | Nordics<br>Energy & Resources<br>Technology, Media & Telecoms |                                |
|              | May       |                                                                                                                                                                                                       | China<br>Japan                                                | Digital, Transformed?          |
|              | June      |                                                                                                                                                                                                       |                                                               |                                |
| Q3           | July      | China<br>Benelux<br>South America<br>South East Asia<br>India<br>Japan<br>Eastern Europe & Russia<br>Africa<br>Energy & Resources<br>Financial Services                                               |                                                               |                                |
|              | August    |                                                                                                                                                                                                       | Perceptions of Risk Firms<br>Perceptions of Tax Firms         | Consulting's New Talent Crisis |
|              | September |                                                                                                                                                                                                       | Perceptions of Audit Firms                                    |                                |
| Q4           | October   | The Global Tax Advisory Market<br>The Global Risk & Cybersecurity Services Market<br>Healthcare & Pharma<br>Technology, Media & Telecoms<br>Consumer Products & Retail<br>Planning for Growth in 2022 |                                                               | Building a Trusted Brand       |
|              | November  |                                                                                                                                                                                                       |                                                               |                                |
|              | December  |                                                                                                                                                                                                       |                                                               |                                |

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Source analyses the way in which economic, business, behavioural, and technology change drives how organisations use professional services, and the implications that has for professional services firms.

Since its inception in 2007, Source has invested in sophisticated, proprietary research techniques that not only provide unique insights on current and future trends in the market, but also provide a better and faster solution than you would be able to reach yourself.

Our analysis and recommendations are derived from data and experience, and we use our team's extensive knowledge of the industry to provide actionable and clear conclusions on the best course of action for you and your firm. Our insights have underpinned some of the biggest strategic investment decisions made by professional services firms around the world.

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## Our custom work

In addition to our report programmes, we also provide custom advice and research-led consulting services to the world's biggest and most successful professional services firms, helping them identify the best areas for investment and plan their strategic responses.

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.