

The Financial Services Consulting Market in 2021

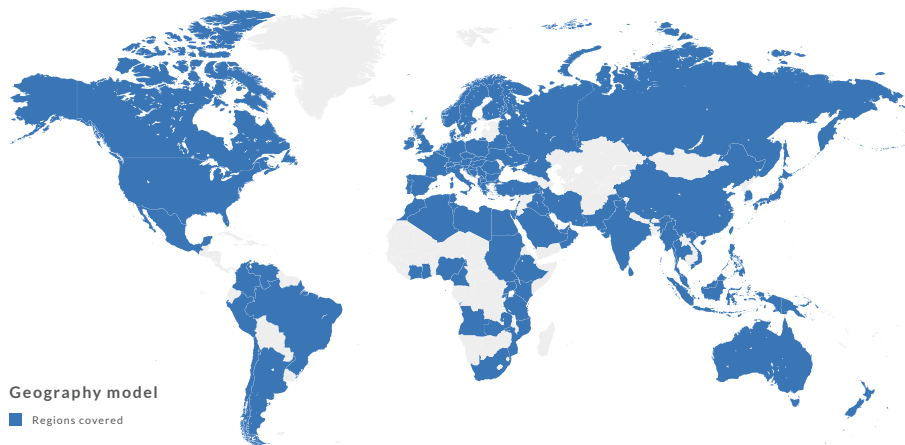
Market Trends Programme





What's included in this report

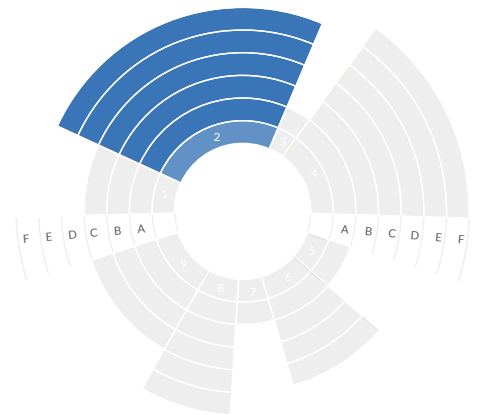
Our reports offer a wealth of market sizing, growth, and forecast data alongside engaging, in-depth analysis of the trends that matter. Using our highly flexible, multidimensional model we provide firms with robust, trusted data to make informed decisions about strategic investments and plan for the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



Geography model

Regions covered

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	



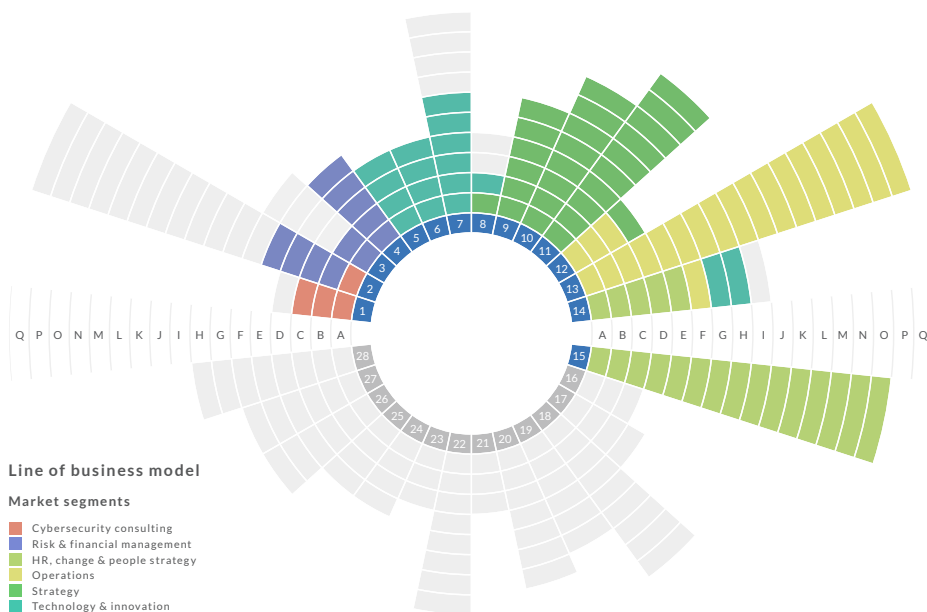
Sector model

Sectors

- 1 Energy & resources
- 2 Financial services
- 3 Healthcare
- 4 Manufacturing
- 5 Pharma & biotech
- 6 Public sector
- 7 Retail
- 8 Services
- 9 Technology, media & telecoms

Sub-sectors

- 1 A Energy
- 1 B Primary resources
- 1 C Utilities
- 2 A Banking
- 2 B Capital markets
- 2 C Insurance
- 2 D Investment and wealth management
- 2 E Private equity
- 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

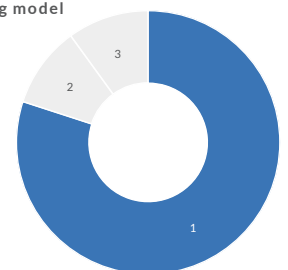
- 1 Cybersecurity
- 2 Risk
- 3 Forensic
- 4 Financial management
- 5 Design & UX
- 6 Innovation
- 7 Technology
- 8 Data & analytics
- 9 Research
- 10 Deals
- 11 Strategy
- 12 Real estate
- 13 Operations
- 14 Sustainability
- 15 HR & change
- 16 Architecture
- 17 Audit & assurance
- 18 Business process 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
- 14 A Purpose-led strategy & change
- 14 B Resource-efficiency implementation
- 14 C Resource-efficiency strategy
- 14 D Social impact & trust
- 14 E Sustainable workforce
- 14 F Sustainable supply chain
- 14 G Clean technology
- 14 H Green IT
- 15 A Benefits, compensation & pensions, excluding actuarial & investment advice
- 15 B Change management
- 15 C Diversity & inclusion
- 15 D Employee engagement
- 15 E Governance & board effectiveness
- 15 F HR strategy & effectiveness
- 15 G Leadership
- 15 H Organisational design & culture
- 15 I Organisational training & development
- 15 J Outplacement
- 15 K Pension fund evaluation & advice
- 15 L Performance management
- 15 M Stakeholder management
- 15 N Talent management
- 15 O Team effectiveness & collaboration

The revenue-earning model

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





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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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The financial services consulting market in 2020

With uncertainty rife in both local markets and the global economy, clients scaled back or paused projects in an effort to bolster their finances and protect their organisations until more was known about how long and how deep the impact of COVID-19 would be.

After several years of solid growth, financial services consultants experienced a very different 2020. While the year got off to a strong start, the arrival of the pandemic quickly ended any notion that it would be another upward year filled with big-budget transformations. With uncertainty rife in both local markets and the global economy, clients scaled back or paused projects in an effort to bolster their finances and protect their organisations until more was known about how long and how deep the impact of COVID-19 would be. As a result, the financial services consulting market contracted 2.5% to total US\$58,265m.

While the overall market contracted, there were still some bright spots for consultants. Demand for cybersecurity expertise surged 26.9% with clients scrambling to get protections in place as they shifted entire organisations to remote operations. Technology and innovation was the only other market segment to grow in 2020, albeit by a rather paltry 0.7%. So, while many big-ticket technology transformation programmes were put on hold once COVID-19 hit, firms did benefit from clients rolling out remote working solutions across a sector notoriously reluctant to embrace working from home, for both regulatory and cultural reasons.

Taking a sub-sector view, insurance was the sole beacon of light, at least when it comes to consulting growth. Clients were quick to seek support in understanding what they were on the hook for amid a torrent of policy claims from customers affected by the pandemic. All other sub-sectors saw shrinking demand. Clients in investment & wealth management and in private equity were particularly poorly prepared for the transition to remote working, and much of the work in the pandemic's early months focused on trying to establish ways to simply keep operating through lockdowns. Meanwhile in banking, clients trimmed spending as they sought to bolster their finances amid concerns over the potential for a prolonged economic downturn.

From a geographic perspective, the US remained the dominant market—accounting for a third of all consulting revenues in the sector—even as the market contracted 3.7%. The need to scale back larger transformation projects in the wake of COVID-19 took its toll on demand, as clients had to divert resources to managing the rollout of government support programmes and shoring up their finances.



Industry overviews

Banking

2020	US\$25,348m
2020 growth	-5.4%

While banking remained the largest subsector for consultants—accounting for 43% of revenues—it went from one of the best to one of the worst performing markets in 2020. While clients started the year with grand plans of accelerating digital transformation, much of this work slowed or was halted altogether as clients trimmed their consulting budgets in an effort to shore up their finances amid concerns of a global economic downturn. Clients also spent the early pandemic scrambling to implement remote working solutions and, in many markets, didn't fully return to the broader digital agenda until the second half of the year.

While the shift to remote working slowed demand for most services, it was a boon for cybersecurity consultants, with revenues rising 22% as companies sought to secure newly remote and cloud-based operations and protect highly confidential customer information. Technology & innovation also proved more resilient than most other services with revenues only dipping 4.2% in 2020. While demand for most innovation services was hit by double-digit contraction, the surge in calls to support the rollout of remote working solutions helped soften the downturn.

As the market started to recover towards the tail end of last year and into 2021, cybersecurity remained banking's star performer and looks set to persist as such, with another sharp uptick in clients looking to rollout new protections as they continue to battle the everchanging landscape of cyberattacks. Investment in technology & innovation is also picking up as traditional banks continue to play catch up with the burgeoning fintech market, digitising both their customer-facing offerings and behind the scenes operations. And strategy consultants are seeing a strong bounce back, with clients eager to shift to more robust and resilient business models that are not only capable to surviving future economic shocks but are set up to deal with other rapidly approaching challenges, including those related to sustainability.



2

The client perspective

The impact of the pandemic

Clients in the financial services sector are slightly more negative than average about the impact the pandemic has had on their organisations and are somewhat less certain that the pandemic is over. Clients further seem to be taking a measured approach during this current stage of the pandemic, as relatively few report making significant strategic changes in response to crisis or having fully reverted to their pre-pandemic ways of doing business. This restrained attitude is in keeping with financial services' traditional characterisation as a dominant but slow-to-change sector.

Figure 3

On balance, what impact did the COVID crisis have on your organisation as a whole?

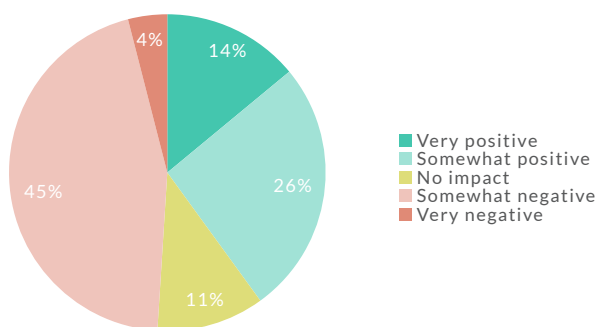
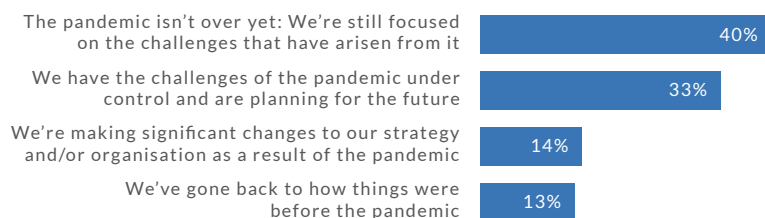


Figure 4

How would you best describe how your organisation has responded to the challenges of the pandemic at the moment?

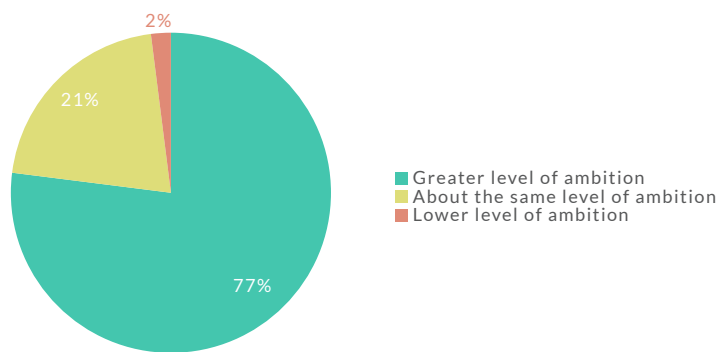




The legacy of the pandemic

Figure 5

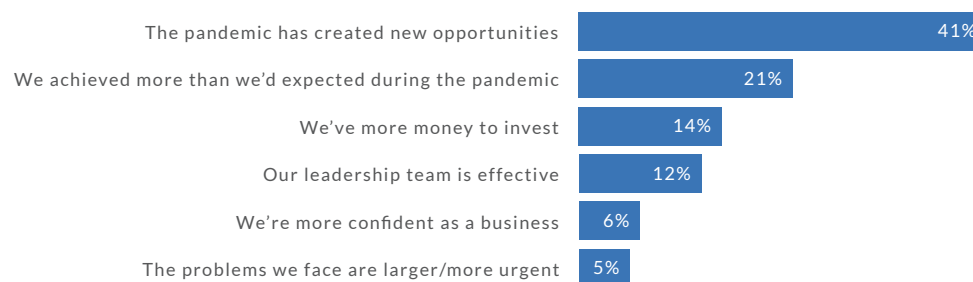
To what extent, if any, do you think your organisation has more ambitious goals than it did prior to the pandemic?



More than three quarters of respondents working in financial services believe that their organisations are now more ambitious, a positivity shared with clients in other sectors. Asked to pick the primary driver of this new-found ambition, the most common response by some margin was that the pandemic created new opportunities, followed by the nice surprise of achieving more than they'd expected during the pandemic. In an industry that can be reluctant to change and slow to adapt, this positivity is striking.

Figure 6

Why do you think your organisation's level of ambition has increased?



Those in the C-suite, on the other hand, might be chagrined to learn that only a handful of respondents cited effective leadership and improved confidence as driving increased ambition. For the extremely small number who see their organisations' goals as less ambitious, the reasons split evenly between ineffective leadership and a lack of money to spend.



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 it that market, serving their clients day in and day out. Below, you'll find condensed versions of our most recent discussions with Financial Services consultants, as they reflect on 2020, tell us how the previously unimaginable events of 2020 are reshaping the market, and in the case of a few brave souls, venture a guess as to what comes next.



Simon Kent, Global Lead Partner - Financial Services, Kearney

How did the financial services market perform for your firm in 2020?

Although 2020 was a very good year for us, it was very challenging for our clients. You could see the pandemic's move from east to west reflected in our various regions. Through 2020, everyone's position seemed to move quarter by quarter. Being a global business, we were able to get a good perspective on the help our clients might need at the point of, during, and after the crisis.

Clients were looking for a trusted advisor with relationships across the board and executive teams, so they took great comfort in their preferred advisors. They were keen to double down on those prior relationships and do more business with them. For us, and many of our peers, those long-standing relationships were broadened and deepened. Where relationships were still nascent, however, they were harder to strengthen due to everything being locked down without face-to-face contact.

Did clients' demands differ according to when the pandemic hit them?

Regionally, there is no doubt that transferrable lessons were learned as COVID moved from east to west, and that affected what clients were asking for. Clients sought help understanding the implications of COVID, finding out what others were doing, and how they could learn lessons from that. They also wanted to figure out what their exit would look like, and what strategic choices needed to be made as they came out of the crisis. But the underlying economic development stage of a particular geography or country was the bigger factor, as this largely determined the gradient of the decline and recovery. Now, obviously, the vaccine rollout is bringing people out of the pandemic, but confidence is returning at different rates.

How have your clients handled the shift to remote working?

As a whole, clients reacted extremely well to moving from a face-to-face, office-based business to one that was at least 80% remote. We've spent a lot of time talking to clients about new capabilities that need to be switched on to facilitate digital and home working as well as which office-based activities should be switched off. Now, the challenge is deciding which elements should be switched on and off as you return to

normality. The easiest route would be to regress to the pre-pandemic structure, which is clearly not the right answer.

Looking at the financial services market more specifically, were there particular sectors or sub-sectors that you felt performed better than others?

I would say that incumbent businesses did well within their core markets and segments. Customers, clients, and corporates turned to organisations with whom they had a long-standing relationship, and many of those organisations were able to react quickly with solutions like payment holidays or credit facilities. They had the relationships and the understanding of their clients' businesses—from an insurance and asset management or a banking perspective—that allowed them to work hand in hand with the clients. In some areas, newer entrants and challenger brands were able to grow through public policy and government schemes, but for the most part, we saw that trust and loyalty in the incumbents was reinforced. Curiously, that's exactly the opposite of what we saw during the financial crisis when people were looking for new solutions from newer firms.

How is the market looking in 2021?

The market is really picking up: trading volumes, payment flows, international travel, central government interventions, packages of macro-economic government support—you're seeing a very strong bounce-back across the market. There is a good level of confidence, and the market for consulting is extremely hot.

In fact, markets are running hot across all regions at the moment, particularly in the US. From a sector point of view, if you look at private equity and wealth management—which are always a good bellwether for whether investment and money is flowing—those businesses are very highly in demand and are trading at some very significant multiples.

Are there any particular consulting propositions that you're seeing gaining traction in the market?

If I think about the things that are currently driving conversations, growth is a big topic. Organisations are looking for growth, and the market is demanding growth, but growth is not easy to achieve. There is a



lot of work around growing profitably and maintaining margins. That is why things like payments and wealth management assets hold a real level of interest. A lot of that is driven by the private equity businesses, which have liquidity and are looking to invest.

We're also seeing strong demand for digital and data. The pandemic has been the biggest digitisation accelerator of the last five to 10 years. Digital initiatives that had been struggling have now been accelerated and are delivering massive value. Clients are looking to ensure that what is digitised is fit for purpose, and they also want to know what they can do to improve from there. How do we confirm that things we put in place hurriedly in response to the pandemic are suitable and or operationally resilient? How do we accelerate the use of digital tools to support the business areas that we couldn't digitise?

I think the final thing that will come into focus is cost. The market has been quite strange with so much public policy and government intervention right across the world. That's created a challenging situation for financial services executives and boards because we haven't had this before. Nobody is sure what the credit losses will be, whether they have too much provisioning, or how the public policy and government-level lending will unwind. We've had an extremely helpful, yet false, infusion that we've never seen before, and it's unclear how the economics will unfold in the next three to five years. The margins and returns that people have been making and the provisions they've been able to release have been giving rise to some very positive results in financial services: That isn't going to stay. As those benefits wear off and margins fall, costs will come squarely back into focus.

You mentioned demand around data. Can you tell me a little more about that?

Data and trust are the two new currencies across the financial services sector now: Organisations are investing in that at the moment. Although there's been a lot of work creating data lakes and making technology investments around data, that's not really translating to business benefit. A lot of clients are still trying to understand how to better use data to deliver the desired customer outcomes in a more immediate and meaningful way and on a real-time basis. That requires having a clear data strategy and data operating model with the right data technology behind it. Organisations that will be successful in the future are those that can leverage their data assets to gain a competitive advantage in the marketplace. And then there's trust: Historically, we talked about net promoter scores and measurements like that, but those are now dated. The market is looking for trust and loyalty. We need to

figure out how to measure that and provide value-added services—whether monetised or not—to reinforce that customer loyalty.

Have you seen much activity around the ESG agenda?

ESG is the number one topic for boardrooms and executive teams around the world, by far. It's like when the digital revolution came in. People need to understand exactly what ESG is, where they are, and what ambitions they want to commit to. There is no doubt, and all the research analysis confirms, that listed businesses that are delivering on strong ESG statements are rewarded in their stock price valuation. More importantly, society, customers, and talent are looking for purpose-driven organisations, and organisations that are not able to deliver on that agenda will see customers and talent leaving, as talent is now more motivated by purpose than money.

I think financial services have a huge responsibility to help corporates, businesses, and households transition to a more sustainable future. We provide funding and liquidity to help finance cars and build houses, factories, and infrastructure—all of which have historically not met the ESG hurdles we are now setting out. The biggest thing financial services can do is to help those organisations transition and invest in green solutions from the diesel car to the electric car; the gas boiler to the heat source pump; and from traditional energy sources to renewable ones.

So, it's the number one agenda item, but everyone is struggling with it. Organisations need to be careful that they don't overpromise with well-meaning, heroic statements without understanding what will be necessary to achieve the goal. If you were to ask me which consulting market will be the fastest growing in five years, I would say everything surrounding the ESG agenda.

How has COVID impacted the way consulting firms need to operate?

I have been humbled by, and extremely thankful for, how well all our colleagues adapted during this very challenging and stressful time. The pandemic has not had a single, universal impact around the world; on the young or old; or on those living with family or alone. Nor has it had the same effect on everyone's mental health, employee value, or ways of working.

Organisations now face a big challenge in trying to accommodate how people want to work going forward and in helping them to unwind from the stresses and strains of the past few years. The mental health agenda



and the value proposition are going to be areas in which we have to step up—especially as a consultancy firm. We've done well in our firm, but there are still a lot of smart people out there under a significant amount of strain. We need to look after them, ensuring they have all the support and infrastructure they need. Organisations that aren't able to do that will see significant attrition.

Has the pandemic changed how you go to market with clients?

Clients are still looking for bold ideas, but they want transformation partners rather than just short, analytical, PowerPoint-based, pieces of work. They want to be taken on a journey with shared outcomes. That is the way we need to react as Kearney and a consultancy market. The days of selling a four-week piece of analysis, ending with a PowerPoint and an invoice, are behind us.

How do you see the financial services market changing over the next few years?

There is going to be significant consolidation across all sectors. If you look at the insurance sector, a number of brokers have consolidated. Next, we might see consolidation among the enormous number of payments businesses that have grown up in recent years. Across the banking sector, there is a group of mid-scale players who are seeing a low return on equity, and there will be significant consolidation in the marketplace as the winners shake out the losers.



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 Financial Services sector are affecting clients' organisations and their use of consulting. One survey focuses on trends in Financial Services sector, providing detailed insights into the nuances of the market. For this, we surveyed 100 senior clients of consulting firms from across the Financial Services sector, 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 risk & cybersecurity consulting firms
- The ways consulting firms market themselves to clients and the impact this has on client decision-making

Figure 28

Respondents by organisation size

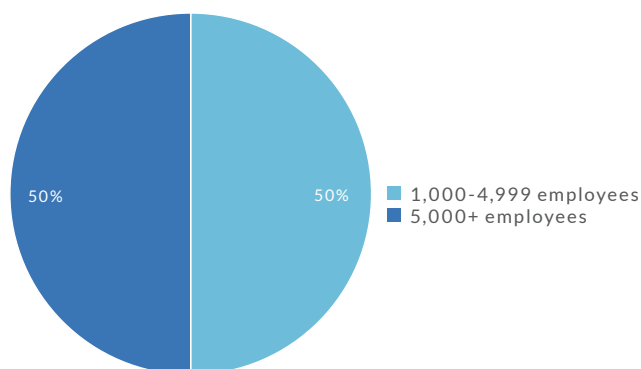
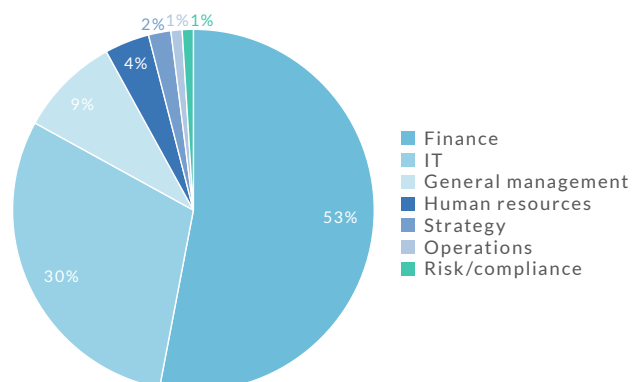


Figure 29

Respondents by function



Interviews with senior consultants

In addition to our quantitative research, we interviewed 12 very senior consultants in Financial Services sector, 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 Financial Services sector 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.

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).

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Tom Johannessen	Managing Director, Co-Head Financial Services EMEA	Alvarez & Marsal
Simon Kent	Global Lead Partner – Financial Services	Kearney
Jim McKeighan	Global Managing Partner	Tata Consulting Services
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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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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 US GCC UK Nordics Canada	UK US	
	February		Germany Financial Services	
	March		Healthcare & Pharma GCC France	Buying and Selling
Q2	April	France DACH Australia Southern Europe	Nordics Energy & Resources Technology, Media & Telecoms	
	May		China Japan	Digital, Transformed?
	June			
Q3	July	China Benelux South America South East Asia India Japan Eastern Europe & Russia Africa		
	August		Perceptions of Risk Firms Perceptions of Tax Firms	Consulting's New Talent Crisis
	September		Perceptions of Audit Firms	
Q4	October	The Global Tax Advisory Market The Global Risk & Cybersecurity Services Market Healthcare & Pharma Technology, Media & Telecoms Consumer Products & Retail Planning for Growth in 2022		
	November			Building a Trusted Brand
	December			

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