

Report  
Q4

EXTRACT



# MARKET

The Financial Services Consulting  
Market in 2022-2023



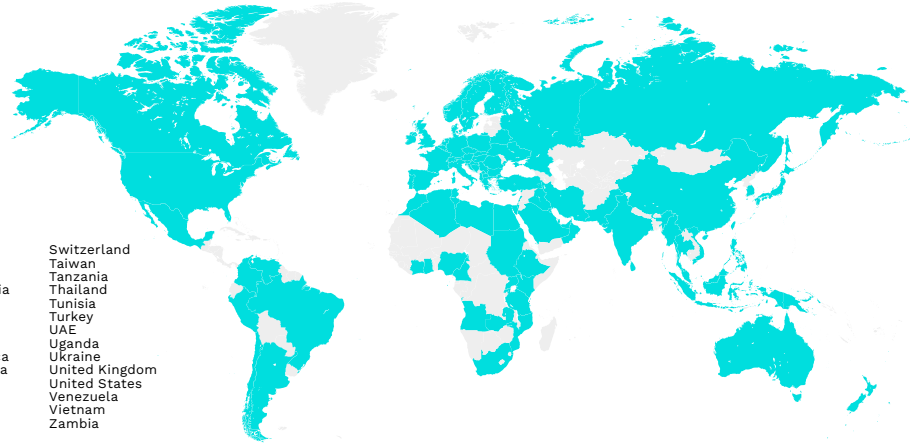
# What's included in this report

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

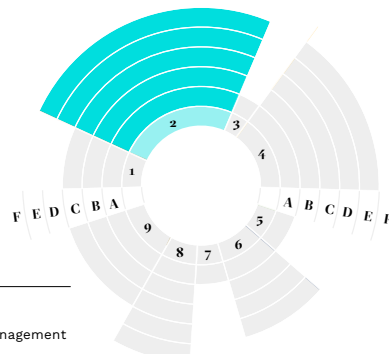


## Sector model

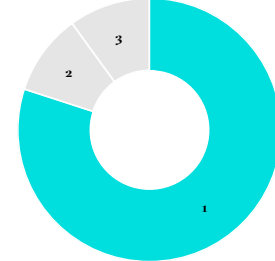
- Sectors**
- 1 Energy & resources
  - 2 Financial services
  - 3 Healthcare
  - 4 Manufacturing
  - 5 Pharma & biotech
  - 6 Public sector
  - 7 Retail
  - 8 Services
  - 9 Technology, media & telecoms

### Sub-sectors

- |                                      |                       |
|--------------------------------------|-----------------------|
| 1 A Energy                           | 7 A Retail            |
| 1 B Primary resources                | 8 A Business services |
| 1 C Utilities                        | 8 B Leisure           |
| 2 A Banking                          | 8 C Logistics         |
| 2 B Capital markets                  | 8 D Real estate       |
| 2 C Insurance                        | 8 E Transportation    |
| 2 D Investment and wealth management | 9 A High-tech         |
| 2 E Private equity                   | 9 B Media             |
| 3 A Healthcare                       | 9 C Telecoms          |
| 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                    |                       |



## The revenue-earning model



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

## Line of business model

### Services

- 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                                       | 11 F Corporate strategy   |
| 1 B Cybersecurity incident response                            | 11 G Market analysis & strategy   |
| 1 C Penetration testing & wargaming                            | 11 H Policy formulation   |
| 2 A Technology & security risk services                        | 11 I Pricing  |
| 2 B Operational risk   | 11 J Strategic sourcing/offshoring services                                     |
| 2 C Programme risk   | 12 A Corporate, occupier services & facilities management                       |
| 2 D Responding to regulation                                   | 12 B Integrated real estate developer services                                  |
| 2 E Risk management  | 12 C Real estate deal/transaction services                                      |
| 3 A eDiscovery   | 12 D Real estate strategy   |
| 3 B Forensic accounting  | 13 A Benchmarking   |
| 4 A Budgeting/financial planning process                       | 13 B Business continuity & recovery   |
| 4 B Debt advisory  | 13 C Cost cutting   |
| 4 C Finance function   | 13 D Customer service   |
| 4 D Financial advisory   | 13 E DevOps   |
| 4 E Financial restructuring & insolvency                       | 13 F Distribution strategy  |
| 5 A Corporate identity   | 13 G Lean & Six Sigma   |
| 5 B Customer journey & UX benchmarking                         | 13 H Operational review   |
| 5 C Graphic & UI design  | 13 I Outsourcing advice   |
| 5 D UX & service design  | 13 J Post-M&A integration   |
| 6 A Ideation   | 13 K Process design, re-engineering & automation                                |
| 6 B Innovation management                                      | 13 L Procurement/purchasing   |
| 6 C Innovation strategy  | 13 M Property & estate management   |
| 6 D Strategies for growth from innovation                      | 13 N Sales & distribution planning  |
| 7 A Cloud advice   | 13 O Sales force effectiveness  |
| 7 B ERP consulting   | 13 P Supply chain management  |
| 7 C IT strategy, planning & review                             | 13 Q Target operating model   |
| 7 D IT training  | 14 A Purpose-led strategy & change  |
| 7 E Programme management                                       | 14 B Resource-efficiency implementation   |
| 7 F Vendor selection   | 14 C Resource-efficiency strategy   |
| 8 A Advanced analytics   | 14 D Social impact & trust  |
| 8 B Data visualisation, business intelligence & semantic layer | 14 E Sustainable workforce  |
| 9 A Customer feedback  | 14 F Sustainable supply chain   |
| 9 B Customer segmentation                                      | 14 G Clean technology   |
| 9 C Employee feedback  | 14 H Green IT   |
| 9 D Environmental & social impact research                     | 15 A Benefits, compensation & pensions, excluding actuarial & investment advice |
| 9 E Macro/microeconomic research                               | 15 B Change management  |
| 9 F Market research  | 15 C Diversity & inclusion  |
| 10 A Capital allocation strategy                               | 15 D Employee engagement  |
| 10 B Commercial due diligence & valuation                      | 15 E Governance & board effectiveness   |
| 10 C Financial due diligence                                   | 15 F HR strategy & effectiveness  |
| 10 D M&A transaction strategy                                  | 15 G Leadership   |
| 10 E Operational due diligence                                 | 15 H Organisational design & culture  |
| 10 F Portfolio & investment strategy                           | 15 I Organisational training & development                                      |
| 10 G Public-private partnerships                               | 15 J Outplacement   |
| 10 H Technology due diligence                                  | 15 K Pension fund evaluation & advice   |
| 11 A Business & financial modelling                            | 15 L Performance management   |
| 11 B Category management                                       | 15 M Stakeholder management   |
| 11 C Channel management  | 15 N Talent management  |
| 11 D Corporate recovery & turnaround                           | 15 O Team effectiveness & collaboration   |
| 11 E Corporate restructuring                                   |   |

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# What **really** matters

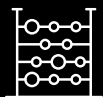
# 1

# Market Overview



# The financial services consulting market in numbers

## Consulting market size in 2021



US\$64,092m

## Growth in 2021



10.0%

[Explore the data >>](#)

# Client perspective

# 3

# Business sentiment and priorities in the financial services sector

## Financial services companies remain ambitious, against a backdrop of growing economic concern

Given the rapidity with which business sentiment shifted in the second quarter of 2022, from post-COVID buoyancy to deep concern, we might have expected financial services clients to be trimming their sails in the face of an oncoming storm.

But the experience of steering their organisations through the pandemic has created a generation of senior leaders who are determined not to see their strategies blown off course. Our latest research suggests that 76% of financial services organisations have more ambitious goals now than they did before the crisis, compared to the 62% who said this earlier in the year.

That greater sense of ambition is being channelled by clients in many directions, but expanding their digital capabilities is the most important overall, with 39% saying that this is one of their most important strategic priorities. Alongside this is a focus on restoring trust, addressing risk, and ensuring sustainability—and, unsurprisingly in the current environment, productivity improvement.

**Figure 8**

Financial services organisations' most important strategic priorities [respondents selected up to three]






# The **implications** for consulting firms



# Global perceptions from consulting firms



# About this report



# Methodology—The MegaModel

## 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 service.

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.

The data in all charts has been rounded to the nearest whole number. This may result in some totals that do not equal 100%.

### 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. Our survey focuses on trends in the financial services sector, providing detailed insights into the nuances of the market. For this, we surveyed 102 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 consulting firms
- The ways consulting firms market themselves to clients and the impact this has on client decision making.

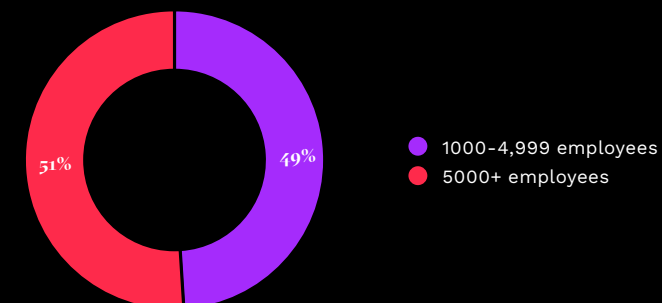
### Insights from consultants

In addition to our quantitative research, we interviewed very senior consultants, representing most of the leading consulting firms 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.

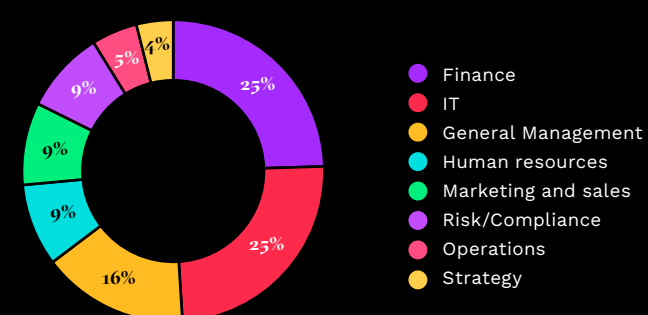
### In-depth desk research

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.

### Respondents by organisation size



### Respondents by function



# Definitions of sectors and services

## 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.

## Services

We've taken the lines of business and capabilities from our taxonomy that broadly align with traditional definitions of consulting and divided them into services 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.

### 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.

### 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.

### 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.

## Meet the expert

### Fiona Czerniawska

Fiona is the founder and CEO of Source. She's one of the world's foremost commentators on the global professional services and consulting industry.

Before starting Source, she had almost 20 years' experience as a management consultant, primarily working in the areas of marketing and strategy, initially with PwC, before moving on to be head of strategy and business planning for EY in the UK.

She's the author of a dozen books including *Business Consulting: A Guide to How it Works and How to Make it Work* and *Buying Professional Services*, both of which were published by The Economist.

#### Fiona Czerniawska

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# About us

**We help professional services firms understand what really matters when facing decisions of vital importance.**

The best decisions are based on evidence, objectivity, and a willingness to change. That's why, at Source, we tell you what you need to hear, rather than what you want to hear.

We draw upon our deep roots within the professional services sector to provide firms with a clear picture of their clients' worlds. Through comprehensive research and meticulous analysis, we pinpoint what truly matters and deliver actionable insights that help firms map out the right way forward.

We believe in thriving individually and succeeding together. And we would love to help your firm crack its latest conundrum.

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# Publication schedule for 2023

Reports 2023		Market Trends Reports	Market Trends Presentations	Client Perception Studies	Emerging Trends Programme
Q1	January	Forecasts for 2023 UK GCC France	India	UK US Germany GCC France	Offshoring Consulting Services
	February				
	March				
Q2	April	Nordics US DACH Sustainability Australia East Asia South East Asia		Australia China Japan Energy & Resources Technology, Media & Telecoms	Crisis Fatigue: How Much More Can Clients Take?
	May				
	June				
Q3	July	Africa Energy & Resources Financial Services Technology, Media & Telecoms	South America Healthcare & Pharma	Risk Tax Audit Technology	Staff Augmentation: Focusing on the Opportunity  The Rise of the Technology Challenger
	August				
	September				
Q4	October	Tax Risk Planning for Growth in 2024			Outcomes-Based Consulting
	November				
	December				

## White Space

A powerful research tool that allows subscribers to keep up to date with the latest content being produced and maximise their return on investment. A series of reports that analyse the quality and effectiveness of thought leadership are published throughout the year.

Please note that with the purchase of all Market Trends reports in 2023, you will also gain access to a monthly video summary on the global market.