

Report  
Q4

EXTRACT



# MARKET

The Technology, Media & Telecoms  
Consulting Market in 2022-2023



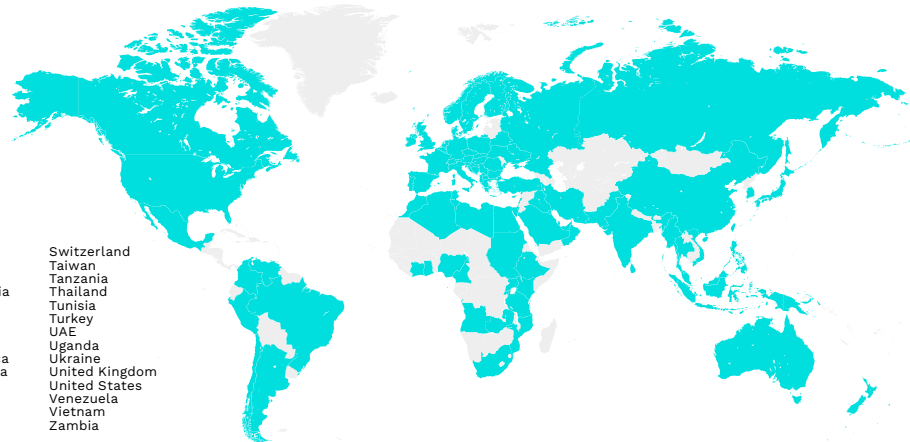
# What's included in this report

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

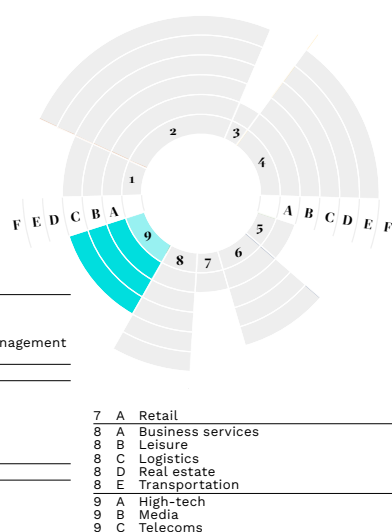


## Sector model

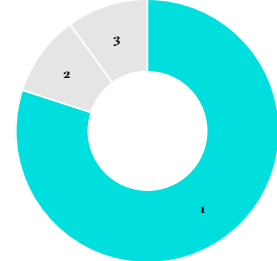
- Sectors**
- 1 Energy & resources
  - 2 Financial services
  - 3 Healthcare
  - 4 Manufacturing
  - 5 Pharma & biotech
  - 6 Public sector
  - 7 Retail
  - 8 Services
  - 9 Technology, media & telecoms

### 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                           |                       |
| 5 B Defence                          |                       |
| 5 C Education                        |                       |
| 5 D Not-for-profit                   |                       |
| 5 E Public sector                    |                       |



## The revenue-earning model



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

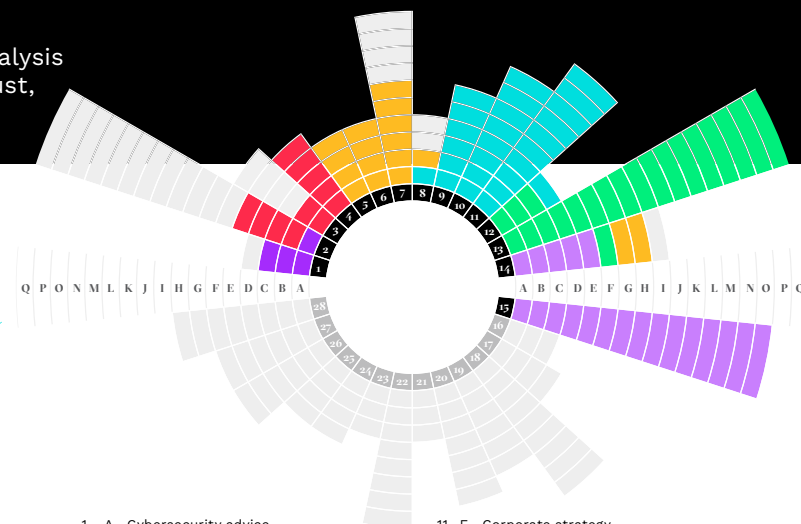
## Line of business model

### 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



- |  |   |
|--|---|
| 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**

**Three things we think you  
should take note of**

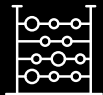


# Market Overview



# The technology, media & telecoms consulting market in numbers

## Consulting market size in 2021



US\$19,144m

## Growth in 2021



14.1%

\*All figures given in this report are in US dollars

[Explore the data >>](#)

# Client perspective

# 3

# How clients are experiencing the market

## The TMT sector is not homogenous, but ambition is universal

- Media clients are primarily looking to address the precarious financial situations resulting from falling revenues, first arising from the pandemic and now exacerbated by the rising cost of living. Sourcing new funding and investors and ensuring cash flow are obvious steps to take, with the need to rethink the risk and resilience supporting these actions.
- High-tech clients, in contrast, are focusing on securing the long-term future of their businesses through cash flow and capital efficiency, expanding digital capabilities and rethinking business risks and resilience.
- Telecoms clients have a single over-arching priority: expanding their digital capabilities. The telecoms market is increasingly commoditised and internet providers need to ensure that they do not fall behind their competitors.
- Overall, levels of ambition are very high across all three sectors. More than 60% of all clients have a greater level of ambition compared to before the pandemic. Lessons learnt from COVID have placed clients in good stead to be ambitious in the current economic situation.
- Despite the financial challenges faced by the media sub-sector, nearly two thirds of media clients are more ambitious than before the pandemic, and only 6% are less ambitious.
- High-tech clients are the most ambitious, with nearly three quarters of the clients surveyed reporting greater ambitions.
- Telecoms clients' ambitions lie somewhere in between media and high-tech clients, as high-speed broadband deployments continue, and demand for increased connectivity has never been higher.

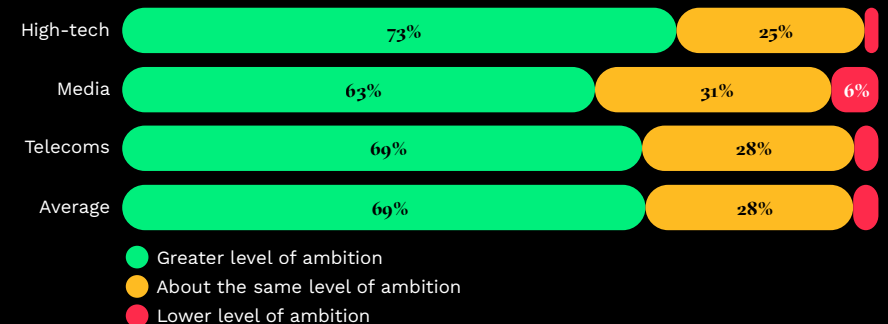
**Figure 8**

What would you say are your organisation's three most important strategic priorities at the moment?



**Figure 9**

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





# The **implications** for consulting firms

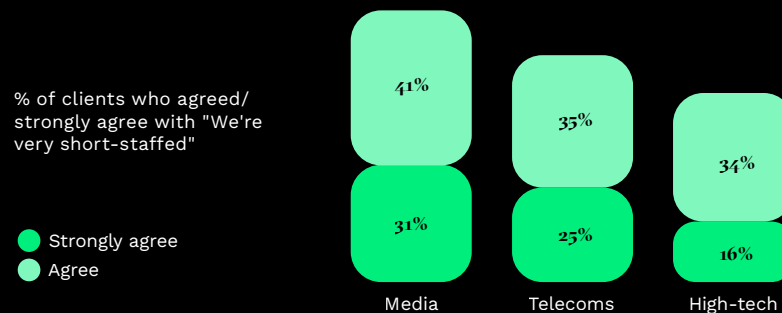


## Adequate staffing is a problem across the board, but that opens up consulting opportunities

- Staffing, and staffing related issues (such as difficulty recruiting, exhaustion, requisite speed of work, and increased selectivity for resource allocation) affect most TMT clients.
- Media is by far the most affected of the three sub-sectors in terms of short-staffing, with nearly 70% agreeing with that statement. Furthermore, all media clients surveyed either agreed or strongly agreed that their workload has increased significantly due to the pandemic.
- Despite having one of the most public mass layoffs in the last quarter of 2022, high-tech clients were the least affected of all TMT clients, with just half of them facing staff shortages.
- TMT clients are also facing shorter deadlines to produce work, meaning that clients are working their employees harder, but are also likely to rely on external help a lot more. We can see this change in the way TMT clients use consultants.
- Where there is demand, there is an opportunity. TMT clients are increasingly using consultants for business-as-usual workloads, not just specific projects. This opens up huge opportunities for more consulting projects as well as managed services.
- More than half of the high-tech clients surveyed, and half of the media clients surveyed are using consultants for day-to-day operations. Although the proportion of telecoms clients saying the same is smaller, a still sizeable 38% of clients in the sub-sector also use consultants for business-as-usual operations.
- Consulting firms can use this opportunity to secure mission critical repeat business, that is likely also transferable across multiple clients.

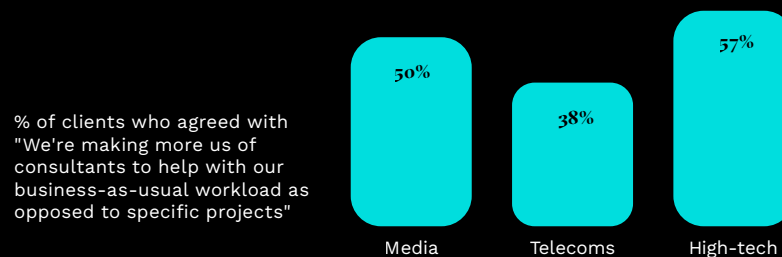
**Figure 21**

Which of the following statement about the workload in your part of the organisation do you agree with?



**Figure 22**

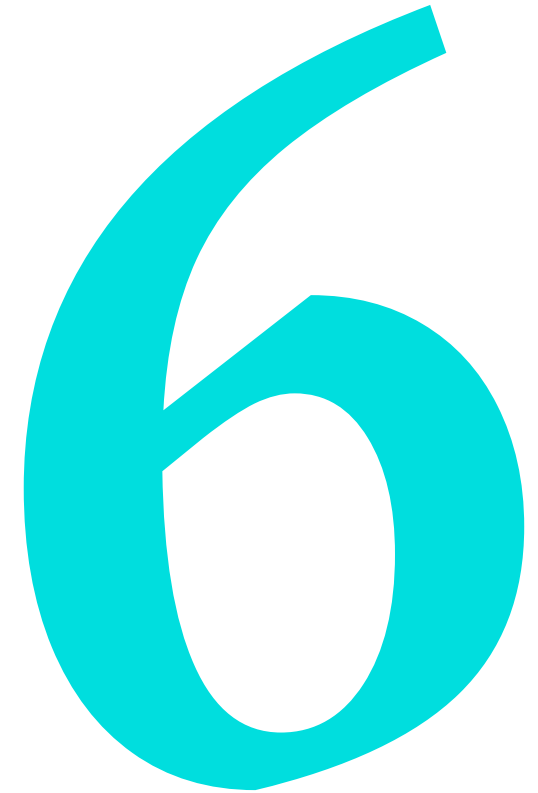
How, if at all, has macroeconomic uncertainty changed the way your department buys and/or uses consulting services?



# 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 TMT sector are affecting clients' organisations and their use of consulting. One survey focuses on trends in the TMT sector, providing detailed insights into the nuances of the market. For this, we surveyed 120 senior clients of consulting firms from across the TMT 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 2022 and the first half of 2023
- 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

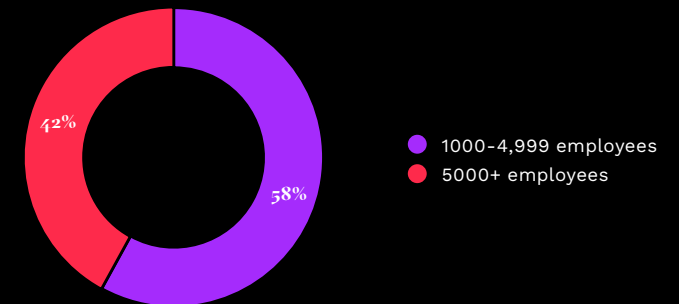
## Interviews with senior consultants

In addition to our quantitative research, we interviewed very senior consultants, 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.

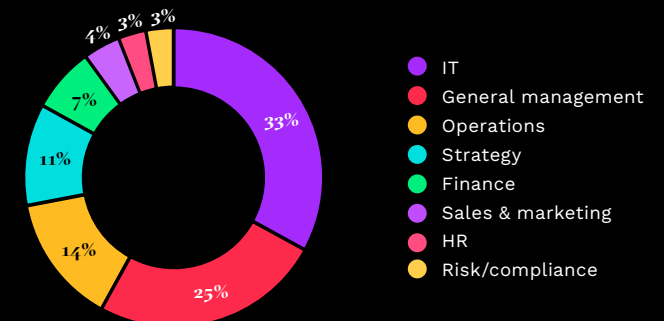
## In-depth desk research

We also conducted a thorough PEST analysis in the TMT 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 experts

### Joel Bradbury

Joel joined Source in August 2022 as a Writer/Analyst for the Market Trends team. Primarily, he helps to produce our Market Trends reports, providing incisive analysis to help professional services teams understand what they need to know to make informed and intelligent decisions.

Prior to joining Source, Joel worked as a research coordinator in a management consultancy, conducting work on industry futures for a wide range of sectors.

#### Joel Bradbury

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### Tony Maroulis

Tony is a Principal Consultant in the Market Trends team. He joined Source in September 2022 and works on a range of regular and custom reports. Prior to joining Source, Tony spent a decade as an industry analyst at Ampere Analysis, leading a team of 15 analysts to market size the TMT sector. This included maintaining syndicated products, leading and delivering custom projects, speaking to journalists and presenting at industry events.

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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	White Space
Q1	January	Forecasts for 2023 UK GCC France	India	UK US Germany GCC France	Offshoring Consulting Services	A powerful research tool that allows subscribers to keep up to date with the latest content being produced and maximise their return on investment. A series of reports that analyse the quality and effectiveness of thought leadership are published throughout the year.
	February					
	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	
	August				The Rise of the Technology Challenger	
	September					
Q4	October	Tax Risk Planning for Growth in 2024			Outcomes-Based Consulting	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.
	November					
	December					