

EXTRACT



MARKET

**The Risk & Cybersecurity Services
Market in 2023-2024**

Report

Dec 2023

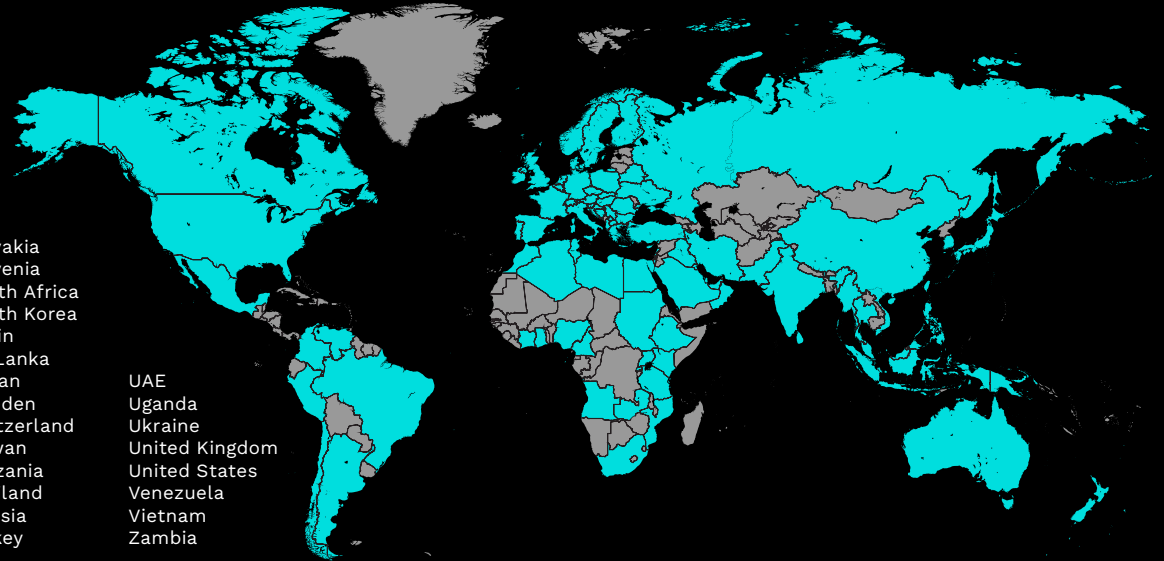
What's included in this report

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

● Countries covered

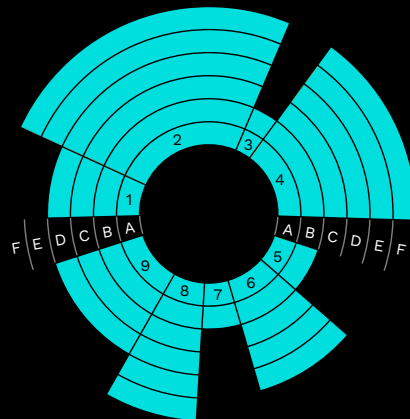
Albania	Chile	Greece	Libya	Pakistan	Slovakia
Algeria	China	Hong Kong	Luxembourg	Papua New Guinea	Slovenia
Angola	Colombia	Hungary	Malaysia	Peru	South Africa
Argentina	Côte d'Ivoire	India	Mexico	Philippines	South Korea
Australia	Croatia	Indonesia	Morocco	Poland	Spain
Austria	Cyprus	Iran	Mozambique	Portugal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



Sector model

Sectors

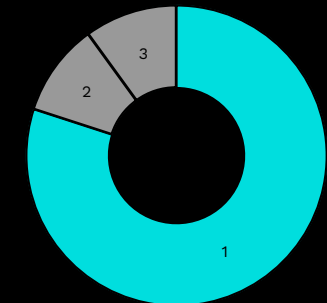
- 1 Energy & resources
- 2 Financial services
- 3 Healthcare
- 4 Manufacturing
- 5 Pharma & biotech
- 6 Public sector
- 7 Retail
- 8 Services
- 9 Technology, media & telecoms



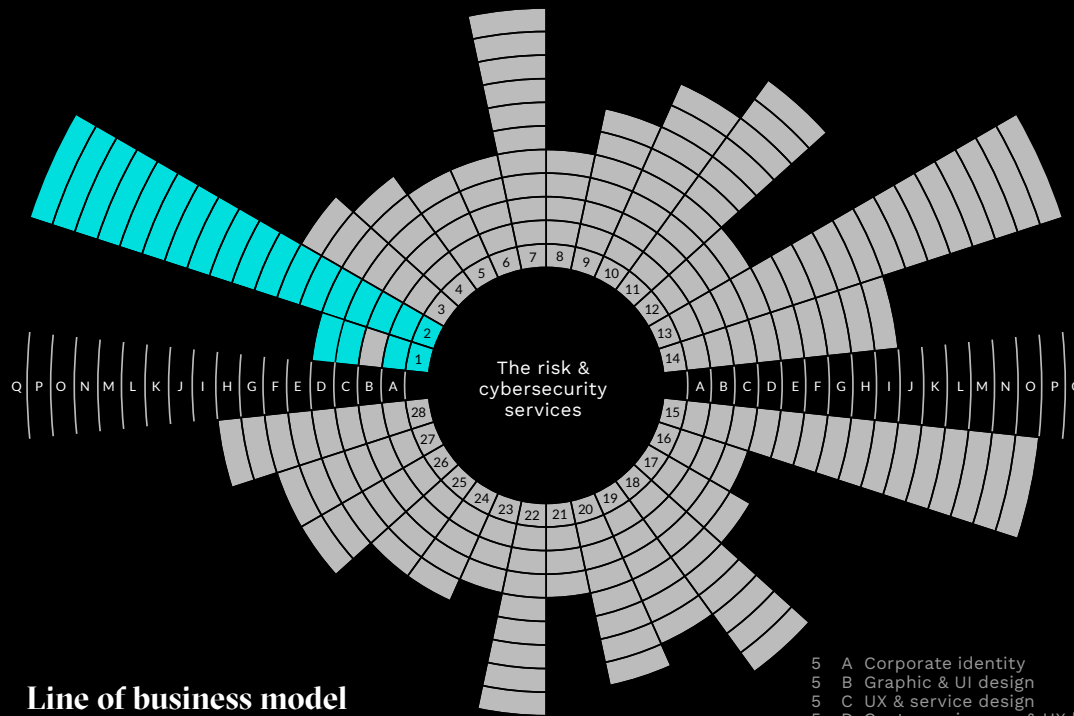
Sub-sectors

- | | | |
|--------------------------------------|-----------------------------|-----------------------|
| 1 A Energy | 4 A Aerospace | 7 A Retail |
| 1 B Primary resources | 4 B Automotive | 8 A Business services |
| 1 C Utilities | 4 C Construction | 8 B Leisure |
| 2 A Banking | 4 D Consumer electronics | 8 C Logistics |
| 2 B Capital markets | 4 E Consumer packaged goods | 8 D Real estate |
| 2 C Insurance | 4 F Industrial products | 8 E Transportation |
| 2 D Investment and wealth management | 5 A Pharma | 9 A High-tech |
| 2 E Private equity | 6 A Defence | 9 B Media |
| 3 A Healthcare | 6 B Education | 9 C Telecoms |
| | 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

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 implementation
- 1 C Cybersecurity incident response
- 1 D Penetration testing & wargaming
- 2 A Risk governance
- 2 B Actuarial
- 2 C Compliance risk
- 2 D Crisis & reputation management
- 2 E Environmental risk
- 2 F Financial assurance
- 2 G Internal audit
- 2 H Operational risk
- 2 I Physical security solutions
- 2 J Physical security strategy
- 2 K Programme risk
- 2 L Responding to regulation
- 2 M Risk management
- 2 N Third-party assurance
- 2 O Transactions-related risk
- 2 P Treasury risk
- 2 Q Technology & security risk services
- 3 A Anti-corruption services
- 3 B eDiscovery
- 3 C Forensic accounting
- 3 D Forensic technology solutions
- 3 E Fraud mitigation
- 3 F Investigation services
- 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 Graphic & UI design
- 5 C UX & service design
- 5 D Customer journey & UX benchmarking
- 6 A Ideation
- 6 B Innovation management
- 6 C Innovation strategy
- 6 D Strategies for growth from innovation
- 7 A AI advice & implementation
- 7 B Cloud advice
- 7 C Cloud implementation
- 7 D ERP consulting
- 7 E Geospatial advice & implementation
- 7 F IT strategy, planning & review
- 7 G IT training
- 7 H Programme management
- 7 I Robotics advice & implementation
- 7 J Vendor selection
- 8 A Advanced analytics
- 8 B Data visualisation, business intelligence & semantic layer
- 8 C Data warehousing & database management
- 8 D Machine learning
- 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 Clean technology
- 14 B Green IT
- 14 C Purpose-led strategy & change
- 14 D Resource-efficiency implementation
- 14 E Resource-efficiency strategy
- 14 F Social impact & trust
- 14 G Sustainable investment
- 14 H Sustainable supply chain
- 14 I Sustainable workforce
- 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
- 16 A Exterior building design
- 16 B Interior building design
- 16 C Landscape design
- 17 A Accounting operations assurance
- 17 B Accounting systems assurance
- 17 C Corporate reporting
- 17 D IFRS & regulatory reporting
- 18 A Contact centre outsourcing
- 18 B Document management outsourcing
- 18 C Finance accounting outsourcing
- 18 D Human resources outsourcing
- 18 E IT outsourcing
- 18 F Other outsourcing
- 18 G Payroll outsourcing
- 18 H Regulation & remediation outsourcing
- 18 I Supply chain management & distribution outsourcing
- 19 A Building & engineering analytics
- 19 B Engineering project management
- 19 C Infrastructure design
- 19 D International development
- 19 E Transport infrastructure, planning & engineering
- 19 F Urban design & planning
- 20 A Corporate & transaction law
- 20 B Criminal law
- 20 C Digital & technology law
- 20 D Domestic & family law
- 20 E Intellectual property law
- 20 F International trade, regulatory & government law
- 20 G Labour & employment law
- 21 A Dispute advisory services
- 21 B Expert witness
- 21 C Trial services
- 22 A Brand activation
- 22 B Brand strategy
- 22 C Creative production
- 22 D Customer relationship management
- 22 E Marketing & communication production
- 22 F Marketing & communication strategy
- 22 G Marketing mix optimisation
- 22 H Public relations & affairs
- 23 A Network installation
- 23 B Network optimisation
- 23 C Network strategy & architecture
- 24 A Physical product quality assurance & testing
- 24 B Physical product R&D
- 24 C Product & industrial design
- 24 D Technical feasibility assessment, prototyping & mock-ups
- 25 A Contract staffing supply
- 25 B Executive interim
- 25 C Executive search
- 25 D Talent sourcing
- 26 A Application development
- 26 B Digital product quality assurance & testing
- 26 C Digital product R&D
- 26 D IoT and connected devices
- 26 E Solution architecture
- 26 F Virtual, augmented, and mixed reality
- 27 A Functional & industry application integration
- 27 B Microsoft
- 27 C Oracle
- 27 D Salesforce
- 27 E SAP
- 27 F Workday
- 28 A Corporate tax
- 28 B Global employer/mobility services
- 28 C Indirect tax
- 28 D International tax
- 28 E Private wealth tax
- 28 F Tax dispute resolution & controversy
- 28 G Transaction tax
- 28 H Transfer pricing

Contents

Underpinned by our MegaModel, our reports deliver an independent and objective understanding of the markets that matter most; including everything from key trends and growth opportunities to the latest views of consulting leaders and a detailed analysis of the buyer's voice.

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What really matters

We identify three things that really matter to firms—a snapshot of the most important dynamics in the market.

The big answers

We ask Source's experts what they think are the big opportunities and risks in today's market.

>> Pages 5-10

2

Market overview

Bringing together our market data, forecasts, and analysis, we provide a comprehensive picture of the state of play from a geographical, sector, and line-of-business perspective.

>> Pages 11-24

3

Client priorities

Using data from our survey of senior buyers of consulting, we explore the most important priorities, opportunities, and challenges for clients.

>> Pages 25-33

4

Implications for firms

We take a look at the factors influencing clients' buying behaviours, and what this means for the services firms provide.

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Insights from consultants

In this series of interviews, senior leaders from professional services firms offer their perspectives on what really matters in the market today.

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1

“When the economy started getting a bit wobbly in early 2023, we saw a number of companies in Europe cut back on spending. We’ve since come out of that dip.”

Grant Waterfall, PwC

What really matters

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Three things for a firm to act on

1

Risk has become more strategic, but further transformation is still needed.



risk has become much more strategic in nature, and becoming embedded right across the client business

Risk has evolved dramatically in the last few years, becoming much more strategic in nature, moving upwards in the organisation and becoming embedded right across the client business. And we see this in the responses to our survey this year, with much greater alignment between those sitting inside and those outside the risk and compliance functions, and across different levels of seniority.

Clients have endured another tough year thanks to macroeconomics and geopolitical tensions, and the more strategic nature of risk has supported organisations through these crises. But there remains further work to be done here, with many still believing that their risk function needs to be more forward thinking. The challenge for firms will be to keep risk at the top of the agenda when there are many other priorities competing for C-suite attention.

Firms also need to prepare suitable offerings for the future risk market—clients are keenly aware that third-party assurance and reputational risk are growing concerns. These are areas where they are going to need more support than they have done in the past.

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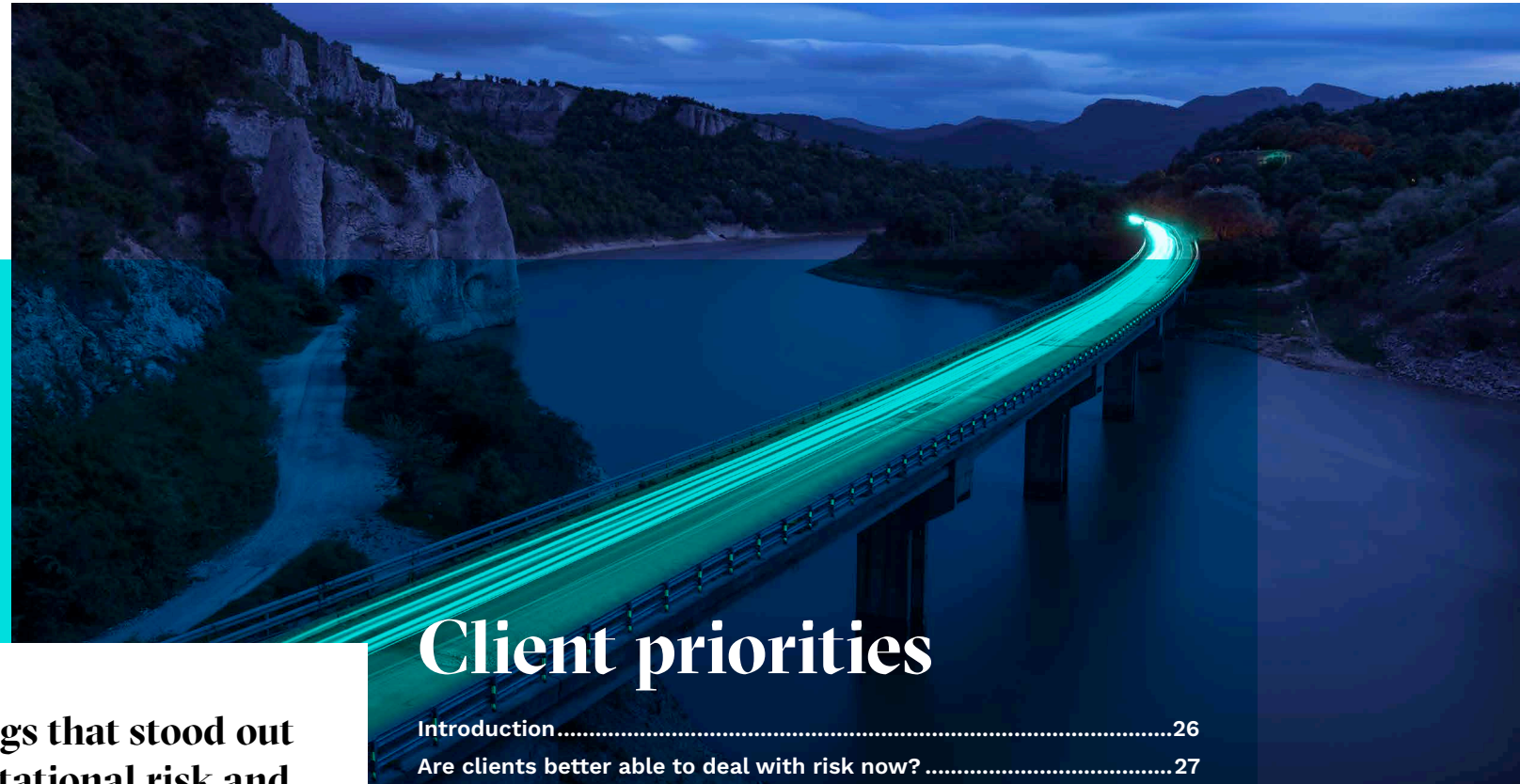
“The global risk market remains very strong with significant growth. It’s largely driven by regulatory developments coupled with continued embracing of digital and technology initiatives.”

Akhilesh Tuteja, KPMG

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3



Client priorities

“The two big things that stood out for me were reputational risk and third-party assurance. Previously, these have been low down on clients’ lists of priorities, but that has changed this year.”

Catherine Anderson, Source

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“I think we’ll see more joint conversations between risk and ESG topics. There’s also growing conversations around topics like AI, which will generate more uncertainty, too.”

Nicholas Bahr, DuPont Sustainable Solutions

5



“The banking disruption that occurred in the first quarter of 2023 led to a really strong resurgence of managing financial risks, including liquidity, capital, and credit risk.”

Matthew Moore, Protiviti

Insights from consultants

Nicholas Bahr, Global Director Risk & Resilience, DuPont Sustainable Solutions

“One of the big changes since the 2007/2008 crisis was the need for risk advisory to be more practical.”

“Companies are more open to taking advice and are less compliance focused.”

“There’s also growing conversations around topics like AI, which will generate more uncertainty.”

How has the risk market performed over the last year?

It’s been quite good. The client base, especially among boards and the C-suite, is valuing the need to invest and spend money in risk advisory. Volatility in the business world is much more unpredictable now than it was a year ago.

Since COVID, have you seen clients being more strategic and investing more in risk?

Some more forward-thinking companies are taking risk advice quite well. The companies that tend to be less sophisticated are still struggling to move from compliance into changing [how they look] at risk. The last 12 months have helped the situation, though. Companies are more open to taking advice and are less compliance focused. However, the gaps are becoming starker now. There’s so much going on now that companies don’t know where to focus their attention, for example climate change, and we’re just starting to hear people talking about [the risk of] mass retirement.

Are you seeing clients taking more day-to-day risk work back in-house? Are they changing what they’re using you for?

Often, clients will try and implement our advice in-house, realise they can’t do it effectively, and then contract it out. One of the big changes since the 2007/2008 crisis was the need for risk advisory to be more practical.

Are you seeing different models being asked for, e.g., managed services?

Everyone is asking for digital components. In terms of new contracting models, I haven’t seen much outsourcing or managed services. My argument is that board levels will be held responsible for risk, so they can’t contract it

out. Shareholders expect you to manage this. That’s why we’re seeing more ESG topics at the board level, because shareholders and the public expect companies to play this role.

Are you seeing different players come into your competitive landscape?

I expected to see a variety of new players, especially at boutique level, but I haven’t seen a large increase. The Big Four-type companies are still fairly entrenched. This doesn’t mean there aren’t advisors coming in that are looking at a very narrow slice, such as supply chain risk. I’ve not seen serious movement in this area aside from specialised responses, such as digital.

Are you seeing your regular competitors moving beyond the risk space to offer additional services?

Absolutely. It’s a very powerful platform to cross sell into other areas. I’m starting to see increased interest in sustainability in risk due to regulatory requirements.

Do you have any predictions for the year ahead?

I think the risk profile of companies will become much more complex. This means that companies will need more risk advisory services. I think we’ll see more joint conversations between risk and ESG topics. There’s also growing conversations around topics like AI, which will generate more uncertainty, too, meaning companies will need practical, implementable ways to manage. Companies need to look at making their businesses more resilient to those unpredictable forces. Advisors that give practical solutions will do better than others.

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“Every business in the cyber field is looking to protect itself. Cyber is a huge risk that's growing, but risk certainly goes much wider than cyber.”

Nigel Burbidge, BDO

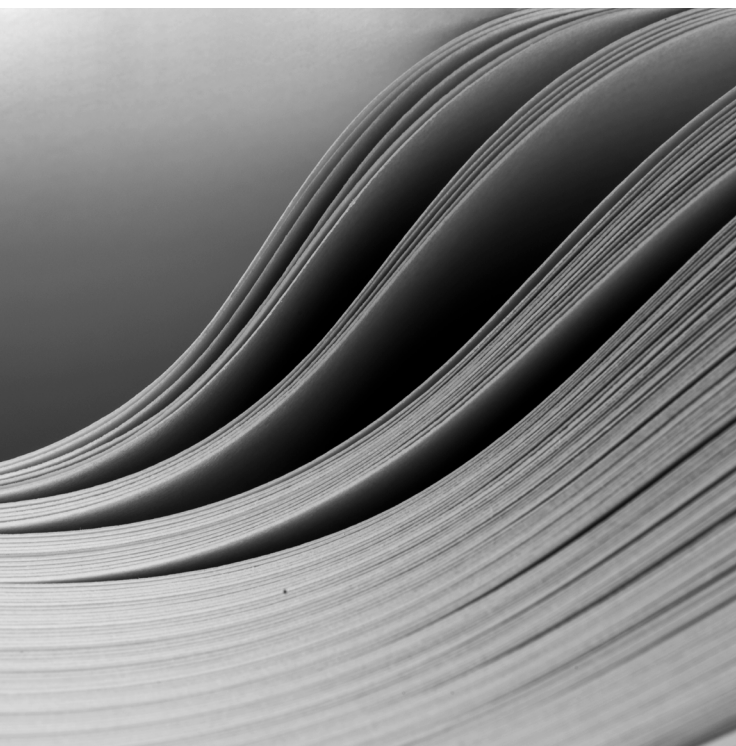
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Our approach to gathering data

The market for professional services is vast and highly dynamic, with deep roots spread out across the business world. The Source MegaModel helps you get to grips with the facts.

The MegaModel is the largest and most comprehensive database of its kind, anywhere in the world. It's used by the world's leading firms to identify where growth is coming from, which markets to invest in, and which sectors are driving demand.



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.

US dollar to British pound US\$1 = £0.73

US dollar to euro US\$1 = €0.84

The data in this report is rounded to the nearest whole number or stated decimal place. As a result, totals may display small discrepancies.

Who did we speak to

Client perspective

We carry out a client survey to help us build a rich picture of how different trends in the risk & cybersecurity sector are affecting clients' organisations and their use of consulting. Our survey focuses on trends in the risk & cybersecurity sector, providing detailed insights into the nuances of the market. For this, we surveyed 101 senior clients of consulting firms from across the risk & cybersecurity 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 2023 and the first half of 2024
- 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.

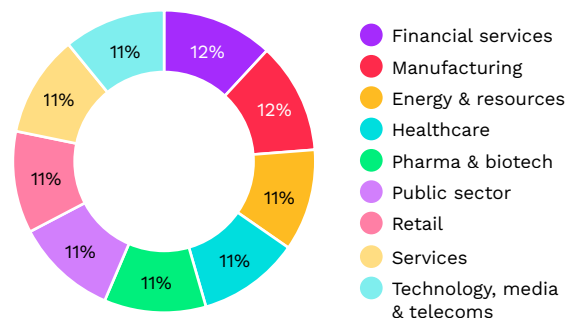
Insights from consultants

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.

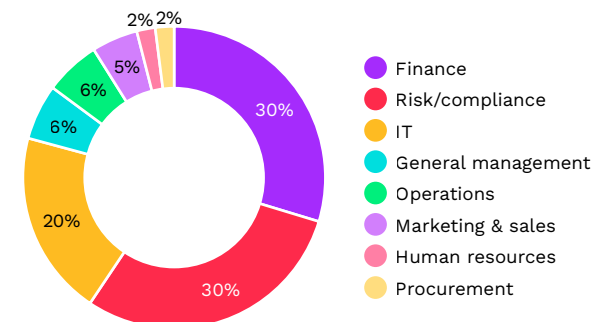
In-depth desk research

We also conducted a thorough PEST analysis in the risk & cybersecurity 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.

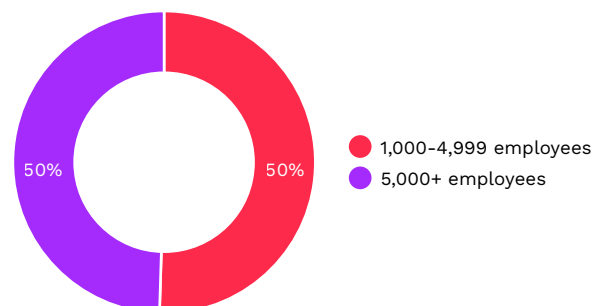
Respondents by sector



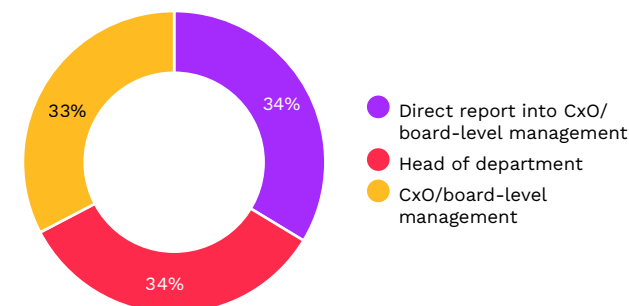
Respondents by function



Respondents by organisation size



Respondents by seniority



Contributors

We are extremely grateful to all the people we spoke to for making this report possible. On this page is a list of individuals who have contributed (excluding those consultants who wished to remain anonymous).

Name	Job title	Organisation
Sameer Ansari	Managing Director and Global Cybersecurity and Privacy Lead	Protiviti
Nicholas Bahr	Global Director Risk & Resilience	DuPont Sustainable Solutions
Nigel Burbidge	Partner	BDO
TR Kane	Cyber Risk & Regulatory Partner, Global Third Party Risk Leader	PwC
Matthew Moore	Managing Director and Global Leader of Risk & Compliance	Protiviti
Akhilesh Tuteja	Global Leader – KPMG Cyber	KPMG
Michael Versace	Global Analyst Relations, Global Risk Services	PwC
Grant Waterfall	EMEA and Germany Cybersecurity & Privacy Leader	PwC

Meet the expert

Catherine Anderson

Catherine is Director of Market Trends & Analysis and responsible for all the projects we do in this area, alongside the Market Trends and Emerging Trends report programmes. She turns qualitative and quantitative data into meaningful, strategic insights for professional services firms, identifying and forecasting market opportunities, and is often found presenting reports and research on a wide variety of topics. Prior to joining Source, Catherine managed large transformation programmes in the financial services sector.

Catherine Anderson

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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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