

Market Trends

EXTRACT



MARKET

The South America Consulting Market in 2024

Briefing

2024

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What really matters

- The South America market remains small, and highly concentrated in Brazil
- Technology investment remains a top strategic priority for decision makers
- Clients want firms to come to them with innovative solutions, meaning they are more open to working with technology specialists

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The market in numbers

- Overall market sizing

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The client perspective

- Market outlook
- Plans for investment
- Use of consultants

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Implications for firms

- Areas of opportunity
- The competitive landscape

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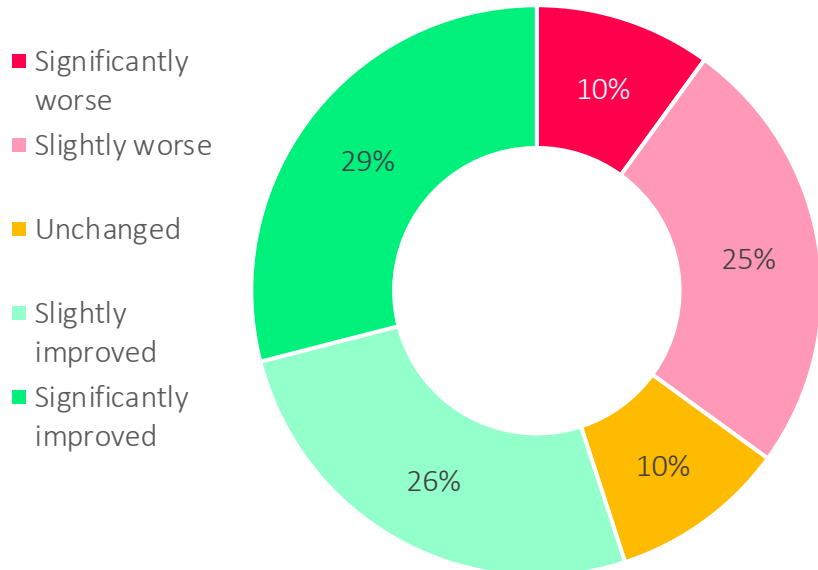
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Clients believe the overall economic situation has improved, but their confidence about their future remains fragile

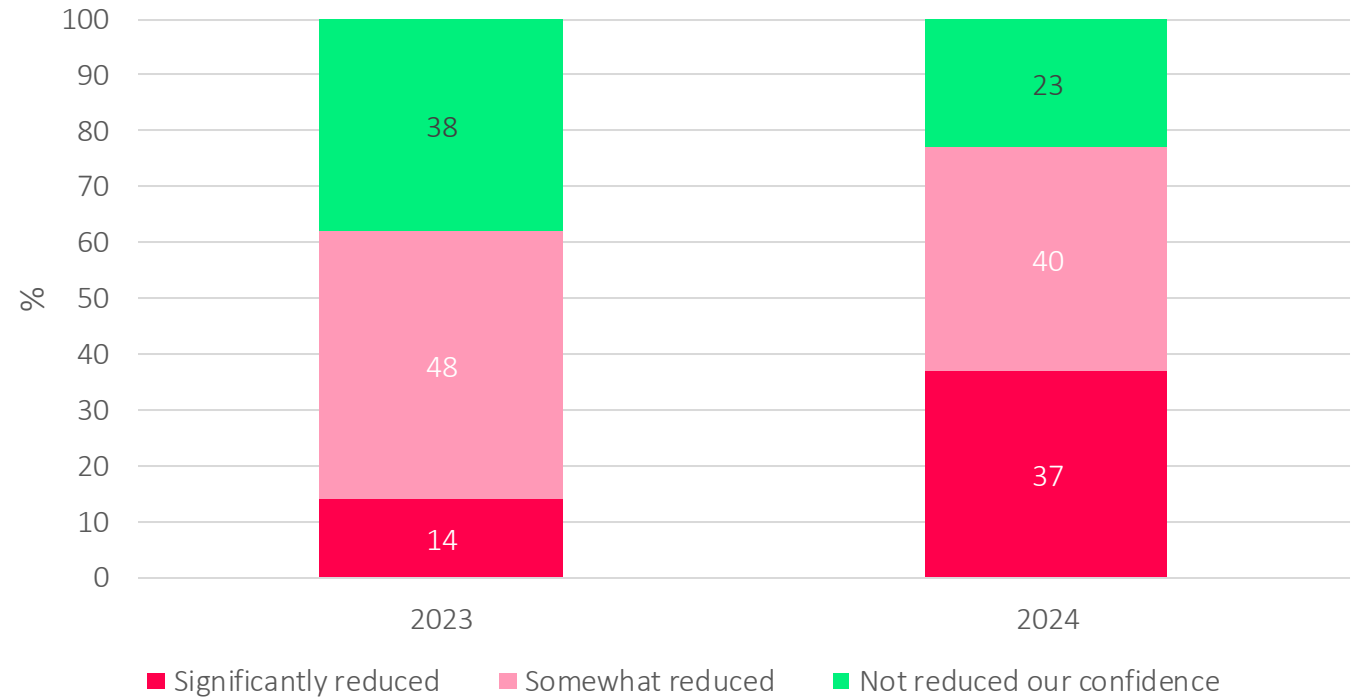
How has the overall economy in which your organisation operates changed compared to this time last year?

2024



Data source: MT survey 2024 | B11, C20 [South America data]
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To what extent have macroeconomic and political tensions impacted your confidence when thinking about the future of your organisation?



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Methodology

Client perspective

We carry out a client survey to help us build a rich picture of how different trends in South America are affecting clients' organisations and their use of consulting. Our survey focuses on trends in South America, providing detailed insights into the nuances of the market. For this, we surveyed 100 senior clients of consulting firms from across South America, all of whom work in organisations with 1,000 or more employees. This survey focuses on the following areas:

- How they expect to use consultants during 2024 and the first half of 2025.
- 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.

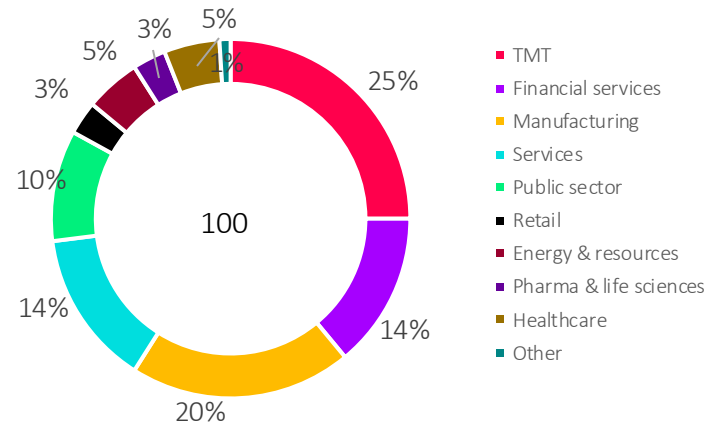
Insights from consultants

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.

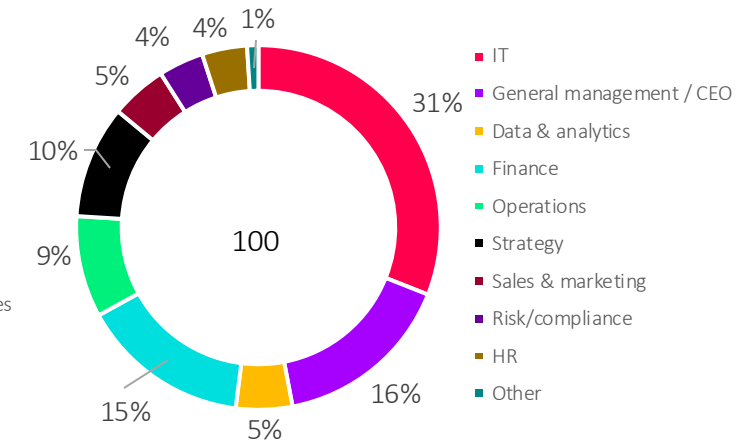
In-depth desk research

We also conducted a thorough PEST analysis in South America that drills down into finer macroeconomic details on a holistic and functional basis, allowing us to fit our research into a wider macroeconomic picture.

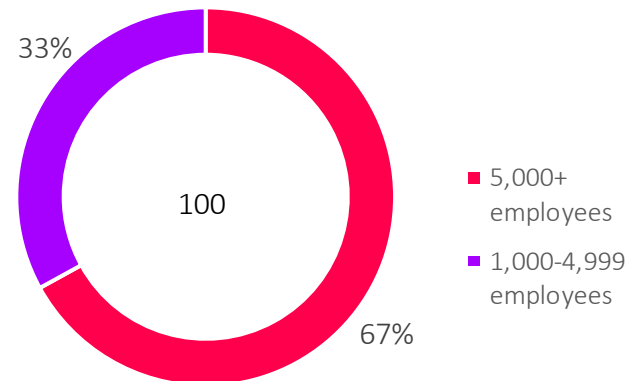
Respondents by sector



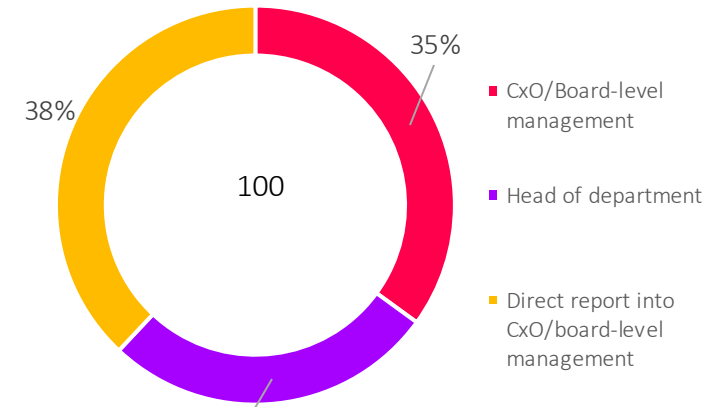
Respondents by function



Respondents by organisation size



Respondents by responsibility level



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, capability, and market segment.

For the purposes of this report, we've focused on types of firm and market segments that broadly equate to traditional definitions of consulting. 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%.

Definitions of sectors and services

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 & 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 services”.

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 & life sciences

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 is a writer specialising in the analysis of emerging trends within the professional services market. He conducts in-depth research on consulting use globally and in specific geographies and sectors, on topics ranging from crisis response to trends within the nascent sustainability consulting market. His expertise lies in the identification of new ideas and forces shaping the industry, and how they are influencing behaviours within the consulting market.

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John Bird

John is a senior research analyst in the Market Trends team, working on a range of regular and bespoke reports. Additionally, John has worked in the research methods team, designing and building some of our surveys and interview guides. He has worked across multiple bespoke projects with some of our leading clients in assisting their global brand studies and marketing strategies.

John Bird

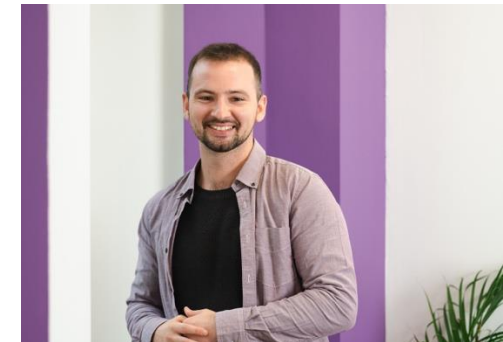
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Catherine Anderson

Catherine is Director of Market Trends & Analysis. She turns qualitative and quantitative data into meaningful, strategic insights on topics across the professional services market, from sustainability to managed services.

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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 2024

2024		Market Trends Reports	Market Trends Briefings	Client Perception Studies	Emerging Trends Programme	White Space Reports	White Space Insights	
Q1	January							
	February	Forecasts for 2024 UK GCC	India		ET1 Ecosystems	Client Perceptions of Thought Leadership	Featured thought leadership (monthly) Quarterly webinar series	
	March	France		UK US Germany				
April	Nordics US	Financial Services GCC France						
Q2	May	DACH Australia East Asia		Retail Australia Energy & Resources		The Source Quality Ratings Report (QRR)	Featured thought leadership (monthly) Quarterly webinar series	
	June	South East Asia		Technology, Media & Telecoms China Japan	ET2 Go-to-Market Strategy			
	July	Africa Energy & Resources		South America Healthcare & Pharma				ET3 The Future of Consulting
August	Financial Services Technology, Media & Telecoms							
September	Sustainability	Risk Tax	ET4 AI in Professional Services		The Thought Leadership Innovation Report			
Q4	October	Tax Risk		Audit Technology		Hot Topic Report	Featured thought leadership (monthly) Quarterly webinar series	
	November	Technology			ET5 Expertise			Source Thought Leadership Awards (virtual)
	December	Planning for Growth in 2025			ET6 What Clients Will Want in 2025			