

EXTRACT



Market Trends

MARKET

Forecasts for 2025

Report

Feb 2025

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

The big answers

We ask Source’s expert to forecast the growth opportunities in 2025.

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About this report

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Market overview

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

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Which will be the growth sectors in 2025?

Using data from our survey of senior buyers of consulting and our MegaModel, we take a sector-by-sector view of the most important opportunities for firms.

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What really matters

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Three things for a firm to act on

1 2025 is set to be a year on the road to recovery.

2025 is set to be a year of recovery. And, in terms of clients' intentions to spend more on consulting support, this recovery looks to be dramatic.

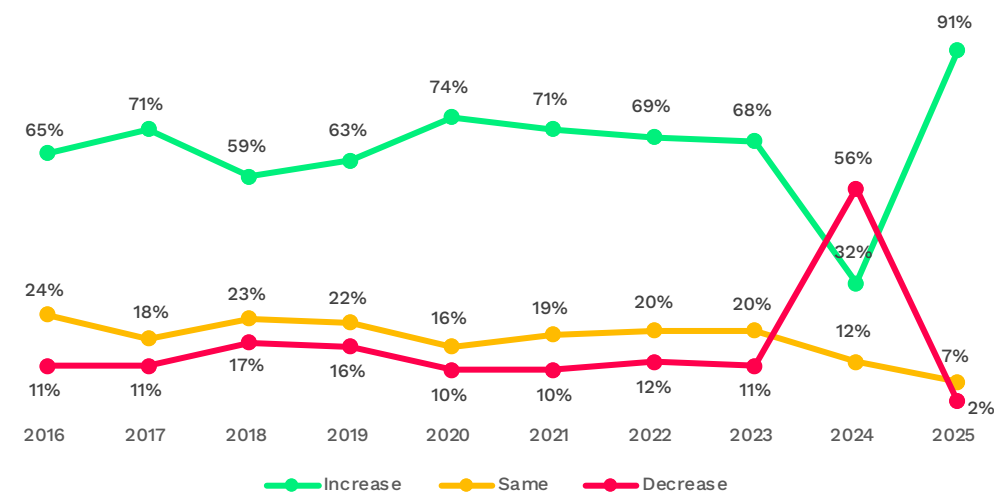
For much of the last decade, most clients expected to increase their consulting spend on the previous year. Amid this positivity, 2018 stood out as being a rare period of pessimism when nearly 20% of clients expected to spend less on consulting services than they had in the previous 12 months. Then, in 2024, over 50% of organisations said they would decrease their spending—a shocking finding. In a year of economic and political uncertainty and instability, it appears that clients decided to wait and see, and to tread water on their investment plans.

The pent-up demand for investing in consulting projects has been building during this period. So much so that in 2025 over 90% of clients say they expect to spend more on consulting services.

This is not to say that the challenges clients face today are going away: They are not. Planning for contingencies, building resilience, and adapting business models to meet the needs of tomorrow are all still pivotal to future strategic decision making. But so is planning for growth. Clients are in the mood to focus on sales, marketing, and customer service functions as they target new revenue streams. Technology is the key that can make some of these growth initiatives real, and it is around investment in emerging technologies and upgrading existing infrastructures that clients will shape their plans for growth.

Figure 1

Proportion of clients expecting to increase, decrease, or keep their consulting spend the same (2016-2025)



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Market overview

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Which will be the growth sectors in 2025?

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Financial services

Technology is the key opportunity in the financial services sector, but clients will retain an element of caution in 2025 when it comes to use of consulting

2023 was a disappointing year for consulting in the financial services sector, and it didn't fare much better in 2024. Growth in consulting demand improved a little—to 2.1%— but still lagged behind the market average (3%). Nevertheless, the financial services consulting market totalled \$78.7bn in 2024.

At a sub-sector level there were clear winners and losers, with private equity finally seeing a significant return to growth at 4.7%, while banking struggled to make much headway and finished 2024 fairly flat at 0.2% growth as interest rates stayed stubbornly high or didn't ease as expected, making clients jittery.

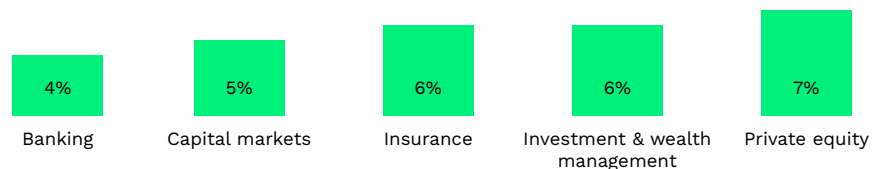
2025 looks set to be a far more positive year. We forecast 5% growth, although the sector will still lag just behind that of the wider market as it continues to feel the impacts of macroeconomic uncertainty.

Private equity should continue to see the largest growth rates, as deal activity begins to return, and clients make up for a number of slower years. Insurance and investment & wealth management will also outperform the overall market as they make up for lost time in terms of digital and customer experience investment. Banking clients will be increasing their spend on consulting, but will remain more cautious, with growth estimated at around 4%.

In 2025, however, more than nine in 10 report that they intend to increase their spend on consulting support (92%), with 43% indicating a rise of more than 10%. Nevertheless, firms should not assume this is a rebound; clients will still be putting pressure on fee rates and expecting significant results.

Figure 7

Financial services sub-sector growth, 2025 (forecast)



Market size and growth

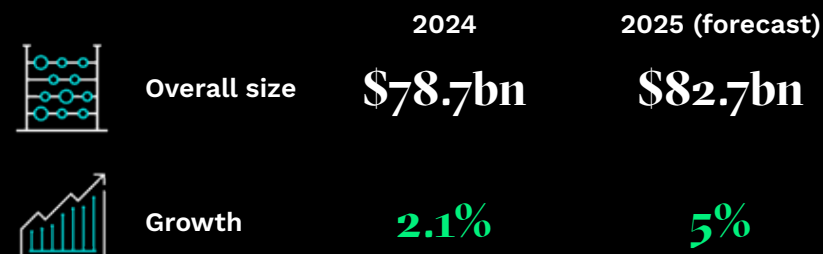
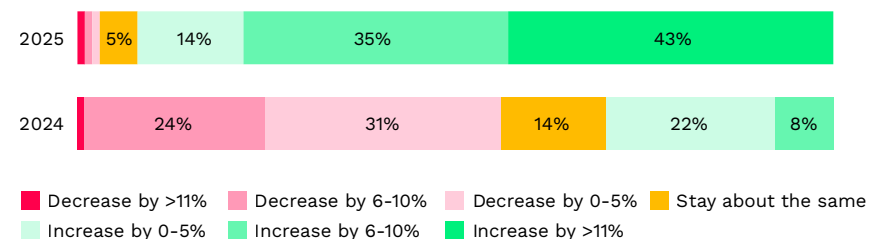
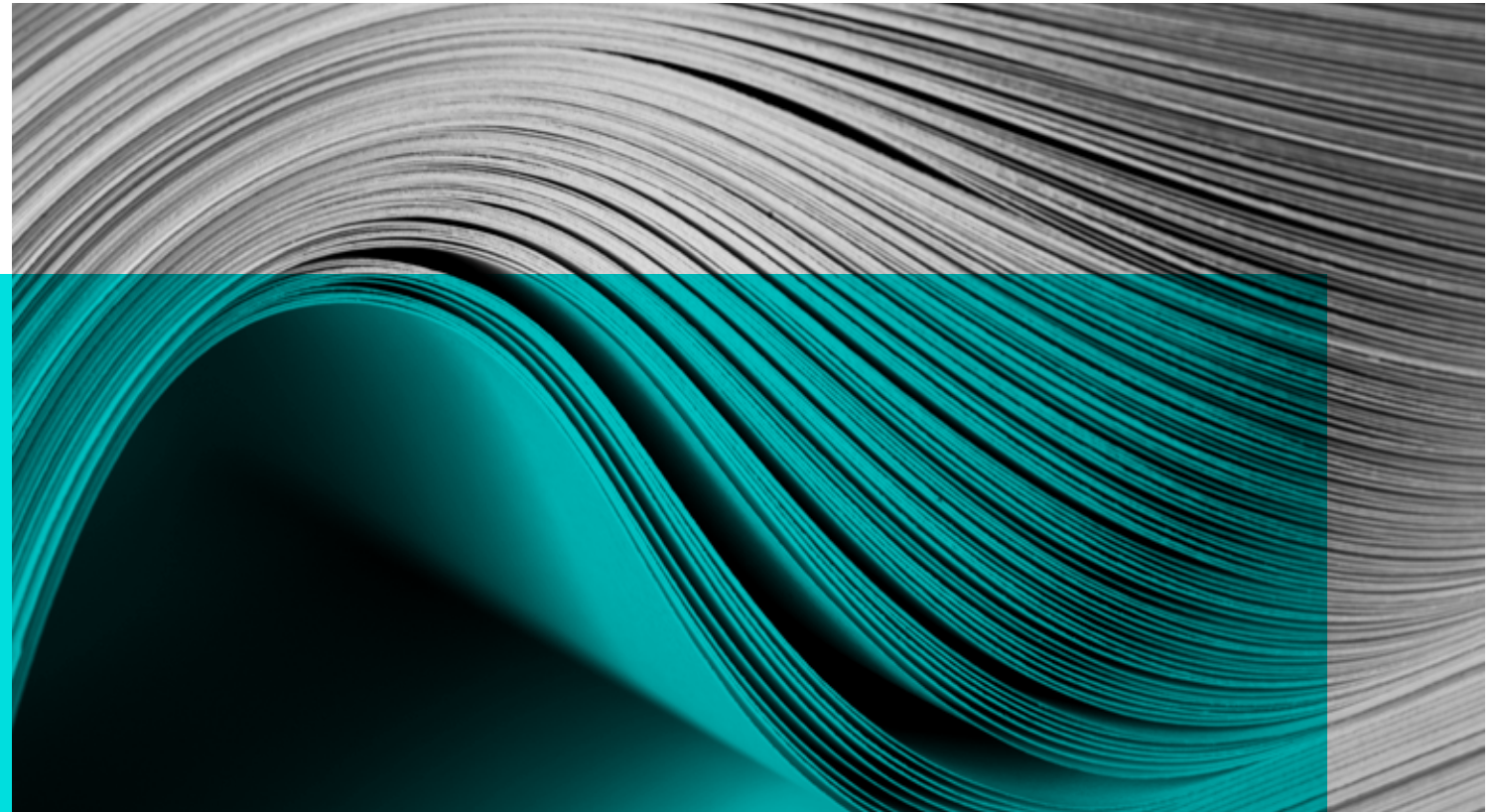
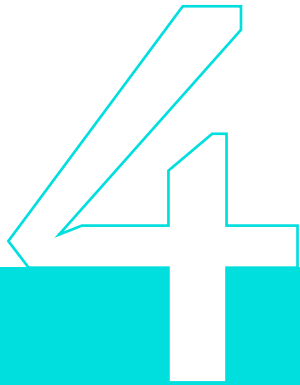


Figure 8

How financial services clients expect their consulting expenditure to change over the next 18 months





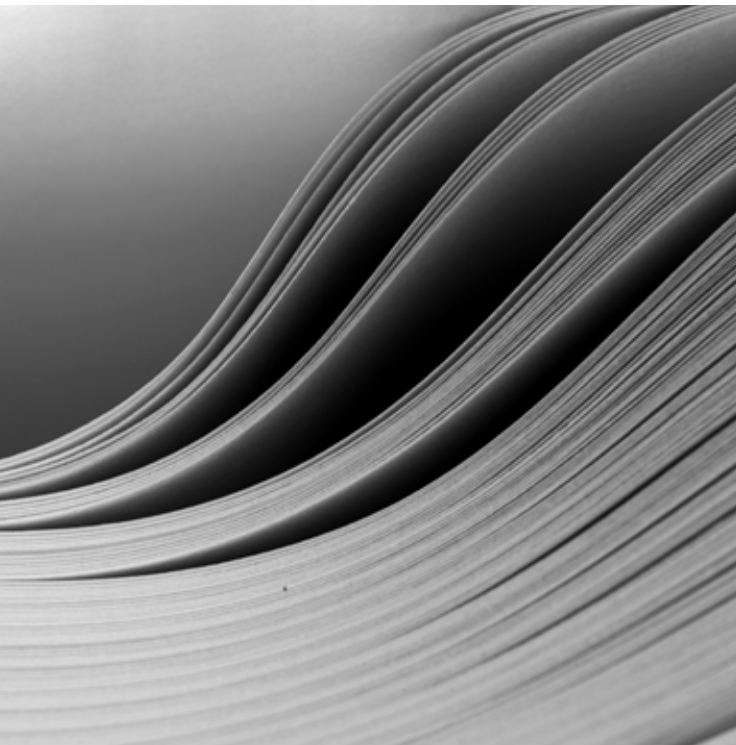
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Our approach to gathering data

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 = £0.78

US dollar to euro US\$1 = €0.92

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

Meet the expert

Nick Jotischky

Nick is Head of Market Trends at Source. Drawing on over 20 years of experience in B2B research centred on macroeconomic and geopolitical risk, Nick leads the Market Trends programme, with a focus on assessing the landscape of the professional services market by region and sector and putting meaningful insights into the hands of firms.

Nick Jotischky

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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 2025

| 2025 | | Market Trends Reports | Market Trends Briefings | Client Perceptions Studies | Emerging Trends Programme | White Space Reports | White Space Insights |
|------|-----------|--|-------------------------|--|---------------------------|--|---|
| Q1 | January | Forecasts for 2025 UK US GCC France | | UK US GCC France | | Quality Ratings Report (QRR) | Featured thought leadership (monthly) Quarterly webinar series |
| | February | | | | ET1 | | |
| | March | | | | | | |
| Q2 | April | Nordics DACH Australia East Asia South East Asia Africa | India South America | Germany Australia China Japan Retail Energy & Resources Financial Services Technology, Media & Telecoms | ET2 | Client Perceptions of Thought Leadership | Featured thought leadership (monthly) Quarterly webinar series |
| | May | | | | | | |
| | June | | | | ET3 | | |
| Q3 | July | Energy & Resources Financial Services Technology, Media & Telecoms Sustainability | Healthcare & Pharma | Risk Tax | | Thought Leadership Innovation | Featured thought leadership (monthly) Quarterly webinar series |
| | August | | | | ET4 | | |
| | September | | | | | | |
| Q4 | October | Tax Risk Technology Planning for Growth in 2026 | Public Sector | Audit Technology | ET5 | | Featured thought leadership (monthly) Quarterly webinar series |
| | November | | | | | | |
| | December | | | | ET6 | | |