

EMERGING

EXTRACT

Pricing:

Expectations vs. Reality

Jam 2025

Report



About us

We partner with professional services firms to turn insight into strategic advantage. Our proprietary research and tailored, firm-specific studies provide clear, actionable guidance to inform your firm's strategic decisions.

Through our work, we help professional services firms to:

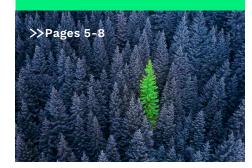
- Anticipate key industry trends
- Identify and evaluate growth opportunities in existing and emerging markets
- Understand client perceptions and competitive positioning
- Refine propositions and messaging to better align with client needs
- Maximise the reach, impact, and commercial value of thought leadership

To dig deeper into the insights in this report, explore our other publications, or learn more about bespoke research for your firm, please get in touch.

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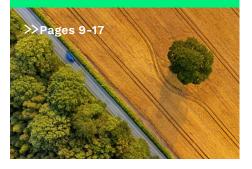
What really matters

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



How do clients feel about the pricing of a recent project?

We look at how and when clients estimate costs, and the factors that can drive this estimate upwards.



How are payment models changing?

Exploring how client preferences have moved away from traditional payment models, and the role of discounts.





Clients say they expect fees to fall, but will this actually happen?

Here we consider how client expectations match up to the reality.



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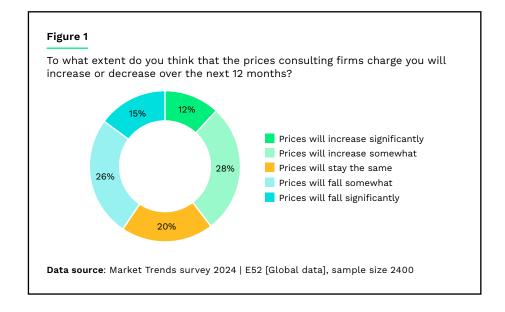
Introduction

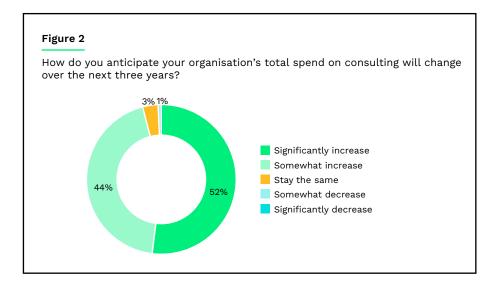
Pricing needs little introduction. It can be complex and often lacks transparency. And it's one of the most common gripes among clients, who consistently tell us they want to see lower prices from firms. Economic factors are increasing pressures on prices, negotiation of contracts is taking longer, and clients are looking for innovation not just in solutions but also payment terms.

Our 2024 Market Trends survey asked clients whether they expected the prices consulting firms charge them to increase or decrease. It may give firms cause for concern to see that a large proportion (41%) expect fees to decrease, with the main reasons being that they think a lot of work could be offshored and many firms could do the work. But we think this may be more a case of clients' wishful thinking, rather than what will actually happen in reality. Time and again, clients set tight budgets before realising that they need more support from firms than they originally thought. Over the past few years, many firms have offered significant discounts to clients. Originally, this was to win work during the initial difficult months of the pandemic. More recently, it was to encourage spending from clients struggling with high costs and to keep firms front-of-mind as demand growth in consulting started to fall. But this has set in motion a vicious cycle, where clients continue to expect discounts upon discounts. And despite these discounted rates, our 2024 Client Perceptions survey found that clients think that they are getting less value for money from firms' work compared to in previous years. A race to the bottom in terms of cost doesn't do anyone any favours, so can firms navigate pricing to their advantage in today's world of instant results and intense focus on value for money?

Clients are still very much buying consulting services, and while demand growth might have slowed since the post-pandemic rebound, the market is still very much growing. This report sets out to explore how clients' expectations around pricing will match up to the reality, and how firms can position themselves to keep winning high-revenue work.

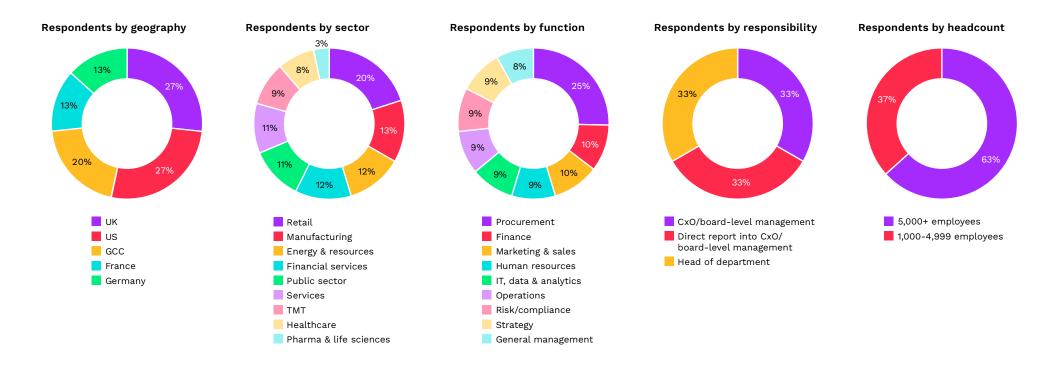
We'll also look back at how pricing has changed since we last looked at the topic in 2022, and what firms should be focusing on.





Methodology

We surveyed 150 senior executives in December 2024, all of whom are responsible for buying consulting services. Respondents worked in five geographies, all of which are important in terms of scale and/or growth potential—the UK, US, Germany, France, and the GCC. They were also drawn from a representative mix of sectors and functions. Three fifths came from organisations with more than 5,000 people. All figures given in this report are in US dollars.







"I think the industry in general has become much more demanding of consulting companies to deliver value for money."

COO, manufacturing

What really matters

Clients may say they are going to spend less, but they almost	6
Outcome-based pricing has finally come of age	
Firms may be offering discounts, but clients aren't always getting more for their money	8





"I'd rather pay more for someone who has a very deep and broad knowledge of the topic that we're trying to solve, I always think this is money well invested."

Chief strategy officer, services

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Time & materials and fixed price are falling out of favour, and subscription models are on the rise19

"I'm a big fan of value-based pricing. But you have to be careful you don't create an industry of people saying, 'Hey, we need this answer to be this, from a value perspective, because it related to the price,' as opposed to really driving the outcome for the client."

Head of procurement, TMT

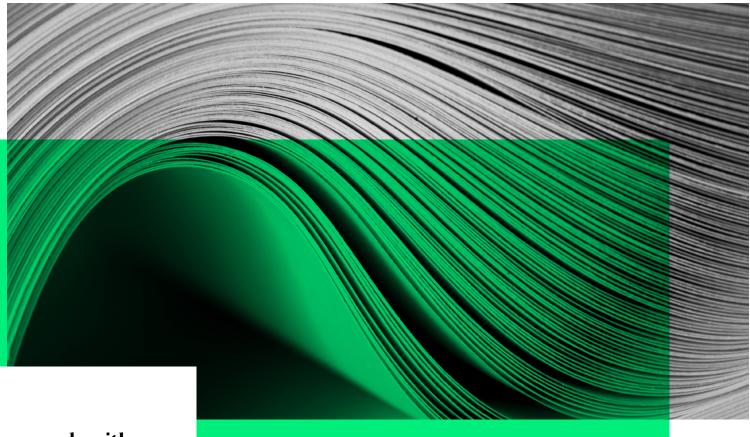
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"We're seeing significant upper pressure [...] I think last year across the board, we probably had 10% inflation on fee rates. And in a way that was almost seen as a good outcome."

COO, healthcare

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"The top reason we work with a firm would be competency, and the next would be price."

CTO, energy & resources

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Meet the expert

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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Publication schedule for 2025

202	25	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			Featured thought leadership (monthly) Quarterly webinar series
	February	UK US				ET1		
	March	GCC France					Quality Ratings Report (QRR)	
Q2	April			Germany Australia China	ET2		Featured thought leadership (monthly) Quarterly webinar series	
	Мау		India South America	Japan Retail				
	June	South East Asia Africa			Energy & Resources Financial Services Technology, Media & Telecoms	ET3	Client Perceptions of Thought Leadership	Series
	July	Energy & Resources	Healthcare & Pharma	Healthcare & Pharma Risk Tax				
Q3	August	Financial Services Technology, Media & Telecoms				ET4		Featured thought leadership (monthly) Quarterly webinar series
	September	Sustainability			Tax		Thought Leadership Innovation	
Q4	October	Tax	g for Growth	Risk Fechnology Public Sector Technology Technology		ET5		Featured thought
	November	Risk Technology			Audit Technology			leadership (monthly) Quarterly webinar
	December	Planning for Growth in 2026			ET6	Hot Topic Report	series	

