



Survey of the European Management Consultancy
2015 | 2016

feaco

European Federation of Management Consultancies Associations
Fédération Européenne des Associations de Conseils en Organisation

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Table of Contents

Introduction by the FEACO Chairman	4
Management Consulting industry at a glance	5
Foreword on report methodology and structure	7
SECTION A - Major trends in European Management Consultancy	8
Turnover Trend	9
Employment Trend	12
Revenue for Professional Service Lines	14
Client Industries	18
Export	20
SECTION B – Selected Management Consultancy country profiles	22
Austria	23
Finland	25
France	27
Germany	29
Greece	31
Ireland	33
Italy	35
Norway	37
Slovenia	39
Spain	41
Switzerland	43
United Kingdom	45
About FEACO	47

Introduction by the FEACO Chairman

It gives me great pleasure to introduce the 2015/16 edition of the survey for the European Management Consultancy Market.

Management Consulting keeps on growing in terms of turnover and highly-skilled employment, with a further increase spread across all the European countries. This is positive not only for our industry but, as consulting is generating economic development, for the European economy overall.

This positive trend is very much related to the leading role consulting firms have taken in bringing forward processes of digital transformation, with a growing emphasis on the use of social media, mobile technologies and big data. Such a trend is directly highlighted by the relevance of consulting related to the area of Technology, but it has also pervaded the other two major service lines, namely Strategy and Operations, the former linked to Industry 4.0 initiatives.

Digital transformation has changed the game and from the client-side, there is more need for a different set of services. Management consulting will need to acquire new capabilities to match changes in the economy in order to successfully keep growing.

Giving this refocusing, the shift towards consulting to support digital transformation is further increasing the dimensional divide, since new skills are required along with dedicated investments, which small and micro consulting firms may neither have, nor can afford to build up. Paradoxically, it seems there is not a big involvement – with notable exceptions – in the digital transformation process by the Public Sector. This is why its demand for consulting services is also weak on this service line. In this context, Southern countries are at a geographical disadvantage, due to the fact that public incentives are smaller and more fragmented.

Looking over the past years, the management consulting industry has exceeded the GDP growth rate. However, there is a question mark over whether our industry can keep growing

without a solid growth of European economies and in the face of a quite uncertain political scenario in the coming year.

The Consulting industry is becoming more and more competitive and selective, with higher entry barriers both with regard to competencies and to capital than there used to be a decade ago. Moreover, the relevance of digital transformation is generating new players that have their roots in mastering digital technologies more than in developing advices and that are going to enter into the market with new business models. The selection process among those consulting firms that will flourish and those that will have to close down, is going to continue, and might even accelerate, in spite of a general market recovery of the industry.

I am keenly aware that FEACO, thanks to its annual survey, can also contribute to facing the new challenges ahead. Management Consultancy should be a point of reference and a source of innovation for organizations and institutions across Europe. This is why, as part of its mission, FEACO continually seeks to represent a source of ideas and initiatives for promoting and developing future perspectives for the MC industry in Europe.



Ezio Lattanzio
FEACO Chairman

A handwritten signature in black ink that reads "Ezio Lattanzio". The signature is written in a cursive, flowing style.

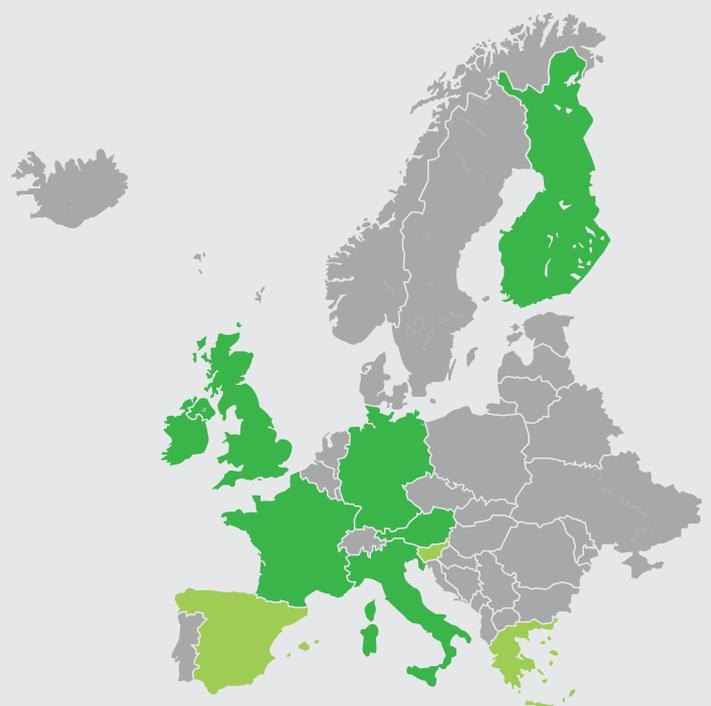
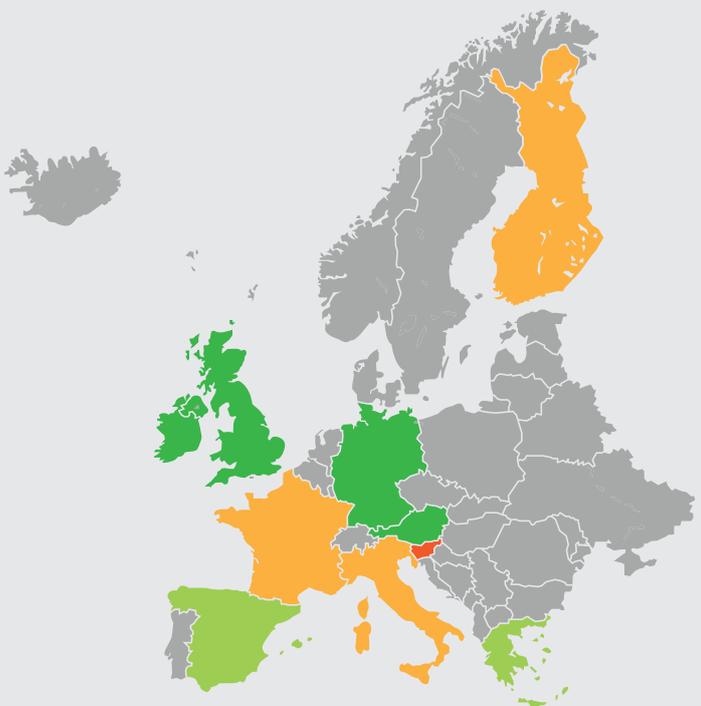
Management Consulting industry at a glance

MC Turnover growth rate

The Management Consulting industry has fully recovered from the crisis.

2012-2013

2014-2015

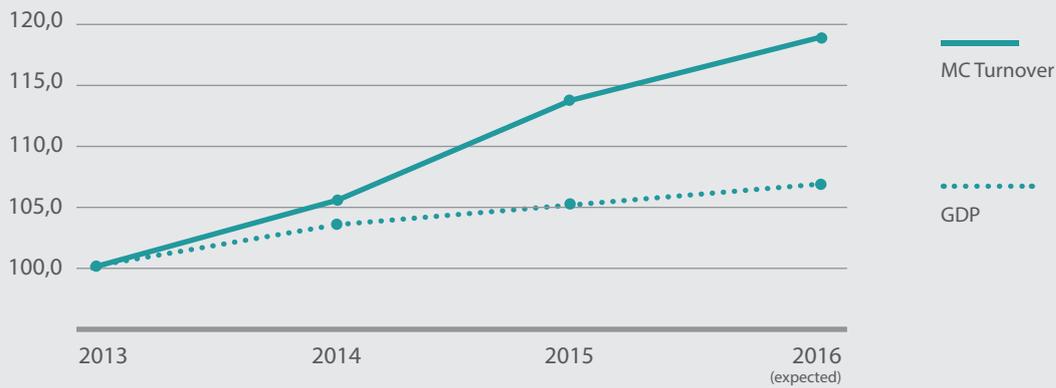


In **2013** the European MC industry turnover growth was, on average, +3.8% with a few countries where the MC turnover was stable or slightly declining ...

...in **2015** the European MC industry turnover growth was on average +6.5% with most of the surveyed countries achieving a turnover increase higher than 5%!

European panel - MC Turnover and GDP

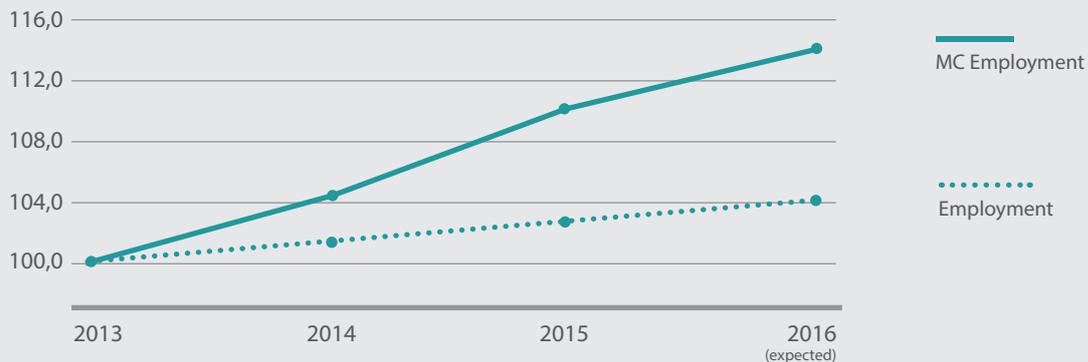
(Fixed base index 2013=100)



Management Consulting is a driver for the overall European economy. In the past two years European MC turnover has been growing more than European GDP: on average 6.2% vs. 2.6%

European panel - Total and MC Employment

(Fixed base index 2013=100)



... and European MC employment has been growing more than European overall employment: on average 4.9% vs. 1.2%

The Management Consulting industry is also expected to achieve **positive trends in 2016**.



Foreword on report methodology and structure

This report aims to provide an overview of the European Management Consulting (MC) industry. It has been developed based upon data already collected by national MC Associations for their yearly surveys.

Each Association has been asked to provide:

- Key data on turnover, employment, service lines, client industries and exports from 2013 to 2016;
- A country profile with a description of their national MC market, including references to the overall situation of the economy, major opportunities and threats faced by the Management Consulting firms, and other relevant issues.

National Associations, because of their history, their associate members and, sometimes, also because of law provisions, collect their data with respect to domains that are not fully homogeneous. Three major sources of differences relate to:

- **the subjects:** some Associations collect data only related to consulting firms (such as Italy) while others also take into account individual professionals (such as Austria);
- **the scope:** some Associations collect data only on their members (such as the UK), others on the overall market, irrespective of membership (such as Italy and Spain);
- **the focus:** Associations might treat differently businesses that are very closely related to Management Consulting, such as information technology (IT) consulting or consulting on finance & taxation.

In order to avoid adding up data that are not fully homogeneous, this report provides an overall picture of the European Management Consulting industry only in terms of trends, as the above mentioned differences should not distort the general trends of the MC industry. National data provided by the Associations have been weighted based on the national GDPs at market prices from Eurostat (2014 data).

At the same time, this report provides insights into the different national MC markets through dedicated country profiles. The country profiles include key industry data and qualitative analysis, as developed by national Associations.

Accordingly, this report is made up of two sections:

SECTION A – Major trends in European Management Consultancy

SECTION B – Selected Management Consultancy countries' profiles.

Twelve national Associations have provided data for this report, namely:

- **Austria** – WKO - Austrian Professional Association for Management, Consultancy Accounting and Information Technology;
- **Finland** – LJK - Finnish Management Consultants Association;
- **France** – Consult'in France (formerly Syntec Conseil en Management);
- **Germany** – BDU e.V. - German Association of Management Consultants;
- **Greece** – SESMA - Hellenic Association of Management Consulting Firms;
- **Ireland** – IMCA - Institute of Management Consultants and Advisers;
- **Italy** – Assoconsult - Italian Association of Management Consulting Firms;
- **Norway** – Virke - Consulting Norway;
- **Slovenia** – AMCOS - Association of Management Consulting of Slovenia;
- **Spain** – AEC - Spanish Association of Consulting Companies;
- **Switzerland** – ASCO - Association of Management Consultants Switzerland;
- **United Kingdom** – MCA - Management Consultancies Association.



Section A

Major trends in European
Management Consultancy

Major trends in European Management Consultancy

This section is based on a European panel that includes Austria, Finland, France, Germany, Greece, Ireland, Italy, Slovenia, Spain, Switzerland and the United Kingdom, unless differently specified. The panel represents 77% of the 2015 overall European Gross Domestic Product (GDP).

In order to identify the European trends, national data provided by the Associations have been weighted based on the national GDPs at market prices from Eurostat (2014 data).

This section includes analyses of European Management Consulting on:

- Turnover trend
- Employment trend
- Turnover per professional
- Per professional
- Service lines
- Client industries
- Client industries
- Export

Turnover trend

The European Management Consulting (MC) industry, in the past two years, achieved a relevant turnover growth: +5.6% in 2014, +6.7% in 2015, and +5.6% expected in 2016 (Table 1). Germany, the UK and Switzerland have led the positive trend of the industry at the European level, but a widespread growth pattern has characterised all the countries listed in the panel, with the partial exception of Slovenia and Spain.

MC turnover has grown at a compound annual growth rate much higher than GDP: +6.0% vs. +2.1% (CAGR 2014-16). Such a trend highlights how the MC industry is strongly influenced, but not strictly bounded, by the growth of the overall economy. In any country of the European panel, with the exception of Slovenia and Spain, MC turnover growth has been much higher than GDP growth.

TABLE 1: MC turnover growth rate in comparison with GDP growth rate (2014-2016)

Country	MC turnover growth rate in 2014	MC turnover growth rate in 2015	MC turnover growth rate in 2016 (exp.)	MC turnover yearly CAGR (2014-16)	GDP** yearly CAGR (2014-16)
Austria	6.6%	6.7%	5.7%	6.3%	1.4%
Finland	5.0%	5.0%	5.0%	5.0%	1.0%
France	2.9%	6.3%	8.0%	5.7%	1.0%
Germany	6.3%	7.1%	7.5%	7.0%	2.1%
Greece	3.1%	2.9%	0.0%	2.0%	-0.7%
Ireland	4.9%	11.0%	5.0%	6.9%	4.6%
Italy	5.7%	6.9%	7.0%	6.5%	0.7%
Slovenia	-1.1%	2.1%	2.5%	1.1%	2.4%
Spain	-2.3%	2.0%	5.0%	1.5%	2.0%
Switzerland	11.5%	14.1%	3.7%	9.6%	1.0%
UK***	9.8%	6.9%	N/A	8.3%	6.4%
European Panel*	5.6%	6.7%	5.6%	6.0%	2.1%

Source: Our elaborations on MC turnover - FEACO survey 2007-2016; GDP - Eurostat 2015.

* European panel includes the 11 European countries of the FEACO survey (excluding UK in the 2016 forecast). These 11 countries represent 77% of the 2015 European GDP.

** GDP trend refers to nominal GDP, i.e. GDP at market price.

*** UK CAGR data refer to the 2014-2015 period as MC 2016 data are not available.

The MC industry recovery has been very much driven directly and indirectly by consulting in digital transformation: since 2014 most countries highlight that clients' companies are asking for more and more advice and implementation support in this area. Moreover, given that consulting on digital transformation appears to require both new skills and a willingness/availability to invest, it appears that in most countries, the MC recovery has been driven by large/very large consulting companies (respectively with more than 50 employees and more than 250 employees). A long-term analysis of industry dynamics highlights that Management Consulting has been able to face

and overcome the recession that affected Europe much better than the overall economy. Since 2007, the MC market has grown on average 3.9% per year while European GDP has grown on average 1% per year (Table 2).

After having achieved a significant growth in 2008 – possibly thanks to orders backlog – the MC industry has experienced a significant decline in turnover due to the European economic recession. In the following four years MC turnover has grown quite in line with the overall European GDP. Then since 2013, the MC market is back to a growth rate much higher than the overall growth of the economy.

TABLE 2: MC Turnover and GDP trend for European panel* (2007-2016)

Year	MC turnover trend		GDP trend**	
	Fixed index (base 2007=100)	Growth rate	Fixed index (base 2007=100)	Growth rate
2007	100.0	-	100.0	-
2008	107.5	7.5%	99.2	-0.8%
2009	102.9	-4.3%	93.9	-5.3%
2010	106.0	3.0%	97.4	3.7%
2011	112.5	6.1%	100.1	2.7%
2012	114.7	2.0%	102.1	2.1%
2013	119.3	3.8%	102.8	0.6%
2014	125.6	5.2%	106.3	3.4%
2015	133.8	6.5%	107.9	1.5%
2016 (expected)	141.2	6.9%	109.7	1.6%
CAGR				
2007-2016	3.9%		1.0%	
2013-2016	6.0%		2.2%	

Source: Our elaborations on MC turnover - FEACO survey 2007-2016; GDP - Eurostat 2015.

* European panel includes 10 European countries of the FEACO survey (excluding Switzerland due to missing historical data). These 10 countries represent 73% of the 2015 European GDP.

** GDP trend refers to nominal GDP, i.e. GDP at market price.

The long-term analysis of the Management Consulting turnover trend by country highlights that while in all countries the MC industry has performed better than its respective GDP, in some countries, in particular Germany, the MC industry has strongly outperformed, while in other countries MC industry has grown at a rate slightly higher than the GDP. In the 2008-16 period, the German MC industry has

grown at an average rate of 6.4% while the overall economy increased at a 2% rate. Similarly, in Austria and Finland, the MC market has grown at a higher average rate greater than the overall economy (respectively +3.5% and 3.1%). Also in Spain, Italy, Greece and the UK, it has grown much more than the GDP. The MC market in Ireland and Slovenia, on the other hand, has been much more in line with the overall GDP trend.

European panel - MC turnover and GDP [Fixed base index (2007=100)]

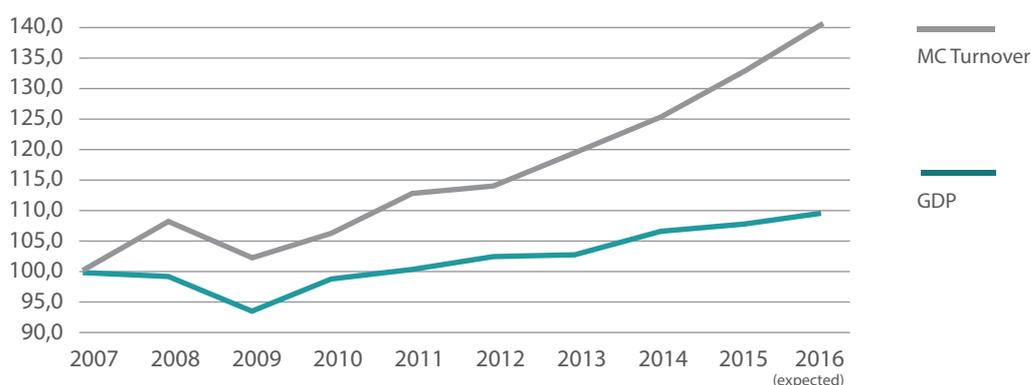


TABLE 3: Comparison of MC Turnover vs. GDP yearly CAGR (2008-2016)

Country	MC turnover yearly CAGR (2008-16)	GDP*** yearly CAGR (2008-16)	Differences in CAGR between MC and GDP growth rate (2008-16)
Germany	6.4%	2.0%	4.4%
Austria	5.4%	2.0%	3.5%
Finland	4.3%	1.3%	3.1%
European Panel*	3.9%	1.0%	2.9%
Spain	2.7%	0.1%	2.6%
Italy	2.7%	0.2%	2.5%
Greece	-0.7%	-3.0%	2.3%
UK**	3.0%	0.9%	2.1%
France	2.7%	1.3%	1.4%
Ireland	1.1%	0.5%	0.7%
Slovenia	1.5%	1.0%	0.4%

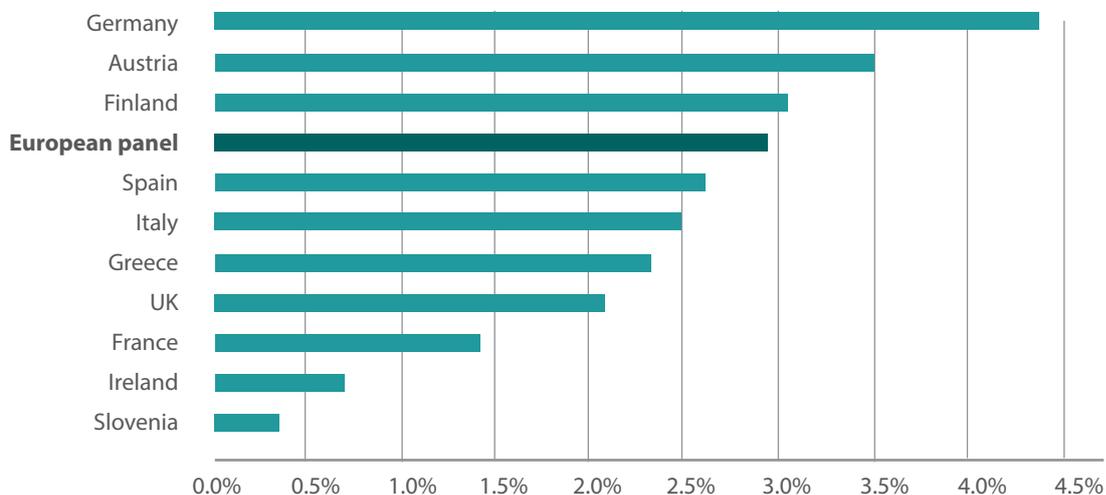
Source: Our elaborations on MC turnover - FEACO survey 2007-2016; GDP - Eurostat 2016.

* European panel includes 10 European countries of the FEACO survey (excluding Switzerland due to missing historical data). These 10 countries represent 73% of the 2015 European GDP.

** UK data do not include 2016.

*** GDP trend refers to nominal GDP, i.e. GDP at market price.

Differences in growth rates between MC turnover and GDP (CAGR 2008-2016)



A focus on the largest European countries highlights that, while in all these countries MC turnover growth has outperformed the overall economy, the MC trends in these countries have been quite different (Table 4). In Germany, the MC market has always grown at a high rate with the only exception being a decline in 2009. In other countries, such as France, Italy and Spain, the crisis has brought a more severe and prolonged stagnation in the MC industry.

In these countries, especially in France and Italy, the recovery of the MC industry has brought a significant selection among MC firms with a strengthening of the largest as well the most specialised consulting companies, while several small/micro companies as well as less specialised companies have had to close down.

TABLE 4: MC Turnover trend for European panel and largest countries 2007-2016 (fixed index 2007=100)

Year	European Panel*	Germany	UK**	France	Italy	Spain
2007	100.0	100.0	100.0	100.0	100.0	100.0
2008	107.5	111.0	105.0	106.0	108.3	111.0
2009	102.9	108.0	98.7	98.6	102.9	111.4
2010	106.0	113.7	99.7	103.5	102.2	115.3
2011	112.5	124.5	104.7	109.7	107.0	116.4
2012	114.7	134.5	104.7	107.5	105.6	114.7
2013	119.3	142.9	111.2	107.7	105.3	121.9
2014	125.6	152.0	122.1	110.9	111.4	119.1
2015	133.8	162.8	130.5	117.9	119.1	121.4
2016 (expected)	141.2	175.1	N/A	127.3	127.4	127.5
GDP trend*** (Fixed index, 2007=100)						
2007- 2016 (expected)	109.7	119.6	106.6	111.2	101.8	101.3

Source: Our elaborations on MC turnover - FEACO survey 2007-2016; GDP - Eurostat 2016.

* These 10 countries represent 73% of the 2015 European GDP.

** UK data do not include 2016 both for MC and GDP values.

*** GDP trend refers to nominal GDP, i.e. GDP at market price.

Employment trend

In the past two years, employment in the European Management Consulting (MC) industry has always increased: +4.7% in 2014, +5.1% in 2015 and +3.4% in 2016 (Table 5). In all the surveyed countries with the only exceptions being Slovenia and Spain, MC employment is growing more than the employ-

ment in the overall economy.

While data are fragmented, it appears that employment growth is concentrated mainly in the large and very large consulting companies, i.e. those with more than 50 employees.

TABLE 5: MC employment growth rate (2014-2016) and comparison with MC turnover

Country	Employment growth rate in 2014	Employment growth rate in 2015	Employment growth rate in 2016 (exp.)	Employment yearly CAGR (2014-16)	Overall employment yearly CAGR (2014-16)***
Finland	4.0%	2.9%	2.0%	3.0%	-0.2%
Germany	5.9%	3.3%	2.0%	3.7%	1.0%
Greece	8.9%	0.8%	0.0%	3.2%	0.9%
Ireland	3.5%	11.1%	5.0%	6.5%	2.2%
Italy	1.6%	4.6%	6.0%	4.1%	0.6%
Slovenia	-2.9%	1.9%	2.0%	0.3%	0.9%
Spain	-2.6%	2.4%	5.0%	1.5%	2.1%
UK**	8.6%	9.0%	N/A	8.8%	1.8%
European Panel*	4.7%	5.1%	3.4%	4.4%	1.3%

Source: Our elaborations on MC turnover - FEACO survey 2007-2016; GDP - Eurostat 2016.

* European panel includes only 8 European countries of the FEACO survey as historical data for Austria, France and Switzerland are missing. These 8 countries represent 59% of European GDP.

** UK data do not include 2016 for both Turnover and Employment.

*** Overall employment data refer only to 2014 and 2015 as Eurostat; 2016 forecast by European Economic Forecast - Autumn 2016 - European Commission

In the 2014-16 period, the significant growth of MC employment (on average +4.4%) has been triggered by a very positive trend in turnover (on average +6.0%). The UK, Ireland and, to a lower extent, Italy and Germany, have led the positive trend of MC employment at the European level.

Management Consulting is a “people” business: typically an increase in turnover – unless driven by a variation in price levels – triggers an increase in billed hours and therefore in employment. However, in the short term, the employment trend does not always match turnover growth. Given the time required for the development of a consultant, many consulting firms, when a recovery is forecasted, may hire in anticipation or, during a recession period, may retain their consultants. In the whole period from 2014 to 2016,

the MC employment level has grown less than the MC turnover (4.4% vs. 6.3%), leading to an increase in productivity due to higher chargeability or higher fees. Moreover the difference between the MC turnover and employment growth rate is becoming larger year after year: in 2014 it was 4.7% vs. 5.6%, then 5.1% vs. 6.7% and for 2016 it is expected that MC employment will grow by 3.4% and MC turnover by 5.6%.

The comparisons of the employment growth rate and the turnover growth rate in the various countries show quite a different picture. A turnover growth higher than the employment growth rate has been taking place in Germany, Italy and Finland, while in the other countries in the panel, the turnover growth has been more in line with the employment growth.

TABLE 6: Comparison of MC Turnover vs. MC employment (Yearly CAGR 2014-2016)

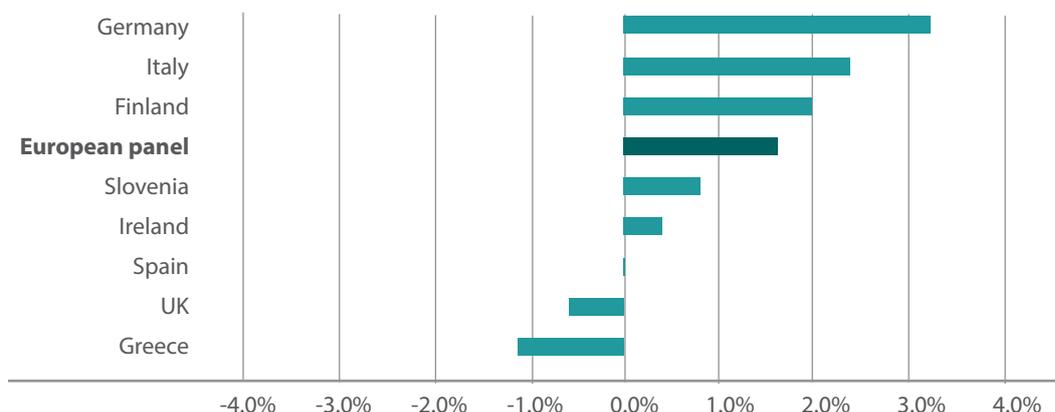
	MC Turnover CAGR 2014-16	MC Employment CAGR 2014-16	Differences
Germany	7.0%	3.7%	3.3%
Italy	6.5%	4.1%	2.4%
Finland	5.0%	3.0%	2.0%
European panel*	6.0%	4.4%	1.6%
Slovenia	1.1%	0.3%	0.8%
Ireland	6.9%	6.5%	0.4%
Spain	1.5%	1.5%	0.0%
UK**	8.3%	8.8%	-0.5%
Greece	2.0%	3.2%	-1.2%

Source: Our elaborations on MC turnover - FEACO survey 2013-2016; GDP - Eurostat 2016.

* European panel includes only 8 European countries of the FEACO survey as historical data for Austria, France and Switzerland are missing. These 8 countries represent 59% of European GDP. It is important to highlight that the turnover CAGR calculated with respect to this smaller perimeter is lower than the one taken into account previously, given that all these three countries that are not considered here have had an average MC turnover growth rate well above the European average.

** UK data do not include 2016 both for MC and Employment.

Differences between MC turnover and Employment (Yearly CAGR 2014-2016)



A focus on Germany, UK and Italy, where a longer historical trend was available, shows that the balance between turnover and employment comes with a lag, while in each individual year the change in the employment level can be much greater or much lower than the respective change in turnover (Table 7). These differences are rather limited in Germany, where the differences between MC turnover growth and MC employment growth have been quite

stable over the whole period. In the UK it appears that employment is fluctuating more than turnover, with large decreases as well as strong increases, showing a quite flexible labour market. Much fluctuation can also be found in Italy, where, during the industry downturn, the employment kept increasing (also as a result of self-employment), while since the recovery the employment has been growing at a lower rate than turnover.

TABLE 7: Comparison of MC turnover and MC employment trend for selected countries (2012-2016)

Year	Germany		UK*		Italy	
	Turnover growth rate	Employment growth rate	Turnover growth rate	Employment growth rate	Turnover growth rate	Employment growth rate
2012	8.0%	4.1%	3.1%	-6.4%	-1.3%	2.3%
2013	6.3%	4.5%	6.2%	9.4%	-0.3%	2.5%
2014	6.3%	5.9%	9.8%	8.6%	5.7%	1.6%
2015	7.1%	3.3%	6.9%	9.0%	6.9%	4.6%
2016 (expected)	7.5%	2.0%	N/A	N/A	7.0%	6.0%
CAGR (2012-2016)						
CAGR 2012-2016	7.0%	4.0%	6.5%	4.9%	3.5%	3.4%

Source: Our elaborations on MC turnover and employment - FEACO survey 2014-2016.

* UK data do not include 2016 both for MC and Employment

Revenue per Professional

Annual turnover per professional is considered by consulting firms as a good indicator of productivity, since it is related both to the average price level (the daily consulting fees) and to the average chargeability (the number of days a consultant is billed to clients). The turnover per professional is considered a more meaningful indicator than turnover per employee, given that professionals represent the core of the consulting companies as well as being the driver of their revenues.

In the 2014-16 period, the European turnover per professional has increased on average 1.1% with significant fluctuations among countries. The largest increase took place in Germany (+3.3% on average each year) followed by Italy and Finland (respectively +2.4% and +2.0% on average each year).

The largest decreases took place in Greece and the UK (respectively -1.2% and -0.5% on average each year). Ireland, Slovenia and Spain have remained stable with an increase between 0% and 1% (Table 8). The trend in turnover per professional is related to changes in the pricing structure and in the chargeability level. While the survey does not collect, on a structured basis, data on consulting fees, there is scattered evidence that after a period of decline in consulting fees as a response to the industry recession, since 2015 the price level has stabilized and there are signs of a gradual recovery in the consulting fees structure. The slight increase in the turnover per professional is further evidence supporting a marginal increase in management consulting fees.

TABLE 8: MC turnover per professional trend (2014-2016, fixed index base 2013=100)

Country	Turnover per professional in 2013 [index base]	Turnover per professional in 2014	Turnover per professional in 2015	Turnover per professional in 2016 (exp.)	Turnover per professional yearly CAGR (2014-16)
Finland	100.0	101.0	103.0	106.1	2.0%
Germany	100.0	100.4	104.5	110.1	3.3%
Greece	100.0	94.7	96.7	96.7	-1.2%
Ireland	100.0	101.4	101.3	101.3	0.4%
Italy	100.0	104.1	106.4	107.4	2.4%
Slovenia	100.0	101.9	102.1	102.7	0.8%
Spain	100.0	100.3	99.9	99.9	0.0%
UK**	100.0	101.1	99.1	N/A	-0.5%
European Panel*	100.0	101.2	102.6	104.8	1.1%

Source: Our elaborations on MC turnover - FEACO survey 2013-2016; GDP - Eurostat 2016.

* European panel includes only 8 European countries of the FEACO survey as historical data for Austria, France and Switzerland are missing. These 8 countries represent 59% of European GDP.

** UK data do not include 2016 for both Turnover and Employment.

An analysis of the turnover per professional shows significant differences across Europe: in the past three years, in Finland and Germany the average revenue per professional has been around 250,000 € per year, while in Greece, Italy and Spain it has been around 115,000 € (Table 9).

Given that there should not be major discrepancies

in chargeability levels among countries, the significant gap in turnover per professional by country appears to be mainly driven by a different pricing structure among the various national markets: as a matter of fact Northern countries have, on average, daily consulting fees that are twice those charged in Mediterranean countries.

TABLE 9: Turnover per professional by country (average 2014-2016)

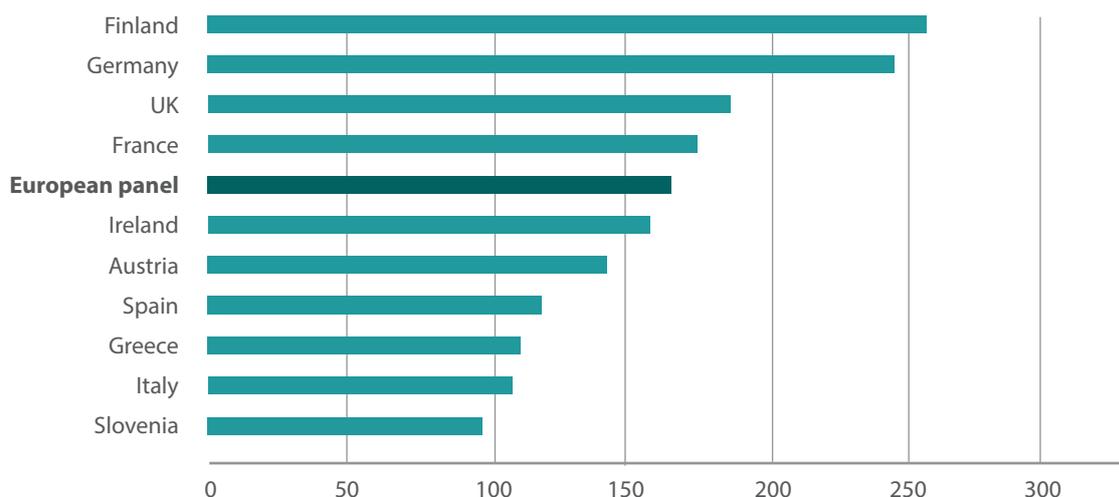
Turnover per professional	Country	Turnover per professional (Average 2014-2016)
Above 200,000 €	Finland	€ 256,000
	Germany	€ 245,000
From 150,000 to 200,000 €	UK***	€ 183,000
	France	€ 178,000
	European panel*	€ 171,000
	Ireland	€ 159,000
From 100,000 to 150,000 €	Austria**	€ 145,000
	Spain**	€ 122,000
	Greece	€ 116,000
	Italy	€ 110,000
Below 100,000 €	Slovenia	€ 98,000

Source: Our elaborations on MC turnover - FEACO survey 2013-2016; GDP - Eurostat 2016.

* European panel includes 10 European countries of the FEACO survey. These 10 countries represent 78% of European GDP.

** Due to missing data, the number of professionals in Austria and Spain has been considered equal to 80% of their total employees.

*** The UK data refer to 2015.



A detailed comparison of the turnover per professional by consulting companies' size has not been possible because of the lack of data. However, by analysing Germany and Italy as two representative countries respectively of Northern and Southern Europe (Table 10), it appears that in both countries there is a very large difference between the turnover per professional in large consulting companies

and in small-medium consulting firms.

In Germany the turnover per professional in a large company is on average 70% higher than in a small-medium consulting company. In Italy the gap is even wider: the turnover per professional in a large company is on average 140% higher than in a small-medium consulting company.

TABLE 10: Turnover per professional in large vs. small-medium consulting firms (2015)

Country	Large consulting firms Turnover per professional (2015 data)	Small-medium consulting firms Turnover per professional (2015 data)
Germany	€ 322,000	€ 189,000
Italy	€ 196,000	€ 81,000

Source: Our elaborations on MC turnover - FEACO survey 2014-2015; GDP - Eurostat 2015.

This evidence matches qualitative data from many countries, highlighting that, during the recession period, many small-medium consulting companies have been very aggressive in terms of pricing in

their fight for acquiring orders and, because of that, they have had a decline in their turnover per professional (See Section B for more details).

Service lines

The MC market has been analysed by Service Lines, considering the following seven major segments: strategy, operations, sales & marketing, finance & risk management, people & change, technology and other services.

STRATEGY: these activities support organisations in analysing and redefining their strategies, improving their business operations and optimising their corporate and business planning, business modelling, market analysis and strategy development. It also includes governance of major organisation re-

designs, including company-wide transformation/restructuring programmes and strategic advisory in major financial transactions (M&A, IPO, etc.).

OPERATIONS: these activities are related to the integration of business solutions through Business Process Re-engineering (BPR); customer/supplier relations management (CRM); turnaround/cost reduction, purchasing & supply chain management, including manufacturing, research and development (R&D), product development and logistics.

SALES AND MARKETING: these activities aim to evaluate and redesign Sales & Marketing activities in terms of customer insight and relationship management, sales and channel management, product portfolio management and branding, and digital marketing.

FINANCE AND RISK MANAGEMENT: these activities support organisations in analysing and redefining their planning, budgeting and performance management models and improving their capabilities in measuring and optimising enterprise risks (credit, market, operational, environmental, quality, etc.). They also support addressing regulatory requirements and developing compliance management.

PEOPLE AND CHANGE: these activities support organisations in dealing with the effects that change has on the human element of the organisation (Change Management), which also includes Human Resources (HR) Consulting, targeting the improvement of the 'people' element of an organisation through HR strategies, performance measurement, benefits, compensations and retirement schemes, talent development programmes and executive coaching.

TECHNOLOGY: these activities support organisations in evaluating their IT strategies with the objective of aligning technology with business processes. These services include strategic support for decisions related to the planning and implementation of new technologies for business applications, including IT Network & Security and Data Centre architecture.

OTHER SERVICES: these activities include a variety of complementary professional services to Management Consulting projects, such as training, market studies, outplacement, executive selection and recruitment.

The three dominant service lines in 2015 are Operations, Technology and Strategy (Table 11).

Each of these three services lines represents roughly 20% of market share (with Operations around 22%). They have all been growing in absolute and relative terms, driven by the strong involvement of MC firms in supporting the digitalization process (see Section B for more details).

Finance & Risk as well as Sales & Marketing are growing in terms of turnover, but stable in market share. People & Change is growing slightly in absolute terms but is facing a decline in market share, probably due to clients focusing more on the technology side of the business processes' change (see Section B for more details).

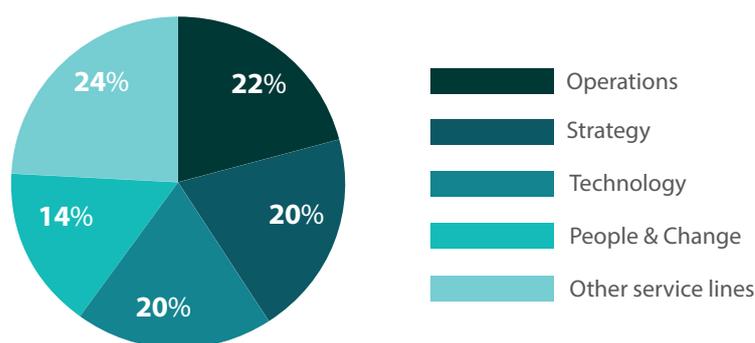
TABLE 11: MC Turnover distribution by Service Lines (2015)

Country	Operations	Strategy	Technology	People & Change	Finance & Risk	Sales & Marketing	Other
Austria	18%	31%	7%	16%	8%	11%	9%
Finland	20%	20%	5%	20%	10%	10%	15%
France	16%	28%	15%	24%	0%	0%	17%
Germany	40%	18%	21%	13%	3%	4%	1%
Greece	25%	32%	10%	5%	12%	3%	13%
Ireland**	30%	17%	23%	11%	1%	2%	16%
Italy	9%	23%	18%	8%	24%	6%	12%
Slovenia	33%	23%	14%	8%	9%	11%	3%
UK	11%	10%	28%	11%	16%	1%	23%
European panel*	22%	20%	20%	14%	9%	3%	12%

Source: Our elaborations on MC turnover - FEACO survey 2006-2015.

* European panel includes only 9 European countries of the FEACO survey as data for Spain and Switzerland are missing. These 9 countries represent 68% of European GDP.

** The data from Ireland refer to 2014.



Client industries

The MC market has been analysed by Clients, considering the three most relevant segments of economic activity, namely Manufacturing, Service and Public Sector, and is then detailed by industries within the Services.

The **Manufacturing Sector** includes all the Consumer and Industrial Products, namely Aerospace & Defence; Automotive; Consumer Products; High Tech Products; Machinery; Chemicals, Pharmaceutical & Biotech; Other Manufacturing Industries.

The **Service Sector** includes Financial Services (Banking & Financial Services; Insurance), Energy & Utilities (Oil & Gas; Chemicals & Petrochemicals; Utilities), Telecoms & Media (Communication; Media & Entertainment; Telecommunications; Publishing) and Other Services (Retail; Travel & Leisure; Private Healthcare; Software & Computer Services; Business Services.)

The **Public Sector** includes Governments (both at a Central and Local level); Supranational Institutions (EU, WB, EIB, etc.); Public Healthcare.

The European Management Consulting industry is strongly focused on the private Service sector: 59.3% of MC turnover in 2015. Consulting services to the Manufacturing sector represent 27.7% of the overall MC market, with the Public sector representing the remaining 13% (Table 12). These shares are rather similar to the 2014 shares: the Manufacturing sector went up by 0.1% and services went down by 0.1%, while the market share in the Public sector remained stable.

A comparison of the distribution of MC turnover by economic sector and the corresponding distribution of the Gross Value Added (GVA) highlights that proportionally a larger share of MC is addressed towards clients in the Service sector while a much smaller share is towards the Public sector.

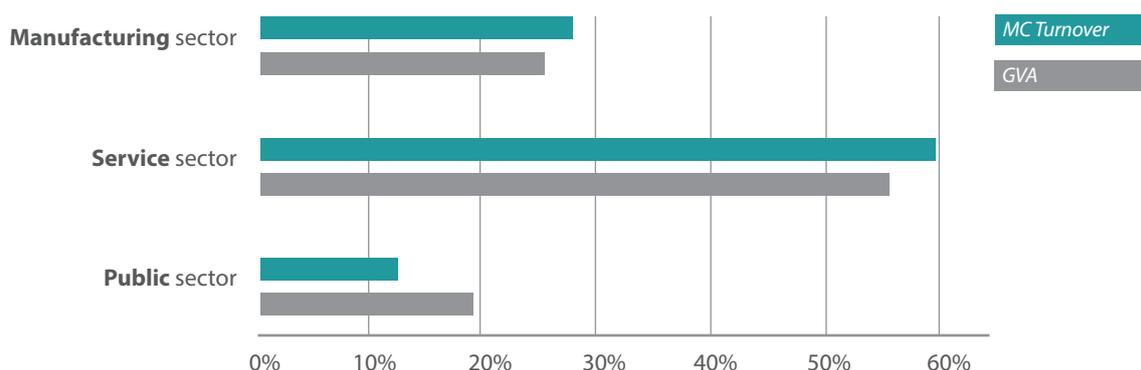
TABLE 12: European* MC turnover and Gross Value Added distribution by economic sectors (2015)

Economic Sector	MC turnover	GVA
Manufacturing sector	27.7%	25.6%
Service sector	59.3%	55.3%
Public sector	13.0%	19.1%

Source: Our elaborations on MC turnover - FEACO survey 2014-2016; GVA - Eurostat 2015; GVA - Eurostat 2016.

* European panel includes 10 European countries of the FEACO survey, excluding Spain as detailed data were not available. These 10 countries represent 68% of European GDP.

European MC Turnover vs Gross Value Added shares by economic sectors (2015)



In all countries, MC turnover is distributed across economic sectors similarly to the country GVA structure (Table 13). The Service sector is always the most relevant buyer of management consultancy. The Manufacturing sector is buying a share of management consultancy greater than the GVA share only in Austria and Germany (because of government policies supporting innovative manufacturing) and in Italy. The limited spending in management con-

sulting by the Public Administration – compared to the GVA share – characterises most European countries, with the exception of the UK, Ireland and Greece. The panel is lacking data from Eastern European countries but qualitative evidence from the country profiles highlights that in these countries MC to the Public Administration (mainly supported by EU funding) plays a major role (see Section B for more details).

TABLE 13: MC turnover vs GVA – share of economy sectors by countries (2015)

MC turnover by sectors (share of 2015 MC turnover)			Country	GVA by sectors (share of 2015 GVA)		
Mftg	Service	P.A.		Mftg	Service	P.A.
35%	54%	11%	Austria	29.6%	53.0%	17.4%
21%	69%	10%	Finland	29.4%	48.9%	21.8%
26%	65%	9%	France	21.2%	55.8%	23.0%
34%	57%	9%	Germany	31.1%	50.7%	18.2%
28%	35%	37%	Greece	19.8%	59.5%	20.7%
22%	53%	25%	Ireland	22.7%	45.0%	12.3%
36%	55%	9%	Italy	25.8%	57.2%	17.0%
36%	52%	12%	Slovenia	35.1%	48.4%	16.5%
23%	68%	9%	Switzerland	26.2%	54.6%	19.2%
17%	61%	22%	UK	20.1%	61.4%	18.5%
28%	59%	13%	European Panel *	25.6%	55.4%	19.9%

Source: Our elaborations on MC turnover - FEACO survey 2006-2016; GVA - Eurostat 2016.

* European panel includes 10 European countries of the FEACO survey. These 10 countries represent 68% of European GVA.

A focus on MC spending within the Service sector (Table 14) highlights that Financial Services is the highest spender: 45% of the MC turnover within the Service sector and 27% of the overall European

MC market. Energy and Telecoms & Media represent the second and third largest spenders, with a similar share within the Service sector, equal to 14% and 13% respectively.

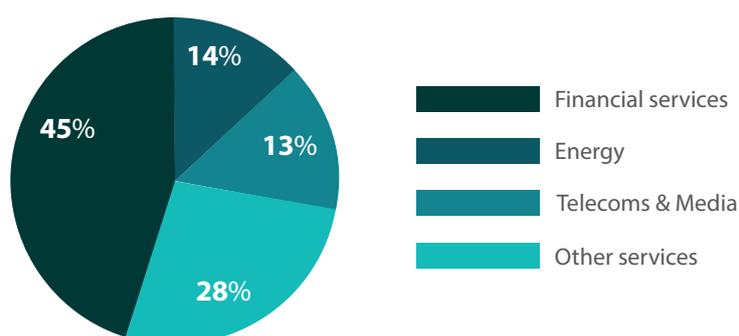
TABLE 14: MC turnover by major industries within the Service sector (2015)

Country	Financial Services	Energy	Telecoms & Media	Other services
Austria	11%	6%	6%	78%
Finland	23%	19%	22%	36%
France	46%	17%	6%	31%
Germany	42%	14%	14%	30%
Greece	23%	20%	11%	46%
Ireland	40%	15%	19%	26%
Italy	45%	16%	22%	16%
Slovenia	33%	25%	12%	31%
Switzerland	53%	10%	4%	32%
UK	54%	13%	13%	20%
European Panel *	45%	14%	13%	28%

Source: Our elaborations on MC turnover - FEACO survey 2006-2015.

* European panel includes 10 European countries of the FEACO survey. These 10 countries represent 68% of European GDP.

European MC Turnover within the Service sector (2015)



Export

The European Management Consulting industry, while mainly domestic, has on average 16% of its turnover coming from export (Table 15).

Most exports are related to management consultancies carried out within the European Union. Spain – thanks to strong links with Latin America – as well as smaller countries such as Finland, Austria and Slovenia – given their international exposure – are the countries with the highest share of MC export. In 2015 export turnover has remained quite stable

in absolute terms while it has declined to a significant extent in terms of market share: down to 16% in 2015, compared with 22% in 2014. Such a trend in export further highlights how MC is mainly a domestic market and that export is, for most of the companies, a back-up strategy when the internal market is not giving them enough opportunities. Therefore when the domestic market recovers, consulting companies often limit their efforts to expand internationally.

TABLE 15: MC turnover domestic vs. export (2015)

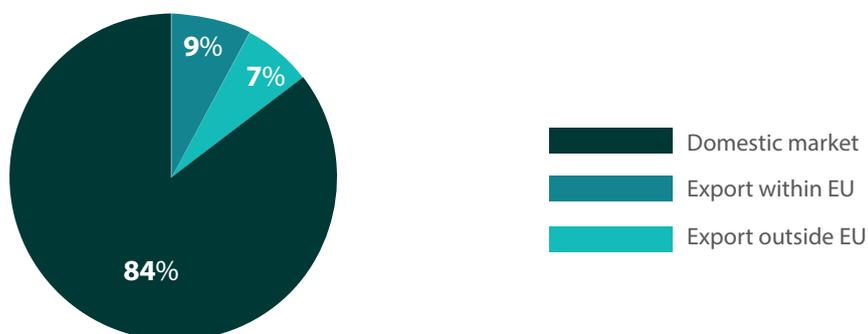
Country	Domestic market	Export within EU	Export outside EU
Austria	79%	16%	5%
Finland	70%	10%	20%
France	89%	7%	4%
Greece	83%	11%	6%
Ireland**	89%	10%	1%
Italy	90%	4%	6%
Slovenia	70%	20%	10%
Spain	72%	N/A	N/A
Switzerland	83%	13%	4%
UK**	82%	9%	9%
European Panel *	84%	9%	7%

Source: Our elaborations on MC turnover - FEACO survey 2006-2015.

* European panel includes only 10 European countries of the FEACO survey, excluding Germany as export data are not available. These 10 countries represent 52% of European GDP.

** Data from Ireland refer to 2014.

European MC turnover domestic vs. export (2015)



Section B

Selected Management Consultancy countries' profiles

The profiles on national Management Consulting (MC) markets reported in this section are based on the data provided by the national Associations from Austria, Finland, France, Germany, Greece, Ireland, Italy, Norway, Portugal, Slovenia, Spain, Switzerland and the United Kingdom.

Each country profile has a short introduction on the state of the overall economy in the country, then it focuses on the Management Consulting industry, providing industry data as well highlighting the major trends in the business (as collected by the national Association).

AUSTRIA

Key data on the Management Consulting industry

TURNOVER

3,650 Mln. € in 2013	(+9.0%)
3,890 Mln. € in 2014	(+6.6%)
4,150 Mln. € in 2015	(+6.7%)
Forecast:	
4,387 Mln. € in 2016	(+5.7%)

EMPLOYMENT

11,830 employees in 2015

EXPORT

21% of the overall MC turnover

- **78%** within the EU
- **22%** outside the EU

REVENUE/PROFESSIONAL

145,000 € per year (avg. 2013-16)

In 2015 Austria's GDP increased by 1% with a growth forecast for 2016 at 1.6% and for 2017 also at 1.6%. The Austrian business structure is defined through small and medium sized enterprises. The economy is based on a highly developed services sector (70.2% of GDP) as well as on the high tech industry. The Austrian workforce is defined by a high standard of qualification, vocational training and low strike rate, with a functioning social security system. Current focus is on skills shortages, especially in the ICT Sector.

In 2015 MC turnover reached 4.15 billion € with a 4.9% increase over the previous year. With a forecast growth rate at 5.7% for 2016, management consultancy – as well as knowledge based services in

general – is growing more than the overall Austrian economy.

MC employment in 2015 reached almost 12,000 employees and in 2016 it is expected to increase by 5.9%, slightly more than the turnover growth. Moreover in Austria there are 17,500 active self-employed consultants.

In 2015 Strategy consulting represents the largest MC service line, with a market share of 31%. Other relevant service lines are Operations (18%) and People & Change (16%). All these service lines, plus the Sales & Marketing consulting, are expected to achieve a very relevant increase in 2016.

The greatest share of MC clients is represented by the Consumer and Industrial Products segment,

AUSTRIA

which accounts for 35% of the whole MC turnover in 2015. The Public sector represents around 11%. MC services are essentially targeted towards the domestic market. In 2015, export represented slightly more than 20% of the total MC turnover: 16% of MC turnover exported within the EU and almost 5% outside the EU.

The current trends in the Austrian Consulting industry include: Disruptive Innovation Management, Change Management (on topics such as flexible workplace environment and changing demographics), Business Process Optimisation Management, Adaptive Management (mainly regarding mobility and interactive marketing), IT-Strategy Management, Industry 4.0 Consulting and Resource Efficiency.

This country profile has been prepared by UBIT.

The Austrian Professional Association for Management Consultancy, Accounting and Information Technology (UBIT) was founded in 1985 as a self-governing subsidiary of the Austrian Federal Economic Chamber. Based on the Austrian Economic Chamber Act, membership of the association is regulated by law. In 2015 membership reached 65,297 members overall with 22,337 members in management consultancy.

The main tasks for UBIT are representation of interests as well as providing services for the UBIT Members. UBIT is actively responsible for developing and shaping the economic and regulatory backdrop in Austria. As such, UBIT develops and defends business interests, interacting with regulatory authorities and government on a national and EU level.

UBIT initiates, moderates and partners regional, national and global promotion activities for the benefit of the Austrian Consulting industry sector. Service is provided through information and advice for association members. Also, UBIT is the most important training and education partner for the consulting services. UBIT Toolbox includes the Constantinus Award (Award for best practices), Incite (Academy for education and qualification) and Austrian Consultants' Days.

National Association



**Austrian Professional Association for Management
Consultancy, Accounting and Information Technology**

www.ubit.at | www.incite.at

FINLAND

Key data on the Management Consulting industry

TURNOVER

2,000 Mln. € in 2013	(+0.0%)
2,100 Mln. € in 2014	(+5.0%)
2,205 Mln. € in 2015	(+5.0%)
Forecast:	
2,315 Mln. € in 2016	(+5.0%)

EMPLOYMENT

10,700 employees in 2015
• 80% professionals
• 20% staff

EXPORT

30% of the overall MC turnover
• 67% within the EU
• 33% outside the EU

REVENUE/PROFESSIONAL

256,000 € per year (avg. 2013-16)
--

The Finnish economy is growing slowly: +1.2% in 2014, +0.8% in 2015 and it is expected to grow +0.8% in 2016. A decline in investment rates is the main determinant of its slow economic growth; however, positive net exports have helped to improve the Finnish economy. Moreover, wage reforms are thought to have restored competitiveness in the labour market and supported consumer demand. General recovery in key industries such as electronics and paper, a slight improvement in external demand and a decline in energy prices are also expected to play a role in revamping the Finnish economy in the coming years.

MC turnover is increasing at higher rates than GDP: +5% both in 2014 and 2015.

A similar trend is also expected for 2016.

MC employment has increased by 8% in the last two years. In 2016, a further 2% increase in employment is expected as opposed to the overall country employment trend, where unemployment is expected to increase.

The Finnish MC turnover is 50% associated with large firms, with the remaining 50% shared equally among small and medium sized firms.

FINLAND

In terms of service lines, most of the turnover is shared equally among three different segments: Strategy, Operations and People & Change, amounting to 20% each. Sales & Marketing and Finance & Risk represent 10% each of total MC turnover, while 5% of the market is covered by the Technology segment. Strategy and People & Change are expected to achieve the highest growth in 2016.

The Consumer & Industrial segment represents approximately 21% of the total MC turnover, while Finance is about 16%, Telecoms approximately 15%, and Energy about 13%. Public Administration constitutes about 10% of the MC market and the other segments account for about 25%.

In Finland the MC industry is very much oriented towards export, which represents around 30% of the overall MC turnover: 2/3 of exports are towards EU countries and 1/3 towards countries outside the EU.

This country profile has been prepared based on the questionnaire provided by the Finnish Management Consultants Association (LJK).

The LJK was formed in 1961 to represent the management consultancy industry to its clients, the media and the Government. The association supports its members by training, education, networking and public relations.

The Finnish Management Consultants Association (LJK) is a member of FEACO (European Federation of Management Consultancies Associations), ICMCI (International Council of Management Consulting Institutes) and ICC (International Chamber of Commerce).

National Association



Finnish Management Consultants Association

www.ljk.fi

FRANCE

Key data on the Management Consulting industry

TURNOVER

5,100 Mln. € in 2013	(+0.8%)
5,248 Mln. € in 2014	(+2.9%)
5,579 Mln. € in 2015	(+6.3%)
Forecast:	
6,025 Mln. € in 2016	(+8.0%)

EMPLOYMENT

34,500 employees in 2015
• 90% professionals
• 10% staff

EXPORT

11% of the overall MC turnover
• 64% within the EU
• 36% outside the EU

REVENUE/PROFESSIONAL

178,000 € per year (avg. 2013-16)

In 2015, GDP grew by 1.2% and it is expected to rise at a higher rate (between 1.5% and 1.7%) in 2016 thanks to low energy prices, low interest rates as well as tax cuts on labour and business.

Compared to other European countries, the French economy endured the economic crisis relatively well as its GDP contracted only in 2009. However, economic recovery has been rather slow and high unemployment rates, especially among its youth, remain a growing concern. Employment is expected to increase thanks to lower social security contributions and new hiring subsidies for small-medium sized firms.

In 2015 the MC industry achieved a turnover of more than 5.5 billion € with a 6.3% growth rate (following a 2.9% growth in 2014). Due to the fact that clients

are evolving, and have become more international and complex, the progression of the consultancy industry is much higher than that of the GDP. Consulting firms anticipate a further increase in growth for 2016: between 8% and 9%.

The MC industry structure is very concentrated towards the large companies and then very dispersed as to the small ones. Large consulting companies represent 7% of the number of the players that have between them 60% of the market. At the other end of the spectrum, small consulting companies represent 86% of the players for a market share of about 27%. The French MC market is divided into three segments (low-cost, intermediate and value-added), characterised by positioning and differentiated fee rates.

FRANCE

The current evolution, towards more added value and specialisation, is in favour of both extremes. Starting from 2014, the relative position of the intermediate segment is under the 50% threshold of the MC market.

Human resources are the main challenge for the future. Consulting firms devote significant resources to attract and retain talent. With the recovery of the market, competition has resumed to attract the best profiles. To grow and offset the attrition rate, in 2016 consulting firms plan to recruit over 25% of their headcount with about 50% of them being young graduates.

After a long period of stability, prices experienced a slight upturn in 2015 and, for the first time in many years, a significant portion of consulting firms anticipate a slight increase in sales prices for the following year. This trend has been achieved notwithstanding the fact that purchasing departments have become a compulsory step and that often buyers might not fully know how to recognise the value of their services, and tend to have as a major criterion the daily fee rate.

The apparent weakness of exports (which remain below 10%) hides a constantly increasing internationalization of the consulting business. International assignments represent 39% of total turnover for large firms that serve major clients. Audit firms, together with large IT firms, are the most representative of this phenomenon, with a share of turnover related to international projects representing 51% and 68% respectively. A growing approach towards internationalization concerns also small-medium consulting firms, which develop either subsidiaries in French-speaking countries or network with European counterparts.

Service lines analysis confirms the continuing evolution of demand towards added value. The share of Strategy reached 28% (against 26% in 2014) when HR consultancy increased its penetration rate from 4% to 6%. In 2015, the top three on the clients' podium were CEOs (27%), IT Managers (13%) and CFOs (13%). Project Management related services (AMOA in French) continue their inexorable decline: they represented 25% of the MC market in 2011 and in 2015 they were down to 14%, and, even more, this type of consulting service appears to be much more commoditized.

Industry client analysis confirms the first four places in the ranking of the previous years. Financial

Services represents the largest target market with 30% market share. The manufacturing industry keeps a 26% share and Energy-Utilities show resilience at 11%. Consulting to Public Administration has slowed slightly to 9%, probably due to the negative impact of the prospect of presidential elections.

The digital transformation is everywhere and generates projects, even though the economic environment remains difficult. Like the rest of the economy, the consultancy sector is directly concerned with the wave of digital transformation. In 2015, digital transformation projects amounted to 17% of the total MC turnover, with some consulting companies having up to 33% of their turnover related to digital initiatives. In this context, there is a trend linked to the development of software tools to capitalize on the knowledge and data accumulated over the years. This evolution requires consultants to reshape their business model and increase their value addition. It also raises the question of intellectual property for consulting firms.

This country report has been prepared by Consult'in France.

Consult'in France – Syntec Strategy and Management, includes 85 firms, representing over 60% of the management consultancy market in France. It brings together diverse types of companies, both in size and area of expertise, which work for private companies as well as public administrations.

Consult'in France defends the interests of consultancies and represents the profession towards a wide range of stakeholders including public and governmental authorities.

The association is part of the SYNTEC Federation, which includes 1,250 groups of companies mainly in the fields of Engineering, IT, Consulting, Training and Public Relations. The SYNTEC Federation represents around 750,000 jobs for a consolidated turnover of 70 billion €.

National Association



Consult'in France

www.consultinfrance.fr

GERMANY

Key data on the Management Consulting industry

TURNOVER

23,700 Mln. € in 2013	(+6.3%)
25,200 Mln. € in 2014	(+6.3%)
27,000 Mln. € in 2015	(+7.1%)
Forecast:	
29,000 Mln. € in 2016	(+7.5%)

EMPLOYMENT

134,000 employees in 2015
• 82% professionals
• 18% staff

REVENUE/PROFESSIONAL

245,000 € per year (avg. 2012-15)

In 2015, the GDP grew by 1.6% in real terms and a similar growth is also expected for 2016. Such a growth was mostly driven by private and public consumption with only a moderate increase in investment and a positive contribution from external trade. In spite of such a positive outlook, the volatility of the international context forces German industrial and business enterprises to continuously review and adjust their own business, organisational and financial models, calling for Management Consulting services.

The positive trend of the economy has supported a 7.1% growth of the MC industry that has reached 27 billion €, confirming Germany as the largest MC market in Europe. Forecasts for 2016 look positive: +7.5%. This will mark the sixth consecutive year of

turnover growth since 2009 when the international financial and economic crisis caused a decrease in MC turnover.

In 2015 MC employment has grown by 3.1% and 2% growth is also expected in 2016. It appears from the past few years that MC employment is growing but at a lower rate than turnover, further increasing the turnover per professional.

The main service lines are Operations Management (41%), followed by Technology (22%) and Strategy (18%). In all these service lines, the demand for MC services is strongly driven by the demand for digital transformation, including Industry 4.0 projects, especially in the mechanical and plant engineering sectors, and the automotive and chemical industries.

GERMANY

In most cases digital transformation projects are focused on the protection of the companies' own core business but, in addition, there are projects targeted at supporting companies to exploit new market opportunities under changed market and competitive conditions.

Consumer and Industrial Products are the main client industries with 34% of the MC turnover, followed by Financial Services (24%); the Public sector represents 9% of the market. For 2016 the German MC industry expects significant growth opportunities from the chemical and pharmaceutical industry (growth forecast for 2016: +8.9%) and credit institutes (growth forecast for 2016: +8.6%). German chemical and pharmaceutical companies are in a creeping structure change and the strengthening of innovation is considered key in order to confront the strong competition from the USA and increasingly from China. Digitization is a significant reason for the strong change regarding financial institutes, as it forces the entire industry into new business models, co-operation, process changes and adjustments regarding its IT structure.

The demand for support in the transformation to digitally-oriented business models, applications and processes is also having a significant impact inside the MC companies. In strategic and organisational terms, the consulting firms have to (and even more will have to) develop the required thematic and solution expertise. Many large, internationally-oriented MC companies have already implemented extensive activities in the direction of digital labs or think tanks. Major changes are expected regarding consulting portfolios, business models and processes due to digitalization. Close cooperation with established software providers is expected to become more frequent, leading to new solution providers regarding data analytics, business intelligence and cloud.

The rise of digitalization is also having a huge impact on the recruiting efforts of consulting companies and the fight for digital consulting talents is in full progress. It is a major concern even for the most established consulting companies, which ensure the biggest part of yearly recruitments.

In general, job prospects within the Consulting industry are good: large as well as medium sized consul-

ting companies are looking for professionally experienced senior consultants, as well as graduates fresh from university as junior consultants.

In general, clients are becoming increasingly professional in their choice and use of consultants, and digitalization is changing the project focuses and structures of management consultancies. The consultants' contribution to value added is increasingly subject to critical analysis, and the aims and benefits are being defined more clearly before the start of a project. Clients are also increasingly ensuring the specific suitability of the project team and individual team members, if they plan to cooperate with the external experts, and do so regardless of the consultancy's reputation. Furthermore, reliable implementation successes are essential, which is giving rise to a growing number of functional and industry-oriented consulting specialists.

This report has been prepared by BDU.

The German Association of Management Consultants (Bundesverband Deutscher Unternehmensberater, BDU e.V.) currently comprises some 500 companies from the Management, HR and IT consulting industries. With these member companies, the association represents about 13,000 consultants in Germany. This makes BDU one of the world's top three trade and professional associations in the Consulting industry.

The association's work is based on two pillars: on the one hand, it represents the legal, political and media interests of the industry as a whole, and on the other, it provides its members with services such as benchmarking, networking, professional development and a proof of quality for the end customers. At the same time, BDU qualifies as an independent, neutral pool of highly-qualified market participants.

National Association



Germany BDU e.V., German Association of Management Consultants

www.bdu.de

GREECE

Key data on the Management Consulting industry

TURNOVER

199.7 Mln. € in 2013	(+2.8%)
205.5 Mln. € in 2014	(+3.1%)
211.9 Mln. € in 2015	(+2.9%)
Forecast:	
212.0 Mln. € in 2016	(+0.0%)

EMPLOYMENT

2,020 employees in 2015
• 90% professionals
• 10% staff

EXPORT

17% of the overall MC turnover
• 67% within the EU
• 33% outside the EU

REVENUE/PROFESSIONAL

116,000 € per year (avg. 2013-16)
--

The Greek economy, according to the European Commission, "demonstrated a remarkable resilience in 2015, reflecting inelastic private consumption and a positive contribution of net exports"; however, "real GDP in 2015 turned out to be slightly negative, at -0.2%". GDP is expected to achieve a marginal growth in the second half of 2016, mostly by taking into account the very good progress of tourism. Unemployment has been decreasing, although youth unemployment remains at very high levels (slightly above 50%).

Taking into account the country's economic situation, in 2015 the MC industry achieved a significant growth of almost 3%. This is mainly attributed to the

closure of a large number of EU funded programmes from the programming period 2007-2013, the need for financial and operational restructuring of companies in order to receive further financial aid, as well as the demand from many companies for new strategies in order to adjust to the new economic climate. MC turnover is forecasted to be stable for 2016.

The MC industry turnover is estimated at 212 million €, with the largest share of the market (74%) coming from the large MC firms which operate in Greece, including Greek and multinational companies. Large MC firms have been growing, medium sized consulting firms remain stable, while the majority of small

GREECE

firms have shown a decrease in turnover, resulting, in some cases, in a change of business sector. Regarding the outlook for the MC sector in Greece in 2016, it is worth noting that large consulting firms believe that the situation in the MC industry will be stable or better, while small and medium sized companies are more conservative in their views of the situation. In general, it is believed that the situation in the MC industry will remain stable with a medium term tendency for improvement, due to the following factors: the implementation of programmes funded during the programming period 2014-2020, the increase in the need for services with regard to financial and operational restructuring of companies in order to conform to the legislation for business loans, as well as the request for strategic planning.

Taking into account the six years of recession and the three years of relative stability, it is important for companies to request the help of MC firms in order to identify and reach new markets, new products or new processes so as to maintain or expand their business. However, the pricing of MC services in Greece continues to lag behind the rest of the EU countries and MC fee rates are still decreasing. MC employment is around 2,000 people – 90% of them are professionals.

Due to the economic climate, many firms have increased their work abroad both within EU 28 and outside EU 28, so that the degree of internationalization of Greek MC firms has increased from 14% of the market turnover in 2014 to 17% in 2015.

As to the service lines, Strategic Management Consulting continues to be the leading service, having increased from 24% to 32% of the total turnover; Operations and Finance & Risk remain in second and third place respectively. Taking into consideration the economic situation of Greece and the recession that continues in most aspects of the economy, the most important priority for MC customers is cost reduction; in second place is growth, while in third place is innovation.

As to the client industries, the Public sector continued to be the major customer for MC services in 2015, mainly due to the completion of projects from previous funding programmes. Consumer and Industrial Products are in second place, while Financial Services follow.

The Hellenic Association of Management Consulting Firms (SESMA) was founded in 1991 by 23 leading Consultancies in Greece. Today the members of SESMA total 53, including the large Greek firms and international firms which operate in Greece. SESMA members represent more than 70% of the total turnover of the consulting market in Greece and employ more than 1,500 highly skilled and experienced consultants.

SESMA has extensive experience in the organisation of conferences/forums networking events and training for members as well as consultants from other countries. In addition, SESMA is active in lobbying the government about issues that are relevant to the consulting profession by taking part in working groups and committees, drafting of position papers, preparing studies, and assisting in legislation issues.

SESMA is a member of the European Federation of Management Consultancies Associations (FEACO), the Federation of Greek Enterprises and the Federation of Industries of Northern Greece.

National Association



Hellenic Association of Management Consulting Firms (SESMA)

www.sesma.gr

IRELAND



Key data on the Management Consulting industry

TURNOVER

553 Mln. € in 2013	(+2.8%)
580 Mln. € in 2014	(+4.9%)
644 Mln. € in 2015	(+11.0%)
Forecast:	
676 Mln. € in 2016	(+5.0%)

EMPLOYMENT

- 4,490** employees in 2015
- **90%** professionals
 - **10%** staff

EXPORT

- 11%** of the overall MC turnover
- **91%** within the EU
 - **9%** outside the EU

REVENUE/PROFESSIONAL

159,000 € per year (avg. 2013-16)



The Irish economy is projected to continue to expand in 2016 and 2017. Growth is projected at 4.6% in 2016 (GDP), mainly due to domestic sources and by 4.2% in 2017. Both exports and business investment, which surged due to temporary impetus by multinational enterprises, will moderate but remain solid. Activity in the domestic sector will remain firm and employment will grow steadily.

The outlook is complicated by uncertainty related to 'Brexit' with most independent assessments of its implications suggesting an adverse outcome for the UK economy which would have clear implications for the Irish economy.

The weakening contribution of net trade to economic growth is underscored by economic data, suggesting

that the slowdown in world trade may be impacting on the Irish trading sector.

Exports grew by 13.8% in 2014 and are projected to grow by 8.9% in 2016 and 7.9% in 2017 with caveats as above due to Brexit. Unemployment reduced to 9.5% in 2015 and is projected to reduce to 7.9% in 2016 and 6.9% in 2017.

In recent years, the Irish Management Consulting market has grown more than GDP, with a +11% peak in 2015. The good MC turnover performance is also expected to last in 2016 (+5%).

Employment is forecasted to follow the same trend as turnover: +11% in 2015 and +5% in 2016. Small and medium sized consulting firms employ almost 50% of total MC employees.

IRELAND

The analysis by service line (2014 data) highlights the predominance of the Operations and Technology segments (30% and 23% respectively), followed by Strategy and People & Change at 17% and 11% respectively.

In terms of Client Industries (2014 data), the Public sector represents the largest share of the Irish MC turnover (25%), followed by Consumer & Industrial Products (22%) and Financial Services (21%).

The geographic scope of Irish MC consulting firms is mainly domestic (89%), with exports to EU countries comprising 10% of the total and exports outside the EU 1%.

This report has been prepared based on information provided by IMCA (Institute of Management Consultants and Advisers).

The IMCA is the national and internationally recognised professional institute for management consultants and business advisers in Ireland.

IMCA's mission is to foster and promote the value, quality and benefits of business consulting and advisory services in Ireland by establishing, supporting and measuring quality standards, by representing and supporting the profession, and by promoting the value and benefits delivered to clients.

IMCA's principal objective is to advance the professions of management consultancy and business advice by establishing and maintaining the highest standards of performance and conduct by its members, and by promoting the knowledge and skills required for that purpose.

The overview of the Republic of Ireland economic trends above is based on the ESRI Quarterly Economic Commentary of Summer 2016 and the OECD Economic Forecast June 2016. The data on the consultancy market are based on a market survey completed by IMCA in 2015, based on 2014 actual data and projections for 2015, and updated here for 2016.

National Association



Institute of Management Consultants and Advisers

www.imca.ie

ITALY

Key data on the Management Consulting industry

TURNOVER

3,138 Mln. € in 2013	(-0.3%)
3,318 Mln. € in 2014	(+5.7%)
3,548 Mln. € in 2015	(+6.9%)
Forecast:	
3,796 Mln. € in 2016	(+7.0%)

EMPLOYMENT

37,100 employees in 2015
• 85% professionals
• 15% staff

EXPORT

9% of the overall MC turnover
• 50% within the EU
• 50% outside the EU

REVENUE/PROFESSIONAL

110,000 € per year (avg. 2013-16)

Italy is recovering slowly from the economic crisis: in 2015 its GDP has grown by 0.7% and a similar growth rate is also expected in 2016, driven by a timid revival of domestic demand. The positive trend regarding employment and wage increases is expected to support households' purchasing power; however, a strong increase in exports, which would be a key element for strengthening the economic recovery, is still lacking.

In 2015, the MC market in Italy was around 3.5 billion € with an increase of 6.9% from 2014 and an expectation of an even greater growth in 2016: +7.0%. Such a growth has been mainly driven by the very large consulting firms, which have seen their turnover increasing by 9.8% in 2015 and this

is also expected to grow to a similar extent in 2016. In 2015, MC employment grew by more than 5% mainly driven by the largest consulting companies with an increase above 14%. The employment growth was strongly driven by the new Job Act which drove more than 50% of the new hirings into the management consulting sector.

The MC market in Italy is highly fragmented, with about 20,000 consulting firms, almost 85% of which employ fewer than three persons. At the same, the MC industry appears very concentrated, with the largest 35 firms totalling more than 50% of the total Italian MC turnover, while the thousands of micro MC companies represent overall slightly more than 20% of the overall turnover.

ITALY

In 2015, IT consulting and Operations consulting together account for more than 30% of the Italian MC market and are the two service lines that have been growing at a high rate. Finance & Risk as well as Strategy still represent the two most important consulting areas (respectively roughly 26% and 22% of the overall MC market); however, they are growing at a much lower rate.

In 2015, 53% of the MC demand has come from Services, mainly from Financial Services and Telecoms & Media. The Manufacturing sector – both consumer and industrial – represents 33% of the Italian market, with Public Administration (including the health sector) representing slightly less than 10% of the market. In the past 5 years the Service sector has driven the overall growth of the MC industry while consulting to the Public Administration has kept declining.

The consulting activities supporting digital transformation processes have been the major driver supporting the recovery of the Management Consulting industry in Italy. Over 50% of consulting companies (including more than 80% of the large consulting companies) are heavily involved in supporting the adoption of new digital technologies, with a growing relevance of projects related to mobile technologies and big data.

Consulting on green management, while a growing area of business, is not as important as digital transformation. Most projects in this area are related to corporate social responsibility and green supply chain management and, in the case of small and medium consulting companies, the certification related to environmental and social responsibility.

Export accounts for around 10% of the Italian MC turnover and it has declined while the internal market has grown, highlighting that, with a few exceptions, the export market is rather residual for Italian MC companies.

The growth of both turnover and employment in 2014 and 2015, as well as the forecasted growth at even higher rates expected for 2016, highlights that the MC industry has overcome the crisis and the stagnation that affected this industry from 2008 to 2013. The industry recovery, however, has very much changed the structure of the industry: a si-

gnificant decrease in the average price level of consulting services compensated by an increase in the employment/working hours, as well a significant selection among micro consulting companies and a strengthening of large players, in a marketplace where not all the companies (especially the micro consulting firms) have the expertise required in the digital arena.

This country profile has been prepared by Assoconsult.

Assoconsult is the Italian association of consulting companies, established in 1997 and based in Rome. The Association has as its members roughly 400 consulting firms of any size representing overall around 50% of the MC turnover in Italy.

Assoconsult is committed to setting the standard for consulting practice in Italy. Assoconsult develops themed meetings, conferences, knowledge-exchange initiatives, work groups, research projects, networks and events for its members.

Assoconsult is part of Confindustria (the main Italian Association of Private Enterprises), and FEACO (the European Federation of Management Consultants Associations).

National Association



ASSOCONSULT- Italian Association of Management Consulting Firms

www.assoconsult.org

NORWAY

Key data on the Management Consulting industry

TURNOVER

684 Mln. € in 2013	(+3.3%)
827 Mln. € in 2014	(+20.8%)
841 Mln. € in 2015	(+1.7%)
Forecast:	
875 Mln. € in 2016	(+4.0%)

EMPLOYMENT

4,400 employees in 2015

REVENUE/PROFESSIONAL

220,000 € per year (avg. 2014-15)

The Norwegian economy is currently going through a sharp downturn in investments in the petroleum sector – a downturn that started before the fall in oil prices, but obviously was accentuated by the oil price development. The following sharp fall in the international value of the Norwegian krone (NOK) has stimulated exports, hampered imports and led to increased consumer prices. Lower interest rates and fiscal policy have stimulated the economy as well. Overall growth is positive but weak this year; however, growth is expected to increase somewhat in 2017.

The MC total turnover in Norway, after a significant growth in the previous year, has increased to a limited extent (+1.7%) due to the difficult macro-economic situation described above. The oil & gas sector downturn has so far only marginally affected the overall demand for MC services. There are two main reasons: 1) Oil & gas clients have still sought MC advice, even if with a shift in the demanded type of MC services; 2) Several MC firms have been quick to shift their focus to other industries, avoiding any major drop in billing. For 2016, MC industry turnover is expected to grow at a higher rate, between 3% and 5%.

NORWAY

In 2015 MC employment has been quite stable, at around 4,400 people.

In terms of service lines, the MC industry in Norway in 2015 has been driven by the Technology and Operations segments, which represent 37% and 25% of the total MC turnover respectively, followed by the Strategy segment (17%), Finance & Risk (13%) and People & Change (8%). Technology is the service line expected to grow most rapidly in 2016, driven by digital transformation projects.

Norwegian MC customers are asking, to a significant extent, for support for digital transformation projects (many of them related to mobile technologies) and business model innovation. Due to the impact of the downturn of the oil & gas sector, projects related to productivity improvement and cost cutting are also in great demand.

The Public sector (including Health) is the largest client sector for MC in Norway, accounting for around 30% of the total market. This is expected to continue due to the Conservative Government's continued focus on modernising and simplifying the Public sector. Consumer & Industrial Products (including Retail) and Financial Services represent the second and third sectors, respectively with 22% and 21% of the market. Energy & Utilities, due to

the present downturn, represents just a 6% share. In 2016, MC consulting towards Health, Retail and Financial Services is forecasted to increase.

Consulting pricing is fairly stable.

The Norwegian MC market is predominantly domestic, although an increasing number of firms has been restructuring towards a Nordic model. This move has been driven by the largest and most global firms.

This country profile has been developed based on the questionnaire provided by Consulting Norge, part of the Norwegian Enterprise Federation – Virke. Virke (formerly "HSH") is the Norwegian Enterprise Federation and represents more than 250 industries; it has over 20,000 member companies and organisations. Virke was established in 1990 as a result of a merger between several industry and employer organisations, several of which had roots dating back to the 19th century. "Consulting Norge" (English: "Consulting Norway") is the industry organisation for the MC industry in Norway, is a part of Virke and was established in 2010.

National Association

VIRKE
HOVEDORGANISASJONEN

Consulting Norway

www.virke.no

SLOVENIA

Key data on the Management Consulting industry

TURNOVER

242.2 Mln. € in 2013	(-2.3%)
239.5 Mln. € in 2014	(-1.1%)
244.5 Mln. € in 2015	(+0.5%)
Forecast:	
251.0 Mln. € in 2016	(+2.5%)

EMPLOYMENT

2,690 employees in 2015
• 92% professionals
• 8% staff

EXPORT

30% of the overall MC turnover
• 67% within the EU
• 33% outside the EU

REVENUE/PROFESSIONAL

98,000 € per year (avg. 2013-16)

In 2015, the Slovenian economy continued its recovery with a GDP growth of 2.9%. Private consumption as well as exports increased with a favourable impact on the general economic activity. In contrast, investments showed a further slight downturn, mostly due to the drop in construction output, and the inflation rate remained slightly negative. Expectations for 2016 are rather optimistic: exports and new investment in industrial equipment, supported by a growing domestic demand, will play a positive role in further GDP growth.

In 2015, MC industry turnover is back to growth after a five years' decline: almost 245 Mln. €, equal to +2.1%. The forecast for 2016 highlights an accelerating growth rate: +2.5%.

Most MC companies in Slovenia are small consultancies (more than 80%) and these small firms tend to be quite conservative when hiring new consultants. Nevertheless, last year, as demand for consultants grew due to the MC market recovery, the MC employment rose by almost 2%, slightly less than the growth in turnover, and a similar increase is expected for 2016. However, most Slovenian MC firms are interested in flexible cooperation based mainly on temporary external collaborators whenever necessary.

The main service lines are Operations (33%) and Strategy (23%), while Technology – thanks to the Digital Agenda – has become the third most relevant (14%). Less substantial service lines are: Sales &

SLOVENIA

Marketing (11%), Finance & Risk (8.5%) and People & Change (7.5%). In 2016, the highest increases are expected with respect to Sales & Marketing, Technology, Finance & Risk, and Strategy.

Industry as a whole (Consumer and Industrial Products) is the biggest client with a market share of 36%. It is followed by Financial Services with 17%, Energy & Utilities with 13% and Public sector with 13%. Telecoms & Media drop slightly to 6%. For 2016, the areas where MC firms will be able to achieve the highest growth include Industry plus Energy & Utilities, while a further slight decline may be expected in Telecoms & Media. Start-ups, as a somewhat particular market segment (due to their special needs), are considered to become an important challenge not by their actual extent in income terms but by their extra ability to develop and grow. Due to a limited domestic market, Slovenian management consultancies are intensively trying to expand into other markets. MC export turnover is growing year after year and in 2015, it reached approximately 30% of the overall turnover.

In spite of the MC market recovery, pressure on consulting fees is still strong, driven also by public procurement where the lowest price is still a prevailing criterion to award contracts. Low prices in public procurement projects also influence private consulting contracts. The supply in MC services – similarly to other knowledge intensive business services – exceeds the demand, and clients and potential clients' expectations are increasing. Risk sharing and success fees are included in most projects.

Any further growth of the MC market is difficult due to a permanent lack of public infrastructure projects. Therefore, the MC market is mainly driven by small and short-term private projects.

However, planned public investments and business projects to be submitted for structural funds tenders in the country might contribute to strengthening the MC industry from 2017 onwards.

Clients expect consultants to play many different roles and to be a source of solid, profound, useful and up-to-date knowledge in order to mitigate (all kinds of) potential risks. Consultants are supposed to have considerable competences in the fields of innovation – as innovation promoters and as innovation initiators – with concrete ideas/proposals for them. On the other hand, internal knowledge workers in companies are encouraged to take over the role of consultants, thus replacing external consulting services. Some clients also expect a consultant to accept part of the implementation activities through the formation of teams, networks and partnerships.

Complementary cooperation with IT software providers becomes a basis for many industry and service projects.

This country profile has been prepared by AMCOS. AMCOS – Association of Management Consulting of Slovenia was founded 22 years ago. AMCOS has 89 members; most of them are small consulting firms.

National Association



**Association of Management
Consulting of Slovenia**

<http://amcos.gzs.si>

SPAIN

Key data on the Management Consulting industry

TURNOVER

1,833 Mln. € in 2013 (+6.3%)

1,791 Mln. € in 2014 (-2.3%)

1,826 Mln. € in 2015 (+2.0%)

Forecast:

1,917 Mln. € in 2016 (+5.0%)

EMPLOYMENT

18,720 employees in 2015

EXPORT

27.7% of the overall MC turnover

REVENUE/PROFESSIONAL

122,000 € per year (avg. 2013-16)

The Spanish economy has been recovering during the last three years, with a positive GDP growth in 2014 (+1.4%), in 2015 (+3.2%) and in 2016 (+2.8% expected). Low borrowing rates as well as low oil prices, together with a positive fiscal stimulus, have been boosting consumption. Labour market conditions are improving but the unemployment rate is still high (22.3% in 2015) and only structural reforms will be able to reduce it to a significant extent.

In 2015, the MC industry has recovered from the previous year's decline (+2%) and the forecasts for 2016 highlight an increasing growth (+5%). The recovery of the MC market, with its return to the pre-crisis turnover, has been made possible mainly by projects for the digital transformation of compa-

nies' business models. More in general, consulting on digital transformation and big data has been strongly required both by both private sector and public administration.

MC employment is following the changes in the turnover: in 2014 it decreased even more than turnover (-2.6% vs. -2.4%) and in 2015 it increased even more (+2.6% vs. +2.0%).

In 2015, the main MC service lines are related to Technology and Strategy, with quite stable shares. The major client industries are Financial Services, Public Administration and Telecoms & Media. The market structure in 2016 is forecasted to be roughly the same.

SPAIN

The domestic market, representing almost 73% of the overall turnover, has been the main driver of the turnover growth in 2015. For 2016 it is estimated that turnover will increase at roughly the same rate both in the domestic market and in export. Latin America represents the main export market for Spanish consulting firms.

This report has been provided by AEC – Asociación Española de Empresas de Consultoría. AEC, the Spanish Association of Consulting Companies is a national, Madrid-based, non-commercial organisation, which represents the major IT consulting companies (whose main activities are outsourcing, IT development and integration) as well as major Management Consulting companies in Spain (representing roughly 16% of the turnover of AEC associates). Its 23 members represent more than 75% of the Management & Technology sector.

National Association



Spanish Association of Consulting Companies

www.consultoras.org

SWITZERLAND

Key data on the Management Consulting industry

TURNOVER

1,275 Mln. € in 2013
1,420 Mln. € in 2014 (+11.4%)
1,620 Mln. € in 2015 (+14.0%)
Forecast:
1,680 Mln. € in 2016 (+3.7%)

EMPLOYMENT

5,820 employees in 2015

- **89%** professionals
- **11%** staff

EXPORT

17% of the overall MC turnover

- **76%** within the EU
- **24%** outside the EU

REVENUE/PROFESSIONAL

307,000 € per year (avg. 2014-16)

After a vibrant 2014 where GDP grew by 2%, in 2015 the Swiss economy registered a slow growth (+0.8%) due to a difficult monetary environment. In 2016 economic growth is projected to accelerate gradually thanks to the domestic demand strengthened by negative interest rates and increasing real wages.

The MC industry during 2014 and 2015 has been growing at a very strong rate, in both years above 10%. The outlook for 2016 remains largely positive, even though the expected growth is forecasted to be slightly less than 4%.

In 2015, MC employment was around 5,800 people and a significant growth is also expected for 2016 (+5%), showing that MC firms are consolidating the

growth achieved in the previous years by hiring at a rate higher than GDP growth. Large consulting companies (i.e. with 50 or more employees), while limited in number, account for roughly 70% of the overall employment in the industry.

Analysis by service line highlights the predominance of Strategy, representing a 29% share of the market.

In terms of client industries, Financial Services represents the largest share of the Swiss MC turnover (36%), followed by Consumer & Industrial Products (19%). Consulting to the Public sector represents 9% of the market.

SWITZERLAND

The geographic scope of Swiss consulting firms is mainly domestic (83%), with exports to EU countries comprising 13% of the total and exports outside the EU 4%.

This report has been prepared based on information provided by ASCO: Association of Management Consultants Switzerland.

ASCO is the Association of Management Consultants in Switzerland. It is a co-founder and member of FEACO, the European Federation of Management Consultancies Associations (Fédération Européenne des Associations de Conseil en Organization) based in Brussels and a member of ICMCI, the International Council of Management Consulting Institutes, the global association for quality assurance in the MC firms, headquartered in the United States.

National Association



Association of Management Consultants Switzerland

**Association of Management Consultants
Switzerland (ASCO)**

<http://www.asco.ch>

UNITED KINGDOM

Key data on the Management Consulting industry

TURNOVER

7,800 Mln. € in 2013	(+6.2%)
8,600 Mln. € in 2014	(+9.8%)
9,200 Mln. € in 2015	(+6.9%)

EMPLOYMENT

70,000 employees in 2015
• 93% professionals
• 7% staff

EXPORT

18% of the overall MC turnover
• 50% within the EU
• 50% outside the EU

REVENUE/PROFESSIONAL

183,000 € per year (avg. 2013-15)

In 2015 and in the first half of 2016, the UK economy recorded a remarkable growth, mainly due to a strong domestic demand. Low borrowing costs for households and firms were the main determinants of such a strong domestic demand, as a result of a loose monetary policy and government initiatives. The labour market was extremely healthy, with both supply and demand at high levels, and employment growth that boosted household consumption. However, since the EU referendum, UK economic forecasts for 2016 have been revised downward, as uncertainty has impacted on the business world. The idea of holding a referendum in itself created unhelpful insecurity and uncertainty for clients. UK consulting firms have voiced concern over the economic future of the UK, access to markets post-

Brexit, and access to skilled labour from EU and non-EU countries. The future of the UK economy will rely heavily on the outcome of negotiations with the EU. UK unemployment has continued to decrease, and other economic health metrics have not shown any uniform signs of a slow-down. Nevertheless, the economic outlook is not as optimistic as it was before the referendum result.

In the UK, the MC market is the second largest in Europe, equal to slightly more than 9 billion € in 2015. In line with a vibrant UK economy, the British MC turnover has increased on average by more than 8.0% per year since 2013, with a growth rate of 8.7% in 2015, making it the fastest growing market in Europe.

UNITED KINGDOM

Among the total employees, approximately 94% of them are professionals, while only 6% are supporting staff. These estimates on the MC industry are based on data from Management Consultancies Associations (MCAs) that represent approximately 60% of the UK Consulting industry, and have extrapolated these figures to present a picture of the overall market.

The MC employment has increased rather proportionately, but the expectation for 2016 does not follow this growing trend, and as a consequence of Brexit the MC market is expecting to remain constant for 2016. Graduate and new recruitment remains high. A large share of the industry employment is represented by consultants specialised in digital technologies/digital transformation.

The large consulting firms have witnessed the greatest degree of growth, with medium firms seeing far less, and smaller firms have shrunk. This could point towards the consolidation of the industry.

With regard to service lines, digital consulting remained the largest service, increasing to just under 28%. Digital consulting in retail is significantly higher than the trend – reflecting the sector's importance in digital innovation. Programme & Project Management is the second largest service line. Business transformation and change grew as a percentage share of service line activity. Environmental services grew significantly.

In terms of client industries, the largest part of the UK's MC turnover is represented by Financial Services (33%), followed by the Public sector (21%) and Consumer or Industrial Products (14%).

In the private sector, in 2015 all client segments grew with the exception of Financial Services which remained stable, and Oil & Gas which declined due to the effect of low oil prices. In particular a very strong growth took place in the retail and leisure sector (around 20%). When compared year on year, consulting in the Public sector decreased.

Breaking down the MC turnover by geographic areas, 81% is related to the domestic market, while 19% is due to exports, equally split between exports within and outside the EU.

This country profile has been developed based on the questionnaire provided by the MCA.

The Management Consultancies Association (MCA) is the representative body for management consultancy firms in the UK and has been at the heart of the UK Consulting Industry since 1956. The Association represents around 60 of the UK's leading management consultancy firms. The MCA's mission is to promote the value of management consultancy both for the economy and society as a whole. The MCA's member companies comprise around 60% of the UK Consulting Industry, employ around 38,000 consultants and work with over 90 of the top FTSE 100 companies and almost all parts of the Public sector. The UK Consulting Industry is among the best in the world and a vital part of the business landscape.

National Association

MCA

A POSITIVE FORCE
FOR THE ECONOMY

The Management Consultancies Association

www.mca.org.uk

About FEACO, the European Federation of Management Consultancies Associations

FEACO, is a European not-for-profit organization established in 1960.

The Federation represents 12 national:

FULL MEMBERS

Austria
Croatia
Finland
France
Greece
Hungary
Italy
Portugal
Romania
Slovenia
Spain
Switzerland

The purpose of **FEACO** purpose is to assist in the promotion and development of the profession of Management Consultancy in Europe by providing support to its constituent National Association membership in those areas where a collective voice is stronger than the sum of its individual members.

FEACO is closely engaged with the European institutions and particularly keen to maintain high level interactions with the European Commission and the European Parliament.

FEACO is also registered in the European Transparency Initiative (ETI).

MAIN ACTIVITIES

- **Developing the MC market**, raising its image and profile at European and international levels, by the promotion of common professional ethics, quality and best practice.
- **Promoting the interests of MC** with the different European and International organisations, by maintaining a close relationship with the European Institutions and other pan-European and international organisations in order to ensure an awareness of and defend professional interests (not including lobbying for sales opportunities).
- **Developing a dynamic forum for networking and service provision**, by encouraging networking by members and between members through the sponsorship and organisation of conferences and meetings, the establishment of mutual interest working groups and through close cooperation with other consultancy organisations.

FEACO has used its best effort in collecting the information published in The Survey of the European Management Consultancy Market 2015/2016. Data have been collected from the national Associations from June to October 2016. **FEACO** does not assume, and hereby disclaims any liability for any loss or damage caused by errors or omissions in their surveys, whether such errors result from negligence, accident or other causes.

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