



Executive Summary

Report 2014/2015

In collaboration with





Preview of the results

The management consulting industry in Italy is characterized by a total turnover of 3.3 billion Euros and employment of 35,500 employees, 84% of whom are professionals.

Turnover and employment

- Sales in 2014 increased by 5.7%, a turnaround after two years of decrease. For 2015 some growth is expected, although to a lesser degree.
- The large consulting firms grew in 2014 at a rate of 10.6%, with an expectation of further growth of 5.9% in 2015.
- Small and medium-sized consulting firms grew at a slightly lower rate than the overall market rate, while micro companies have undergone a further reduction in turnover.
- Employment of professional has grown by 2.1%, driven by large companies (+ 6.8%); although small and medium-sized companies enjoyed an employment increase as well (with a rate of + 3.0% and + 1.2% respectively). The micro companies report a decrease in employment (-1.4%), albeit less than their decline in sales (-2.8%).

Industry structure

- The management consulting industry in Italy is highly fragmented, with 19,000 companies approximately 85% of which have less than three employees.
- In a context with a large number of operators, the level of concentration is increasing: the 35 largest companies account for nearly 50% of the market, while remaining micros represent less than 25%.

Productivity and pricing

- The average "turnover per professional" (identified as a measure of productivity) is equal to 111,000 euros per year, up 3.6% as compared to 2013, mainly due to an increase in the average daily fees charged.
- The gap in the "turnover per professional" among micro, small and large companies remains vast: on average, the micro companies report just over 70,000 euros while the large companies on average exceed 185,000 euros in turnover for professional, more than double.
- The average fee per day is equal to 742 euros/day, an increase of about 4.7% from the previous year. This positive change affects all size categories and is in contrast with the decrease reported for the year 2013.

The demand for consulting services

- The consulting assignments received from the private service sector has grown by 10.5% compared to 2013, bringing their market share up to 53%. The consulting activity in this sector is dominated by large consulting firms, concentrating mainly in the sectors of "Banks and Insurance", "Telecommunications and Media" and "Energy and Utilities". Small consulting firms mainly focus their activities in the other services.
- Consulting assignments from the manufacturing sector grew by 3.9%, with a share of the total



turnover equal to approximately 38%.

- The consulting assignments from the public sector continue to fall (-10.2% compared to 2013), with a contracting percentage amounting to 9%. The public sector has reduced its spending on consultancy by almost 27% since 2010.

The internationalisation of the industry

- Exports increased slightly (+ 1.7%) although, given the higher growth rate of the market in general, the proportion of total foreign sales actually decreased (from 9.7% in 2013 to 9.3%).
- Large corporations recorded a decline in revenue from foreign operations. This is mainly a result of the choice by multinational companies to focus on domestic market growth. In contrast, the international growth of large Italian companies was consolidated.
- Small and medium-sized companies continued to increase their activities abroad while micro companies reported a sharp drop. This is a very fluctuating trend, probably related to an opportunistic approach rather than a structured presence abroad. The trend in the coming years will show whether the international presence of smaller consulting firms will stabilize.

NOTE

The data presented in the report are based on

- Questionnaires submitted to 90 companies active in the Management Consulting industry, collected in the period from March to April 2015, augmented by the analysis of a panel of 36 companies and supplemented with selected results from the analysis of 2013 financial statements.
- A processing of National Statistics Office (ISTAT) estimates for the 2009 to 2012 period using data from the Archive of the Statistical Society Active (ASIA).
- For the purpose of the Observatory, consulting firms are divided into four classes based on their number of employees: micro (<3), small (3-9), medium (10-49) and large (50+).



ASSOCONSULT is the association that represents the sector's most prominent consultancies and, more recently, the companies associated with ASSORES as well. It is a member of CONFINDUSTRIA, CONFINDUSTRIA INTELLECT and FEACO, the European Federation of Management Consultancies Associations.

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Every year, **ASSOCONSULT** publishes the results of the Observatory on Management Consulting in Italy in collaboration with the Tor Vergata University of Rome. It provides information on sector trends and the practices of individual consulting firms in order to develop competitive analyses and measure the value created by companies in terms of turnover, the use of intellectual resources, impact on the economy and modernization of the country.



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