



2018 | 2019

Survey of the  
**EUROPEAN  
MANAGEMENT  
CONSULTANCY**

**feaco**

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

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**EUROPEAN  
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2018 | 2019**

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December 2019

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The University of Rome Tor Vergata is part of the **YERUN network** and of the **YUFE alliance**

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European Federation of Management Consultancies Associations  
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# Introduction by the **FEACO Chairman**

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It is my pleasure to introduce the 2018/19 edition of the report on the European Management Consultancy Market. This report is based on industry data from 13 countries representing 85% of the European GDP.

The actual results for 2018 and the forecast for 2019 show a solid growth path for the European Management Consulting industry; in 2018 the turnover increased by 8.4% and is expected to grow by 8.1% in 2019. Employment grew by 5.2% in 2018 and is expected to further increase by 6.3% in 2019, which may indicate an improvement of pricing. Digital transformation is driving this positive trend in the Management Consulting industry. Technology consulting is leading the way, but also Strategy and Marketing consulting are growing fast, highlighting how consulting firms have taken a leading role in moving forward their clients' digital transformation processes. The Service Industries, particularly Financial Services, are the major buyers of consulting services – in many cases related to digital transformation projects, even if this now is showing some signs of stabilization. In general all the economic sectors in Europe – including Public Administration – are asking for increasing support from Management Consulting firms, showing how in times of rapid change and turbulence the professional support of qualified consultants is very much appreciated.

The FEACO annual report, over the years, has become an important reference point for our industry. At the same time, the market is changing so fast that a yearly check is no longer enough and therefore I have urged FEACO to launch a quarterly, quick survey on the most recent trends in the marketplace. During 2019, several National Associations have been testing the survey; I thank all of them for their contribution and in particular I want to thank our colleagues from BDUEV who have volunteered to fine-tune the survey and to host it in their servers. Based on this experience, starting from January 2020, we will officially launch the “Quarterly Barometer of the European Management Consulting Industry” and we hope that it will soon become another tool that our members – and more in general our industry – will have in order to cope with a marketplace where continuous change, uncertainty and innovation are the norm!

This year I started my term as FEACO Chairman. My goal is to continue improving our Association, provide great value to our members, as we will be doing with the launch of the FEACO “barometer”, and strengthen our leading role in supporting the growth of the European Management Consulting industry.

Let me conclude by thanking Ezio Lattanzio, who served for the past two terms as FEACO President; his dedication and vision have allowed our Federation to extend its membership and scope of activity. My aim is to continue the momentum he created, targeting, with the support of all members and in particular all colleagues from the Executive Committee, the many new opportunities that are in front of us.



**Eric Falque**

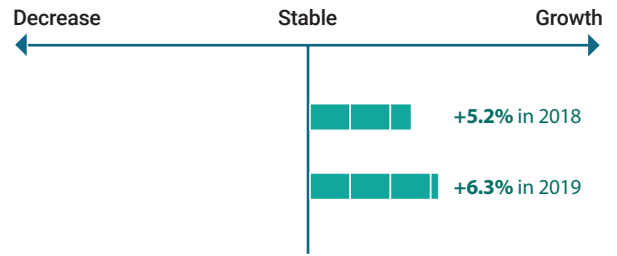
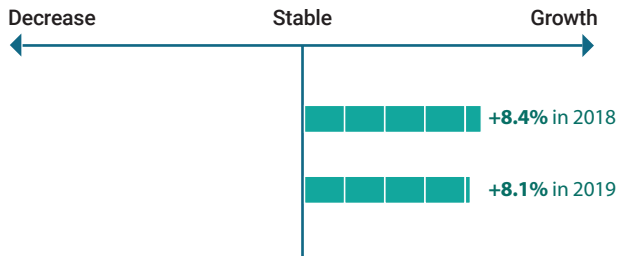
*FEACO Chairman*

A handwritten signature in black ink, appearing to be 'E. Falque', written in a cursive style.

# Management Consulting industry in Europe at a glance

**MC Turnover**  
European panel

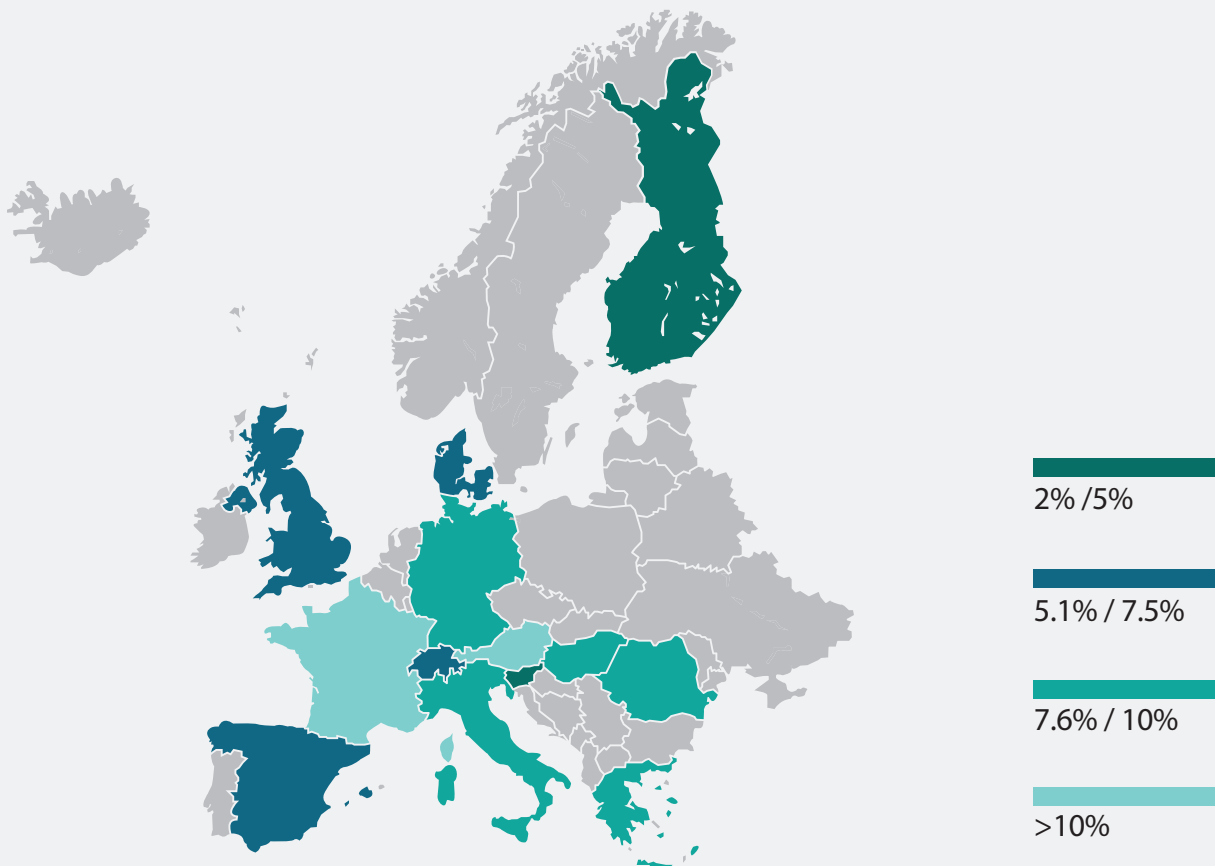
**MC Employment**  
European panel



In 2018 the Management Consulting industry has grown substantially in terms of turnover (+8.4%) and employment (+5.2%).

In 2019 turnover growth is still high but slowing down (exp. +8,1%), employment growth is accelerating (exp. +6,3%).

With a quite balanced growth all over Europe where – with the exception of Finland and Slovenia – MC turnover has grown between 5,5% and 11,3% in all countries





# Section A

## Major trends in European Management Consultancy

This section is based on a European panel that includes **Austria, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Romania, Slovenia, Spain, Switzerland** and the **UK**, unless differently specified.

The panel represents **85% of the overall European Gross Domestic Product (GDP)** and **77% of the overall European employment**.

In order to identify the European trends, national data provided by the Associations have been weighted based on the national GDPs at market prices and the overall employment from aged 20 to 64 years old from Eurostat.

## MC turnover trend (2017-19)

In 2018 the European Management Consulting (MC) turnover has grown by 8.4%, in line with the 2017 trend. All the countries in the European panel achieved a significant growth, the only exception being Finland.

In 2019 the European MC turnover is forecasted to increase by 8.1%, slowing down a little its growth pace. All the largest countries – namely France, Germany, Italy and Spain – are slowing down their growth path. Such a trend more than counterbalances the acceleration registered by smaller MC markets such as Greece, Hungary and Romania.

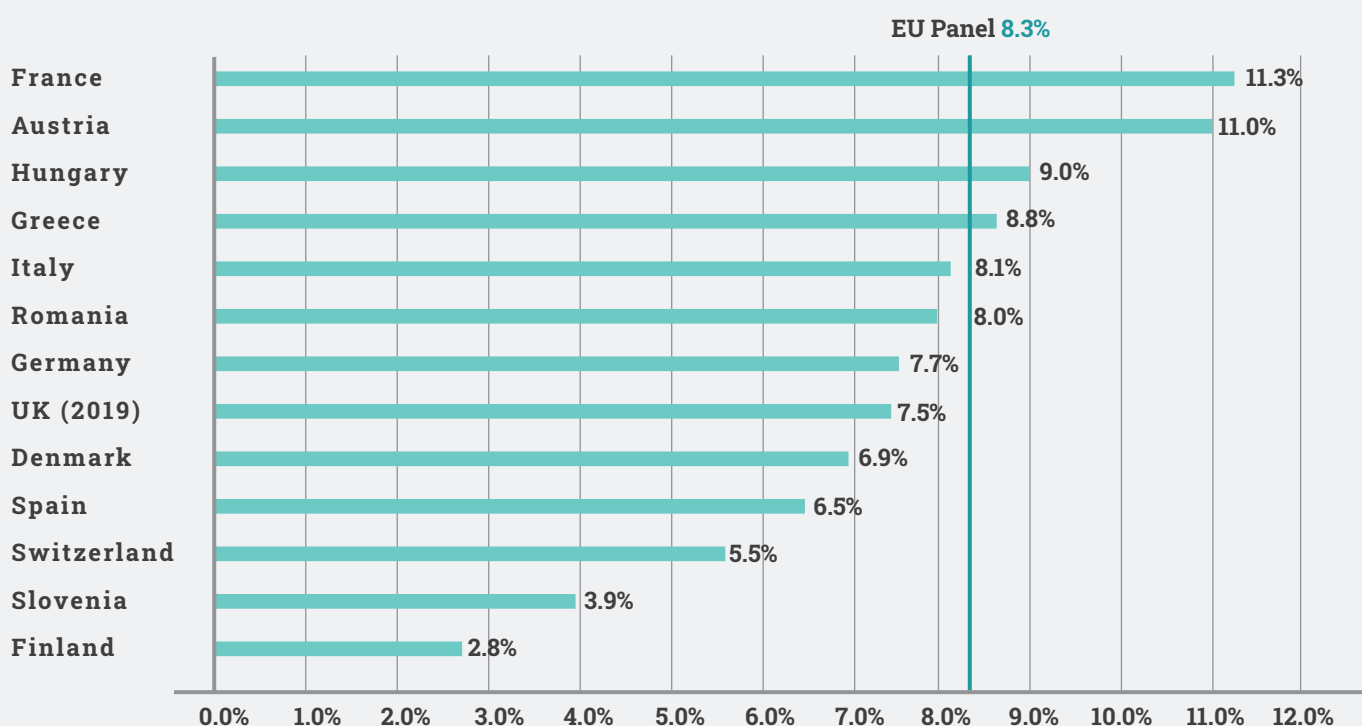
Over the 2017-19 period, France and Austria have been the countries with the fastest growth, Finland and Slovenia being those with the slowest.

COUNTRY	2017	2018	2019 (expected)	Yearly CAGR (2017-19)
Austria	12.3%	12.9%	7.9%	11.0%
Denmark	7.9%	5.7%	7.0%	6.9%
Finland	4.3%	0.0%	4.0%	2.8%
France	10.2%	12.3%	11.5%	11.3%
Germany	8.6%	7.3%	7.1%	7.7%
Greece	7.1%	9.3%	10.0%	8.8%
Hungary	6.3%	8.8%	12.0%	9.0%
Italy	7.8%	8.6%	7.9%	8.1%
Romania**	n.a.	4.2%	12.0%	8.0%
Slovenia	1.2%	7.5%	3.0%	3.9%
Spain	8.0%	6.5%	5.0%	6.5%
Switzerland	5.7%	4.9%	6.1%	5.5%
UK	n.a.	n.a.	7.5%	n.a.
European panel*	8.4%	8.4%	8.1%	8.3%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes all the 13 European countries of the FEACO survey (excluding Romania for 2017 and the UK for 2017 and 2018). These 13 countries represent 85% of the European GDP. The trends referring to Romania, Switzerland and the UK are calculated in the local currency so as to avoid distortion due to the exchange rate.

\*\* Romania's CAGR data refer to the 2018-2019 period as earlier data are not available.





## MC turnover vs. GDP (2017-19)

Over the 2017-19 period, in the European panel, MC turnover has grown on average 8.3% per year while GDP has grown on average 2.4% per year. A comparison of MC turnover and GDP trend shows that in all countries – except Finland and Slovenia – the MC industry has performed better than the overall economy.

Over the 2017-19 period, in countries such as Austria and France, MC turnover has grown more than three times faster than GDP. Even in fast growing countries such as Hungary and Romania, MC turnover has outpaced the growth of the overall economy.

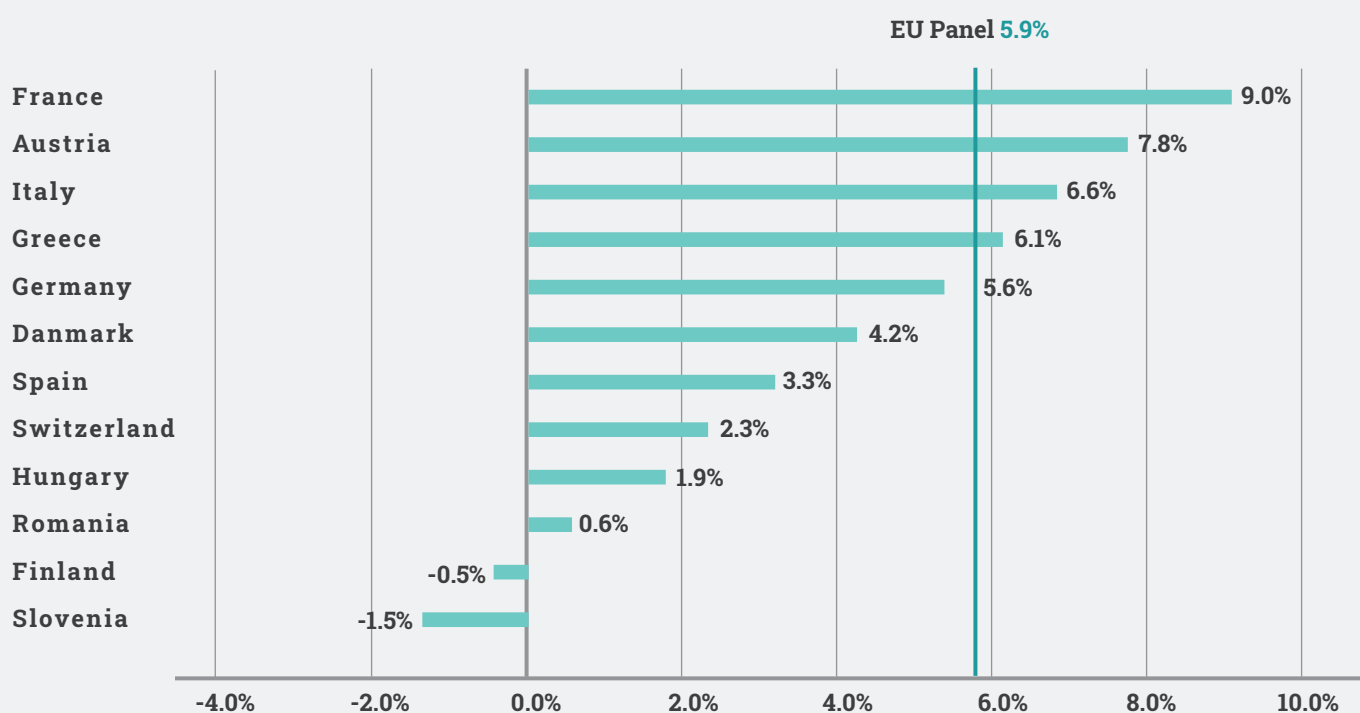
COUNTRY	MC turnover yearly CAGR (2017-19)	GDP*** yearly CAGR (2017-19)	Differences in CAGR between MC and GDP growth rate (2017-19)
Austria	11.0%	3.2%	7.8%
Denmark	6.9%	3.0%	4.2%
Finland	2.8%	3.3%	-0.5%
France	11.3%	2.3%	9.0%
Germany	7.7%	2.1%	5.6%
Greece	8.8%	2.7%	6.1%
Hungary	9.0%	7.1%	1.9%
Italy	8.1%	1.5%	6.6%
Romania**	8.0%	7.4%	0.6%
Slovenia	3.9%	5.4%	-1.5%
Spain	6.5%	3.2%	3.3%
Switzerland	5.5%	3.2%	2.3%
European panel*	8.3%	2.4%	5.9%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019; GDP – Eurostat 2019.

\* European panel includes only 12 European countries of the FEACO survey because for the UK only 2019 trend data are available. These 12 countries represent 67% of the European GDP

\*\* Romania CAGR data refer to the 2018-2019 period as earlier data are not available.

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





## MC employment trend (2017-19)

In 2018 the European Management Consulting (MC) employment grew by 5.2%, accelerating with respect to 2017 (+5.0%). Only Hungary and Spain saw a reduction in employment in the MC industry, but this decline has been temporary and has had a greater impact on staff than on professionals.

In 2019 all the countries have seen their MC employment grow, with peaks in Romania and France: +10% and + 9% respectively. Hungary, Romania and Spain are the three countries where the MC employment growth has accelerated the most, compared to the 2018 trend.

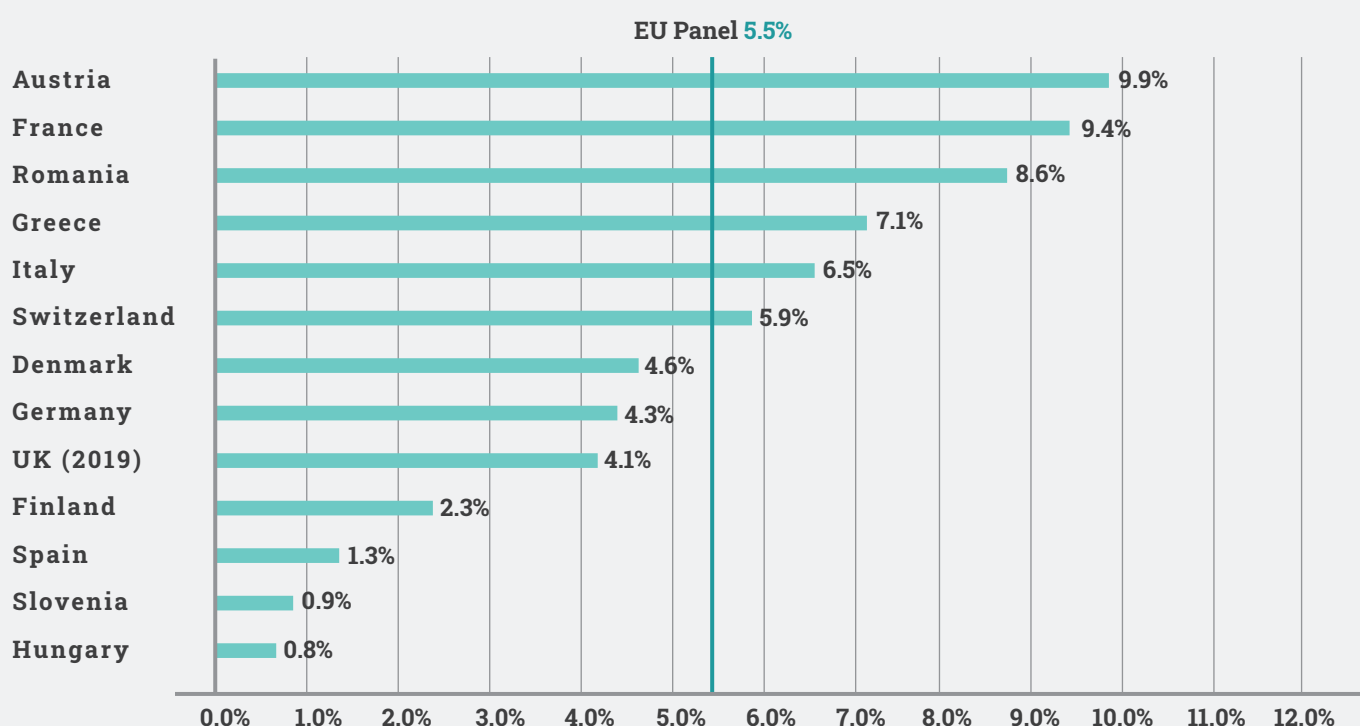
Over the 2017-19 period, Austria and France have the fastest growth, while Finland, Hungary and Slovenia are the countries with the slowest.

COUNTRY	2017	2018	2019 (expected)	Yearly CAGR (2017-19)
Austria	11.8%	10.2%	7.7%	9.9%
Denmark	8.2%	1.8%	3.7%	4.6%
Finland	3.8%	0.0%	3.0%	2.3%
France	10.0%	9.1%	9.0%	9.4%
Germany	1.9%	5.0%	6.0%	4.3%
Greece	5.5%	7.8%	8.0%	7.1%
Hungary	1.0%	-3.5%	5.0%	0.8%
Italy	5.4%	7.5%	6.6%	6.5%
Romania **	n.a.	7.1%	10.0%	8.6%
Slovenia	0.4%	2.0%	0.5%	0.9%
Spain	5.5%	-2.5%	1.0%	1.3%
Switzerland	5.1%	6.0%	6.5%	5.9%
UK	n.a.	n.a.	4.1%	n.a.
European panel*	5.0%	5.2%	6.3%	5.5%

Source : Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes all the 13 European countries of the FEACO; these 13 countries represent 76% of European employment.

\*\* Romania CAGR data refer to the 2018-2019 period as earlier data are not available.



## MC employment vs. overall employment (2017-19)

Over the 2017-19 period, in the European panel MC employment has grown on average 5.6% per year while overall employment has grown on average 0.9% per year.

In all countries – except Hungary, Slovenia and Spain – the MC industry has offered more new employment opportunities than the average of the other industries. The Management Consulting industry seems capable of contributing to overcoming the difficulties of job creation that are affecting Europe.

Over the 2017-19 period, in countries such as Austria, France and Romania, MC employment has been at very high rates (between 8% and 10%) while overall employment has actually been stagnating.

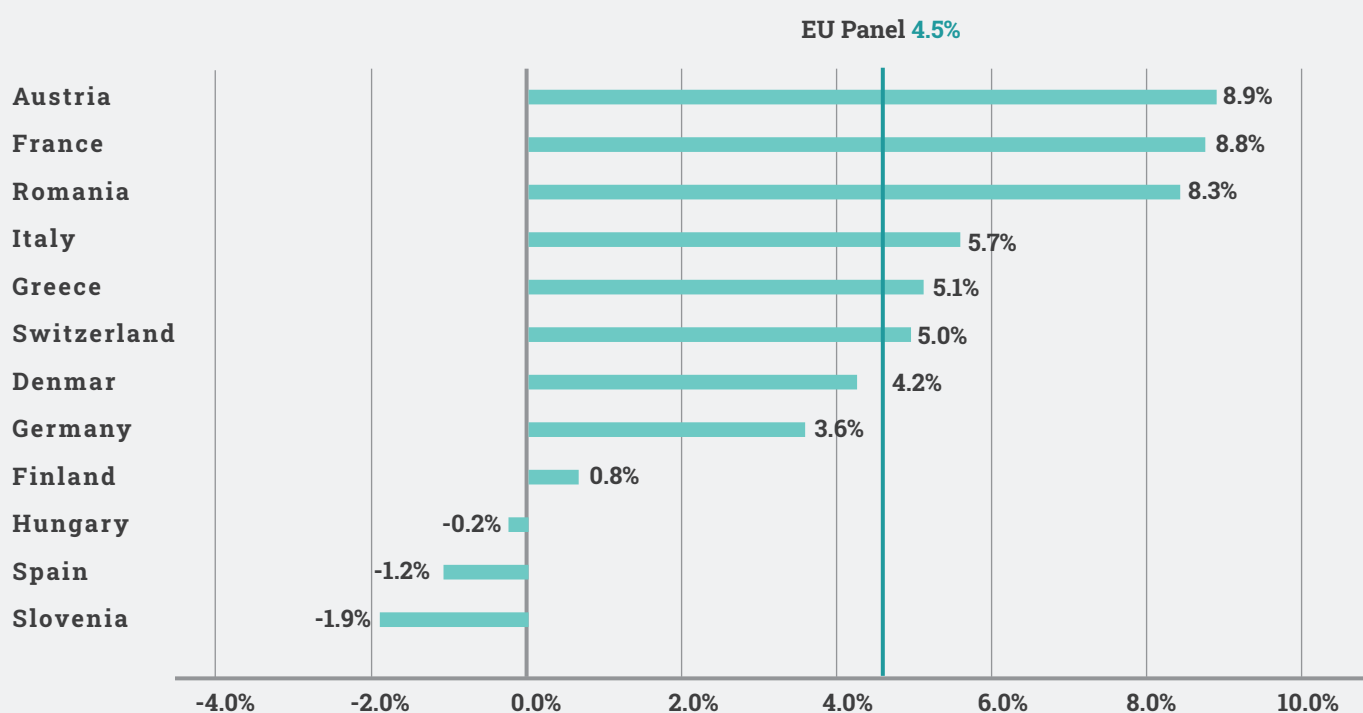
COUNTRY	MC employment yearly CAGR (2017-19)	Overall employment yearly CAGR*** (2017-19)	Differences in CAGR between MC and overall employment growth rate (2017-19)
Austria	9.9%	1.0%	8.9%
Denmark	4.6%	0.4%	4.2%
Finland	2.3%	1.5%	0.8%
France	9.4%	0.6%	8.8%
Germany	4.3%	0.7%	3.6%
Greece	7.1%	2.0%	5.1%
Hungary	0.8%	1.0%	-0.2%
Italy	6.5%	0.8%	5.7%
Romania**	8.6%	0.3%	8.3%
Spain	1.3%	2.5%	-1.2%
Slovenia	0.9%	2.8%	-1.9%
Switzerland	5.9%	0.9%	5.0%
European panel*	5.5%	1.0%	4.5%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019; Employment – Eurostat 2019.

\* European panel includes only 12 European countries of the FEACO survey because for the UK only 2019 trend data are available. These 12 countries represent 63% of European employment.

\*\* Romania CAGR data refer to the 2018-2019 period as earlier data are not available.

\*\*\* Overall employment data up to 2018 are taken from Eurostat; 2019 forecast by European Economic Forecast – Spring 2019, European Commission.



## MC turnover vs. MC employment (2017-19)

Over the 2017-19 period, in the European panel MC turnover has grown on average 8.3% per year while MC employment in Europe has grown on average 5.5% per year.

In all countries – except Switzerland and Romania – the MC turnover has grown more than the MC employment. The reasons for such a trend include the labour saving impact of IT technologies on the work of the management consultant and a gradual recovery in the consulting fees structure after the period of economic crisis.

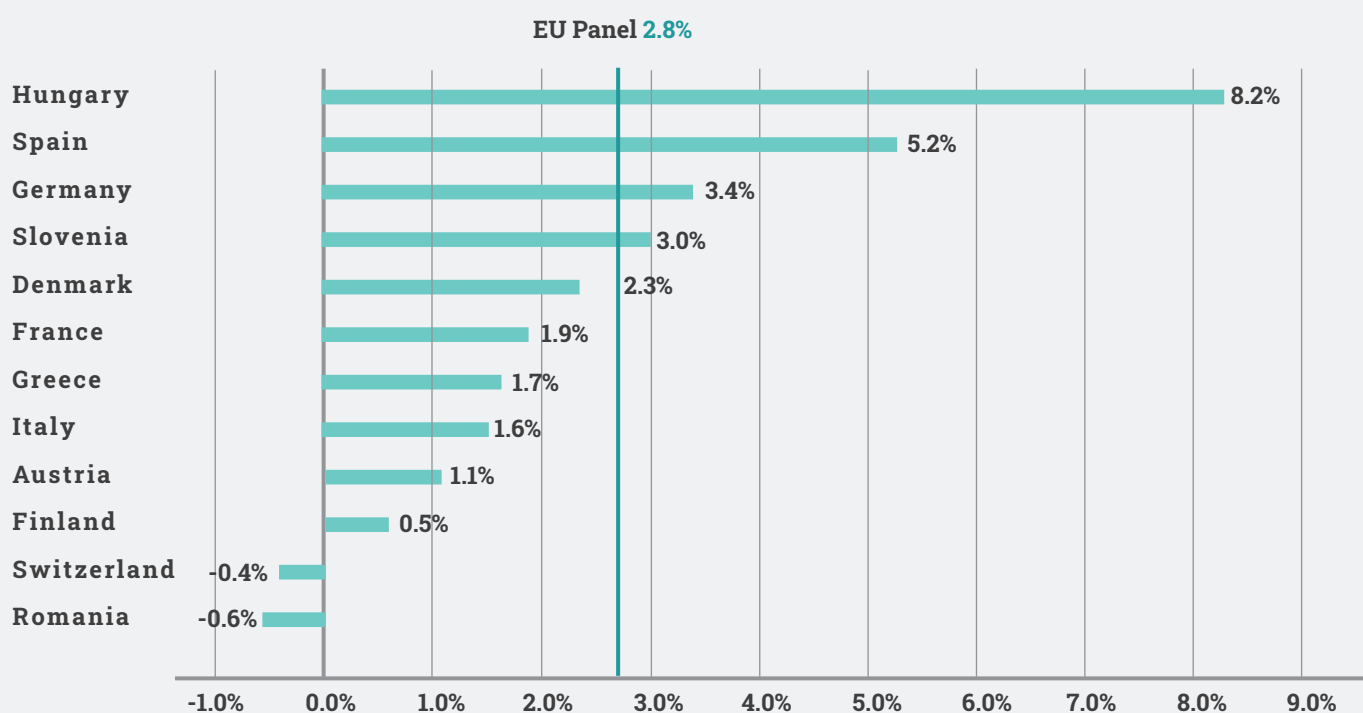
Over the 2017-19 period, Hungary, Spain and, to a smaller extent, Germany are the three countries where the MC employment growth is comparatively the lowest, with respect to MC turnover growth.

COUNTRY	MC turnover yearly CAGR (2017-19)	MC employment yearly CAGR (2017-19)	Differences in CAGR between MC turnover and employment growth rate (2017-19)
Austria	11.0%	9.9%	1.1%
Denmark	6.9%	4.6%	2.3%
Finland	2.8%	2.3%	0.5%
France	11.3%	9.4%	1.9%
Germany	7.7%	4.3%	3.4%
Greece	8.8%	7.1%	1.7%
Hungary	9.0%	0.8%	8.2%
Italy	8.1%	6.5%	1.6%
Romania**	8.0%	8.6%	-0.6%
Slovenia	3.9%	0.9%	3.0%
Spain	6.5%	1.3%	5.2%
Switzerland	5.5%	5.9%	-0.4%
European panel*	8.3%	5.5%	2.8%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes only 12 European countries of the FEACO survey because for the UK only 2019 trend data are available. These 12 countries represent 72% of the European GDP and 63% of European employment.

\*\* Romania CAGR data refer to the 2018-2019 period as earlier data are not available.



## MC turnover per professional (2017-19)

Annual turnover per professional is considered by consulting firms as an important performance indicator, since it is related both to the average price level (the daily consulting fees) and to the average chargeability (i.e. 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 the drivers of their revenues.

Over the 2017-19 period, in the European panel, the annual average turnover per professional is about €200,000.

The average of the MC turnover per professional over the 2017-19 period shows significant differences: in a few countries the turnover per professional is above €200,000 per year while in others it is less than a half that. Given that there should not be major discrepancies in chargeability levels among countries, such a gap appears to be mainly driven by a different pricing structure among the various national markets; in general Northern countries have, on average, consulting fees that are much higher than those charged in Mediterranean countries and in Central/Eastern Europe.

Turnover per professional	Country	Turnover per professional (Average 2017-2019)
Above €200.000	Switzerland	284.200
	Germany	271.400
	Finland	223.000
	UK**	205.000
From €150.000 to €200.000	European Panel*	197.000
	France	186.500
	Denmark	179.700
	Austria	164.300
From €100.000 to €150.000	Spain	131.400
	Greece	121.000
	Italy	115.500
	Slovenia	109.300
Below €100.000	Hungary	85.600
	Romania	48.500

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes only 12 European countries of the FEACO survey because for the UK only 2019 trend data are available. These 12 countries represent 72% of the European GDP and 63% of European employment.

\*\* The UK average annual turnover per professional data refer to the 2018/19 period as 2017 data are not available.

## MC turnover market share by Service Lines (2018)

In 2018 Technology and Operations are the two main service lines, with a market share of 23.6% and 21.6% respectively. Their growth in absolute and relative terms, has been driven by the strong involvement of MC firms in supporting the digitalization process.

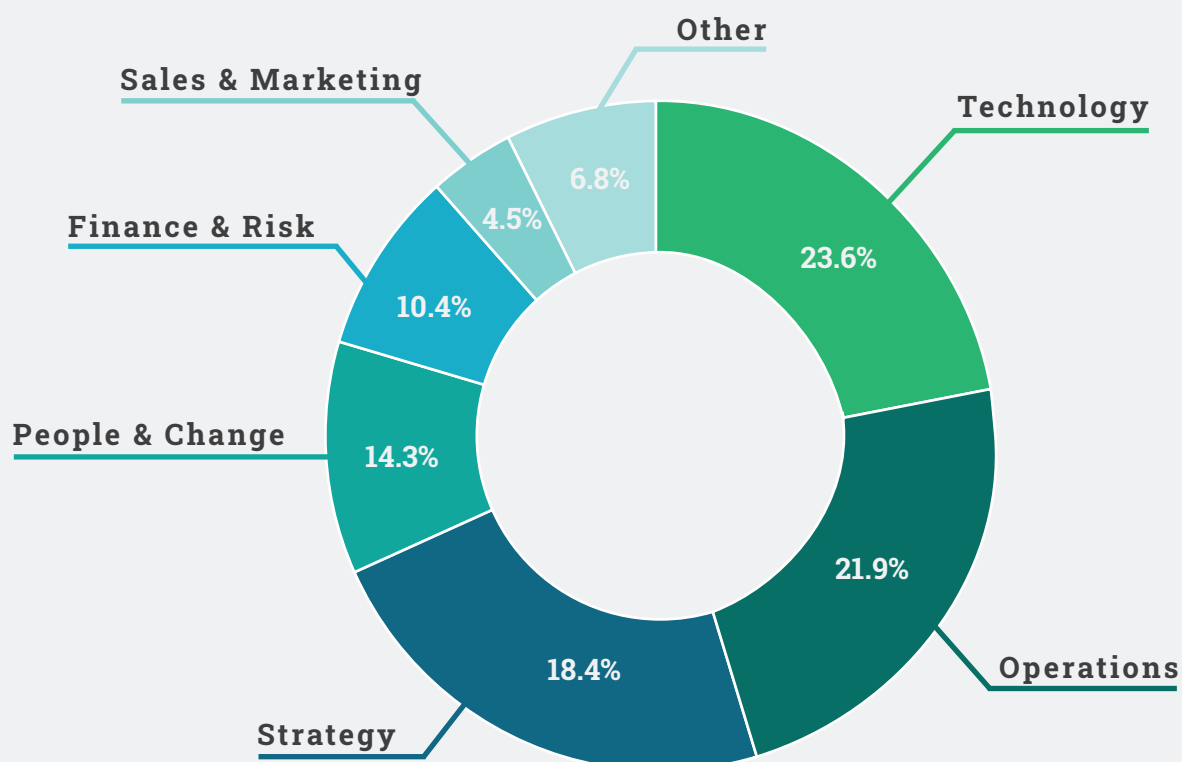
Strategy and People & Change, while still important, are no longer the two main pillars of the MC companies' portfolio.

Finance & Risk and Sales & Marketing have a very difference relevance in different countries.

COUNTRY	Technology	Operations	Strategy	People & Change	Finance & Risk	Sales & Marketing	Other
Austria	7.9%	16.9%	31.7%	17.7%	6.1%	7.4%	12.3%
Denmark	17.0%	15.0%	24.0%	13.0%	0.0%	14.0%	17.0%
Finland	15.0%	15.0%	20.0%	20.0%	5.0%	15.0%	10.0%
France	18.0%	16.0%	21.0%	20.0%	9.0%	5.0%	11.0%
Germany	21.8%	40.6%	18.9%	13.0%	2.1%	3.6%	0.0%
Greece	17.0%	20.0%	23.0%	5.0%	17.0%	3.0%	15.0%
Hungary	45.0%	16.0%	21.0%	7.0%	7.0%	3.0%	1.0%
Italy	21.8%	14.1%	16.8%	7.9%	26.8%	6.1%	6.5%
Romania	8.0%	16.0%	25.0%	4.0%	20.0%	15.0%	12.0%
Slovenia	18.0%	28.0%	21.0%	13.0%	10.0%	10.0%	0.0%
UK	36.0%	12.0%	14.0%	16.0%	12.0%	1.0%	9.0%
European panel*	23.6%	21.9%	18.4%	14.3%	10.4%	4.5%	6.8%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes only 11 European countries of the FEACO survey as detailed data for Spain and Switzerland are missing. These 11 countries represent 74% of European GDP.



## MC turnover trend by Service Lines (2017-18)

Over the 2017-18 period, Technology-related consulting has achieved the largest growth rate: on average +13.5% every year. At the opposite end consulting related to People & Change has remained stable (+0.3%).

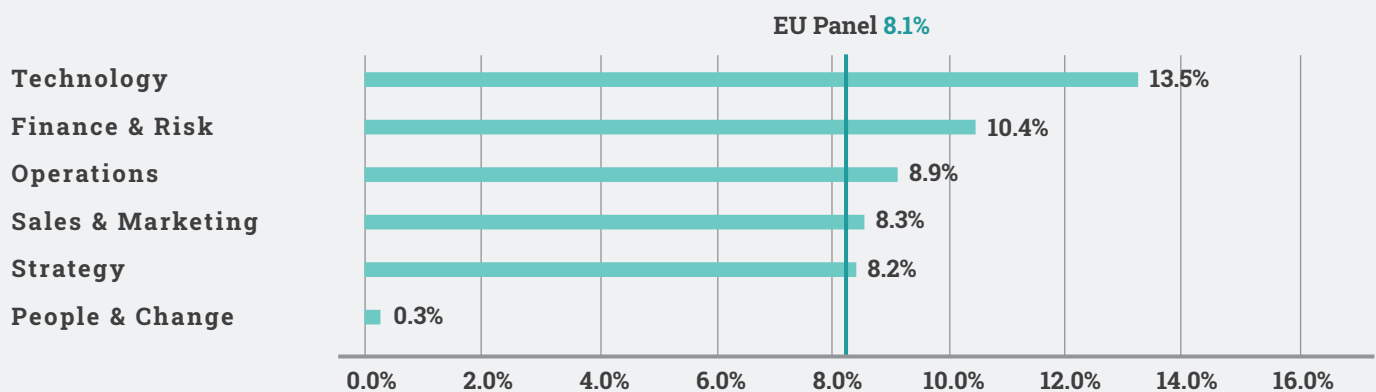
Finance & Risk and Operations are both growing faster than market average and, in spite of the fact they have a scattered relevance across the different countries, confirm their relevance in the MC projects portfolio.

Strategy – after a few years of relative decline – is back to a growth trend that is in line with the market average. A similar trend is seen in the Sales & Marketing projects. In both cases, many MC projects are related to digital transformation.

Service Line	Avg. trend 2017-18
Technology	+13.5%
Finance & Risk	+10.4%
Operations	+8.9%
Sales & Marketing	+8.3%
Strategy	+8.2%
People & Change	+0.3%
European Panel (avg. 2017-18)	+8.1%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes only 11 European countries of the FEACO survey as detailed data for Spain and Switzerland are missing. These 11 countries represent 74% of European GDP.



## MC turnover market share by Client Industries (2018)

In 2018 Financial Services and Consumer & Industrial Products are the highest spender: 27.5% and 26.9% of the MC turnover respectively.

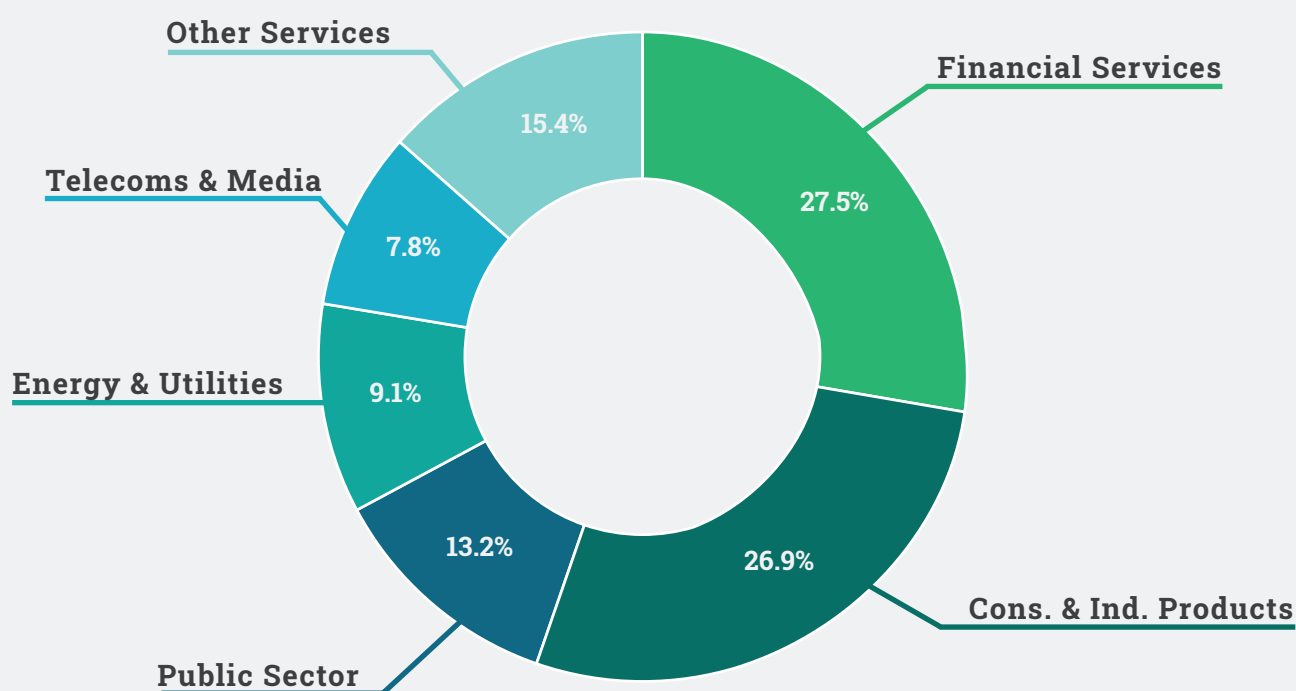
Public Administration is the third largest spender, with a market share of 13.2%. In Greece, Public Administration is the MC's largest segment (together with Financial Services) and, in Hungary and Romania, EU funds (even though mainly addressed towards private sector projects) are the main driver of the consulting market.

Energy & Utilities and Telecoms & Media represent the fourth and fifth largest spenders, with 9.1% and 7.8% of the overall MC market respectively.

COUNTRY	Cons. & Ind. Products	Financial Services	Energy & Utilities	Telecoms & Media	Other services	Public Sector
Austria	37.4%	3.7%	2.5%	2.4%	41.5%	12.5%
Denmark	27.0%	5.0%	9.0%	6.0%	31.0%	22.0%
Finland	21.0%	21.0%	14.0%	14.0%	20.0%	10.0%
France	28.0%	30.0%	10.0%	5.0%	18.0%	9.0%
Germany	34.1%	24.2%	7.6%	7.5%	17.3%	9.3%
Greece	16.0%	30.0%	8.0%	4.0%	12.0%	30.0%
Hungary	16.0%	14.0%	30.0%	17.0%	12.0%	11.0%
Italy	34.2%	30.6%	6.9%	7.5%	10.8%	10.1%
Slovenia	35.0%	22.0%	13.5%	7.0%	11.5%	11.0%
Spain	4.9%	34.0%	13.8%	12.1%	17.6%	17.6%
Switzerland	22.0%	34.0%	6.0%	5.0%	25.0%	8.0%
UK	23.0%	30.0%	10.0%	10.0%	5.0%	22.0%
European panel*	26.9%	27.5%	9.1%	7.8%	15.4%	13.2%

Source: Our elaborations on MC turnover – FEACO survey 2017-2019.

\* European panel includes only 12 European countries of the FEACO survey as detailed data for Romania are missing. These 12 countries represent 84% of European GDP.





## MC turnover trend by Client Industries (2017-18)

Over the 2017-18 period, Energy & Utilities and Telecom & Media are the two client industries growing the most in percentage terms (+11.2% and +10.7%). Their growth has been particularly strong in Denmark and the UK.

Financial Services have achieved a very relevant growth: +9.9% and, being the largest client industry in Europe, it has contributed the most in terms of absolute growth. Its growth has been particularly strong in Greece and Italy.

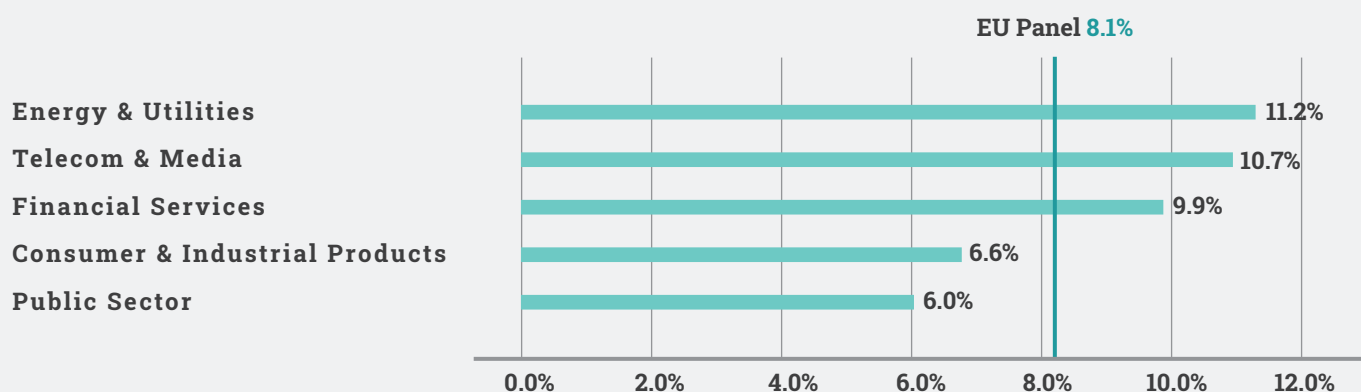
Consumer & Industrial Products are slowing down a little their growth, driven in recent years by many Industry 4.0 projects (+6.6%).

The Public Sector – after a long period of stagnation – has confirmed a re-established growth path, even if it is growing less than the overall market (+6%).

Client Industry	Avg. trend 2017-18
Energy & Utilities	+11.2%
Telecom & Media	+10.7%
Financial Services	+9.9%
Consumer & Industrial Products	+6.6%
Public Sector	+6.0%
European panel* (avg. 2017-18)	+8.1%

Source: Our elaborations on MC turnover - FEACO survey 2017-2018.

\* European panel includes the 12 European countries of the FEACO survey as detailed data for Romania are missing. These 12 countries represent 84% of European GDP



## Qualitative trends as to project contents and pricing

Management Consulting projects related to digital transformation initiatives are growing in 10 out of 12 European countries (83% of the respondents) and there is no a single countries where they are decreasing. This is a confirming evidence that digital-related projects are leading the growth of the MC industry.

Management Consulting projects related to green and sustainability are growing their importance but at a lower pace: in 5 out of 12 European countries (42% of the respondents) and there is no a single countries where they are decreasing. Moreover many countries expect that projects related to green/sustainable strategies will progressively become more relevant.

Management Consulting fees – after a period of decline – are back to growth in 4 out of 12 countries (33%) while they remain stable in 6 (50%) and are still decreasing in 2 (17%). This evidence matches with a general increase in the turnover per professional.

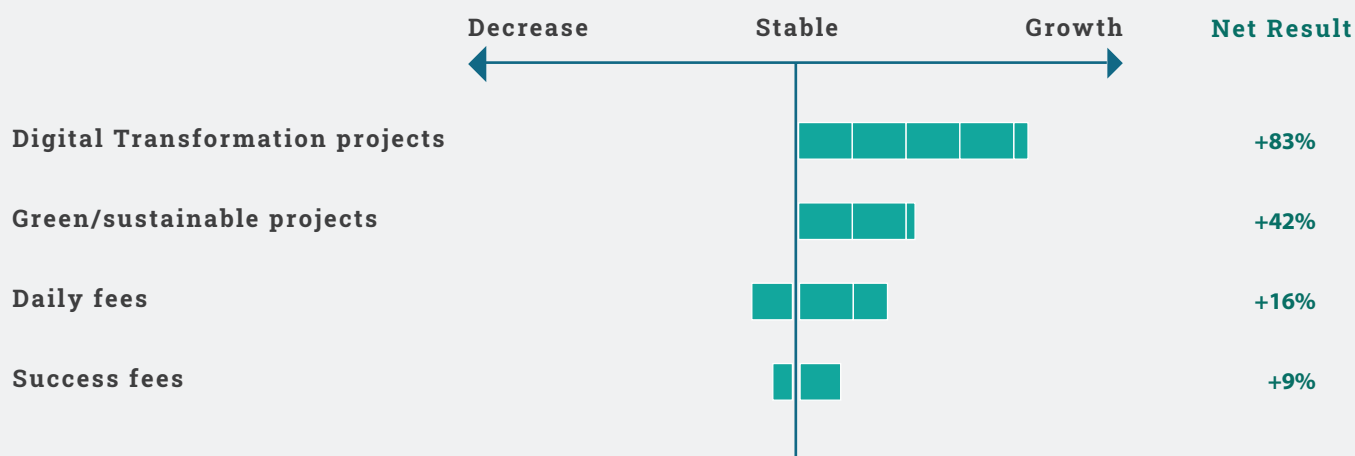
The use of success fees is mainly stable across Europe: in 9 out of 12 countries (75%). They are growing in just 2 countries (17%) and declining in only 1 country (8%).

Country trend [European panel]*	Decreasing	Stable	Growing	Net result
Digital Transformation projects	0%	17%	83%	83%
Green/sustainable projects	0%	58%	42%	42%
Daily fees	17%	50%	33%	16%
Success fees	8%	75%	17%	9%

Source: Our elaborations on MC turnover - FEACO survey 2018-2019.

\* European panel includes the 12 European countries of the FEACO survey as detailed data for the UK are missing. These 12 countries represent 69% of European GDP.

\*\* Net result = % of companies with increased sales - % of companies with decreased sales



# Legend on Service Lines and Client Industries

The MC market has been analysed by Service Lines, considering the following seven major segments:

**Strategy:** this activity supports 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 redesigns, 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 & 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 & 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 & 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, compensation and retirement schemes, talent development programmes and executive coaching.

**Technology:** this activity supports 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 professional services complementary to MC projects, such as training, market studies, outplacement, executive selection and recruitment.

The MC market has been analysed by Clients, considering the most relevant economic sectors.

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

The **Financial Services Sector** includes: Banking & Financial Services and Insurance.

The **Energy & Utilities Sector** includes Oil & Gas; Chemicals & Petrochemicals and Utilities.

The **Telecoms & Media Sector** includes Communication; Media & Entertainment; Telecommunications and Publishing.

The **Other Services Sector** includes Retail; Travel & Leisure; Private Healthcare; Software & Computer Services and Business Services.

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



# Section B

## Selected Management Consultancy markets profiles

The profiles on national Management Consulting (MC) markets reported in this section are based on the data provided by the National Associations of **Austria, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Romania, Slovenia, Spain, Switzerland** and the **United Kingdom**.

Each country profile has a short introduction on the state of the overall economy in the country (based on OECD Economic Outlook\*), then it focuses on the MC industry, providing industry data as well as highlighting the major trends in the business as collected by the National Association.

\* OECD Economic Outlook, Volume 2019 Issue 1, OECD Publishing, Paris.



# Austria

## Key data on the Management Consulting industry

### Turnover:

5,030 Mln. € in 2017 (+12.3%)

5,680 Mln. € in 2018 (+12.9%)

### Forecast:

6,129 Mln. € in 2019 (+7.9%)

### Employment:

15,572 employees in 2018

72% professionals

28% staff

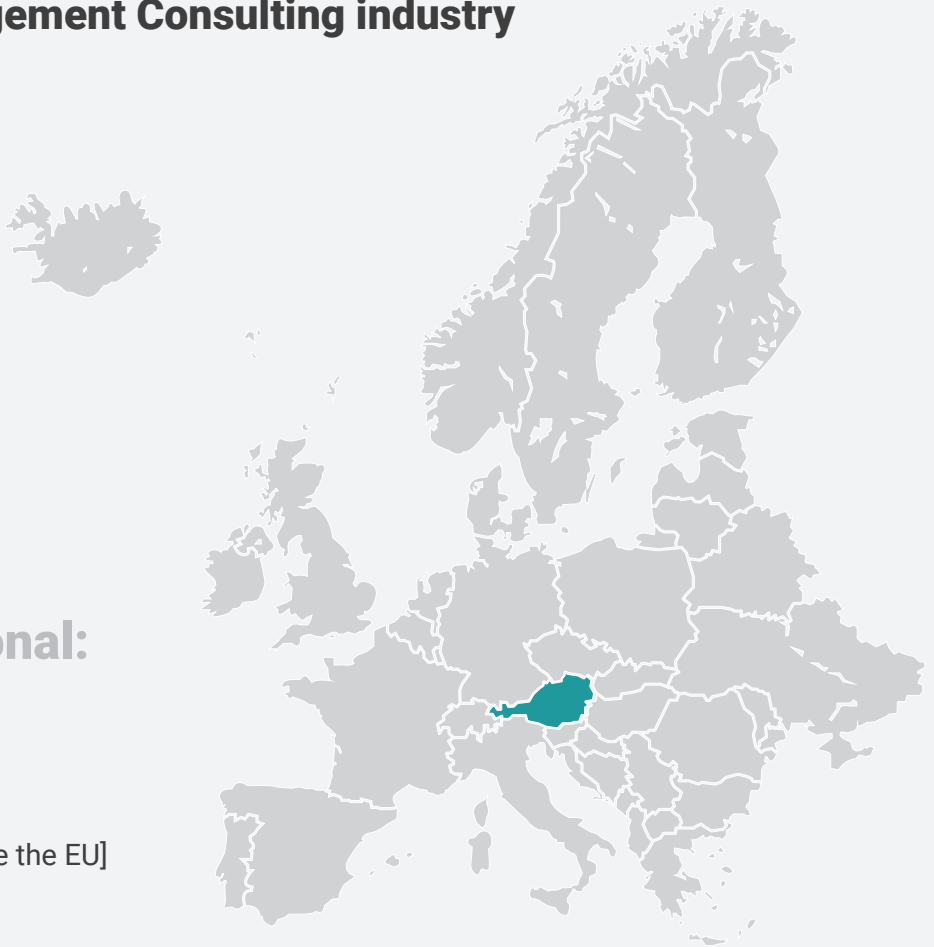
### Turnover/professional:

164,300 € per year (avg. 2017-19)

### Export:

23% of the overall MC turnover

[19% inside the EU and 4% outside the EU]



In Austria, according to OECD Economic Outlook 2019, “Output growth is projected to slow to around 1½ per cent in 2019 and 2020. Private consumption remains a key driver of growth, but the slowdown in the euro area is weighing on investment and trade. Inflation is set to remain close to target.

High tax receipts due to robust employment growth will lead to a modest surplus in the government accounts. Even if the ongoing tax reform will slightly decrease the budget surplus in the short term, some fiscal space is available and could be used to let automatic stabilisers operate if cyclical conditions worsen. More active measures could be considered if developments deteriorate significantly. Structural policy should aim to lift productivity growth by fostering competition in service sectors and to better integrate the most vulnerable groups in Austrian society, in particular the low-skilled elderly, migrants and refugees”.

In 2018 MC turnover reached almost €5.7 billion with a 12.9% increase over the previous year. With a forecast growth rate at 7.9% for 2018, management consultancy – as well as knowledge-based services in general – is growing more than the overall Austrian economy. MC employment in 2018 was about 15,500 employees, 69% of them being senior employees. Moreover in Austria there are more than 16,000 self-employed consultants. Overall there are more than 20,000 members (companies or self-employed consultants) active in Austria in the area of MC.

The increasing trend in consultancy projects concerning digital transformation remains unbroken and will continue to dominate the coming years. Austrian SMEs have transitioned to being fully digitally aware. Consultancy services will continue to focus on the transition process for SMEs to make their business models digitally oriented with the broader goal of becoming digital champions. The Austrian Government has relaunched a new phase of special funding for digital transformation in SMEs. Digital transformation continues to be the greatest area of interest for business enterprises in Austria. This area of interest also includes addressing skills shortages regarding ICT Skills in the workforce – a major topic for business and government.

Innovation strategy remains a hot topic, especially for an economy with a strong focus on export markets. Upcoming is the renewed trend for making business models and services socially responsible. This topic, in particular the development of green strategies, will receive greater attention in 2020 and in the coming years.

In 2018 Strategy Consulting (including also Corporate Management) represents the largest MC service line, with a market share of almost 32%. Other relevant service lines are People and Change (18%, including both Human Resources and Personnel Development) and Operations (17%). All these service lines are expected to achieve a very relevant increase in 2017.

The greatest share of MC clients is represented by the Consumer and Industrial Products segment, which accounts for roughly 38% of the whole MC turnover in 2017. The Public Sector represents above 12%.

MC services are essentially targeted towards the domestic market; however, in 2018 exports accounted for over 23% of the total MC turnover, with consulting mainly exported within the European Union (EU).

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 2018 membership reached 70,946 members overall.

UBIT's mission is to ensure a high standard of qualification in management consulting practice; to guarantee a level playing field with regard to competing professions; to promote public awareness for the overall benefit of independent consultant services concerning entrepreneurial growth, a healthy economy and society in general; and to "provide a clear membership value through a wide range of services for our members".

The main tasks for UBIT are representation of interests as well as providing services for its members. UBIT is actively responsible for developing and shaping the economic and regulatory backdrop in Austria, contributing to the establishment of international standards for management consultancy and consulting practice and to the "extension of professional rights in consulting practice, especially with regard to legal representation". 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. The 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](http://www.ubit.at) | [www.incite.at](http://www.incite.at)

# Denmark

## Key data on the Management Consulting industry

### Turnover:

2,759 Mln. € in 2017 (+7.9%)

2,917 Mln. € in 2018 (+5.7%)

### Forecast:

3,121 Mln. € in 2019 (+7.0%)

### Employment:

18,417 employees in 2018

88% professionals

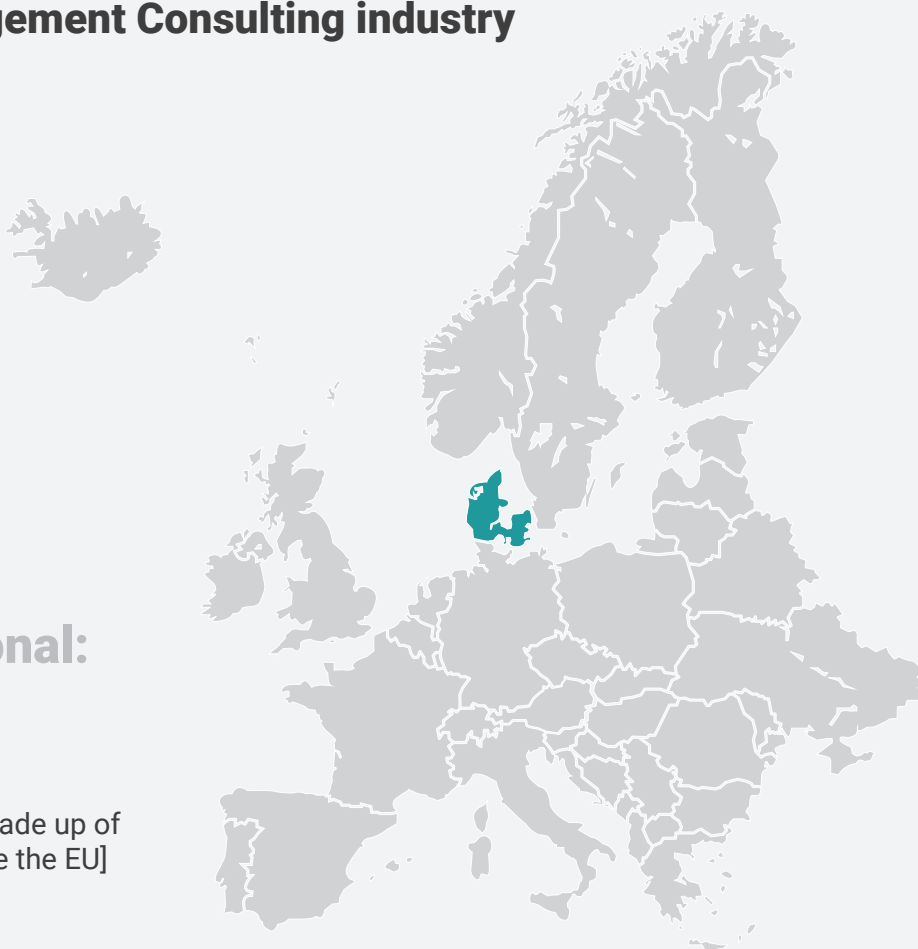
12% staff

### Turnover/professional:

179,700 € per year (avg. 2017-19)

### Export:

19% of the overall MC turnover, made up of  
[13% inside the EU and 6% outside the EU]



In Denmark, according to OECD Economic Outlook 2019, “Economic growth is projected to remain strong in 2019 and moderate in 2020 to around 1¾ per cent, as weaker external demand constrains export growth. Rising employment and solid real wage gains will support domestic demand and help sustain the expansion. Inflation is set to pick up from a very low rate as the economy operates above its capacity constraints.

Expansionary monetary policy conditions, reflecting the peg of the krone to the euro, will continue to stimulate investment. Fiscal policy will also support growth in 2019, notably through ongoing public investment and measures decided in previous years. In 2020, fiscal policy is assumed to have a neutral impact on activity, which is appropriate given continued difficulties for firms to hire skilled workers. Structural reforms of competition and tax policies could help to accelerate weak productivity growth”.

The overall turnover in the MC industry is estimated to be a just over 23 billion DKK's (slightly more than €3 billion) in 2019. After a small decline in the turnover in 2010 the MC industry has experienced positive growth each year. From 2010 to 2019 the total turnover in the industry has risen more than 70%. In this same period exports have more than doubled and they are presently almost 20% of the total turnover.

The total number of employees in the MC industry is estimated to be slightly more than 19,000 in 2019. Thus, the employment in the industry is a great deal larger than the employment before the financial crisis in 2008 and the following economic downturn. The employment growth was especially strong in 2013, 2017, 2018 and again in 2019, and overall the employment has risen 5% annually since 2012.

MC is an industry characterized by the strong presence of professional/knowledge workers. There are more employees in the MC industry who have a long cycle higher education than in all the other industries: 40% versus 12% respectively. Moreover MC companies also have relatively more people employed with a medium cycle higher education and fewer people without any qualifying education or with a vocational education.



The MC companies are providing a wide range of services; these include consulting in connection with analytical work, transformation and strategy, and IT consulting. The MC companies generate their largest turnover from transformation and strategy (24% of the total MC turnover), followed by IT consulting (about 18%) and consulting in connection with analytical work (17%).

The management consultants provide counselling and solutions to all sectors of Danish society. Thus, their knowledge is widely sought by both the private and public sectors. 62% of all the MC businesses have customers in both the public and private sectors, 26% have almost exclusively customers in the private sector and 12% almost exclusively have customers in the public sector.

Overall, the private sector is the MC businesses' largest customer. It accounts for 65% of the total turnover in the industry while the public sector accounts for 35%.

This country profile has been prepared by ADMCF – The Association of Danish Management Consulting Firms.

The mission of ADMCF is to be the collective voice of Management Consulting firms in Denmark, and to facilitate knowledge exchange and networking within the industry as well as with large customer segments. Furthermore the ADMCF promotes a better public understanding of the value that its members create for both private and public customers.

The ADMCF is a part of the Confederation of Danish Industry which is the largest business organization in Denmark, with more than 11,000 members in industries as diverse as knowledge advisors (consulting engineers, management consultants, IT advisors, lawyers, communication firms etc.) transportation, food & beverages, b2b commerce, building materials, operational services (e.g. facility management), IT & Telecoms, electronics, energy sector, professional services firms and production of machinery.

## National Association



**MANAGEMENT  
RÅDGIVERNE**

**ADMCF – The Association of Danish  
Management Consulting Firms**

[www.danskindustri.dk](http://www.danskindustri.dk)

# Finland

## Key data on the Management Consulting industry

### Turnover:

2,400 Mln. € in 2017 (+4.3%)

2,400 Mln. € in 2018 (+0%)

### Forecast:

2,500 Mln. € in 2019 (+4.0%)

### Employment:

13,500 employees in 2018

80% professionals

20% staff

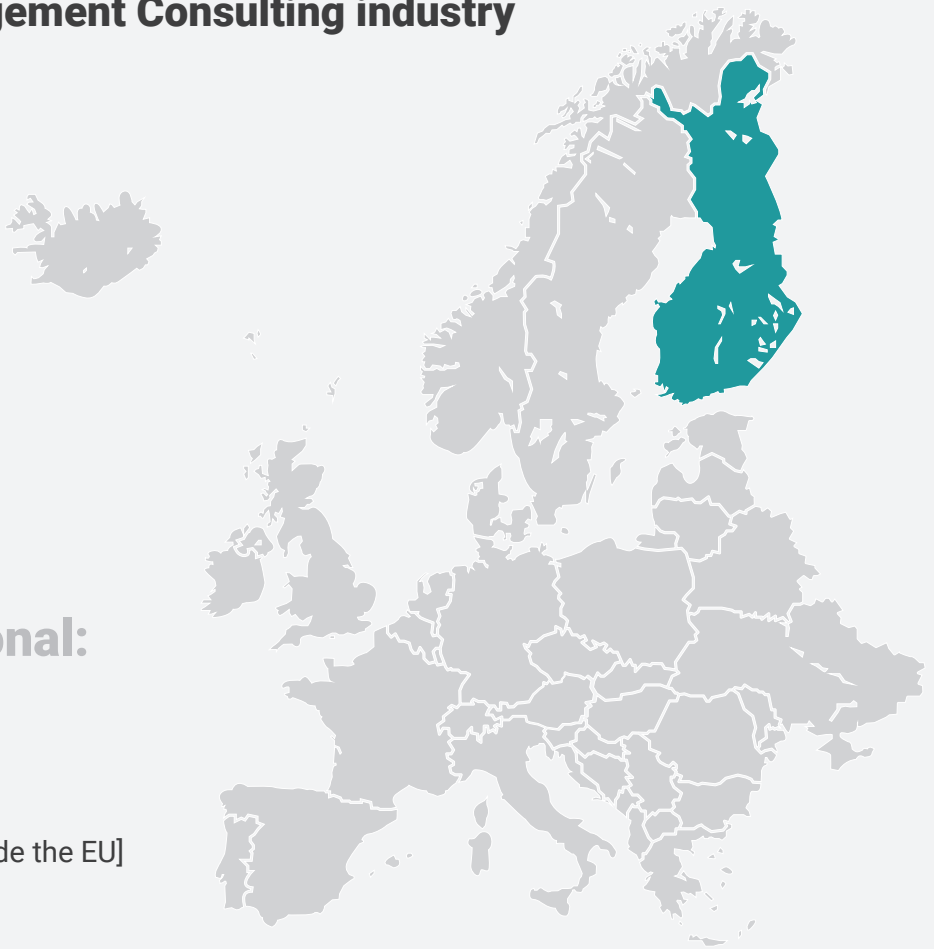
### Turnover/professional:

223,000 € per year (avg. 2017-19)

### Export:

40% of the overall MC turnover

[20% inside the EU and 20% outside the EU]



In Finland, according to OECD Economic Outlook 2019, “The economy is projected to expand at a slower pace of around 1½ per cent in 2019-20, as export growth will weaken due to lower foreign demand growth, especially for investment goods. Residential investment will remain weak. Earnings and employment growth will support private consumption, even though gradually rising inflation is set to erode household real incomes. Employment growth will slow, as labour market mismatch binds.

Strong growth, rising employment and fiscal consolidation measures have reduced government debt. However, population ageing will continue to weigh on public finances and potential growth. Raising the employment rate to the level of other Nordic countries through enhancing skills and strengthening active labour market policies is key to addressing long-term fiscal challenges”.

MC turnover is increased above 4% in 2017 and has remained stable in 2018. A +4% growth is expected for 2019.

MC employment has increased by 3.5% in the last two years. In 2019, a further 3% increase in employment is expected in countertrend with respect 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 SMEs.

In terms of service lines, most of the turnover is shared equally between two different segments: Strategy and People & Change, amounting to 20% each. Operations, Sales & Marketing and Technology represent 15% each of total MC turnover, while 5% of the market is covered by Finance & Risk. Technology, followed by Strategy and People & Change, has achieved the highest growth in 2018.

The Consumer & Industrial segment and the Financial Services segment each represent approximately 21% of the total MC turnover. Telecoms and Energy are approximately 14% each. Public Administration constitutes about 10% of the MC market and the other segments account for about 20%.

Consulting projects related to digital transformation projects are increasing and they have driven the strong growth of the consulting services related to Technology. Consulting projects related to green and sustainability strategies have remained stable.

In Finland, the MC industry is very much oriented towards export, representing around 40% of the overall MC turnover. Exports are split evenly between EU countries and outside the EU.

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

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

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](http://www.ljk.fi)

# France

## Key data on the Management Consulting industry

### Turnover:

6,500 Mln. € in 2017 (+10.2%)

7,300 Mln. € in 2018 (+12.3%)

### Forecast:

8,140 Mln. € in 2019 (+11.5%)

### Employment:

42,000 employees in 2018

93% professionals

7% staff

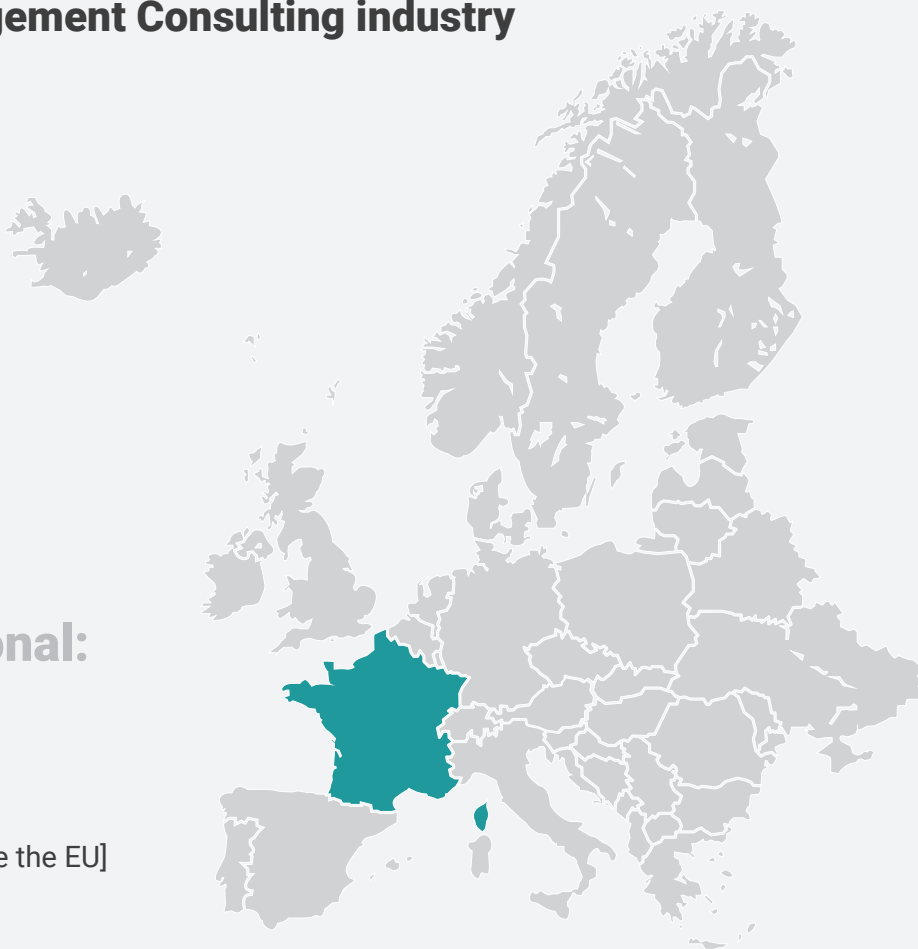
### Turnover/professional:

186,500 € per year (avg. 2017-19)

### Export:

16% of the overall MC turnover

[10% inside the EU and 6% outside the EU]



In France, according to the OECD Economic Outlook 2019, “Economic growth is projected to be 1.3% in 2019-20. Global economic conditions will weigh on exports, but tax cuts and the impact of the social emergency measures are holding up disposable income and consumption. Supportive financing conditions and higher business profit margins will moderate a deceleration of investment. Ongoing labour market reforms will also help job creation and promote inclusiveness. The unemployment rate will decline towards 8.5% at the end of 2020, while core inflation will strengthen only slightly.

The budget deficit will progressively decline, despite a temporary increase due to a tax credit reform in 2019. Even so, consolidation efforts remain limited, and a further reduction in non-priority spending is needed to firmly reduce the public debt-to-GDP ratio and to lower taxes. In addition, continuing to strengthen early childhood education and up-skilling programmes, as well as reducing the excessive use of short-term contracts, would generate more inclusive growth. Further opening up regulated professions would also increase economic dynamism and employment”.

In 2017 the French consultancy market, which started a growth phase in 2013, increased by 10.5%, bringing the size of the consultancy market to around €6.5 billion. Year 2018 promises to be particularly good for any service line and consulting firms anticipate a minimum growth of +10%. The share of the international consulting is important with 31% of assignments having an international predominance.

In 2018 the French management consultancy market grew by 12%. In six years, the market has grown by 48%, to reach €7.3 billion. Despite a slowdown in the financial sector, growth rate is expected to have a similar trend in 2019. The gap between the growth rate of the consulting sector and that of national GDP is increasing. The share of projects with an international focus remains high: 26%.

In 2018, the total employment by consulting firms rose by 9%, up to 42,000. Recruitment forecasts are up in 2019 with a total of about 14,000 people, and a creation of 4,000 jobs distributed among 55% young graduates, 28% intermediate profiles, and 17% experienced profiles.

The customer-consultant relationships are rather stable. Referencing is now a common practice and relationships with clients' purchasing departments are generally described as good. Nevertheless, since 2010, the consulting price index has remained flat: it only increased from 100 to 105.5. Adjusted for inflation, the trend is in fact negative and leads to a decrease in margins for consulting firms that have to deal with the pressure on wages. Consulting firms note that they have no difficulty recruiting new graduates but that they tend to diversify profiles by recruiting professionals from other sectors and experienced consultants who are more difficult to retain.

In 2018 Strategy remained the most relevant service line with a 21% share of the total MC market, followed by IT Consulting (18%), Performance Improvement (16%), Change Management (14%) and Finance and Risk Management (9%). HR consulting remains stable at 6%.

In 2018, Financial Services remained the most relevant client industry with a 30% share of the total MC market (compared to 31% in 2017), followed by Industry which grew from 27% in 2017 up to 28%. Energy-Utilities remained in third place with 10% against 9% in 2017. The Public Sector was unchanged at 9%. Traditional business still exists but digital transformation is now the main driver of growth with 35% assignments having a strong digital component. Major consulting firms make up the largest share with 38% but all types of firms are concerned, with an average of 23%. More than the rise of new competitors, the development of digital technology favours the evolution of consultancy methods towards more agile, faster methods, influenced by design thinking. The growing relevance of the digital transformation projects is also reflected in a major change in the market split by clients, where the Chief Digital Officers (CDOs) now get 13% market share against 9% a year earlier.

This country report has been prepared by Syntec Conseil.

Since March 2019, different consulting professional associations have merged to create Syntec Conseil, which is now the union of consulting firms in France. With nearly 250 members, Syntec Conseil embodies the profession in all its dimensions. It brings together and represents companies of all sizes that, in their respective specialties, create the conditions for the overall performance of their clients and contribute to the transformation of companies.

The members of Syntec Conseil develop growing expertise in the areas of strategy and organization, innovation and digital, communication, branding and market studies, innovation, social responsibility, talent development and human capital.

Syntec Conseil acts for the promotion and defence of the consulting industry, and speaks on behalf of all its stakeholders. Syntec Conseil is a member of Federation Syntec which represents more than 80,000 companies, 910,000 employees, and €120 billion in turnover. Syntec Conseil works to ensure that the consulting profession keeps its share in both the social dialogue and the business ecosystem.

Within Syntec Conseil, the Strategy and Management Committee (previously Consult'in France, before the merger) represents 78 firms, which is more than 60% of the strategy and management consultancy sector in France.

**National Association**

**syntecConseil**  
Stratégie & Management

**Syntec Conseil**

[www.syntec-conseil.fr](http://www.syntec-conseil.fr)

# Germany

## Key data on the Management Consulting industry

### Turnover:

31,500 Mln. € in 2017 (+8.6%)

33,800 Mln. € in 2018 (+7.3%)

### Forecast:

36,200 Mln. € in 2019 (+7.1%)

### Employment:

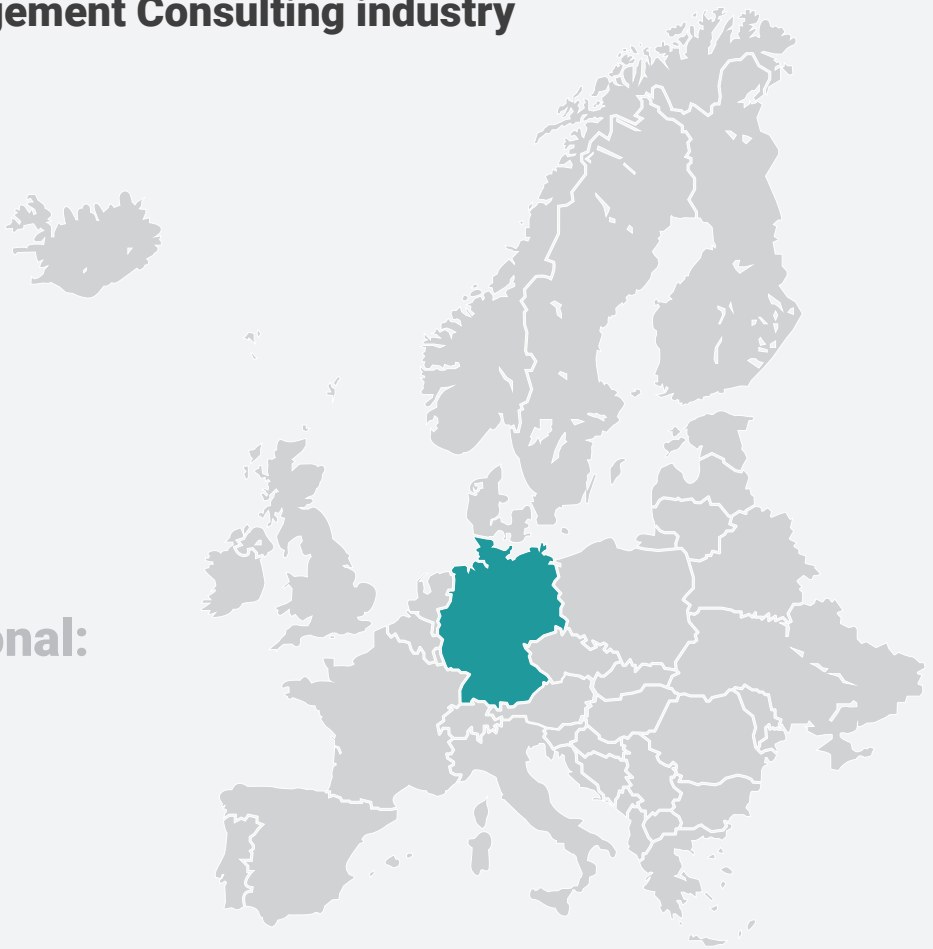
149,850 employees in 2018

83% professionals

17% staff

### Turnover/professional:

271,400 € per year (avg. 2017-19)



In Germany, according to OECD Outlook 2019, “GDP growth slowed considerably in 2018 - as world trade lost pace and important export markets decelerated sharply, adding to temporary supply disruptions in the car and chemicals sectors towards the end of the year. GDP is projected to grow at 0.7% in 2019 and 1.2% in 2020. Mounting political uncertainties regarding trade disputes and Brexit are weighing on business confidence. Export growth and business investment are thus expected to slow. Yet, record low unemployment and strong wage growth should continue to buttress private consumption and the construction sector is booming.

Higher spending on pensions, long-term care and child benefits along with reductions in labour taxes will support domestic private demand. Accelerating the disbursement of funds set aside to upgrade digital, transport, energy and childcare infrastructure would strengthen economic growth in the long term, while providing a much needed fillip to aggregate demand now as the external outlook is weakening”.

In 2018, the turnover in the German consulting industry rose by 7.3% to a total of €33.8 billion. The German management consultants remain confident for year 2019 despite increasing economic uncertainties, such as the worldwide trade conflicts and the unresolved Brexit issue. The market is forecast to grow by 7.1%, with 65% of companies expecting a positive trend.

In 2018 large consulting firms (with a turnover of over €50 million) recorded slightly higher growth than the market as a whole: +7.5%. The growth of smaller management consultants, on the other hand, was below the market average: +5.5%. The market is showing a great demand, especially for support in digitalization issues. Customer presence in consulting projects remains important. In implementation consulting, the human factor plays a decisive role; this can only be replaced to a limited extent by artificial intelligence (AI) or machines.

The continuing optimism in the consulting industry is also reflected in the planned new hires. 90% of the large management consultancies (with turnover of over €10 million) are planning to hire both professionally experienced consultants and junior consultants in 2019. About 75% of the medium-sized market participants also are planning to create new jobs for senior and junior consultants.

In 2018, demand for consulting services from the consumer goods industry was particularly strong with an increase of 8.7%. This client industry has taken the lead in developing technology-based and fully integrated business models. Consulting services towards the insurance industry has increased by 8.1%, given that insurance companies must quickly find answers to the intensifying competition from comparison portals and the market entry of providers from outside the industry. In vehicle construction, the car manufacturers are facing difficult market conditions and this has led to a growth in the demand for consulting services below the market average (+6.4%). Consulting towards the Public Sector has developed in line with the overall market (+7.3%).

In 2018, the customers of the consultants particularly sought support for topics relating to IT data protection and data security (+16.2%). On the one hand, the introduction of the Data Protection Regulation has significantly increased the relevance of this topic for companies; on the other, against the background of increased data scandals, awareness of more prevention has grown. In their assessment for 2019, management consultants also expect strong customer demand regarding IT security issues (+8.8%). At the same time, companies are expected to increase their efforts and expenses for the expansion and adaptation of IT and this is anticipated to drive the growth for consulting services relating to IT applications and infrastructure (+8.4%). In addition, the consultants see the topic of accompanying change processes at the top of the customer agenda and they expect a significant growth for consulting services related to change management (+9.0%).

This country report has been prepared by BDU (German Association of Management Consultants).

Currently, BDU represents around 500 Management- and IT-Consulting and Executive Search companies with approximately 13,000 consultants employed. This makes BDU one of the world's leading associations representing the MC industry.

The work of the association is based on two columns: on the one hand, BDU represents the legal and political interests of the entire sector; on the other it provides services such as benchmarks, networking, professional training and a proof of quality label. BDU regards itself as an independent, neutral association of highly qualified market participants.

**National Association**



Bundesverband Deutscher  
Unternehmensberater e.V.

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

[www.bdu.de](http://www.bdu.de)



# Greece

## Key data on the Management Consulting industry

### Turnover:

227 Mln. € in 2017 (+7.1%)

248 Mln. € in 2018 (+9.3%)

### Forecast:

273 Mln. € in 2019 (+10.0%)

### Employment:

2,285 employees in 2018

90% professionals

10% staff

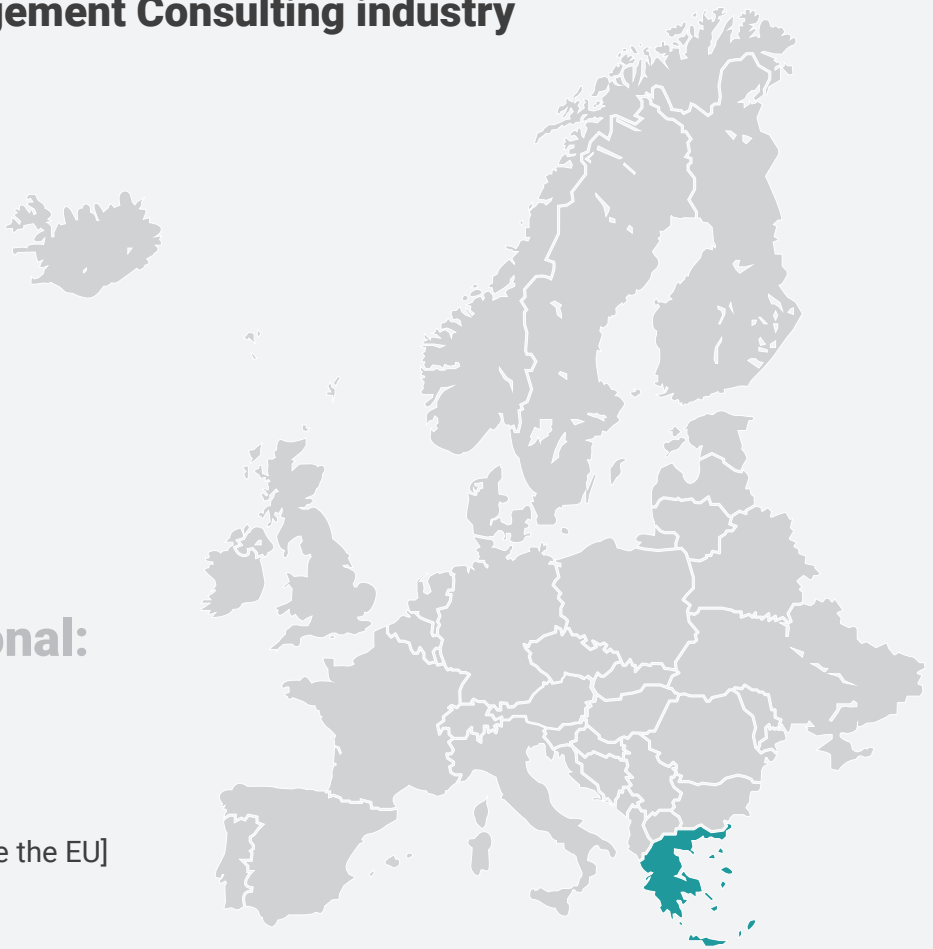
### Turnover/professional:

121,000 € per year (avg. 2017-19)

### Export:

15% of the overall MC turnover

[5% within the EU and 10% outside the EU]



In Greece, according to OECD Outlook 2019, “The economic recovery is projected to maintain its recent pace, with GDP growing at or slightly above 2% in both 2019 and 2020. Domestic demand will contribute more to growth than in the recent past, offsetting moderating export growth. Investment is expected to start to recover as financing conditions improve. Stronger household incomes due to the recent minimum wage increase and rising employment will support household consumption.

The primary budget surplus continues to exceed medium-term targets, access to international bond markets is improving and cash buffers are substantial. Safeguarding fiscal credibility requires continuing to meet medium-term fiscal targets. Continuing progress in reducing banks’ high non-performing loan exposures will require deeper measures. Additional reforms are needed to bolster productivity and investment, improve the business environment and raise skills”.

In 2018 the Greek MC industry followed the overall positive trend of the national economy and increased by 9.3%, reaching a total turnover of €248 million This is mainly attributed to the projects of the financial sector, the need for financial and operational restructuring of companies in order to receive further financial aid, as well as the growth of the demand for MC services from the public sector. The MC industry is expected to grow by 10% in 2019 as many companies will require new strategies so as to adjust to the new economic climate. MC services will further increase in the financial and technological sectors.

The largest part of MC turnover comes from the large MC firms which operate in Greece, including Greek and multinational ones. Large MC firms have been growing, medium-sized consulting firms remained stable or had a limited decrease, while the majority of small firms has shown a decrease in turnover. Regarding the outlook for the MC sector in Greece in 2019, it is worth noting that large consulting firms believe that the situation in the MC industry will be better, while small- and medium-sized companies are more conservative in their views of the situation. In general, it is believed that the situation of the MC industry will continue to improve, due to the following factors: the positive climate following the

successful conclusion of the European Stability Mechanism (ESM) economic adjustment programme, 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 (NPLs), the implementation of GDPR compliance projects, as well as the request for strategic planning.

Taking into account the years of recession, it is important for companies to request the aid of MC firms in order to identify and reach new markets, to provide new services or to implement new processes so as to maintain or expand their business. However, pricing of MC services in Greece continues to lag behind the rest of the EU countries and MC fee rates are still decreasing.

MC companies employ around 2,300 people, 90% of them professional consultants.

Many firms continue to operate abroad both within and outside EU: in 2018 exports represented roughly 15% of the total MC turnover.

As to the service lines, in 2018 Strategic Management Consulting continued to be the leading service. Operations remain in second place, while Technology and Finance & Risk are in the third place. Taking into consideration the more optimistic economic climate in Greece, the number one priority of MC customers is growth, followed by cost reduction and innovation.

As to the client industries, in 2018 the Public Sector continued to be the major customer for MC services in 2018, mainly due to the completion of projects from previous funding programmes, along with the EU funded projects that consulting members undertake abroad. Financial Services follow, while Consumer and Industrial products are in third place.

The demand for digital transformation services is expected to increase in the coming period mostly from the financial and public sectors. Digitization will be incorporated in practically all MC service lines in all business sectors. Consulting to the public sector is expected to focus mainly on digitization, development of people skills, restructuring and modernisation of business processes and feasibility studies for new investments. Digitization is expected to affect also the business model of consulting services. Digitization will be incorporated in almost every consulting service. The profile and skills of future consultants is not expected to differ significantly from those currently required.

This country report has been prepared by the Hellenic Association of Management Consulting Firms (SESMA).

SESMA was founded in 1991. Today its members are 46, including large Greek consulting firms and those international firms that operate in Greece. SESMA members represent more than 70% of the total turnover of the consulting market in Greece and employ more than 2,000 highly skilled and experienced consultants.

SESMA has extensive experience in the organization 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](http://www.sesma.gr)

# Hungary

## Key data on the Management Consulting industry

### Turnover:

388 Mln. € in 2017 (+6.3%)

422 Mln. € in 2018 (+8.8%)

### Forecast:

473 Mln. € in 2019 (+12.0%)

### Employment:

5,577 employees in 2018

87% professionals

13% staff

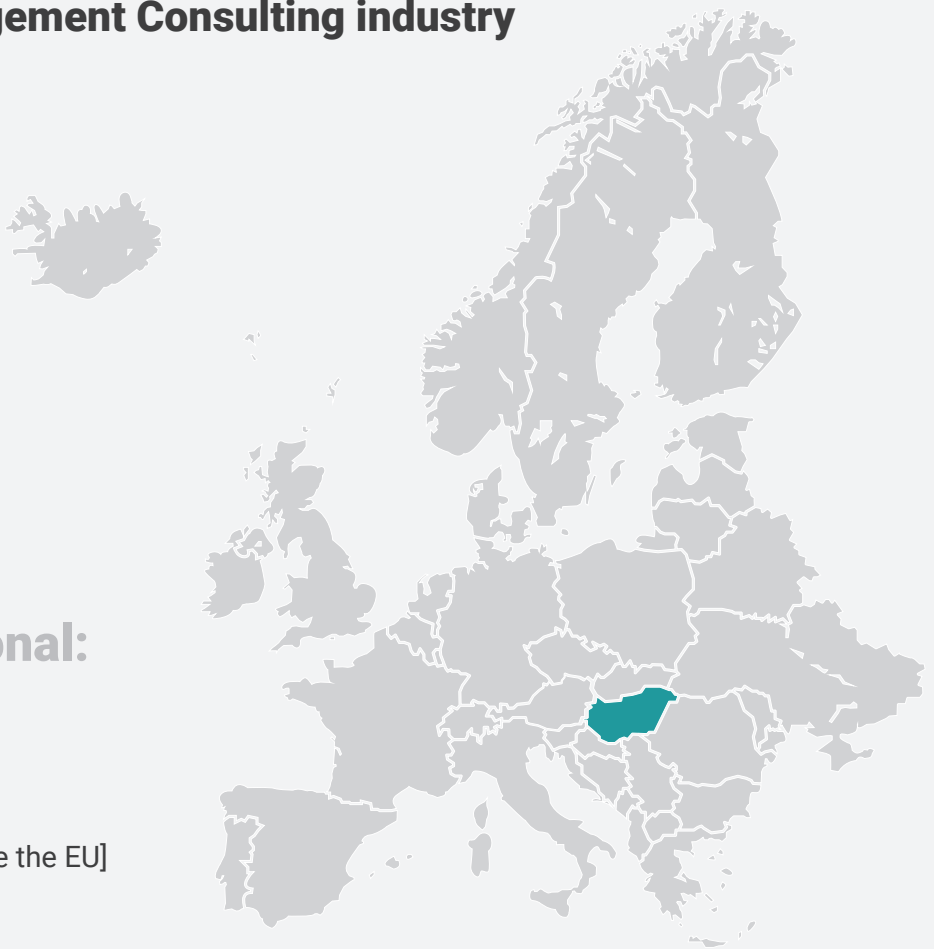
### Turnover/professional:

85,600 € per year (avg. 2017-19)

### Export:

16% of the overall MC turnover

[5% inside the EU and 11% outside the EU]



In Hungary, according to OECD Outlook 2019, “The economic expansion is projected to slow, but GDP will still grow at 3.9% in 2019 and 3% in 2020. Private consumption will be underpinned by income gains from strong real wage and employment growth. Investment will be supported by the business sector’s need to expand capacity, government housing support and disbursements of EU structural funds. A tight labour market is pushing up inflation and increasingly tight capacity constraints are reducing GDP growth, with expanding demand being increasingly satisfied via higher imports.

Fiscal policy remains expansionary as further cuts in social security contributions are combined with higher spending, particularly on public sector wages. Tighter fiscal policies are required to counter signs of economic overheating. Higher monetary policy rates are needed to limit rises in inflation expectations and contain inflation within the central bank’s 3% inflation target. Measures to expand labour resources, including faster reduction of public work schemes and greater supply of early childhood care, would prolong the recovery”.

The Hungarian MC industry is doing well: in 2018 a 9% increase in turnover, with a close to 12% increase expected in 2019. The number of practitioners is expected to grow by 5% and reach around 5,100. Such a growth is expected in spite of already perceived shortages in the consulting labour market, reflecting the fact that more and more professionals from other sectors are lured to consulting. Both chargeability and the effective rates are increasing, making the growth possible. Since MC is still contributing only 0.5% to the GDP, which is significantly less than in the more developed regions of the EU, this industry still has a huge growth potential.

Although several Hungarian practices and freelancers are engaging in projects abroad by taking part in projects financed by EU funds in accession countries or exploiting the wage differences between Hungary and central parts of EU, the overall export is stable at around 16%: 11% towards countries outside the EU and 5% towards the EU. The phenomenon is likely to be explained by the outflow of professionals on the one hand and by the increasing project opportunities at home on the other.

The MC turnover distribution by Client Industries reflects the major trends in the economy. Energy and Utilities (30% of the total) continues to be the largest consumer of consultants, with some huge ongoing investments and restructurings. Telecoms and Media (17%), as a highly technology-focused industry, is still the second largest customer group. The Consumer and Industrial Products sector (16%) is somewhat under-performing in using local consulting services, as foreign investors in the industry tend not to rely on local consulting support. The Financial Services sector (14%) slightly decreased its market share and was much occupied this year by some rather significant regulatory changes (e.g. Instant Payment introduction and PSD2 regulations). The Public Sector (11%) is playing a rather limited role as the large modernisation projects are now over and most of the activities are now targeting to uphold ongoing operations rather than to innovate.

IT-related consulting projects continue to dominate the sector. Even if we exclude system development and integration services, IT-related projects constitute 45% of all consulting turnover. This is reflecting the well known character of the Hungarian consulting sector being mostly development and investment driven. Strategy, including M&A and other strategic finance and risk disciplines, follows in second place with 21%. The other relevant Service Lines are Organization and Operations (16%), Finance and Risk (11%) and People and Change (7%).

A continuing trend in Hungarian consultancies is to engage in long-term projects on a time and materials basis. In the environment where large and long-term IT implementations are dominating the market this comes rather naturally, as well as the trend to expect more delivery capabilities than before. It is sound to assume that IT-related investments will continue to be a dominant factor in consulting services; however, these are potentially at a somewhat lower rate than in past years, giving further way to Strategy, Process and Efficiency consulting. Innovation and innovative technology-related consulting (such as consulting based on AI or data mining) seems to be on the rise worldwide. There is, however, the question of whether Hungarian companies and government are advanced enough to digest these innovations.

The average consulting fees are around €500. However, consulting fees register huge variations: certain practices (international strategy, or niche players) are able to charge fees well above €1000, while many consulting companies offer services at fees at around €300. In spite of the fact that consulting fees have been growing in the past two years, they are expected to grow provided the overall growth in the economy and in the consulting industry itself continues. Although clients will continue to resist price increases, the shortage of properly skilled and experienced consultants will facilitate this.

With regard to the outlook, although the predicted growth of the Hungarian national economy is providing hope that the consulting industry may continue to grow in the forthcoming years, there are significant risk factors as the consulting industry already faces significant shortages in its qualified workforce and in 2020 a new EU planning cycle will begin, with some uncertainty around how the consultants will be able to fit in. This country profile has been prepared based on the estimates provided by the Hungarian Management Consultants Association (VTMSZ).

VTMSZ was formed in 1991 to represent the management consultancy industry to its clients, the media and the government. The association supports its members by providing training, education, networking and public relations. VTMSZ is a member of FEACO (European Federation of Management Consultancies Associations) and ICMCI (International Council of Management Consulting Institutes).

## National Association



**Association of Management Consultants  
in Hungary-VTMSZ**

[www.vtmsz.hu](http://www.vtmsz.hu)

# Italy

## Key data on the Management Consulting industry

### Turnover:

4,131 Mln. in 2017 (+7.8%)

4,488 Mln. in 2018 (+8.6%)

### Forecast:

4,843 Mln. in 2019 (+7.9%)

### Employment:

44,850 employees in 2018

87% professionals

13% staff

### Turnover/professional:

115,500 € per year (avg. 2017-19)



In Italy, according to OECD Outlook 2019, “GDP is projected to stagnate in 2019 and expand by 0.6% in 2020. Sluggish employment growth and a rising household saving rate are holding back private consumption, while weak external demand and global trade tensions are hurting exports. Lower business confidence and weak demand are depressing private investment, while project planning and execution delays continue to hinder public investment. Consumer price inflation has moderated markedly as energy price pressures have abated and private-sector wage growth remains modest. Fiscal expansion and low growth are projected to widen the budget deficit to 2.4% of GDP in 2019 and 2.9% of GDP in 2020. The planned large increase in social spending will help to reduce poverty. Social spending should be inter-generationally fair while also promoting employment growth, especially among women and the young. Streamlining administrative procedures and strengthening capacity at central and local levels are necessary to revive public investment. Enhancing competition in markets that are still protected, raising public administration efficiency and removing obstacles to firms’ growth would foster productivity growth”.

In 2018, the MC market in Italy was around €4.5 billion with an increase of 8.6% from 2017 and an expectation of a further 7.9% in 2019. Such a growth has been mainly driven by the large consulting firms, which have seen their turnover increase by 11.8% in 2018, with a forecast of 11% growth in 2019. In the past five years, the MC industry has been growing at an above 7% rate, while the Italian overall economy has grown at a rate slightly above 1.5%. In spite of such growth, the Italian consultancy market is still relatively underdeveloped, compared to the other large Western Europe Economies, in terms of weight on the national GDP.

In 2018, MC employment grew by 8.2% and it is expected to have a high growth rate (+7.2%) also in 2019. Such a growth is strongly related to the large consulting companies whose employment increased by 14.2% in 2018 and is expected to increase by 12.9% in 2019. In contrast to the generally stagnating labour market, the MC industry is playing a significant role in giving professional development opportunities to high potential graduates; across Italy in 2018 more than 3,300 newly graduated students have had the opportunity to be recruited by a consulting company.



The MC market in Italy is highly fragmented with a total of 23,000 consulting firms, made of almost 20,000 companies employing fewer than three persons. At the same time, the MC industry turnover is highly concentrated: the largest 35 firms represent more than 50% of the total Italian MC turnover, while the 20,000 micro MC companies represent just 20% of the overall turnover. Such an MC industry characteristic reflects the structure of the Italian economy, which is made up of a relatively small group of large companies and a very large number of SMEs. In most cases, large companies are supported by large consulting companies (with a few exceptions of very specialized consulting “boutiques”) while SMEs are being provided consulting services by smaller companies.

Considering the service lines, IT and Operations together represent 36% of the Italian MC market and these are the two sectors that have been growing at the highest rate. Finance & Risk as well as Strategy still represent two very important consulting areas (respectively roughly 27% and 17% of the overall MC market) even though they are growing at a much slower rate.

In 2018, 55% of the MC demand has come from the Service sector. In the case of the large consulting companies, Financial Services, Telecoms & Media and Energy & Utilities are the main client industries, while, in the case of the smaller consulting companies, other services such as Retail, Logistics, Travel & Leisure are the most relevant customers. Consulting towards the Service sector has been the main driver of the overall growth of the MC industry. The Manufacturing sector – both consumer and industrial – represents 35% of the Italian market, with Public Administration (including the Health sector) representing slightly less than 10% of the market. In the past three years, consulting projects related to Industry 4.0 have contributed greatly to a relevant growth of the consulting projects in the manufacturing sector. In the past five years, consulting to Public Administration has returned to growth after a long period of decline.

Across all the client industries, consulting activities supporting digital transformation processes have been the major driver for the recovery of the MC industry in Italy. These consulting activities are carried out mainly by large consulting companies, while many medium-sized and, even more, small-sized consulting companies do not have the required expertise. This creates a strong “digital divide” among MC companies engaging with digital projects and MC companies not investing in digital transformation: the former grow their turnover while the latter see their turnover remaining flat or even decreasing.

From 2008 to 2013 the Italian MC industry has been affected by a decline in turnover and then by stagnation. Starting from 2014, the MC industry has been growing at a fast pace. However such a turnaround has determined a deep change in the industry structure: there is a significant decrease in the average price level of consulting services, compensated by an increase in the employment/working hours. There has also been a significant selection among micro consulting companies and a reinforcement of the large players, in a marketplace where not all the companies (especially the micro consulting firms) have the expertise required in the digital arena. The evidence from 2018, as well as the forecast for 2019, underlines that these changes are structural and expected to continue for the next few years.

This country profile has been prepared by Assoconsult Confindustria.

Assoconsult is the Italian association of consulting companies, established in 1997 and based in Rome. The association has as its members more than 100 consulting firms of any size, representing overall more than 50% of the MC turnover in Italy.

Assoconsult is committed to setting the standard for consulting practice in Italy. It 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 Consultancies Associations).

## National Association



**ASSOCONSULT- Italian Association of  
Management Consulting Firms**

[www.assoconsult.org](http://www.assoconsult.org)

# Romania

## Key data on the Management Consulting industry

### Turnover:

2,400 Mln. lei in 2017  
2,500 Mln. lei in 2018 (+4.2%)  
[equivalent to approximately 550 Mln €]

### Forecast:

2,800 Mln. lei in 2019 (+12%)

### Employment:

15.000 employees in 2018  
80% professionals  
20% staff

### Turnover/professional:

48,500 € per year (avg. 2017-19)

### Export:

40% of the overall MC turnover  
[20% inside the EU and 20% outside the EU]



In Romania, according to the EU Economic Forecast Summer 2019, "Following an annual growth of 4.1% in 2018, real GDP growth accelerated in the first quarter of 2019 to 5.1% year-on-year (1.3% quarter-on-quarter). Private consumption remained the main driver, increasing 7.0% year-on-year thanks to still double-digit wage growth. Investment picked up, thanks mainly to a recovery in construction, spurred by recent fiscal stimulus. Export growth, by contrast, weakened to 3.2% year-on-year, while import growth climbed to 9.3%. The strong growth of real GDP in the first quarter led to an upward revision of growth for the whole year. Annual real GDP growth is forecast to mildly ease to 4% in 2019 and 3.7% in 2020. However, the composition of growth is expected to become somewhat more balanced as total investment strengthens with a pick-up in private investment. Tight labour market conditions are expected to continue over the forecast horizon, with unemployment remaining close to its current, very low level. Wage growth is forecast to moderate to single digits in 2020, led by the expected slowdown in public wage growth. In 2018, inflation stood at 4.1%, the highest in the EU. Annual consumer price growth remained strong in the first quarter of 2019, at 3.8%, and is expected to exceed 4% in the second quarter, before decelerating again. Rising unprocessed and processed food prices explain the strong upward price dynamics boosted by a depreciation of the currency at the beginning of the year and strong consumption and wage growth. As a result, annual headline inflation is expected to average 4.2% in 2019, before decelerating to 3.7% in 2020. The deceleration in 2020 is expected to follow moderating wage pressures and softer domestic demand".

In 2018 the MC market in Romania is estimated to be around 2,500 million lei, equal to almost €527 million.

There are around 1,500 Romanian companies that focus on MC, even though in the country over 39,000 firms are registered under the statistical code of "Management Consulting". Most of these 39,000 companies are either not active or are offering consulting services to a very limited extent. The MC industry has an overall employment of 15,000 employees.

The last few years have been difficult for management consultants due to economic contraction, decline



in investment and economic and legislative instability. However in 2019 the MC market is growing to a relevant extent (+12%) and management consultants have positive hopes for 2020. This is also reflected in the expectation of a further increase in the average daily fees of a professional consultant.

The European Funds continue to be a serious business driver for many consulting firms and the growth expected for 2019 and 2020 is based to a relevant extent on the availability of EU funding: there have been and there are still many open calls in EU funded projects during this period on programmes such as POCU (Human Capital Operational Program), PNDR (National Rural Development Program), POAT (The Technical Assistance Operational Program), and POIM (Great Infrastructure Operational Program). Management consultants are engaged both in the preparation of the proposals and in the implementation of the EU-funded projects.

The client industries reflect the economic structure of the country: consulting towards Agriculture represents 20% of the MC turnover, consulting towards Industry 40%, and consulting towards Services 40%.

International projects represent roughly 40% of the overall MC market and in the past three years their percentage over the total MC turnover has remained rather stable. The average fees are much lower in Romania than in Western Europe. In the Bucharest area the average daily fee for a junior consultant is around €200-250, for a senior consultant or a project manager €550-600, and for a partner/director around €800-900.

This country profile has been prepared by AMCOR, the national association of MC companies.

The following trend information was obtained from compiling 105 responses to AMCOR's Annual Market Research questionnaire. 60 of the respondents are AMCOR members; these 60 companies range from very small ones (1-5 employees) to medium-large ones (100 employees).

AMCOR, as the reference professional association, is trying through its actions to improve the market, by identifying problems and proposing solutions. In order to "educate" the market, AMCOR has very good communication with local authorities, organizes professional events (conferences, meetings, debates), and has developed a National Accreditation procedure for consulting firms plus an International Certification procedure for management consultants. AMCOR has developed a Code of Ethics subscribed to by its members and it organizes a national contest for companies that are working on international projects.

National Association



**AMCOR, Romanian association of Management  
Consulting Companies**

[www.amcor.ro](http://www.amcor.ro)

# Slovenia

## Key data on the Management Consulting industry

### Turnover:

256.0 Mln. € in 2017 (+1.2%)

278.5 Mln. € in 2018 (+7.5%)

### Forecast:

287.0 Mln. € in 2019 (+3.0%)

### Employment:

2,743 employees in 2018

90% professionals

10% staff

### Turnover/professional:

109,300 € per year (avg. 2017-19)

### Export:

17% of the overall MC turnover



In Slovenia, according to OECD Outlook 2019, "Economic growth is projected to slow to around 3½ per cent this year and just over 3% in 2020. Private consumption will be supported by continued income gains from real wage and employment growth, while private investments will be underpinned by the business sector's need to expand capacity and favourable financing conditions. The maturing of the recovery is reflected in increasing labour shortages and tightening capacity constraints, leading demand to be increasingly satisfied through higher imports.

The fiscal stance is expansionary in 2019 and neutral the following year. As monetary conditions remain extremely accommodative, a tighter of the fiscal stance is needed to contain inflationary pressures and secure fiscal sustainability. Measures, such as restricting pathways to early retirement and accelerating the privatisation process, would contribute to mobilising under-utilised labour resources and free up workers to faster growing industries".

The Slovenian MC industry is a small scale industry and is therefore particularly vulnerable to changes in the market situation and trends. In 2018 the MC consulting market showed a significant improvement, generating very positive expectations also for the following year, expectations that have not been fully achieved. Most projects remain limited in their extent and are short-term oriented. Many projects related to big infrastructures and with a long-term horizon are still on hold.

Daily fees and success fees remain rather stable and depend very much on the project complexity and on the individual clients. Clients remain very demanding and in general expect agile and innovative consultants with fast solutions more and more supported by specialised knowledge.

MC turnover reached approximately €278 million in 2018 and is expected to grow by 3% in 2019. Employment increased by 2% in 2018 and is expected to grow 0.5% in 2019.

In 2018 Operations (28%) and Strategies (21%) remain the most relevant service lines, but they lost some market share with respect to the previous year. Technology (18%) and People and Change (13%) are growing in relative terms. Finance and Risk stay stable at 10%, while Sales and Marketing grew to 10%.

The Manufacturing industry, with a market share of 35%, remains the biggest client industry. The Financial Services industry has grown to 22% and Energy and Utility up to 13.5%. the Public Sector (11%) and Telecoms and Media (7%) maintain their market share.

Digital Transformation is a growing service field and also consulting projects related to sustainability are showing stable growth.

This country profile has been prepared by AMCOS.

AMCOS – Association of Management Consulting of Slovenia was founded in 1992 and represents 83 Slovenian Management Consulting companies.

**National Association**

**AMCOS**

**Association of Management  
Consulting of Slovenia**

<http://amcos.gzs.si>

# Spain

## Key data on the Management Consulting industry

### Turnover:

2,209 Mln. € in 2017 (+8.0%)

2,352 Mln. € in 2018 (+6.5%)

### Forecast:

2,470 Mln. € in 2019 (+5.0%)

### Employment:

19,950 employees in 2018

90% professionals

10% staff

### Turnover/professional:

131,400 € per year (avg. 2017-19)

### Export:

22% of the overall MC turnover



According to OECD Outlook 2019, in Spain “The economy is projected to grow at a robust, but more moderate, pace in 2019 and 2020. Favourable financial conditions and continued solid employment growth will support domestic demand, which will remain the main driver of growth. The contribution of the external sector is projected to remain broadly neutral in the projection period.

The government should stick to its medium-term fiscal targets to ensure a durable reduction of public debt, which remains high. If growth surprises on the upside, all windfall revenues should be used to reduce the debt ratio faster. More effective labour market policies and re-skilling are needed to reduce further unemployment and inequalities. Towards that end, increasing the share of active labour market spending on training and improving co-ordination of social and employment services are key”.

The Spanish MC Industry is going through a growth phase. When compared to 2017 figures, in 2018 the MC industry revenue has increased to €2,352 million, which represents a 6.5% growth. The dynamism of the sector in recent years has been driven by digital transformation processes, in which companies from all sectors are involved because digitalization is essential for public administrations and private companies to provide services.

The MC market has recovered due to projects related to Technology, which represent roughly half of the MC turnover, due to the fact that most organizations have resorted to consulting companies to adapt to new business models. New technologies such as Data Analytics, Cloud Computing and Cybersecurity have been the main sources of income for the MC industry in 2018, closely followed by RPA (Robotics Process Automation) and technologies related to IoT (Internet of Things). During this year the MC Spanish companies developed many digitalization programs using innovative methodology and “agile” technologies.

The sector acknowledges the importance of new technologies for the growth of its future business and is

working to offer its clients services with the highest quality.

In relation to MC Industry trends, the average daily fees for MC activities have increased in 2018 compared to the previous year, as frequency and relevance of projects related to digital transformation have increased. In recent years, the number of consulting contracts that are success fee-based and the relevance and frequency of projects related to sustainability have remained stable.

Regarding employment, in 2018 the Spanish MC industry had 19,950 employees (in full-time equivalent), a figure which is 2.5% lower than in 2017. This decline is due to the effort that most of the MCs have put into reducing the administrative structure. In addition, internal projects to automatize some recurrent administrative matters (digitalization programs, OCR technology, data analytics and RPA use for internal purpose) have also helped with this reduction. At the same time, professionals, who represent 90% of total employees, have increased slightly.

MC employment is expected to be back to growth in 2019: +1%.

Consultancy firms are creating new skilled employment, as they invest 3.5 times other sectors' average in ongoing training. This investment in training and other professional opportunities attract qualified profiles to the MC Industry. That said, companies are having difficulty in finding profiles suited to digital market demands in the current labour market, so they stress the importance of the educational sector to adapt their programmes to the new digital economy.

Digital transformation affects all industries. However, economic investment and adaptation rate varies, influencing the demand for IT consultancy services from different sectors. In 2018 main client industries were Financial Services (34%) followed by Public Administration (17.6%), Energy & Utilities (13.8%) and Telecoms and Media (12.1%).

In 2018, the domestic market continued to be the main driver for income growth, representing 78% of total revenue. For the remaining 22% turnover, Latin America is the first market for Spanish MC firms.

Forecasts for 2019 are optimistic, with a 5% expected growth and an expected turnover of €2,470 million. Market structure in 2019 is expected to be basically unchanged. Financial Services will continue to be the largest source of revenue for consultancy services, Public Administration will have a small rise in the relative contribution, and Telecoms and Media a slight decrease in weight, but not significantly. No major changes are expected in other sectors.

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 organization, which represents the leading IT Consulting firms (their main activities include outsourcing, IT development and integration) as well as major Management Consulting companies in Spain. Originally created in 1977, within a federative organization of different associations, the AEC was constituted with its own legal personality in 1992. In 2018, 24 companies were active members of the AEC, representing more than 65% of the consultancy market.

**National Association**



ASOCIACIÓN ESPAÑOLA DE  
EMPRESAS DE CONSULTORÍA

**Spanish Association of  
Consulting Companies**

[www.Consultoras.org](http://www.Consultoras.org)

# Switzerland

## Key data on the Management Consulting industry

### Turnover:

2,050 Mln. CHF in 2017 (+5.7%)  
2,150 Mln. CHF in 2018 (+4.9%)  
[equivalent to approximately 1,850 Mln €]

### Forecast:

2,281 Mln. CHF in 2019 (+6.1%)

### Employment:

7,240 employees in 2018  
90% professionals  
10% staff

### Turnover/professional:

328,900 CHF per year (avg. 2017-19)

### Export:

14% of the overall MC turnover  
[11% inside the EU and 3% outside the EU]



In Switzerland, according to OECD Outlook 2019, "After a strong 2018 outturn, GDP growth is projected to be more subdued in 2019 and 2020. Slower external demand growth will weigh on exports and investment. Household consumption will strengthen as job creation and real wage growth pick up. Inflation is projected to edge up, but will remain low.

Monetary policy is accommodative. Interest rates are set to remain at current negative levels until end-2020, when tightening is expected to start. A stricter bank-lending framework would help mitigate financial stability risks. Fiscal policy is currently neutral and on course to become expansionary in 2020. The budget balance, in surplus since 2015, is projected to remain so through 2020. Allowing more immigration and encouraging more women to study scientific fields could ease rising skills shortages".

The MC industry has been growing at around 5% in 2018, with a forecasted 6.1% growth in 2019. Digitalization is a top driver of the demand side but also efficiency improvements, agile/change management and regulatory/compliance services are driving the growth of the MC industry. Digitalization is not limited to Industry 4.0 but has expanded across many themes, namely Cyber-Security, Blockchain, Advanced Analytics, Machine Learning - Artificial Intelligence and, more in general, Digital Transformation.

In 2018, MC employment was around 7,200 people and a 6.5% growth is expected for 2019, showing that MC firms are consolidating the growth achieved in previous years. The 20 largest consulting companies (based on turnover) account for roughly 75% of the overall employment in the industry. There is currently a "war for talent" going on. More and more women are in the MC profession also as a result of a greater care for Work-life-Balance issues.

Analysis by service line highlights the predominance of Strategy, representing a 30% share of the market. In terms of client industries, Financial Services, including Banking and Insurance, represents the largest share of the Swiss MC turnover (34%). The second group of client industries is represented by Consumer

& Industrial Products (22%), including the Pharma sector. Consulting to the Public sector represents 8% of the market and is growing. Retail, Telecommunication and Media, and Health Care are among the fastest growing segments of the MC market.

The geographic scope of Swiss consulting firms is mainly domestic (85.6%), with exports to EU countries comprising 11.5% of the total MC turnover and exports outside the EU 2.9%.

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

ASCO 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 MC firms.

**National Association**



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

<http://www.asco.ch>



# United Kingdom

## Key data on the Management Consulting industry

### Turnover:

8,920 Mln. £ in 2016

10,560 Mln. £ in 2018

[equivalent to approximately 12,000 Mln €]

### Forecast:

11,352 Mln. £ in 2019 (+7.5%)

### Employment:

66,000 employees in 2018

92% professionals

8% staff

### Turnover/professional:

176,700 £ per year (avg. 2018-19)

### Export:

20% of the overall MC turnover

[10% inside the EU and 10% outside the EU]



In the United Kingdom, according to OECD Outlook 2019, “Economic activity is expected to grow slightly above 1% this year and next under the assumption that there is a smooth transition and exit from the European Union after 2020. Brexit-related uncertainties will keep holding back investment until there is clarity about future trading arrangements. Consumption will decelerate in line with slower employment gains. The economy should nonetheless benefit from a supportive fiscal stance this year and the modest recovery in global growth in 2020. Inflation should converge to 2% by the end of 2020”.

Despite a year of political and economic uncertainty, MC in the UK has recorded its second highest year of growth in over a decade. Unlike some industries, the industry’s resilience to external pressures has afforded it continued growth during a period of great disruption. This growth performance contrasts with the wider economy. Consulting services continue to be in demand overseas thanks to UK consulting strong reputation for business excellence. Much of this international prestige can be put down to the huge investments made by consulting companies in professional training and continuous personal development of their people. The growth trend within the MC industry has not been homogeneous by company size: since 2016, both large and small consulting firms have managed to secure encouraging growth.

The year, of course, has been dominated by Brexit. The UK is a world-leading centre for consultancy services and we have been proud to provide expert support to the UK Government with its Brexit preparations during this critical time, providing extra capacity, specialist knowledge and expertise. Departments have faced an unprecedented volume of workload planning for all Brexit scenarios and using external resources has enabled the government to work quickly and with intensity on major programmes across the UK. It should be remembered, however, that many consulting firms also report that a lot of other non-Brexit work is being put on hold as both Government and UK plc wait to see what Brexit has in store for them and this is having a significant impact on major projects and improvements to public-facing services.

In the UK, Digital and Technology consulting is the highest fee income accruing service. This area has dominated for several years now and makes up 28% of all MC fee income. The inextricable link between

the modern business and Digital and Technology means that now more than ever consulting clients seek support to digitize their organization. Whether its advanced analytics and machine learning or assistance with cloud adoption, the consulting industry is at the forefront of driving change and transformation for businesses across the UK.

Several client industries have witnessed a significant increase in consulting activity in the UK, with the most notable growth being in infrastructure; it has seen growth of 190% in the last two years. While it is the smallest sector measured by fee income, the growth has been major as many UK-based large-scale projects have required input from consultants including Crossrail, HS2, and work with Heathrow airport and Network Rail. MC firms provide key services for such developments including programme and project management, sustainability consulting, and advisory on design and customer experience. MC is critical to the success of the sector, and the confident growth figure illustrates how much of a role the industry plays in enabling redevelopment and improvements across the UK.

Consulting activity in the Retail and Leisure sectors also continues to display strong growth. The consulting industry provides vital support to high street retailers, consumer goods, travel, and news media businesses. It has continually relied on consulting expertise to navigate the challenges and opportunities brought about by technological change and shifting behaviour. MC has helped support struggling high street retailers and e-commerce giants alike, providing key services such as data analytics, growth strategy, and performance improvement.

Consulting in the Financial Services, Government and the Public Sector still make up over half of all fee income accrued and the distribution of consulting income across different sectors remains broadly stable. Companies and organizations are increasingly asking management consultants to help them tackle some of the greatest challenges they are facing on climate change with Energy and Resources experiencing the greatest growth in terms of fee income as a sector. MC firms are undertaking major projects with clients identifying risks, finding solutions to mitigate climate change and reviewing business models to ensure sustainability has been factored in. Businesses need to consider a range of new targets, as well as forthcoming regulation, to help tackle climate change and there is a step change by businesses in the use of management consultancies to bring in technical expertise, multi-disciplinary capabilities and to challenge traditional thinking. The range of activity that is taking place highlights the new ways of operating and doing business and consultants are assisting organizations in making major changes to the way they are functioning to help the environment.

This country profile has been developed based on the questionnaire provided by the Management Consultancies Association (MCA).

The 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 MCA has a wide membership base and its members include PwC, Deloitte, EY, KPMG and IBM as well many other medium size firms and small specialist consultancies. The MCA is dedicated to supporting members' interests and promoting the value of consultancy to the private and public sectors, the media and the general public. The MCA speaks on behalf of firms of all sizes and specialisms to promote and defend this diverse sector, champion the positive force of consulting and uphold the principles of Consulting Excellence.

MCA member companies represent over 50% of the UK consulting industry and work with over 90 of the top FTSE 100 companies and large parts of the public sector. The MCA also helps promote consultancy as an attractive career destination for school leavers and graduates through its Young MCA network.

**National Association**

**MCA**

A POSITIVE FORCE  
FOR THE ECONOMY

**The Management Consultancies Association**

[www.mca.org.uk](http://www.mca.org.uk)



# feaco

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

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