



feaco

Survey of the
**EUROPEAN
MANAGEMENT
CONSULTANCY**

2021 | 2022

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CONSULTANCY
2021 | 2022**

January 2023

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Introduction by the feaco Chairman

It is my pleasure to introduce the 2021/22 edition of the survey for the European Management Consultancy Market based on the data of 11 countries representing 77% of the European GDP. The complexities of the “post-pandemic new normal” and even more the uncertainties in the present international crisis, are making future outlooks at the same time more difficult and more important. As a result, this feaco report, besides the past data and the preliminary estimates on 2022, includes also an initial forecast of the industry for 2023.

The Management Consulting industry in Europe, according to the past trends and also to the preliminary forecasts, shows strong resilience features. After a limited decline in 2020, the European panel turnover grew by more than 11% in 2021 and, despite the current international crisis, in 2022 it is even accelerating its growth: preliminary estimates report an increase above 12%. Also, for 2023, the initial forecasts foresees a growth above 10%. It appears that in the present times characterised by Volatility, Uncertainty, Complexity, Ambiguity, clients – being them private companies or public administrations – ask for more support whether to design their future strategies, rebalance their supply chains or implement transformation projects.

For Consulting services with high demand in 2021, Technology, Operations and Strategy are still the three most prominent services, each of them above 20% of the European management consulting turnover. Sales & Marketing has a limited market share, but it is the services which grew at the fastest pace: +30% with respect to 2020. On the other side, advisory on Finance & Risk, after a very significant increase during the pandemic, has slightly decreased. The rapid growth in Sales & Marketing and the decline of Finance & Risk can be seen as a widespread clients’ attitude of thinking more in terms of opportunities as they want to gain more than in terms of risks they need to keep under control.

As to the client industries, the financial services and the manufacturing sector are the two largest buyers of consulting services and together they represent more than 50% of the overall European management consulting turnover. The Consumer and Industrial Products, after a sharp decline in consulting assignments during 2020, grew at the fastest pace during 2021, increasing by almost 20% with respect to 2020. The Public Sector is the second fastest growing segment, with an above 10% turnover increase in 2021. Given the pivot role of the Public Service in the massive recovery plans pushed forward across Europe, the MC industry advisory towards the Public Sector is expected to keep a fast growth rate.

It is my pleasure to announce that Ukrainian Association of Management Consultants (CMC-Ukraine) has become member of feaco and that this report includes also a description of the Management Consulting industry in Ukraine, showing how – even in the middle of the war – companies and administrations are concerned with optimizing their resources under a challenging situation.

We hope that, in the present challenging circumstances, this report will be able to provide an additional support to the Management Consulting Associations and to their Members, by benchmarking their national trends with respect to the overall European landscape.



Matthias Loebich

feaco Chairman



Major trends in European Management Consultancy

This report is based on a European panel that includes **Austria, Denmark, France, Germany, Greece, Hungary, Italy, Romania, Slovenia, Spain** and the **UK** (only for turnover), unless differently specified. The panel represents **77% of the overall European Gross Domestic Product (GDP)** and **73% of the overall European employment**.

To estimate 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 15 to 64 years old.

MC turnover trend (2020-23)

After the 2020 decline due to the Covid pandemic and the significant recovery in 2021, in 2022 MC turnover is expected to further increase its growth: +12.2%. The UK, Greece followed by Austria and Denmark, are driving such an upward trend. France, Italy and Germany are also achieving a double digit growth rate.

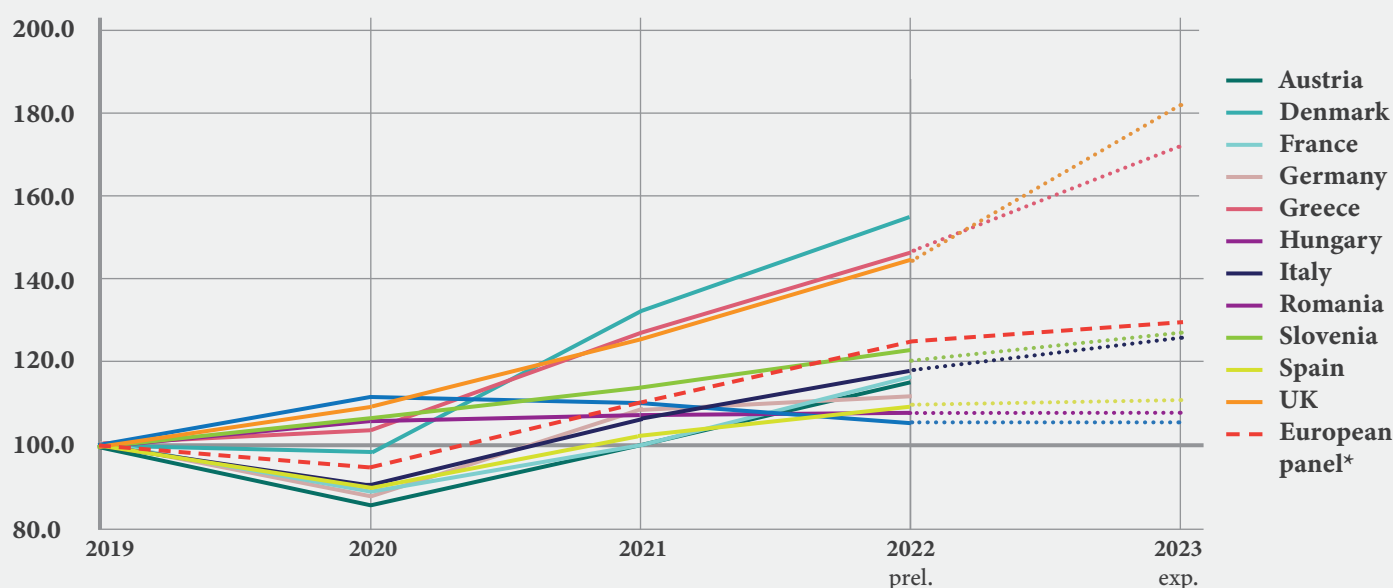
A very preliminary evaluation for 2023 forecasts an average growth rate above 10% in the European panel MC turnover. The international crisis is expected to have a different impact across Europe: in several countries (like Hungary, Italy and Spain) the MC turnover growth rate will be slowing down by a significant extent, while in other countries (like the UK, Romania and Slovenia) no negative impact on the MC industry is foreseen. In any case, the limited number of countries that provided their forecasts (7 countries representing only 43% of the European GDP) and the great uncertainties related to the future evolution of the international crisis, invite to take with caution 2023 forecasts.

COUNTRY	MC turnover annual trend				MC turnover CAGR (2020-22)
	2020	2021	2022 (prel.)	2023 (exp.)	
Austria	-8.4%	10.0%	13.6%	n.a	4.6%
Denmark	-0.9%	16.9%	13.0%	n.a	9.4%
France	-5.0%	11.5%	11.5%	n.a	5.7%
Germany	-4.4%	10.3%	10.5%	n.a	5.2%
Greece	8.5%	19.6%	17.5%	14.9%	15.1%
Hungary	4.8%	0.0%	5.7%	2.7%	3.5%
Italy	-4.2%	10.9%	11.4%	6.5%	5.8%
Romania	15.2%	-2.6%	-4.4%	0.0%	2.4%
Slovenia	4.0%	9.8%	6.2%	7.1%	6.6%
Spain	-5.0%	8.0%	7.0%	3.0%	3.2%
UK	10.6%	15.2%	20.0%	20.0%	15.2%
European panel*	-1.1%	11.3%	12.2%	10.2%	7.4%

Source: Our elaborations on MC turnover – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco survey, representing 77% of the European GDP. The trends referring to Denmark, Hungary, Romania and the UK are calculated in the local currency to avoid distortions due to the exchange rate. As to 2020, final data from the UK, Romania and Hungary changed slightly the 2020 European panel trend. As to 2023, the European panel forecast is based on 7 countries representing 43% of the European GDP.

MC turnover annual trend (2020-23)



MC turnover trend (CAGR 2020-22 vs. 2017-19)

In 2020-22, the European panel MC turnover grew on average 7.4% per year, as the result of a stable situation in 2020 and a strong recovery in 2021 and 2022. Despite the pandemic challenges the 2020-22 average growth rate is almost in line with the 2017-19 period.

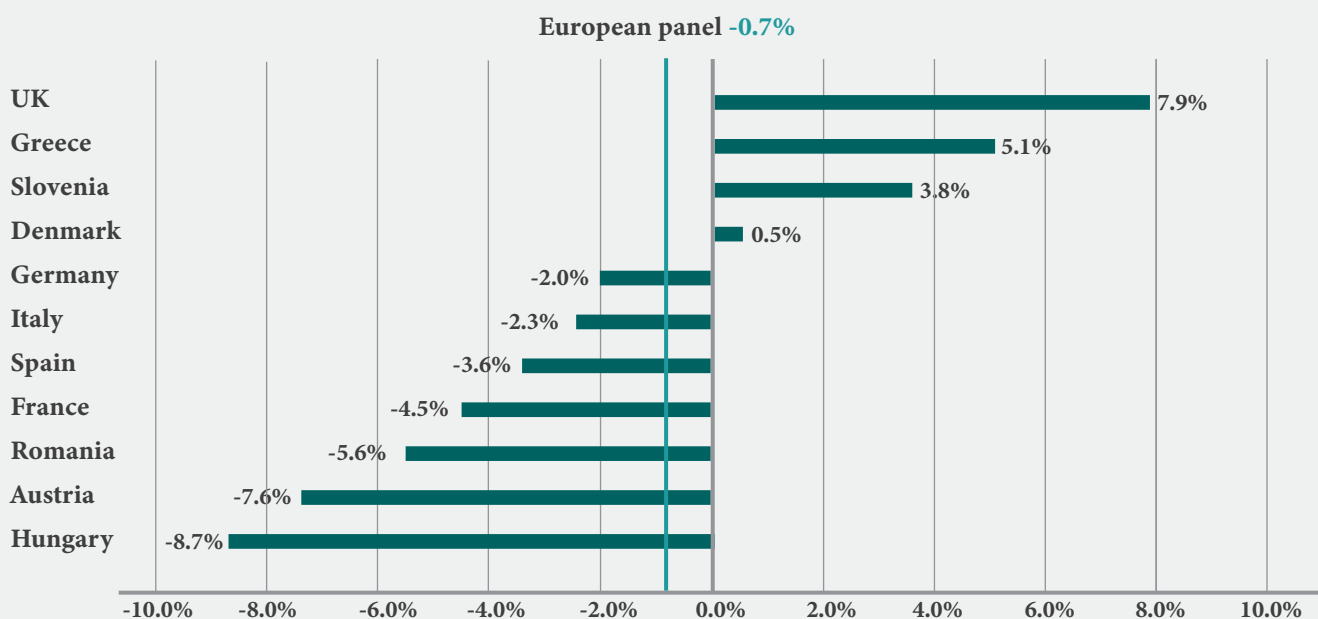
However behind a rather aligned average there are countries, namely Hungary, Austria, Romania, France and to a lower extent Spain, whose 2020-22 turnover trend was much below their 2017-19 trend. At the opposite, despite the Covid pandemic, the UK, Greece and Slovenia, achieved much better growth results in 2020-22 then in 2017-19.

COUNTRY	MC turnover CAGR (2020-22)	MC turnover CAGR (2017-19)	Differences in MC turnover CAGR (2020-22 vs. 2017-19)
Austria	4.6%	12.2%	-7.6%
Denmark	9.4%	8.9%	0.5%
France	5.7%	10.2%	-4.5%
Germany	5.2%	7.2%	-2.0%
Greece	15.1%	10.0%	5.1%
Hungary	3.5%	12.2%	-8.7%
Italy	5.8%	8.1%	-2.3%
Romania	2.4%	8.0%	-5.6%
Slovenia	6.6%	2.8%	3.8%
Spain	3.2%	6.8%	-3.6%
UK	15.2%	7.3%	7.9%
European panel*	7.4%	8.1%	-0.7%

Source: Our elaborations on MC turnover – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco survey. These 11 countries represent 77% of the European GDP. The trends referring to Denmark, Hungary, Romania, and the UK are calculated in the local currency to avoid distortions due to the exchange rate.

Differences in MC turnover CAGR (2020-22 vs. 2017-19)



MC turnover vs. GDP (CAGR 2020-22)

In 2020-22, the European panel MC turnover grew at an average annual rate of 7.4%, much higher than the respective overall economies which had a 1.3% annual growth.

In the UK and Greece, the MC industry performed much better than their respective overall economies.

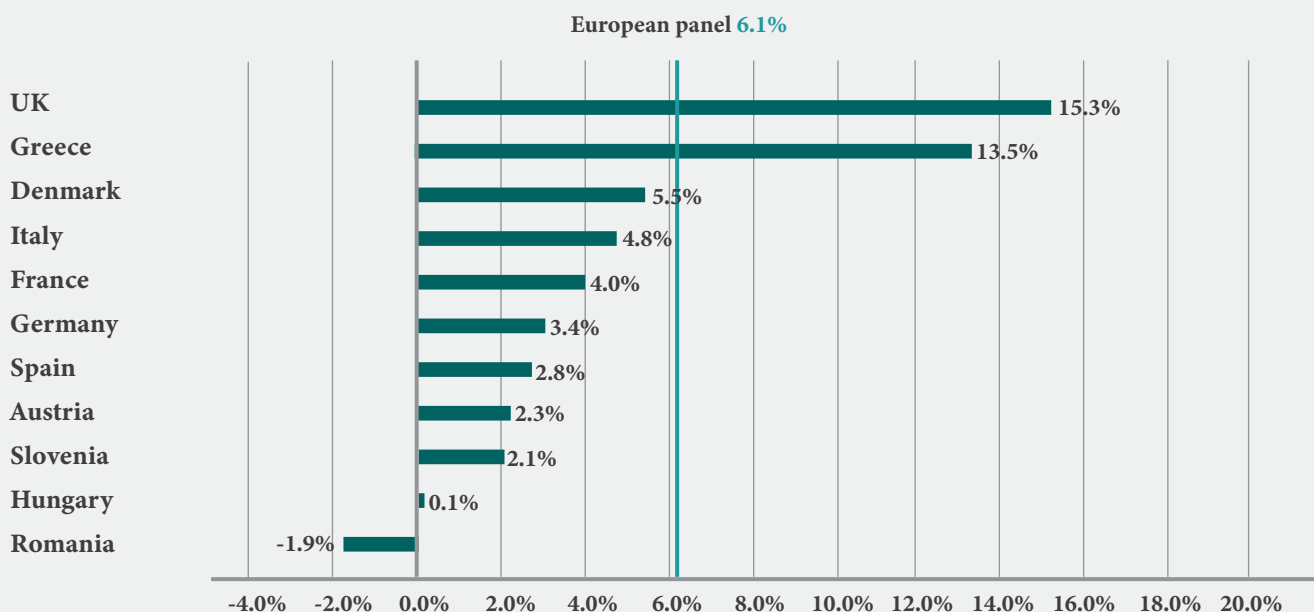
Differently, in Romania, the MC industry performed worse than the overall economy, while in Hungary the two trends were perfectly aligned. In most of the countries included in the European panel, the MC turnover is overperforming the GDP between 3% and 5%.

COUNTRY	MC turnover CAGR (2020-22)	GDP CAGR (2020-22)	Differences between MC turnover and GDP CAGR (2020-22)
Austria	4.6%	2.3%	2.3%
Denmark	9.4%	3.9%	5.5%
France	5.7%	1.7%	4.0%
Germany	5.2%	1.8%	3.4%
Greece	15.1%	1.6%	13.5%
Hungary	3.5%	3.4%	0.1%
Italy	5.8%	1.0%	4.8%
Romania	2.4%	4.3%	-1.9%
Slovenia	6.6%	4.5%	2.1%
Spain	3.2%	0.4%	2.8%
UK	15.2%	-0.1%	15.3%
European panel*	7.4%	1.3%	6.1%

Source: Our elaborations on MC turnover – feaco survey 2017-2022; GDP – Eurostat 2022, referring to nominal GDP, i.e. GDP at market price.

* European panel includes all the 11 European countries of the feaco survey. These 11 countries represent 77% of the European GDP. The trends referring to Denmark, Hungary, Romania, and the UK are calculated in the local currency to avoid distortions due to the exchange rate.

Differences between MC turnover and GDP CAGR (2020-22)



MC employment trend (2020-22)

After a rather stable situation during the 2020 pandemic and a significant increase in 2021, in 2022 MC employment has accelerated its growth rate: +8.9%. Romania, Germany and Hungary are the only three countries that registered a decline in employment after the pandemic and that have had a negative CAGR in the 2020-22 period.

At the same time, in many countries, such as France and Germany, MC employment grew less than MC turnover. Likely several MC companies, which had reduced their chargeability level to protect employment. In 2022, according to the preliminary data, in almost all countries MC employment accelerated its growth rate, reaching on average 8.9%.

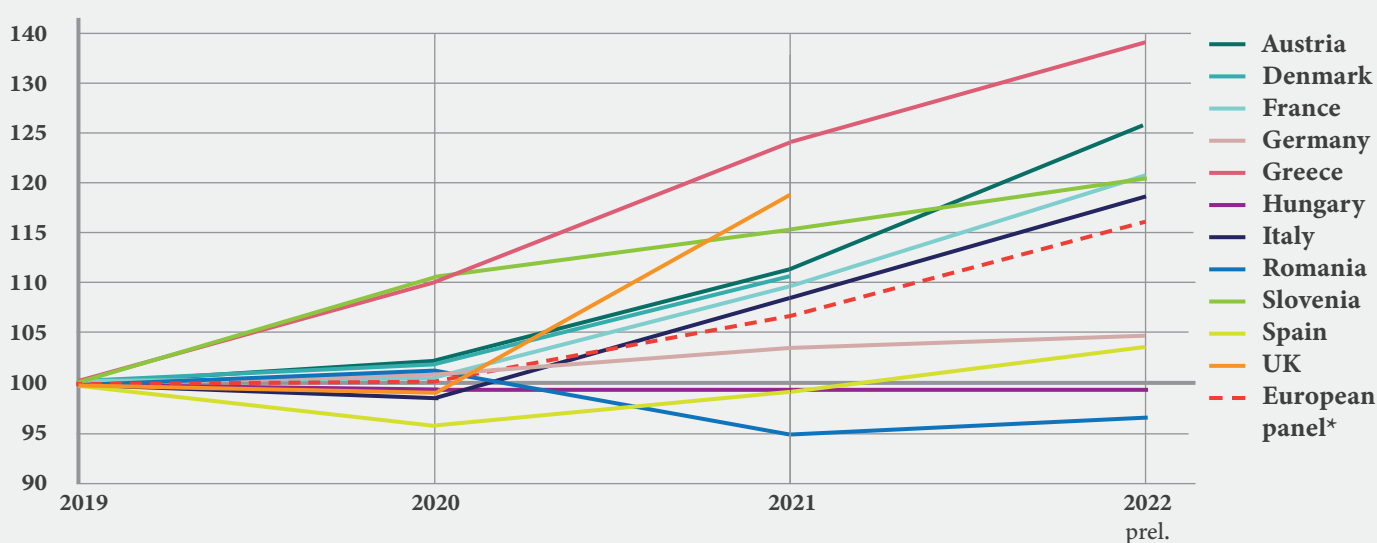
COUNTRY	MC employment annual trend			MC employment CAGR (2020-22)**
	2020	2021	2022 (prel.)	
Austria	2.7%	9.4%	11.9%	7.9%
Denmark	0.6%	11.4%	n.a.	5.9%
France	0.6%	9.0%	10.0%	6.4%
Germany	1.0%	-3.5%	2.1%	-0.2%
Greece	10.0%	12.9%	12.0%	11.6%
Hungary	-0.2%	0.0%	0.0%	-0.1%
Italy	-1.0%	9.5%	10.5%	6.2%
Romania	2.9%	-7.3%	2.7%	-0.7%
Slovenia	10.3%	4.6%	5.0%	6.6%
Spain	-4.5%	4.0%	5.0%	1.4%
UK	-2.7%	22.2%	n.a.	9.0%
European panel*	-0.3%	7.0%	8.9%	5.1%

Source: Our elaborations on MC employment – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco panel. These 11 countries represent 73% of European employment. As to 2020, final data from the UK and Denmark changed slightly the 2020 European panel trend.

** In the case of Denmark and the UK, CAGR refers just to the 2020-21 period.

MC employment trend (2020-22)



MC employment trend (CAGR 2020-22 vs. 2017-19)

In 2020-22, the European panel MC employment grew on average 5.1% per year, as the result of a small decline in 2020 and a return to growth in 2021 and 2022. The average growth rate was slightly lower than in the 2017-19 period.

In 2020-22 Slovenia, the UK, Denmark and Greece, despite the Covid-19 pandemic, achieved a higher employment trend than in the previous period. At the opposite, countries like Romania and, to a much more limited extent, Germany and France had an MC employment growth below the average 2017-19 trend.

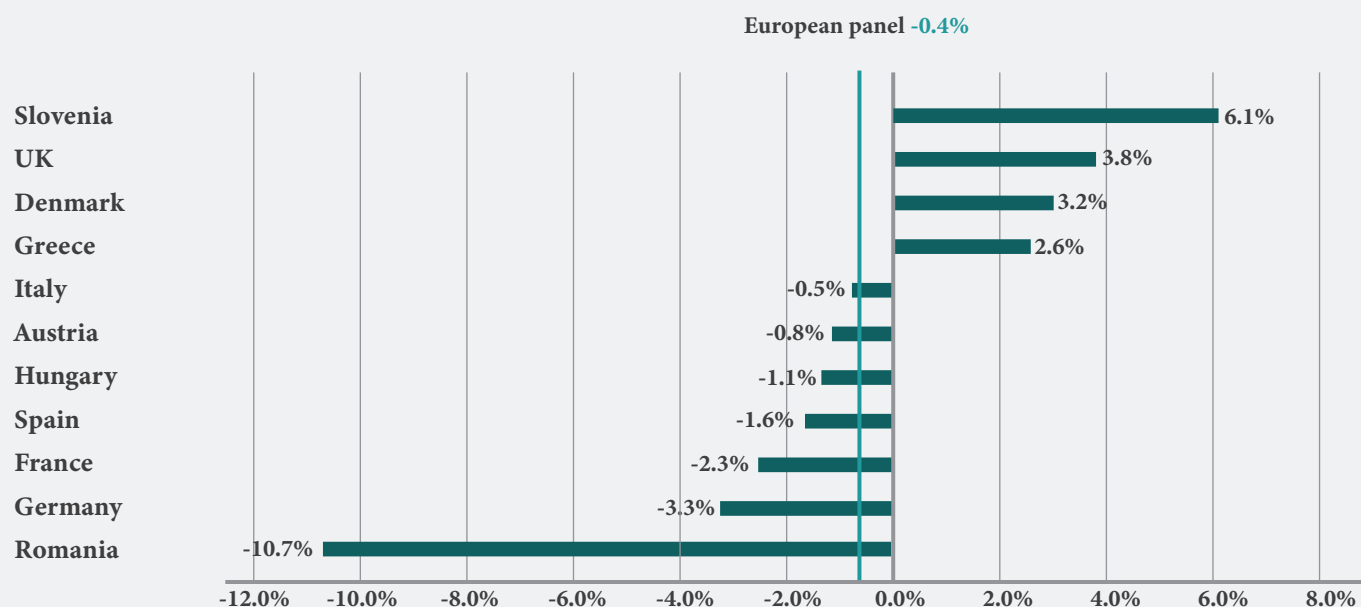
COUNTRY	MC employment CAGR (2020-22)**	MC employment CAGR (2017-19)	Differences in MC employment CAGR (2020-22 vs. 2017-19)
Austria	7.9%	8.7%	-0.8%
Denmark	5.9%	2.7%	3.2%
France	6.4%	8.7%	-2.3%
Germany	-0.2%	3.1%	-3.3%
Greece	11.6%	9.0%	2.6%
Hungary	-0.1%	1.0%	-1.1%
Italy	6.2%	6.7%	-0.5%
Romania	-0.7%	10.0%	-10.7%
Slovenia	6.6%	0.5%	6.1%
Spain	1.4%	3.0%	-1.6%
UK	9.0%	5.2%	3.8%
European panel*	5.1%	5.5%	-0.4%

Source: Our elaborations on MC employment – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco panel. These 11 countries represent 73% of European employment.

** In the case of Denmark and the UK, CAGR refers just to the 2020-21 period.

Differences in MC employment CAGR (2020-22 vs. 2017-19)



MC employment vs. overall employment (CAGR 2020-22)

In 2020-22, the European panel MC employment increased on average by 5.1%, while the overall employment remained rather stable (+0.3%).

In Greece, the UK and, to a smaller extent, Austria, Italy, Slovenia and France, the MC industry created much more employment than the overall economy, achieving a significant growth even in countries with a rather flat overall employment trend.

Only in Romania, Hungary and Germany MC employment performed worse than the overall employment.

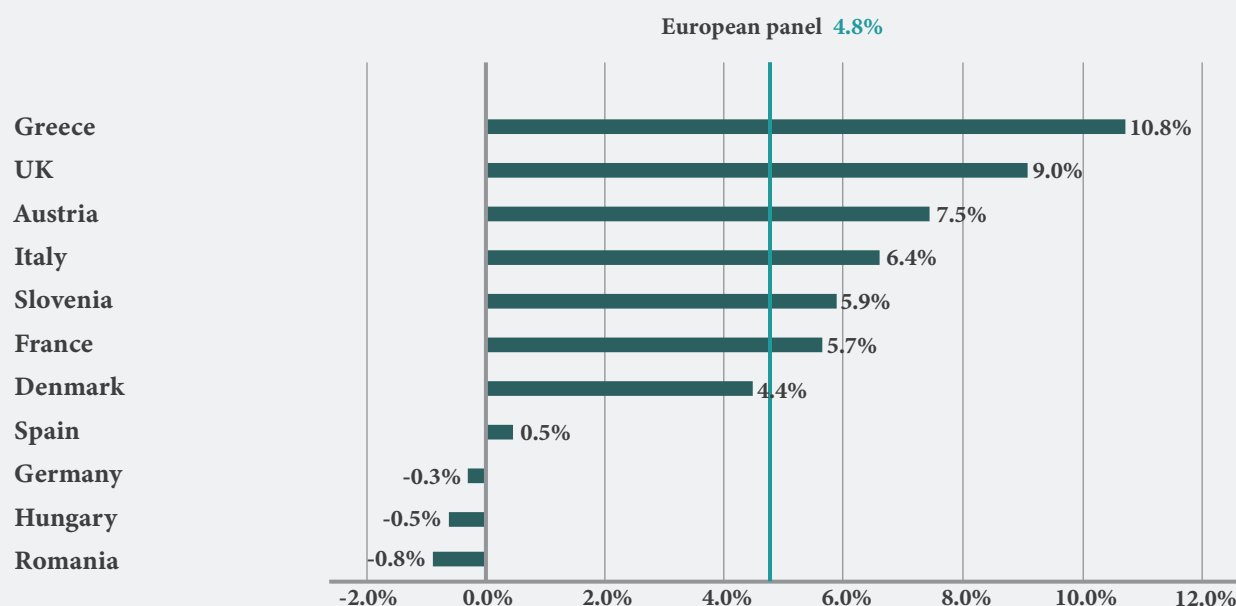
COUNTRY	MC employment CAGR (2020-22)	Overall employment CAGR (2020-22)**	Differences between MC and overall employment CAGR (2020-22)
Austria	7.9%	0.4%	7.5%
Denmark	5.9%	1.5%	4.4%
France	6.4%	0.7%	5.7%
Germany	-0.2%	0.1%	-0.3%
Greece	11.6%	0.8%	10.8%
Hungary	-0.1%	0.4%	-0.5%
Italy	6.2%	-0.2%	6.4%
Romania	-0.7%	0.1%	-0.8%
Slovenia	6.6%	0.7%	5.9%
Spain	1.4%	0.9%	0.5%
UK	9.0%	0.0%	9.0%
European panel*	5.1%	0.3%	4.8%

Source: Our elaborations on MC employment – feaco survey 2017-2022; employment age 15 to 64 – Eurostat 2021.

* European panel includes all the 11 European countries of the feaco panel. These 11 countries represent 73% of European employment.

** In the case of Denmark and the UK, CAGR refers just to the 2020-21 period.

Differences between MC and overall employment CAGR (2020-22)



MC turnover vs. MC employment (CAGR 2020-22)

In 2020-22, the European panel has increased MC turnover on average by 7.4% per year, while MC employment has grown on average 5.1% per year.

In all European panel countries – except France, Italy and Slovenia – MC turnover has grown on average more than the MC employment. This is the result of two different trends: in 2020 MC employment declined less than MC turnover also thanks to Government supports, while in 2021 and 2022 MC companies increased their turnover much more than their employment, augmenting their chargeability and leveraging on their existing talents pools with limited net hirings of new professionals.

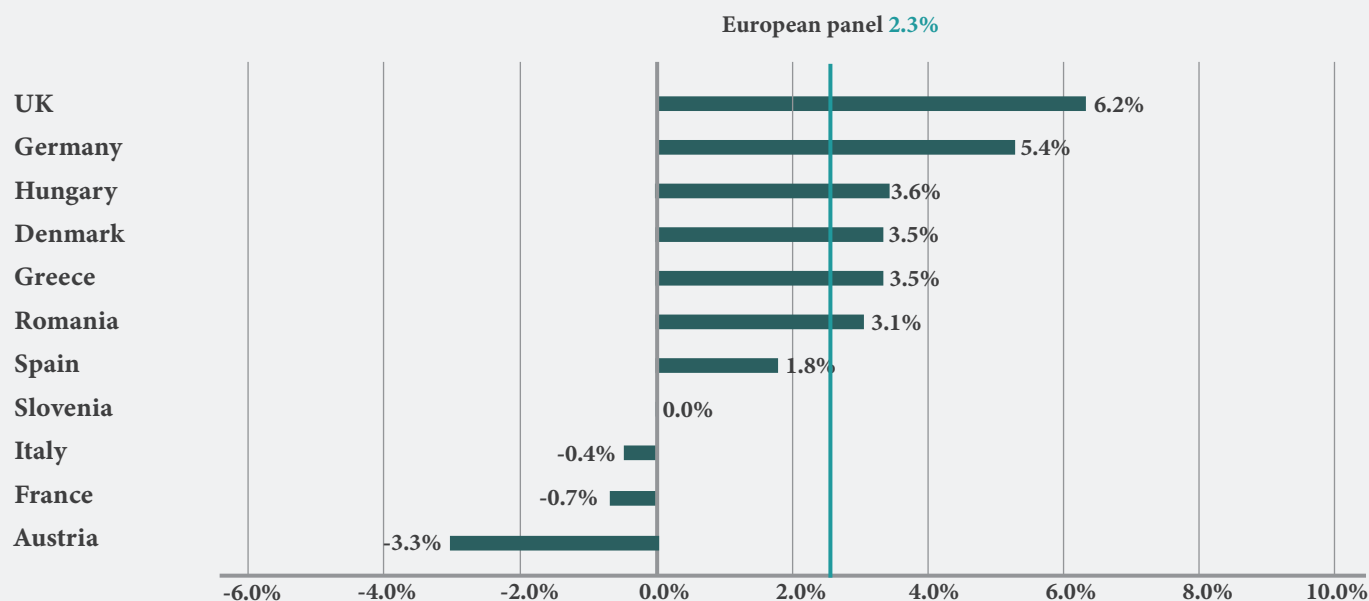
COUNTRY	MC turnover CAGR (2020-22)	MC employment CAGR (2020-22)**	Differences between MC turnover and employment CAGR (2020-22)
Austria	4.6%	7.9%	-3.3%
Denmark	9.4%	5.9%	3.5%
France	5.7%	6.4%	-0.7%
Germany	5.2%	-0.2%	5.4%
Greece	15.1%	11.6%	3.5%
Hungary	3.5%	-0.1%	3.6%
Italy	5.8%	6.2%	-0.4%
Romania	2.4%	-0.7%	3.1%
Slovenia	6.6%	6.6%	0.0%
Spain	3.2%	1.4%	1.8%
UK	15.2%	9.0%	6.2%
European panel*	7.4%	5.1%	2.3%

Source: Our elaborations on MC turnover and MC employment – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco panel. These 11 countries represent respectively 80% of the European turnover and 73% of European employment.

** In the case of Denmark and the UK, MC employment CAGR refers just to the 2020-21 period.

Differences between MC turnover and employment CAGR (2020-22)



MC productivity trend (2020-22)

MC productivity (calculated comparing the MC turnover trend and the MC employment trend) is considered by consulting firms as an important performance indicator, since it is related both to the average chargeability (i.e. the number of days a consultant is billed to clients) and to the average price level (the daily consulting fees).

In 2020-22 period, productivity increased in all the European panel countries, except in Austria and, to a minor extent, France, Italy and Slovenia.

Qualitative evidence from the different MC National Associations highlights that, during the pandemic, a reduction both in chargeability and in prices impacted heavily on this performance indicator. From scattered evidence, it appears that the increase in the productivity has been driven mainly by an increase in the chargeability, while prices have remained low in spite of an increase in the demand for consulting services.

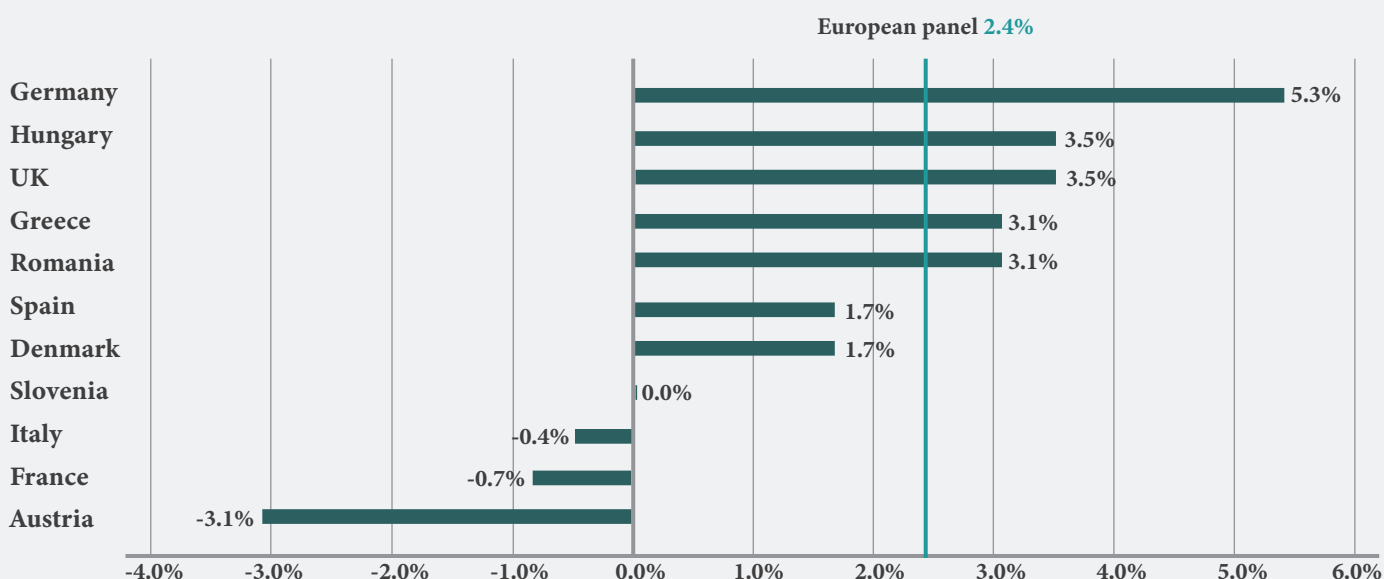
COUNTRY	MC productivity annual trend			CAGR (2020-22)**
	2020	2021	2022 (prel.)	
Austria	-10.8%	0.5%	1.5%	-3.1%
Denmark	-1.5%	4.9%	n.a.	1.7%
France	-5.6%	2.3%	1.4%	-0.7%
Germany	-5.4%	14.3%	8.2%	5.3%
Greece	-1.4%	5.9%	4.9%	3.1%
Hungary	5.0%	0.0%	5.7%	3.5%
Italy	-3.3%	1.3%	0.9%	-0.4%
Romania	12.0%	5.0%	-6.9%	3.1%
Slovenia	-5.7%	5.0%	1.1%	0.0%
Spain	-0.5%	3.8%	1.9%	1.7%
UK	13.7%	-5.7%	n.a.	3.5%
European panel*	0.2%	4.0%	3.0%	2.4%

Source: Our elaborations on MC turnover and MC employment – feaco survey 2017-2022.

* European panel includes all the 11 European countries of the feaco panel. These 11 countries represent 73% of European employment.

** In the case of Denmark and the UK, CAGR refers just to the 2020-21 period.

MC productivity trend (2020-22)



MC turnover market share by Service Lines (European panel 2021)

In 2021 Technology, Operations and Strategy are the three main service lines, with a market share around 24%, 21% and 20% respectively. These service lines have grown along the years in relationship with the strong involvement of MC firms in supporting digital transformation processes.

People & Change and Finance & Risk represent other important service lines, with a market share around 14% and 10% respectively.

Sales & Marketing, with a 4.5% market share is the smallest among the service lines we are considering. The “Other” service line is not a homogenous category, including from the management and implementation of EU co-funded programmes to Economic & Regulatory advisory, with relevant variations from country to country.

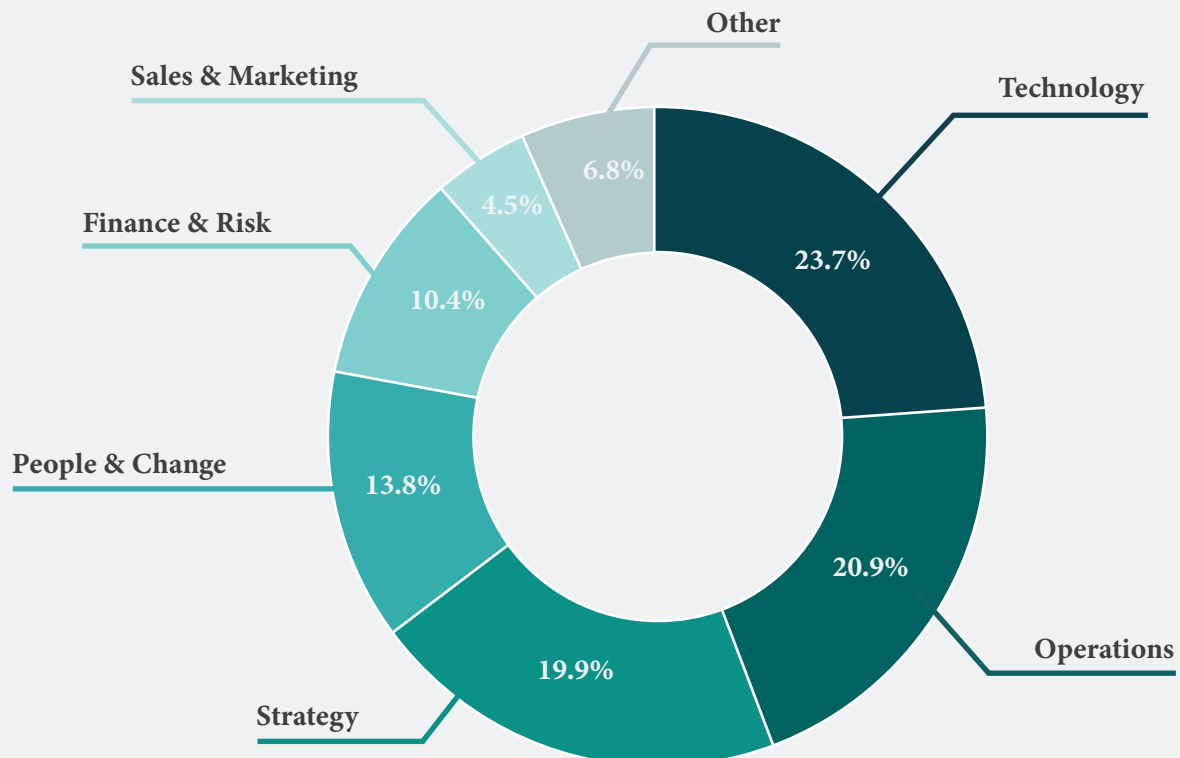
COUNTRY	Technology	Operations	Strategy	People & Change	Finance & Risk	Sales & Marketing	Other
Austria	4.6%	10.1%	21.0%	14.3%	5.0%	8.0%	37.0%
Denmark**	n.c.	14.1%	23.2%	8.6%	16.2%	4.4%	33.5%
France	27.6%	14.5%	16.8%	18.3%	6.0%	5.0%	11.8%
Germany	22.1%	40.7%	19.1%	12.2%	2.3%	3.6%	n.c.
Greece	25.0%	14.0%	16.0%	6.0%	16.0%	4.0%	19.0%
Hungary	51.0%	12.0%	16.0%	4.0%	9.0%	4.0%	4.0%
Italy	23.1%	13.0%	17.9%	7.4%	26.3%	6.6%	5.7%
Romania	10.0%	15.0%	30.0%	10.0%	15.0%	20.0%	0.0%
UK	28.0%	9.0%	24.5%	18.5%	14.0%	2.0%	4.0%
European panel*	23.7%	20.9%	19.9%	13.8%	10.4%	4.5%	6.8%

Source: Our elaborations on MC turnover split by service lines – feaco survey 2019-21.

* European panel includes only 9 European countries of the feaco survey as detailed data for Slovenia and Spain are missing. These 9 countries represent 69% of European GDP.

** In the case of Denmark, data refers to 2020.

MC turnover market share by Service Lines (European panel 2021)



MC turnover trend by Service Lines (European panel 2021)

In 2021, the post-pandemic scenario has driven a strong growth of the consulting projects Sales & Marketing, probably linked to the fact that many clients are facing declining sales and/or new customers preferences and are asking support to readjust their understanding of and positioning in the market. Such a growth also matches a very strong growth in the adoption of CRM platforms.

All the other service lines – except Finance & Risk – are growing very much in line with the overall market growth, with minimal differences among them.

Finance & Risk service line, after a very significant increase during the pandemic, has slightly decreased, highlighting how clients ask consultants to support them towards different priorities.

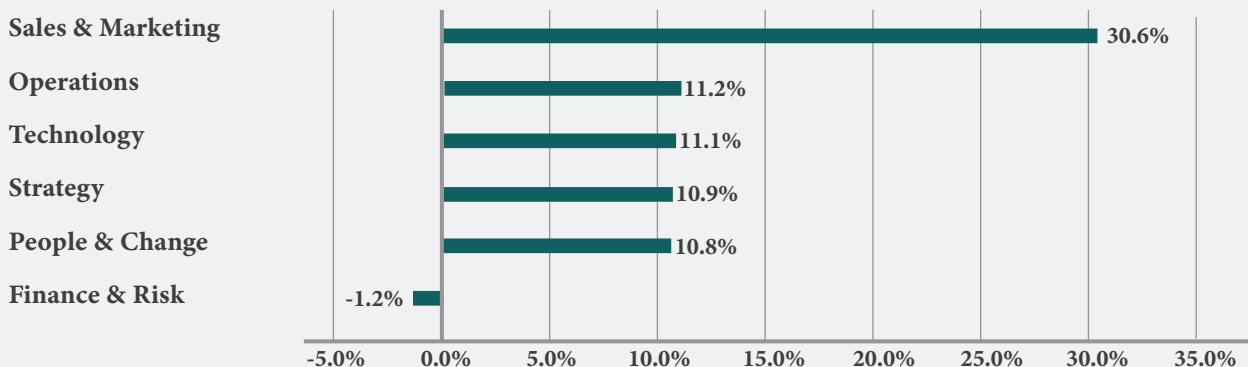
SERVICE LINE	European panel trend in 2021*
Sales & Marketing	30.6%
Operations	11.2%
Technology	11.1%
Strategy	10.9%
People & Change	10.8%
Finance & Risk	-1.2%

Source: Our elaborations on MC turnover split by service lines – feaco survey 2019-21.

* European panel includes only 9 European countries of the feaco survey as detailed data for Slovenia and Spain are missing. These 9 countries represent 69% of European GDP.

** The “Other” service line is not reported in the above table as it is not a homogenous category and its trend would not convey a clear information on the actual market dynamics.

MC turnover trend by Service Lines (European panel 2021)



MC turnover market share by Client Industries (European panel 2021)

In 2021 Financial Services have been the highest spender with almost 27% of the MC turnover. Consulting in the Consumer & Industrial Products, that traditionally used to be the highest spender, has shifted to the second position, representing around 24% of the market. Public Sector is on average the third largest spender, with a market share of almost 16%. In Romania and Greece, Public Sector is the MC's largest segment, and in the UK the Public Sector is the second largest segment.

Energy & Utilities and Telecoms & Media represent the fourth and fifth largest spenders, with almost 11% and almost 8% of the overall MC market respectively.

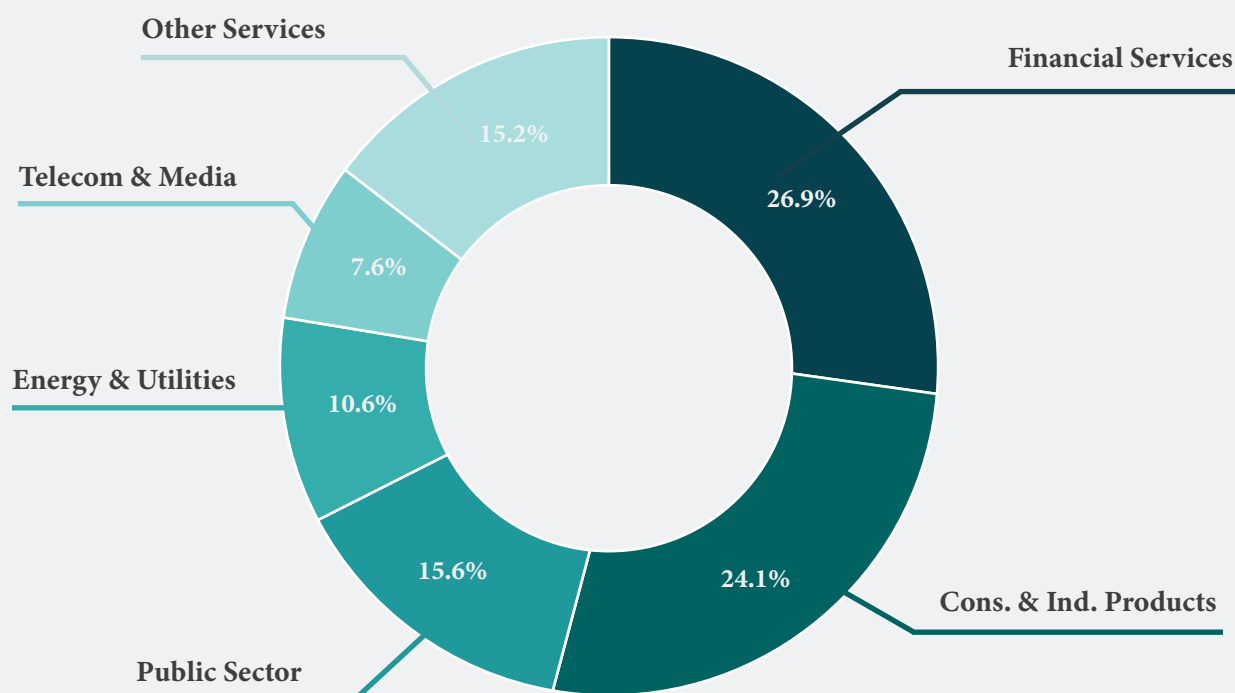
The "Other Services" category is not a homogenous industry, including from logistic services to tourism, from retail to business services, with relevant variations from country to country and within each country.

COUNTRY	Financial Services	Cons. & Ind. Products	Public Sector	Energy & Utilities	Telecoms & Media	Other Services
Austria	5.0%	38.6%	10.4%	4.3%	2.8%	38.9%
France	29.0%	24.0%	12.5%	11.0%	3.0%	20.5%
Germany	24.6%	31.6%	10.0%	8.8%	8.5%	16.5%
Greece	23.0%	15.0%	31.0%	9.0%	5.0%	17.0%
Hungary	14.0%	20.0%	15.0%	31.0%	15.0%	5.0%
Italy	31.2%	29.2%	10.8%	8.9%	8.0%	11.9%
Romania	14.0%	12.8%	60.0%	6.0%		7.2%
Spain	30.5%	12.8%	15.2%	13.1%	10.9%	17.5%
UK	29.0%	15.0%	26.0%	13.0%	10.0%	7.0%
European panel*	26.9%	24.1%	15.6%	10.6%	7.6%	15.2%

Source: Our elaborations on MC turnover split by client industries – feaco survey 2019-21.

* European panel includes only 9 European countries of the feaco survey as detailed data for Denmark and Slovenia are missing. These 9 countries represent 74% of European GDP.

MC turnover market share by Client Industries (2021)



MC turnover trend by Client Industries (European panel 2021)

In 2021, after the significant decline experienced in 2020, management consulting towards Consumer & Industrial Products has been the fastest growing: + 18%.

Consulting to the Public Sector has been the second fastest industry: an above 12% increase. The Public Sector, after having required more consulting for managing the pandemic-related emergencies, has been engaging consultants to launch and manage the Recovery Funds related initiatives across Europe.

Telecom & Media, Energy and Financial Services have been growing between 10 and 11%, slightly less than the overall MC market.

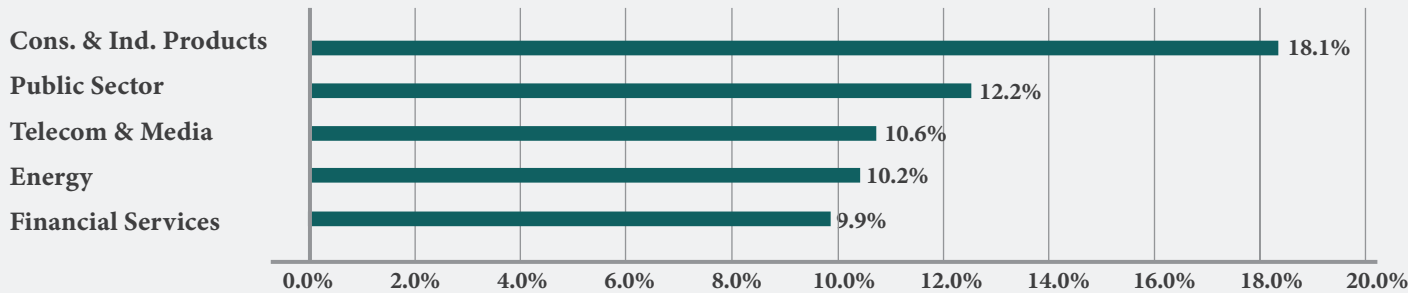
INDUSTRY**	European panel trend in 2021*
Cons. & Ind. Products	18.1%
Public Sector	12.2%
Telecom & Media	10.6%
Energy	10.2%
Financial Services	9.9%

Source: Our elaborations on MC turnover split by client industries – feaco survey 2019-21.

* European panel includes only 9 European countries of the feaco survey as detailed data for Denmark and Slovenia are missing. These 9 countries represent 74% of European GDP.

** The “Other Services” category is not reported in the above table as it is not a homogenous industry and its trend would not convey a clear information on the actual market dynamics.

MC turnover trend by Client Industries (European panel 2021)



Focus on Ukraine

Key data on the Management Consulting industry (2021)

Turnover	Employment	Turnover/professional
Approximately 40 Million EUR	About 800 management consultants	Approximately € 50 000 per year

Macroeconomic overview

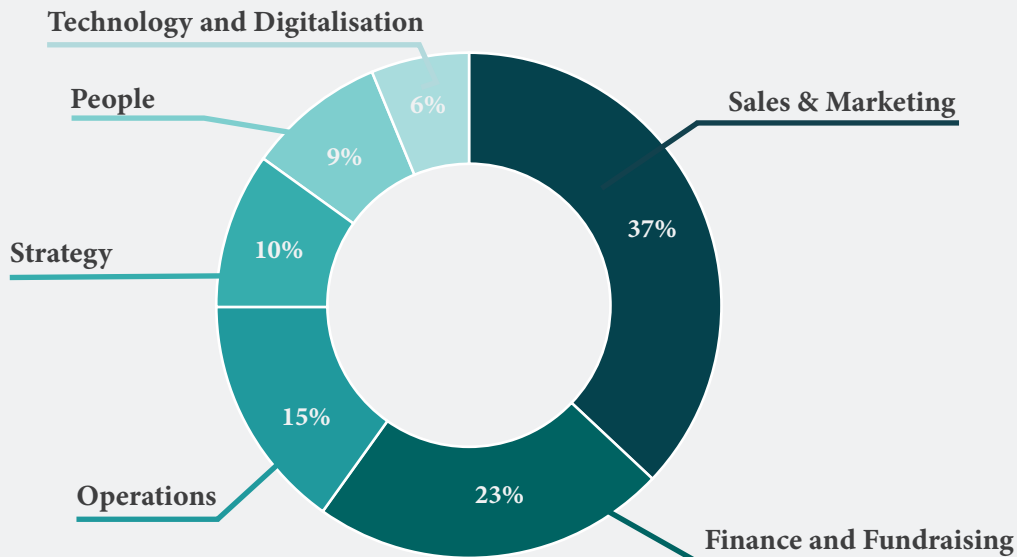
According to World Bank “the ongoing Russian invasion in Ukraine continues to inflict substantial economic and social losses due to extensive damages to productive assets and infrastructure, limited market access, and labour force dislocations. Ukraine’s GDP is expected to contract by 35 percent in 2022 if the status quo continues until the end of the year without additional economic shocks”. Ukraine’s needs for recovery and reconstruction are massive and growing with each additional day of conflict. The international community’s financial support to Ukraine has been essential to making sure that the Ukrainian people continue to receive basic services. Inflation is expected to accelerate to 30% by the year-end, and real wages to drop by 10 %.

For 2023, the EBRD has lowered its forecast of an economic rebound to eight per cent from the more robust 25 per cent foreseen in May, when the expectation was that substantial recovery work would already be underway. The reduced forecast is a sign of how heavily uncertainty over the shape of the future is weighing on Ukraine’s economic prospects. Ukraine’s economy, which had grown by 3.4 per cent in the wake of the Covid-19 pandemic in 2021, has been functioning under war conditions since the Russian invasion on 24 February 2022. While economic activity has been severely disrupted by supply bottlenecks, logistical challenges, financial difficulties and shortages of adequate labour, the Ukrainian economy has not been destroyed but it is still working, and many Ukrainian companies have maintained the production capacity of the previous year.

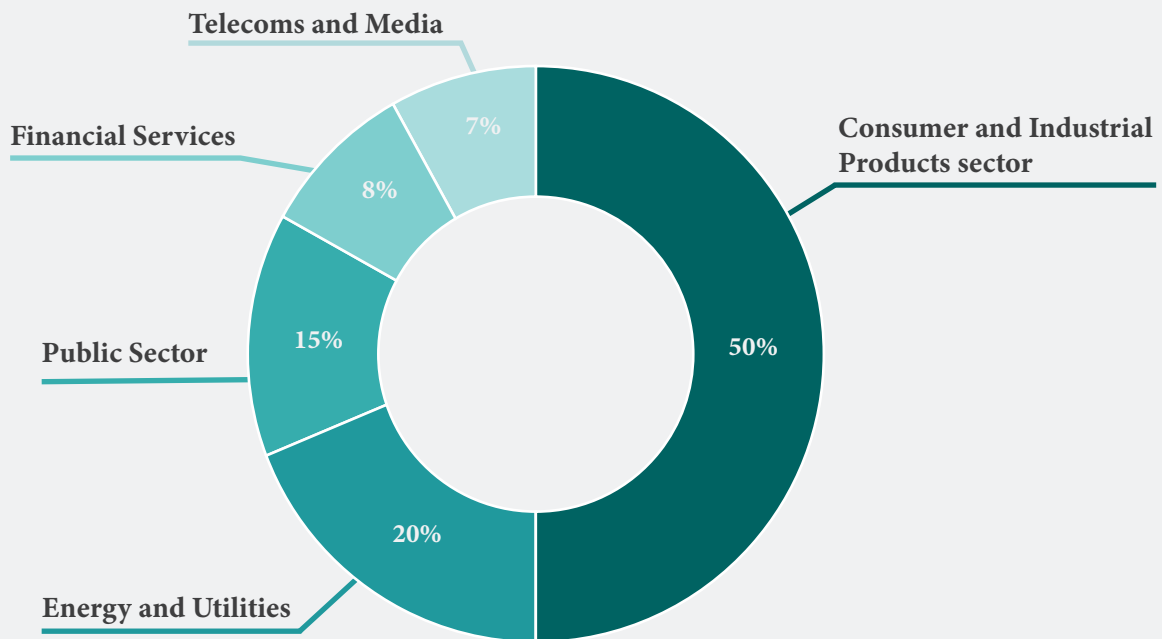
The Management Consulting Industry

In 2022, after having had historically a growth around 7% per year, Management Consulting, like all other industries, is facing difficulties because of the war. The difficulties are felt in terms of client demand (...) and in talent access (as there has been a significant outflow of professionals due to the war). There is a huge potential for the MC market and projects in Ukraine after the end of the war and the Re-build Ukraine Programme start. Resilience Strategy, Process and Efficiency consulting seem to be the most needed in the next years.

MC market by Service Lines has the following distribution on 2022



MC market by Client Industry has the following distribution in 2022:



The National Association - CMC-Ukraine

This country profile has been prepared based on the information provided by the Ukrainian Association of Management Consultants (CMC-Ukraine).

CMC-Ukraine was established in 2011 as a platform for the development of the management consulting profession and management culture in Ukraine. Today, the CMC community unites 101 members. Since 2022 CMC-Ukraine is a member of FEACO

CMC-Ukraine is a carrier of unique information about requests, pains and needs of Ukrainian business, understanding what tools, approaches and consulting practices are effective in the extremely difficult times the Country is facing. This makes it possible to build projects, form programs of team and individual support not only for business, but also for authorities and local self-government, public organizations, professional associations and a number of international organizations and donors, with the aim of supporting the Ukraine recovery and reset the consulting market for the needs of wartime.

Examples of initiatives carried out by CMC-Ukraine starting from April 2022:

- a large-scale survey “Recovery of Ukraine’s economy: current business needs in working with staff”, aimed to understand the needs and priorities of businesses
- a course on “Recovery Management”, organized by 14 highly qualified consultants, addressing 600 managers and business owners.
- a project on “Business Development Services provided to Ukrainian MSME in crisis due to the ongoing war” (coordinated by the German Gesellschaft für Internationale Zusammenarbeit - GIZ on behalf of the German Government), developing the UBER Emergency Consulting methodology. 45 consulting services were standardized, 70 experienced management consultants were engaged and about 500 SMEs were supported.

Legend on Service Lines and Client Industries

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

Strategy: 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; Insurance.

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

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

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

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

Methodological Approach

National data on MC turnover, employment, service lines and client industries have been provided by the respective MC national associations.

European panel trends have been estimated by weighting the national trends on the basis of either the GDP at market prices or the overall employment from aged 15 to 64 years old. Year 2019 has been established as base year for all the weighted averages.

Relevant statistics have been acquired from Eurostat and from OCSE (as to UK after Brexit).

This report is based on the data provided by the National Associations of **Austria, Denmark, France, Germany, Greece, Hungary, Italy, Romania, Slovenia, Spain** and the **United Kingdom**.

Austria

National Association



Austrian Professional Association for Management Consultancy, Accounting and Information Technology
www.ubit.at | www.incite.at

Italy

National Association



ASSOCOCONSULT- Italian Association of Management Consulting Firms
www.assoconsult.org

Denmark

National Association



ADMCF – Association of Danish Management Consulting Firms
www.danskindustri.dk

Romania

National Association



AMCOR, Romanian association of Management Consulting Companies
www.amcor.ro

France

National Association



Syntec Conseil
www.syntec-conseil.fr

Slovenia

National Association



Association of Management Consulting of Slovenia
www.gzs.si

Germany

National Association



Germany BDU e.V., German Association of Management Consultants
www.bdu.de

Spain

National Association



Spanish Association of Consulting Companies
www.aecconsultoras.com

Greece

National Association



Hellenic Association of Management Consulting Firms (SESMA)
www.sesma.gr

United Kingdom

National Association



A POSITIVE FORCE FOR THE ECONOMY AND SOCIETY
The Management Consultancies Association
www.mca.org.uk

Hungary

National Association



Association of Management Consultants in Hungary-VTMSZ
www.vtmsz.hu

Ukraine

National Association



CMC Ukraine
www.cmc-ukraine.com

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