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Benelux consulting market growth picks up speed

After experiencing low growth of 3.6 per cent in 2016, the Benelux consulting market saw stronger growth of 5.4 per cent in 2017.

Luxembourg—the smallest market—fared the best, thanks to a large financial services sector full of clients looking to respond to disruption caused by fintechs and high levels of regulation. While the growth rate was slower in the Netherlands and Belgium, consultants saw increased opportunities in these markets as well.

These findings are published today (16th April 2018) in a new report from [Source Global Research](#), the leading research and strategy firm for the global management consulting industry. The Source report also reveals that digitisation¹ remains a big theme in the Benelux market, with more clients investing in digital solutions and driving a growing demand for both customer-facing initiatives and back-office improvements.

Consulting market growth was also experienced across every sector in 2017. Consulting revenues grew fastest in the financial services, retail, and healthcare sectors, driven by a combination of regulatory and digitisation work. The energy & resources and technology, media & telecoms sectors were once again the worst performers with low growth for consultants as clients prioritised cost reduction.

From a service line perspective, risk & regulatory work grew fastest, driven by demand around regulatory compliance and increased investment in cybersecurity. Technology remained the largest service line and experienced the second-fastest growth as digitisation made an impact.

B.J. Richards, Senior Editor from Source Global Research said:

“Despite growth picking up, the long-term viability of the Benelux region as a standalone consulting market continues to be an open question. While growth remained varied across the three countries, there was a good volume of work overall as the growing appeal of headquartering in the Netherlands compensated for the decline in the number of Belgian-owned companies and the presence of the EU continued to generate opportunities.

While an oversupply of consulting remained a problem, changing pricing models helped to alleviate price pressure for some firms.”

¹ The Source definition of digital is “any technology that connects people and machines with each other or with information.” Broad examples of digital include mobile, social media, cloud, IoT, robotics, data & analytics, and AI.

Type A firms (a group dominated by the Big Four) were, once again, the largest and fastest-growing (up 7.8 per cent to €790million²), bolstered by very strong demand for their regulatory expertise. Technology and strategy firms also experienced healthy levels of growth in 2017.

The demand for regulatory expertise was highlighted by Jean-Francois Kroonen, Advisory Leader of Luxembourg, at PwC, who said:

“We see the highest growth in financial services. Banks are undergoing a lot of remediation planning, and they're working hard to make sure they're compliant with everything the EU throws at them. Among other things, they are having third parties review their client files and procedures, and that alone is enough to drive solid growth.”

While concerns around wider global economic issues remain, consultants are cautiously optimistic about their prospects in 2018: with transformation projects expected to continue; sustained demand around regulations; and expectations of further strong economic growth.

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Notes to the editors:

About Source Global Research

Source Global Research (Source) is a leading provider of information about the market for management consulting. Set up in 2007 and with offices in London and Dubai, Source serves both consulting firms and their clients with expert analysis, research and reporting. Source draw not only on our extensive in-house experience, but also on the breadth of our relationships with both suppliers and buyers.

The Source [global consulting data model](#) is the biggest and most sophisticated model of the consulting industry ever created, and the model on which many of the world's leading consulting firms now base their understanding of the size and shape of the consulting industry. It provides data on market size, growth rates, and forecasts across 29 sectors, six service lines, 84 countries and five firm types.

Source was founded by Fiona Czerniawska. Fiona is one of the world's leading experts on the consulting industry. She has written [numerous books](#) on the industry including: [The Intelligent Client](#) and *The Economist* books, [Business Consulting: A Guide to How it Works and How to Make it Work](#) and [Buying Professional Services](#).

² This figure refers to what Source calls Type A firms – firms that do audit alongside consulting – which includes firms other than the Big Four, although in reality the Big Four account for the overwhelming majority of this part of the market.

All of Source's work is underpinned by its core values of intelligence, integrity, efficiency and transparency. For further information, please visit: www.sourceglobalresearch.com

About the report

Sources

This Source Global Research report is based on quantitative and qualitative research of consulting firms in Benelux. This includes:

Megamodel: The Source global consulting data model

The quantitative data contained in this report focuses on consulting done by mid- and large-sized consulting firms (those with more than 50 consultants) and typically includes work they have carried out for mid- and large-sized clients—what Source call “big consulting”. It therefore reflects the “addressable” market for the majority of mid- and large-sized consulting firms; Source doesn't try to track the long, thin tail of work done by very small firms for very small clients, nor the contractor market, as most readers of this report would not seek or be able to compete with this part of the market. Source analysts work out the addressable size of the market through desk research, identifying the number of firms that meet its criteria, and extrapolating from that to reach a figure for the market as a whole.

Using this definition, Source has built a bottom-up model of the global consulting market from the information it gets from consulting firms and its own research, and they use it to size the industry and its growth rates. This is based on the Source global model which contains detailed data about almost 1,600 firms, plus higher-level estimates about a further 400,000 firms, all with more than 50 consultants apiece, in addition to comprehensive primary research carried out by Source analysts.

Please note that the Source 2016 baseline figures have changed a little since last year, as it has refined and implemented improvements to research methods.

Source should emphasise that there are no standard sources of definitions of data within geographies let alone between them. It is, however, confident that the richness of its qualitative data, combined with Source's unparalleled industry expertise, means that this analysis fairly and accurately reflects the state of the market.

All figures given in this report are in euros. For reference, Source is using the following exchange rates in its reports this year:

US dollar to British pound \$1 = £0. 78

US dollar to euro \$1 = €0. 89

Interviews with senior consultants

In addition to quantitative research, Source interviewed 17 very senior consultants (typically the most senior person in their country) from most of the leading consulting firms in the region and many smaller local specialists to understand more about how the consulting market is performing, and what the major trends, changes, and challenges are. Throughout the year Source analysts remain plugged into the global consulting market through its bespoke research and consulting projects, adding further depth to its understanding of the consulting industry.

In-depth desk research

Source also conducted a thorough PEST analysis in Benelux that drills down into finer macroeconomic details on a holistic and sector-by-sector basis and allows it to fit its research into a wider macroeconomic picture.