

## **PRESS RELEASE**

**Date: 13<sup>th</sup> July 2017**

# **German consulting market increases 7.9% to €8bn in 2016**

***DACH consulting market heads towards a value of €10bn (€9.36bn in 2016)***

The DACH consulting market recorded strong growth of 7.7% in 2016, up by almost one-and-a-half points over 2015, taking the market to a value of €9.36bn in 2016.

This is evidenced by a new report from Source Global Research, the leading research and strategy firm for the global management consulting industry. Germany and Switzerland made the biggest contribution to that growth, although there were still plenty of opportunities in the smaller Austrian market.

A solid economic performance certainly helped, with GDP growth rates across the DACH region of between 1.2 and 1.7% in 2016. *“The economies in the DACH region are moving along nicely, and this is going to be an important basis going forwards. As long as economies are growing, consultants will do well,”* explains Georg Tacke, CEO of Simon-Kucher & Partners. *“In fact, I'd say the current scenario is perfect for consultants—there's a bit of uncertainty, but economic growth, too.”*

Fiona Czerniawska, Director of Source Global Research said:

*“The DACH market grew so strongly largely due to digitisation, which was a key factor in driving demand in many industries. Growth was particularly high in the large manufacturing market, and financial services often the bellwether of the health of a consulting market, also outstripped 2015's already impressive growth rate by more than a percentage point.”*

The Source report also found that consultants in financial services and manufacturing, the two largest industries for consultants—enjoyed a very strong year, as clients sought help with industry disruption and the creation of new business models. In both, the rate of growth was markedly higher than it was in the market as a whole. That interest in new technologies also benefitted consultants in retail and pharma & biotech, both of which grew strongly.

Strategy consulting only narrowly continued to be the largest service in DACH, worth €2.95bn, with risk & regulation the fastest growing service –and tech consulting doing well, too. *“Demand for consultants is rising, especially related to technology. Because of everything digital, even consultants working in supply chain management or HR are faced with the expectation of certain digital standards that make them sweat”*, said Tina Deutsch, Co-Founder & Managing Partner, Klaiton.

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The Source report says that increasing productivity and efficiency is the initiative most likely to be driving work in organisations in DACH in the coming year, with 93% of clients planning to invest in this. Technology, both old and new—together with cost cutting—is also high on clients' lists. This all tallies with a persistent pursuit of efficiency coupled with the realisation that digital is part of this imperative.

For more information on Source reports contact [alice.noyelle@sourceforconsulting.com](mailto:alice.noyelle@sourceforconsulting.com) or telephone +44 (0)20 3178 6443 or visit [www.sourceforconsulting.com](http://www.sourceforconsulting.com).

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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. We draw not only on our extensive in-house experience, but also on the breadth of our relationships with both suppliers and buyers. All of our work is underpinned by our core values of intelligence, integrity, efficiency and transparency.

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](#). For further information, please visit: [www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

**About the DACH report:**

The Source report is based on two major sources of primary data:

**Clients of consulting firms:**

Source interviews senior end users of consulting in DACH to help it to build up a rich picture of how trends in the consulting market are playing out within clients' organisations. Conversations focus on the following areas:

- **What's driving change in their organisation**
- **How they are using consultants**
- **Factors that affect the way clients work with consulting firms**
- **What they value the most—and least—about working with consultants**

Source's definition of management consulting includes a broad range of business advisory services, but excludes: tax advisory; audit; the implementation of IT systems; the delivery of outsourced/offshored services; and HR compensation/benefits administration and technology. Where mergers and acquisitions work is concerned, consulting on deals is included (under strategy), but corporate finance fees on deals themselves are generally not included although it is not always straightforward to separate the two.

Source also surveyed 521 senior clients of consulting firms across DACH. The majority (97%) work for private sector organisations, many of which are multinationals. All work in organisations with over 250 employees.

This survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2017 and into 2018, and what initiatives they'll be working on and how likely that is to drive consulting work. Their responses are just one of the factors that Source takes into account when forecasting future growth rates.

**Consulting firms:**

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 calls “big consulting”.

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 Source uses this to size the industry and its growth rates. This is based on Source’s 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 primary research carried out by Source analysts.

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 = £0.74**

**US dollar to euro \$1 = €0.90**

In addition to quantitative research, Source interviewed 23 very senior consultants (typically the most senior person in their country) from most of the leading consulting firms in the country 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.