

## **PRESS RELEASE**

**Date: 2<sup>nd</sup> May 2017**

# **Deloitte leads the \$23bn global digital transformation market**

- ***Global digital transformation market twice the size of the UK's consulting market***
- ***UK, US, and Australia are where digital transformation has taken hold the most***
- ***Next phase of digital work presents a huge opportunity for strategy firms***

A new report has found that the global digital transformation market was worth around \$23bn to consultants in 2016, with Deloitte (12 per cent market share) carrying out more work than any other global consulting firm. The Big Four firms (which also include EY, KPMG and PwC) collectively hold around 21 per cent of the global digital transformation market.

The report from the leading research and strategy firm for the global management consulting industry, Source Global Research, says that the global digital transformation market is now roughly twice the size of the UK's consulting market, and five times the size of the consulting market in China.

The report also reveals that the UK is where digital transformation has taken hold – where it represents 23 per cent (£2.26bn) of the entire consulting market, compared with 20 per cent in the US (\$11.79bn), and 21 per cent in Australia (\$996million).

The report says that the biggest share of digital transformation might come from technology, but it's the strategy market that has been most impacted by digital transformation so far. Digital transformation now accounts for about a quarter of all strategy work in the world, so digital transformation really matters to strategy firms.

Edward Haigh, Director of Source Global Research, said:

*“Deloitte sits at the top of the digital transformation market for work, but towards the bottom of the ranking in terms of client sentiment - so it does a very good job of converting what positive sentiment exists into market share. Deloitte is not alone in pulling off this trick - it's something that the Big Four, as a group, appear to do more effectively than anyone else.*

*However, if we accept that client sentiment may be a leading indicator for future market share, then the Big Four firms have a serious challenge on their hands, while strategy and technology firms appear better placed.”*

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The Source report also surveyed client organisations about the factors driving investment in digital. It found that while efficiency remains a big concern for everybody, the biggest driver of digital investment is the need for growth. Among all the respondents surveyed, 52 per cent said growth was one of the two most important factors driving investment in digital transformation; but among respondents from the biggest organisations (those with annual revenues of \$5bn or more) the number rose to 73 per cent.

When asked how their investment will change in the next two years, clients expect their biggest areas of investment to be in changing business models (70 per cent) and improving underlying technology infrastructure (69 per cent). But the majority (86 per cent) of larger organisations, say they'll be increasing investment connected with making changes to their business model, and that's work that looks set to benefit strategy firms more than anybody else.

Nevertheless, Edward Haigh from Source concludes:

*"Although our research finds that the strategy firms are best placed for the next phase of digital transformation work, they have not yet asserted themselves on the market. Going forward, no matter which firm type you are, your reputation with the board and your ability to advise clients about their business model will matter most."*

For more information on Source reports contact [alice.noyelle@sourceglobalresearch.com](mailto:alice.noyelle@sourceglobalresearch.com) or telephone +44 (0)20 3795 2668/ visit [www.sourceglobalresearch.com](http://www.sourceglobalresearch.com).

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#### **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. 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 this Source report**

This Source report draws on data from three main sources:

1. The Source global consulting data model. A bottom-up model of the consulting industry covering 84 countries, 29 sectors, and six major service lines and containing about 9.7m data points.
2. A survey of 150 clients in the US about digital transformation.
3. The Source annual global client perception survey, the latest version of which had 8,046 responses.

At the time of writing this report the data about the consulting market in 2016 - the year Source refer to in talking about the size of the market - is provisional. Therefore, the data contained in this report is a good guide to the size of the digital transformation market globally, in specific geographies, and in terms of how it interfaces with traditional consulting services lines. But as it pre-dates the publication of Source's 2017 reports on most geographies around the world, some of the detail is subject to minor changes.