

**Date: 29<sup>th</sup> May 2018**

## **Growth starts to pick up in Eastern Europe's Consulting Market**

After recording a growth rate of 5 per cent for several years, Eastern Europe's consulting market saw stronger growth in 2017—up 6.7 per cent. Poland—the region's largest market—once again saw the strongest growth rate, followed by the other mature markets of Slovakia and Czech Republic.

Although growth has picked up across Eastern Europe, the consulting market report from Source Global Research, the leading research and strategy firm for the global management consulting industry, found that it still remains a challenging market for consultants. This is partly due to governments throughout the region continuing to actively involve themselves in business affairs and adopting increasingly protectionist regulations that limit the availability of foreign investment. At the same time, the public sector consulting market grew slowly because of an underlying scepticism about consultants and a lack of funds to employ them.

While Eastern Europe continued to lag the most digitally advanced countries, consultants saw a significant upturn in digital-related work in 2017. In particular, there was a surge in demand for robotics and RPA solutions as clients looked to automate tasks to reduce cost, drive efficiencies, and help the region maintain its competitive edge as a primary destination for nearshoring activity and shared service centres.

By using the biggest and most sophisticated [model](#) of the global consulting industry, Source also found that all industry sectors in Eastern Europe increased their use of consulting in 2017, with consulting revenues growing the fastest in retail and manufacturing as clients reacted to the disruption caused by e-commerce and the need to update legacy technology throughout the supply chain. There was also strong growth in technology, media & telecoms and financial services—the market's largest sector—driven by growing interest in front-to-back digitisation and data & analytics.

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

*“As the needs and demands of clients change in Eastern Europe, so too do the ways consultants in the region operate. Consultants are increasing their use of digital tools internally as a means of improving their own efficiency and demonstrating their digital adeptness to clients. Firms are also expanding their capabilities to allow them to deliver end-to-end solutions and making bigger investments in assets to deliver these more economically and at a quicker pace.”*

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Consulting also saw growth across all service lines in 2017, with technology as the largest and the fastest-growing service line driven by continued demand around updating legacy technology and a growing desire from clients to catch up with their counterparts in more digitally advanced markets.

**Torsten Henzelmann, Managing Director, Central Europe, Roland Berger, added:**

*"We see two types of digitisation happening. The first is happening on the front end and is all about the customer's perspective. The second type is digitisation of the back end, and this is where the AI and robotics work is happening."*

Though market performance does, of course, vary by country, Source expects the overall Eastern Europe consulting market to grow at a slightly higher rate in 2018, with at least moderate growth in all regions.

For more information on Source reports contact [ella-sian.jolley@sourceglobalresearch.com](mailto:ella-sian.jolley@sourceglobalresearch.com) or telephone +44 (0)20 3478 1204 or visit [www.sourceglobalresearch.com](http://www.sourceglobalresearch.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 with a London office, 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](#).

### **This report**

This Source report is based on quantitative and qualitative research of consulting firms in Eastern Europe. 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 don'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.

There are no standard sources of definitions of data within geographies let alone between them. Source are, 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 15 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.