

**Date: 15<sup>th</sup> March 2018**

## **National Transformation Program drives increased use of consultants in buoyant Saudi market**

- ***Consulting in Saudi Arabia expected to return to double digit growth in 2018 – the first time for three years***
- ***Governments across the GCC increase spending on consultants to prepare for post-oil era***

Consulting work around the National Transformation Program (NTP) has helped Saudi Arabia's consulting market grow 8.3 per cent to US\$1.29billion in 2017 from US\$1.19billion<sup>1</sup> the previous year. Growth in Saudi Arabia, the GCC's largest consulting market, will also continue to pick up speed in 2018, with a double-digit growth rate (+10 per cent) returning for the first time in three years<sup>2</sup>.

Across the GCC, the consulting market grew by 7.2 per cent in 2017. While the growth rate remained below pre-oil-price-crash levels, many consultants indicated that 2017 was their best year for some time across the region.

The public sector – which accounts for nearly a third of the GCC consulting market – grew by 7.3 per cent as governments looked to consultants for support in their public service reform programmes. These figures are published today (15<sup>th</sup> March 2018) in a new report from [Source Global Research](#), the leading research and strategy firm for the global management consulting industry. The Source report says that Neom is just one of the significant economic diversification projects that creates enormous potential for constructors and consultants alike.

### **Edward Haigh, a director at Source Global Research, said:**

*“It's hard to overstate the importance of Saudi Arabia to the health of the GCC consulting market, and it's similarly hard to overstate the importance of Saudi Crown Prince Mohammed bin Salman. In no other major consulting market does so much rest on one man.*

*Indeed, the urgency with which MBS appears to be setting out his reform programme has allowed the consulting market to maintain and even increase its momentum.”*

### **Kushal Shah, Partner at Roland Berger, added:**

*“The number of government programmes supporting the National Transformation Program 2030 is massive. Government entities are under pressure to deliver fast. There are aggressive deadlines, and consultants are helping them to achieve those goals.”*

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<sup>1</sup> Please note that 2016 baseline figures have changed since last year, as Source has refined and implemented improvements to its research methods. Please refer to “notes to the editors” at the end of this press release.

<sup>2</sup> Saudi Arabia's consulting market last managed double-digit growth (14.8%) in 2015.

The Source report also found that consulting revenues grew fastest in the healthcare & pharma sector, and this rapid growth is expected to continue in 2018, as Governments across the GCC look for consulting support as they progress with plans to outsource more healthcare facilities. The introduction of new regulations and licencing procedures is also expected to generate more work for consultants.

From a service line perspective, technology was both the largest and the fastest-growing in 2017, as digital started to play a more prominent role. Risk & regulatory was the second-fastest growing service line, with the growing prominence of digital bringing cybersecurity into greater focus and domestic policy reforms disrupting every sector.

The Source report also found that Saudi Arabia's transformation has brought with it a greater recognition for women in business and allowed them to travel more freely.

**Kushal Shah, Partner at Roland Berger explains:**

*"Change in Saudi Arabia is so visible. In less than a year, I've seen a big change. Women clients are shaking hands comfortably with men. The transformation in Saudi Arabia means that female consultants can travel more easily and more comfortably in a more agreeable climate."*

**Tom O'Byrne, Director Market Development & Client Services at Towers Watson agrees:**

*"Women are being recognised as skilled, capable, and relevant, and that has not necessarily been articulated in the way it has been in the last few years."*

The Source report points out that the GCC consulting market remains volatile, and this volatility was particularly prominent in 2017, with consultants and clients suggesting it was the most unpredictable year since the uprisings of 2011. In response to the ongoing volatility in the market, consulting firms worked to diversify their portfolios to take advantage of the growing private sector as those clients adjusted to a rapidly changing market.

**Edward Haigh concluded:**

*"While there is certainly more optimism for 2018, concerns still remain. Pressure on both prices and talent are expected to increase as consulting firms expand the portfolio of services they offer in an effort to compete not just for strategy work, but for implementation work as well."*

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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# PRESS RELEASE



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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](#).

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](http://www.sourceglobalresearch.com)

### About this Source report:

This Source report is based on quantitative and qualitative research of consulting firms in the GCC. This includes:

#### Megamodel: The Source Global Research 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.

Source should emphasise that there are no standard sources of definitions of data within geographies let alone between them. They 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 US dollars. 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

### Client view

Source interviewed 13 senior end users of consulting in the GCC to help build up a rich picture of how trends in the consulting market are playing out within clients' organisations. It also carries out client surveys. In 2017, Source surveyed 297 senior clients of consulting firms across the GCC. All work in organisations with over 250 employees.

### Interviews with senior consultants

In addition to Source's quantitative research, 28 very senior consultants were interviewed (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.

## ***PRESS RELEASE***



### **Restated figures for 2016**

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

Having listened to feedback from a number of consulting leaders in the GCC over the past year, it became clear that Source has been slightly overstating the size of the Saudi Arabia consulting market in the region. Responding to this, Source re-analysed its data both about fly-in fly-out consultants and about average revenues per consultant and took the decision to apply a downgrade of between 11 per cent and 13 per cent to the size of the market for most types of firms, and a smaller downgrade, of about 2 per cent, for strategy firms.