

PRESS RELEASE

Date: 25th July 2017

Upturn in fortunes for Italy's consulting market

With companies focusing on growth and digital initiatives across many industries in Italy, the consulting market recorded revenue growth of 4.3 per cent to reach a market value of €1.2billion in 2016. This was despite another year of low economic growth in Italy, demonstrating that the consulting market has the resilience to perform well even in a challenging environment.

These findings are revealed in a new report from Source Global Research, the leading research and strategy firm for the global management consulting industry. The report also found that 2016 saw the price pressure that has plagued the Italian consulting market in recent years finally begin to abate among most client groups, with average rates increasing for the first time in many years. The report says that this is partly thanks to growth being back on the agenda for many clients, and partly because of a growing appetite for consulting among mid-market clients.

Digital investment picked up significantly in 2016, with greater and more varied demand for consulting support. In line with this, clients' expectations of consulting began to change, with a noticeable shift towards implementation and an expectation of tangible results on each project.

The manufacturing industry was the fastest-growing consulting market in Italy last year, with revenues up almost 9 per cent from 2015. Financial services, retail, and technology, media, & telecoms also saw good levels of demand for consulting support.

Technology was the fastest-growing consulting service line in Italy in 2016 because of the shift towards the implementation of digital solutions.

Alastair Cox, Analyst at Source Global Research said:

"Digital and growth initiatives really have had a positive impact on Italy's consulting market, but we have found that the traditional consulting model is under increasing pressure, and this is driving new ways of working. One example is the creation of innovation centres as a means of developing and testing new, innovative concepts. Another is a shift to an asset-based or subscription model, whereby scalable digital solutions are created and become reliable revenue streams.

Some firms are also forming ecosystems that include other professional service providers in a bid to offer their clients the highest-quality end-to-end services."

More./...

2./...

The Source report found that technology firms experienced the strongest growth of any firm type in 2016, bolstered by their digital credentials. Accounting firms—a group that includes the Big Four—enjoyed a better year than they saw in 2015, thanks to their focus and investment in digital. Strategy firms also performed well, with higher levels of M&A activity and clients' desire for growth strategies boosting revenues.

Ottorino Capparelli, Country Manager-Italy, RGP, added:

“The Italian market is a market with a high degree of fragmentation, so we have a few very big consulting firms that keep going at a good pace and a number of small or mid-sized firms that are growing right now but have a harder time of it. There's a big difference between the top five, six, or even 10 firms and everybody else.”

The Source report says that consultants are hopeful that 2017 will prove a similarly strong year, with further demand for digital and growth-related initiatives providing good levels of growth.

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

-ENDS-

For further information about this press release, please contact:

David Pippett, DWP Public Relations
Tel: +44 (0)1225 335675/+44 (0)7899 798197
Email: david@dwppublicrelations.co.uk

Edward Haigh, Director, Source Global Research
Tel: +44 (0)7912 516913
Email: edward.haigh@sourceglobalresearch.com

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

About the Italy report:

This Source report is based on quantitative and qualitative research of consulting firms in Italy. 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 they get 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 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 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 14 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 bespoke research and consulting projects, adding further depth to Source's understanding of the consulting industry.