

PRESS RELEASE

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Digital and cybersecurity drive UK consulting M&A

Big Four firms and Accenture lead the way in buying-in tech...

Since 2013¹, around a third of the 184 mergers & acquisitions in the UK & Ireland's £6billion consulting sector have been in digital design, analytics and cybersecurity.

These findings are published in a report from Source Global Research (Source). The report also reveals that Big Four firms and Accenture led the way in making acquisitions - suggesting that these firms can't rely on organic growth alone to meet partner and/or shareholder expectations. EY, which accounts for 13 per cent of all deals originating from the UK & Ireland, and PwC (9 per cent) have been the most active of the Big Four - absorbing capability across the digital spectrum but also investing in data and IT more generally.

Although acquisitions have tended to focus on technology, the Source report says that for most client organisations digital is as much about strategy as it is about technology. Though strategy acquisitions by these firms have been far less numerous than technology acquisitions, they have been among the most high-profile.

For instance, the acquisition of Booz & Co by PwC may have been the biggest and most headline grabbing of all the deals over the last few years, but it's far from representative of the majority of transactions. In fact, in a third of all deals the acquirer was a technology firm, and in 20 per cent of cases the firm being acquired was also a technology firm. In other words, the majority of deal activity (55 per cent) involved technology firms buying technology firms.

Margaret Cameron-Waller, Head of Growth Strategies and Solutions at Source concluded:

"The UK & Ireland consulting markets are in resurgent mood at the moment, so it's little surprise to find a deals market as active as it is. What we see in the UK & Ireland mirrors the picture we see elsewhere: a concerted effort on the part of consulting firms to increase their digital capabilities to meet what they see as the biggest opportunity in today's market."

Despite the activity of the Big Four, the single biggest acquirer where deals originated from the UK & Ireland was Accenture. The firm - which, like the Big Four, has been making much of its capability to offer everything from strategy to technology and beyond - accounted for an impressive 15% of all deals."

¹ Based on research undertaken in the UK and Ireland during the period January 2013-December 2015.

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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. 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 and Joy Burnford. 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](#). Joy Burnford was Marketing and Operations Director at the UK Management Consultancies Association between 2003 and 2010, and prior to that worked for PA Consulting Group and has extensive experience of marketing consulting services. For further information, please visit: www.sourceglobalresearch.com

About the report

The report is based on research undertaken in the UK and Ireland during the period January 2013- December 2015. Source interview consulting firms in these markets on a regular rolling basis along with representatives from their client firms.

Source's definition of the market includes strategy, HR & change management, operational improvement, financial management, risk, and technology consulting. It doesn't include systems development and implementation. For the purposes of this report, Source also include a special category of engineering consulting.