

PRESS RELEASE

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Sweden drives Nordic consulting market growth

Market now worth nearly €2.5bn, but impact of low oil prices slows growth in Norway...

Despite a challenging economic and political environment, the Nordic consulting market grew by a respectable 3.2 per cent to €2.49billion in 2015. Sweden, the largest consulting market drove much of this growth, increasing 4.9 per cent to €826million.

The new report from leading global consulting market analysts, Source Global Research (Source) says that although there is a buzzing start-up scene in Sweden, this is having relatively little direct impact on the fortunes of consultants. But, it is acting as a local reminder for Swedish multinationals of the ever-growing threat of disruption, and that's stirring many into transformative action.

The report also says that although the impact of low oil prices slowed growth in Norway it still outperformed the economy – growing 1.7 per cent to €589million. Sjur Gaaseide, Managing Partner, Deloitte Consulting Norway, added: *“Outside of the oil and gas sector, the market has been quite strong - and even the public sector seemed quite stable to us.”*

Performance across the other Nordic markets was also impacted by external factors. For instance, Finland continued to struggle from its exposure to Russia - growing just 1.9 per cent to €401million. Meanwhile, Denmark the second largest consulting market grew 3.3 per cent to €675million – slowing from its 2014 growth rate of 5 per cent.

But the report points out that there are trends that unite these markets. For instance, digital transformation is taking place everywhere in the Nordics, partly because of the opportunity it presents organisations to become more customer-centric and to do more with less, but also because of the threat of disruption.

Ageing population contributes to impressive growth in healthcare

Although a relatively small sector, healthcare is where the highest levels of growth were to be found in the Nordics - up 8.6 per cent to €80million in 2015. The report says that the combined effects of ageing populations and the rising cost of healthcare provision are forcing organisations onto a transformative footing, in which technology is playing a big role.

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Financial services and public sector drives absolute growth

But the greatest growth in absolute terms came from the financial services and public sectors - far and away the Nordic region's largest. Growth is much stronger in financial services (6 per cent to €503million) than it is in the public sector (3.4 per cent to €647million), largely as a result of regulation, but consultants were busy in both.

Edward Haigh from Source added:

"Consulting to the public sector represents around a quarter of the total market in the Nordics, and 2015 was a pretty good year, with growth broadly in line with that of the overall market. Digital transformation was a strong theme across the whole of the Nordics, with both central government and regional legislatures focused on delivering e-government initiatives, changing both the interface with citizens and also the back office processes supporting service delivery."

A busy digital transformation story

From a service perspective, technology dominated, growing by 4 per cent to €861million on the back of a busy digital transformation story. But there was also a strong strategy component to this work, to the extent that the strategy market also grew slightly faster (3.5 per cent to €500million) than the market as a whole.

Alisdair Munro, Director Knowledge & Technology, Virke – The Norwegian Enterprise Federation, and Head of Consulting Norge, commented: *"With low oil prices the energy sector faces new challenges, and while some consulting firms are losing, others are winning. For instance, with the need to be more cost efficient organisations are needing to make major structural improvements. These improvements often require external consulting support - and this is where the winners are still in demand."*

The report concludes that across the Nordic market, clients are saying that they're immensely busy at the moment, and they appear to have an impressively big appetite for using consultants to help them get things done. However, there's much to dampen their mood and constrain their growth, and Source predicts that growth in the market is unlikely to pick up above 3 per cent in 2016.

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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

Sources

This report is based on two major sources of primary data:

Clients of consulting firms:

Source interviews senior end users of consulting in the Nordics to help it build up a rich picture of how trends in the consulting market are playing out within clients' organisations.

Source also carries out client surveys. This report is based on 78 senior clients of consulting firm surveys across the Nordics. The majority work for private sector organisations, many of which are multinationals. The majority work in organisations with revenues in excess of \$500m, and over 250 employees.

This survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2016 and into 2017, and what initiatives they'll be working on and how likely that is to drive consulting work. Their responses are just one of the factors that Source takes into account when forecasting future growth rates.

Consulting firms:

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 calls “big consulting”. It therefore reflects the “addressable” market for the majority of mid- and large-sized consulting firms.

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 Source uses it to size the industry and its growth rates. This is based on Source's 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.

Please note that 2014 baseline figures have changed a little since last year, as Source has refined and implemented improvements to its research methods.

In addition to Source's quantitative research, it interviewed 33 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 our bespoke research and consulting projects, adding further depth to our understanding of the consulting industry.