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US corporations spent \$23bn on analytics work in 2017

- ***The largest US corporations invested \$23bn in analytics in 2017***
- ***The US analytics consulting market accounts for over half of global analytics consulting revenues***

A new report published today reveals that US corporations spent \$23bn on analytics work (excluding hardware and software) in 2017—either through their own internal teams or with external management consulting firms.

Investment in this area also looks set to continue, with the majority of US senior executives stating that data and analytics work had generated substantial value for their organisations.

These findings are published by [Source Global Research](#), the leading research and strategy firm for the global management consulting industry. Source reveals that around \$10bn was spent by US corporations on building up in-house analytics capabilities, in addition to a further \$13bn spent on external analytics consultants.

The US analytics consulting market continues to be the largest in the world, and North America accounted for over half (53 per cent) of global analytics consulting revenues. However, much of the growth in analytics consulting work has come from cannibalising components of other consulting services - where traditional ways in which data is gathered for—say—strategy and supply chain projects might have been re-badged as analytics work.

The report says the extent of this cannibalisation only serves to reinforce how important analytics work is for all US consulting firms, not just some.

Fiona Czerniawska, Director of Source Global Research, said:

“There can’t be a consulting firm in the US that hasn’t been exposed to clients’ interest and investment in analytics in the last five years. Many firms have made a significant investment in this space; some would put it at the heart of virtually everything they do. Nobody—we think it’s safe to say—is complacent about the opportunities, perhaps the threats, that analytics represent in the future.”

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The Source report also found that US executives are investing in data and analytics for a number of very positive reasons, with 90 per cent measuring its impact on new revenue growth, and 84 per cent on cost efficiency.

Chris Brahm, Global Practice Leader, Advanced Analytics at Bain & Company, added:

“Clients have been investing in this area for years; building teams of data scientists and running experiments. Now they want to know what the benefit is and establish how they take their investment to the next level.

In the last few years, we have seen clients start to innovate with analytics pilots and establish centres of excellence. That’s successful to a degree, but they find it challenging to scale things out to the wider organisation. We’re entering a new phase, and it’s one where the scalability of analytical capabilities has become much more important.”

The Source report also found that although technology firms such as IBM and Accenture have the edge in the analytics consulting market today, clients see few differences between consulting firms in terms of the quality of their analytics work. Where differentiation does exist, it appears to be expressed in terms of three things: Whether analytics work is approached from a technology or business perspective, the extent to which a firm focuses on change management, and the extent to which importance is placed on sector-specific propositions.

The report concludes by highlighting that ecosystems are likely to play an important role in helping a consulting firm to offer a broad range of analytics services, but opportunities are being missed here. Most firms are focused on building relationships with technology partners, overlooking opportunities to do the same with less obvious organisations such as those that concentrate on a particular sector. Source found that the healthcare and financial services sectors may be an especially rich source of opportunity right now.

Fiona Czerniawska concluded:

“There are thousands of opportunities for consulting firms to create ecosystems with less obvious US based organisations, allowing them to quickly draw on a toolbox of solutions from multiple suppliers and match them to the needs to the client. Embracing the partnership model means that firms can avoid having to develop their own technology. It also partly mitigates the problem around competition from non-traditional players— from the likes of Google, Amazon, and LinkedIn.”

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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 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](#).

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

About the Source Analytics Consulting Report

For this report, Source analysed the number of people working in analytics-related roles in the 130 US corporations in the Fortune 500. It also surveyed 199 senior executives in large American corporations, asking them about their views around data and analytics, and the extent to which they expect to invest in analytics consulting in the future.

This report also draws on data from:

- The Source Global Research [global consulting data model](#)—a bottom-up model of the consulting industry covering 84 countries, 29 sectors, and six major service lines and containing almost 10m data points
- The Source annual global client perception survey, the latest version of which had 9,000 responses from a range of major consulting markets around the world.