

## **PRESS RELEASE**

**Date: 2<sup>nd</sup> August 2017**

# **Spain's consulting market enjoys healthy growth for the second year running**

A new report has found that the Spanish consulting market expanded by almost 6 per cent during 2016 to reach a market value of €1.28billion. A slow-but-steady improvement in the domestic economy, combined with clients' renewed interest in growth initiatives, has left many consultants confident that the market has turned a corner and is likely to remain strong for several years.

A return to stronger growth over the last two years is in stark contrast to the recent performance of the Spanish consulting market, where a 3 per cent slump in revenues was recorded in 2012, and a mere 0.8 per cent growth in 2013.

However, the report from Source Global Research, the leading research and strategy firm for the global management consulting industry points out that it's not all good news in 2016, as consultants are having difficulty raising the bargain-basement prices they were forced to adopt during the economic downturn. Source says that there are fears that prices will remain low in Spain even as the economy recovers. Price pressure is particularly acute in the beleaguered public sector consulting market, which endured a flat year in the face of a tumultuous domestic political environment.

The report also reveals that the financial services industry was Spain's fastest growing consulting market last year, with strong demand for services ranging from cost cutting and efficiency to customer experience improvements, all employing digital technology. However, the report does note that Spain continues to lag behind other mature economies in terms of its digitisation agenda and the impact of this on consulting.

The risk & regulatory service line grew the fastest as both regulatory compliance and cybersecurity generated a good deal of interest. Technology remained the biggest consulting service line in Spain, and in 2016 it was one of the fastest growing as demand for digital continued to rise.

### **B.J. Richards, Senior Editor at Source Global Research said:**

*"Although the Spanish consulting market has once again recorded healthy growth, the combination of endemic low prices and demand for end-to-end digital delivery is putting pressure on the consulting business model. In response, many firms are forming partnerships and ecosystems, both with fellow consulting firms and with other professional services providers, in order to provide clients with the one-stop shopping experience they want."*

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**Cristóbal Escoda Cano, Managing Director at NAE, added:**

*“While big firms may have the money to buy lots of companies to broaden their services, I think they still run into the same problem—they can’t buy everything. We’re actually partnering with some of the larger firms because they see that we complement them and the same with smaller and more specialised ones.”*

The Source report also found that the largest firms in Spain were also the fastest-growing in 2016, as clients appreciated their breadth of services and international footprints. Many smaller players also enjoyed a good year, with clients seeking out their niche expertise and higher degree of agility. A growing interest in digitisation helped ensure that technology firms performed best last year.

As 2017 has proven to be another solid year so far, Source forecasts a similarly strong performance in 2018, with a growing interest in digitisation set to serve consultants well over the next few years.

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

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**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](mailto:david@dwppublicrelations.co.uk)

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

**Notes to the editors:**

**About this Source Report:**

This Source report is based on quantitative and qualitative research of consulting firms in Spain. 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 Source then uses 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.

Please note that 2015 baseline figures have changed a little since last year, as Source has refined and implemented improvements to its research methods. Source adjust the metrics in its model to try and counter the effect of currency fluctuation in order to get a sense of true consulting growth, with as much noise from external sources filtered out.

Source would like to emphasise that there are no standard sources of definitions of data within geographies let alone between them. Source is, however, confident that the richness of its qualitative data, combined with its unparalleled industry expertise, means that this analysis fairly and accurately reflects the state of the market.

All figures given in this report are in euros. For reference, Source is using the following exchange rates in its 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 10 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 its bespoke research and consulting projects, adding further depth to its understanding of the consulting industry.