

PRESS RELEASE

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Digital boost for UK tech consultants

Interest in legacy systems lags as digital becomes more urgent...

Digitisation took off in 2015, and as a result, technology consulting - the largest UK management consulting service line - grew by 8.7 per cent to £2.69billion.

These findings are published today (2nd March 2016) in a new Source Global Research (Source) report. The report says that clients' moving from analysing digital's impact to designing and implementing real-world digital solutions was responsible for a good deal of the service line's growth over the last year. The front office remains the primary driver of activity, with clients eager to use digital to build stronger customer relationships. However, the report says that digitisation of the back office is beginning to look like the bigger opportunity.

In contrast to the great enthusiasm around digital solutions, organisations are increasingly viewing older legacy systems as millstones around their neck, and any decision to spend money on their upkeep is being made grudgingly.

Fiona Czerniawska, Director at Source Global Research, said:

"The heyday of big and costly ERP customisation may well be over for good. Instead, all things are moving toward to the digital and the dynamic, and technologies such as new cloud-based systems are proving a popular way forward. Cloud systems are a key area of focus for many consulting firms as they help their clients to navigate the confusing maze of old and new technology and figure out how to knit them together in cost-effective ways to support future change.

Doing this well requires a very specialised - and hard to find - skillset that encompasses deep knowledge not only of both traditional and digital technology but of business functions as well."

The report found that full-scale technology-driven transformation is also a huge driver of work as organisations respond to the need to reshape their businesses as a result of challenges to their cost base as well as the impact of digitisation.

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In order to make the most of the broad interest in digital solutions, technology firms have started to rise to the challenge of extending their reach beyond the CIO silo, but they are facing stiff competition from the Big Four firms, which very much understand just how much this part of the market is worth and are determined to get their slice of it.

Aidan Brennan, Global Head of Management Consulting, KPMG, said:

“The consulting market will fundamentally change in the coming years: at the moment, it’s driven by large-scale, technology-based transformation jobs, which you’d expect to repeat again ten years later. But cloud technology changes this: you can update your systems several times a year. That means that the core trigger for buying large-scale consulting projects is going to change.”

Fiona Czerniawska concluded:

“This is an exciting market to be in, though it’s highly competitive and requires a broad and deep skill set. We think the investments being made here will pay off as strong growth continues.”

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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