

EXTRACT



# THE FRANCE CONSULTING MARKET IN 2017

*Including market sizing data, growth rates, current market trends, and forecasts*

# EXECUTIVE SUMMARY



- It was a strong year for the France consulting market in 2016, which managed to outperform poor GDP performance to grow by 4.2%—reaching a value of €4,277m. It's a rate that feels sluggish against the stronger performance of many Western counterparts, but for consulting firms in France this growth marks a longed-for return to health after several years of underwhelming performance.
- The thirst for international expansion intensified last year, as clients sought an escape from the uninspiring domestic economy. On the whole these ambitions favoured larger consulting firms that could leverage their own global footprint to advise clients on market entry with authority.
- A growing start-up scene has been both a driver of work and a doubled-edged sword for consulting firms. While demand to foster innovation generated calls to consultants, start-ups also looked particularly attractive to France's brightest young people—increasing competition for talent in an already tight market.
- A climate of uncertainty was, and continues to be, pervasive both at home and abroad, though consultants say it's had little impact on their business so far. While those working in the public sector anticipate the usual decision-making hiatus in the run-up to the forthcoming elections, work elsewhere mostly continues apace. For now, clients are determined to carry on as usual, even as the suspicion that world-shaking events could be just around the corner continues to loom large.
- While 2016 was a good year overall, consultants' fortunes did depend a great deal on the industry in which they work. As the demand for digital accelerated, transformation was the order of the day in retail, financial services, and manufacturing. Conversely, digital and innovation were the last things on the minds of beleaguered clients in both the public sector and energy & resources.
- Nonetheless, digital kick-started a transition across the services landscape, as the digital transformation market infiltrated a growing number of service lines. With the majority of digital work relating to technology and strategy, it was no surprise that both of these service lines had a good year. The biggest winners, however, were risk consultants who saw a hot cybersecurity market drive growth that outperformed the rest of the market.
- Larger firms were best placed to take advantage of the growing opportunities in France, but smaller firms—particularly those with specialist capabilities—are growing in popularity. The larger incumbents sought to leverage that positivity, bringing smaller competitors under their wing in the form of partnerships, or in some cases acquiring them outright.
- Consultants are feeling broadly positive about 2017. In many industries the wheels of business-wide transformation are firmly in motion, and the continued ramp up of digital will keep consultants busy.

# CONTENTS

Executive summary	2	Services	46
Methodology	4	Technology	48
Definitions	4	Operational improvement	50
Sources	4	Strategy	52
Explore the data	7	Risk & regulatory	54
Definitions of industries and services	8	HR & change management	56
Contributors	10	Financial management	58
France summary	11	Consulting firms	60
Market overview	13	The consulting landscape	61
What everyone's talking about	14	Type T firms	62
Going where the market leads you	14	Type A firms	63
Domestic life	15	Type S firms	64
Digital to the fore	16	Type P firms	65
What it means for firms	17	Forecast	66
A time of uncertainty	18	A word on methodology	66
The French election	19	The consultant view	66
The impact of Brexit	20	The client view	66
Global trends in the consulting industry	21	How clients think their consulting expenditure will change	66
Coping with convergence	21	What clients are working on	67
The changing world of data & analytics	23	How much of that is turning into consulting work?	69
The people problem	24	Will they need consultants for capacity or capability?	70
Market data	26	Forecasts for 2017	71
Industries	26	Industries—prospects for growth 2017	71
Financial services	27	Services—prospects for growth 2017	72
Manufacturing	30	Firm types—prospects for growth 2017	73
Technology, media & telecoms	32	About the authors	74
Energy & resources	34	Source report programmes	75
Public sector	36	About Source	76
Services	38		
Retail	40		
Healthcare	42		
Pharma & biotech	44		

# METHODOLOGY

## Definitions

Our definition of management consulting includes a broad range of business advisory services, but excludes: tax advisory; audit; the implementation of IT systems; the delivery of outsourced/offshored services; and HR compensation/benefits administration and technology. Where mergers and acquisitions work is concerned, consulting on deals is included (under strategy), but corporate finance fees on deals themselves are generally not included although it is not always straightforward to separate the two.

For more information about how we classify consulting services and industries, please see “Definitions of industries and services”.

## Sources

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

### Clients of consulting firms:

We interview senior end users of consulting in France to help us to build up a rich picture of how trends in the consulting market are playing out within clients' organisations. Our conversations focus on the following areas:

- **What's driving change in their organisation**

---

- **How they are using consultants**

---

- **Factors that affect the way clients work with consulting firms**

---

- **What they value the most—and least—about working with consultants**

---

We also carry out client surveys. We surveyed 433 senior clients of consulting firms across France. The majority (98%) work for private sector organisations, many of which are multinationals. The remaining 2% work in various public sector organisations. The majority (88%) work in organisations with revenues in excess of \$500m, and all have over 250 employees.

Our 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 2017 and into 2018, 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 we take into account when forecasting future growth rates.

Figure 1

Survey respondents by industry

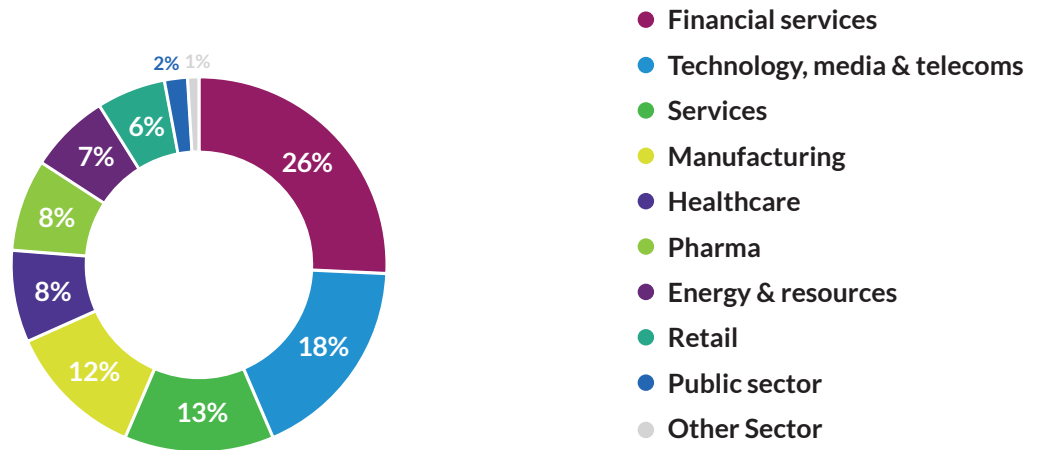


Figure 2

Survey respondents by organisation size (revenues)

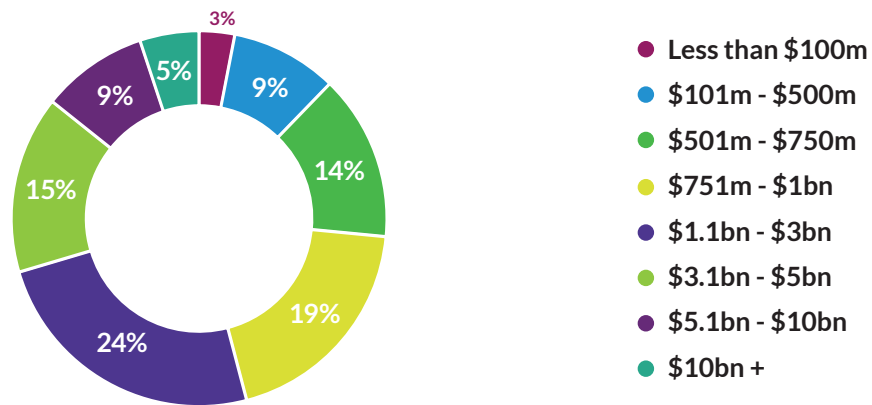
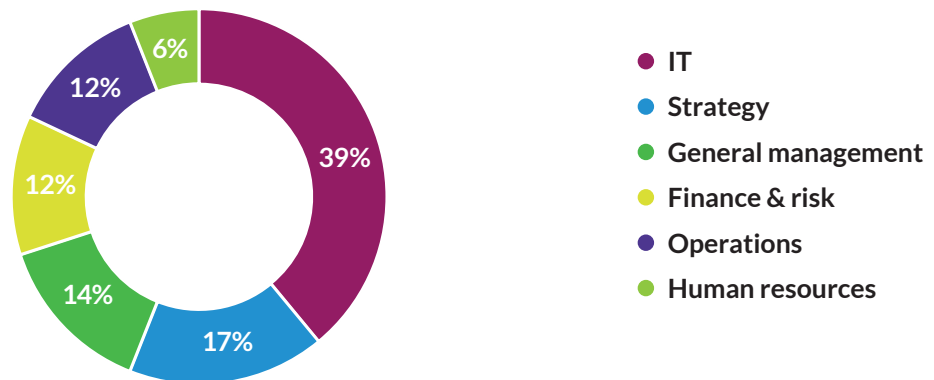


Figure 3

Survey respondents by function



## 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 we at Source call “big consulting”. It therefore reflects the “addressable” market for the majority of mid- and large-sized consulting firms; we don’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. Our analysts work out the addressable size of the market through desk research, identifying the number of firms that meet our 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 we get from consulting firms and our own research, and we use it to size the industry and its growth rates. This is based on our 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 our 2015 baseline figures have changed a little since last year, as we have refined and implemented improvements to our research methods. We are happy to provide subscribers with a restated set of 2015 baseline figures should this be of interest.

We should emphasise that there are no standard sources of definitions of data within geographies let alone between them. We are, however, confident that the richness of our qualitative data, combined with Source’s unparalleled industry expertise, means that our 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 our reports this year:

- **US dollar to British pound**     **\$1 = £0.74**

---

- **US dollar to euro**                 **\$1 = €0.90**

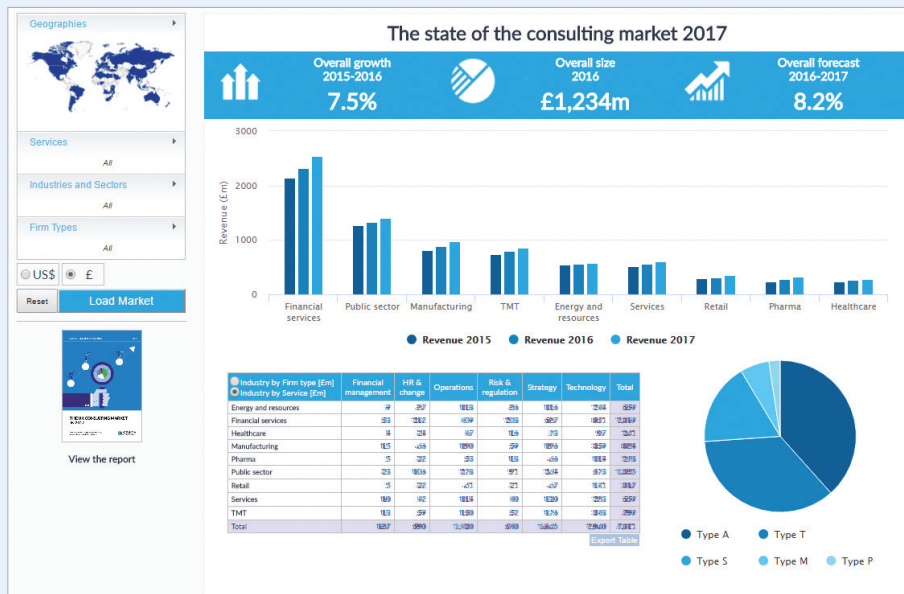
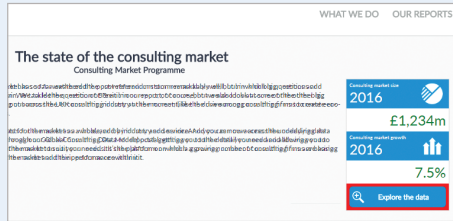
---

In addition to our quantitative research, we interviewed 19 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.

# EXPLORE THE DATA

All of the market size data in this report is available to explore online through our Global Consulting Data Model portal. You are able to interact with the data in more detail and create custom views of the market to suit your needs.

You can access the data via our reports page, as seen below:



Our Global Consulting Data Model is the biggest and most sophisticated model of the consulting industry available. It provides data on market size, growth rates, and forecasts across 29 sectors, six service lines, 84 countries, and five firm types. It's the platform on which a growing number of consulting firms are basing their understanding of the market and their performance within it.

Click here <http://sourceglobalresearch.com/our-reports> to access the data.

# CONTRIBUTORS

We are extremely grateful to all the people we spoke to for making this report possible. Below is a list of the individuals who have contributed from consulting firms (some consultants choose to remain anonymous).

Name	Job title	Firm
Domenico Azzarello	Managing Director	Bain & Company
Kai Bandilla	Board Member, Managing Partner	Simon-Kucher & Partners
Ludovic de Beauvoir	Partner	PwC
Marc Bensoussan	Directeur Général d'IBM France	IBM
Anne Bioulac	Senior Partner	Roland Berger
Francois Dalens	CEO France	The Boston Consulting Group
Romain Daumont	Managing Partner	Ayming
Yves Duplaix	Executive Partner	Atos
Eric Falque	Partner, France and Customer Management Lead	BearingPoint
Patrick Ferraris	CEO - Capgemini Consulting France	Capgemini Consulting
Jean-Francois Laget	Partner	Argon Consulting
Reza Maghsoudnia	Strategic Development Director	Wavestone
Olivier Marchal	Senior Partner	Bain & Company
Eric Mouchous	Partner, Advisory Lead for France, Maghreb and Luxembourg	EY
Hanna Moukanas	Partner	Oliver Wyman
Nicolas Richard	Head of Consulting, KPMG France	KPMG
Stefan Schaible	CEO Germany & Central Europe	Roland Berger
Frédéric Solvet	Partner	PwC
Didier Taupin	Managing Partner, Consulting	Deloitte



## CONSULTING MARKET PROGRAMME

- A series of detailed reports that contain the most accurate view available about the consulting market in an extensive list of countries and regions. These explore key themes, provide market sizing data, growth forecasts, and deep analysis, all backed up by extensive quantitative and qualitative research amongst consulting firms and clients.
- As well as our country reports, we also produce a global view of four different industries. These reports contain industry analysis, market sizing data, and growth forecasts at a global level, as well as breakdowns by sub-sector, service, and geography.

## STRATEGIC PLANNING PROGRAMME

- A series of reports that take a detailed look at the big trends in the global consulting industry, interpreting them in terms of what they mean for consulting firms and who is best placed to exploit them.

## CLIENT PERCEPTION PROGRAMME

- A series of reports based on our huge client survey, that reveal what clients think about the leading consulting firms in a number of regions and industries. We rank the leading consulting firms in terms of clients' perceptions of things like quality and value.
- As part of this programme, we also publish brand perception summaries. These give an in-depth and unique view of the world's leading consulting firms. Available on request.

## WHITE SPACE

- A series of reports that analyse the quality and effectiveness of thought leadership. These are included in all White Space subscriptions.

### How to subscribe

You can either subscribe to a whole programme (the cheapest way of getting access to everything) or buy reports individually. All reports in our programmes come with a global licence, so once you've bought them you can use them anywhere in your firm.

### What's included

- A global licence.
- An executive summary (8-10 pages) highlighting key themes.
- Relevant content, updated regularly: blogs, podcasts, and spotlights.

### Want to know more?

For more details about how you can subscribe, please contact:

#### UK, EUROPE, AND US

Alice Noyelle

+44 (0)20 3795 2662

alice.noyelle@sourceglobalresearch.com

#### MIDDLE EAST

Jodi Davies

+971 52 989 5224

jodi.davies@sourceglobalresearch.com

Or simply visit our website, have a more in-depth look at what we do, and drop us a question at:

[www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

2017	CONSULTING MARKET PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME	WHITE SPACE
January				Hot topics in thought leadership
February	UK	Forecasts for 2017	GCC	Quality ratings of thought leadership for the second half of 2016
March	France GCC	Mega trend #1: Digital transformation	US UK	Analysis of recent thought leadership
April	Benelux Nordics		Energy & Resources	
May	US Canada	Mega trend #2: Cognitive computing, robotics, AI	Nordics Financial Services	Analysis of recent thought leadership
June	DACH Eastern Europe Russia		Trends in procurement	
July	Italy Spain Australia	Mega trend #3: Assets and productisation		Maximising the impact of thought leadership
August	India		Healthcare TMT Germany	
September	Africa Brazil Energy & Resources	Planning for growth in 2018	France	Quality ratings of thought leadership for the first half of 2017
October	Financial Services China Healthcare			
November	TMT	Mega trend #4: Brand and business models		

## About Source

Source Global Research is a leading provider of information about the market for management consulting. Set up in 2007 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](#).

For further information please visit [www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

### UK AND EUROPE

Source Information Services Ltd

📍 20 St Dunstons Hill • London • EC3R 8HL

☎ +44 (0)20 3795 2668

### MIDDLE EAST

📍 PO Box 340505 • Dubai • United Arab Emirates

☎ +971 (0)52 989 5224

✉ [info@sourceglobalresearch.com](mailto:info@sourceglobalresearch.com)

🌐 [www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

© Source Information Services Ltd 2017

Source Information Services Ltd and its agents have used their best efforts in collecting the information published in this report. Source Information Services Ltd does not assume, and hereby disclaims, any liability for any loss or damage caused by errors or omissions in this report, whether such errors or omissions result from negligence, accident, or other causes.

