

Future of Consulting Survey

Survey Results

October 2016

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Background context

- Survey conducted from 3 to 22 June 2016
- 405 completed surveys, including:
 - 251 'current independents' i.e., those who currently call themselves a management consultant and consider themselves 'independent, freelance or self-employed'
 - 108 'previous independents' i.e., those who were previously an 'independent, freelance or self-employed' management consultant, but are no longer
 - 46 'never' i.e., those who currently call themselves a management consultant and are employed, and have never been an 'independent, freelance or self-employed' consultant
- The survey was developed and sponsored by Eden McCallum, The Financial Times, London Business School and INSEAD

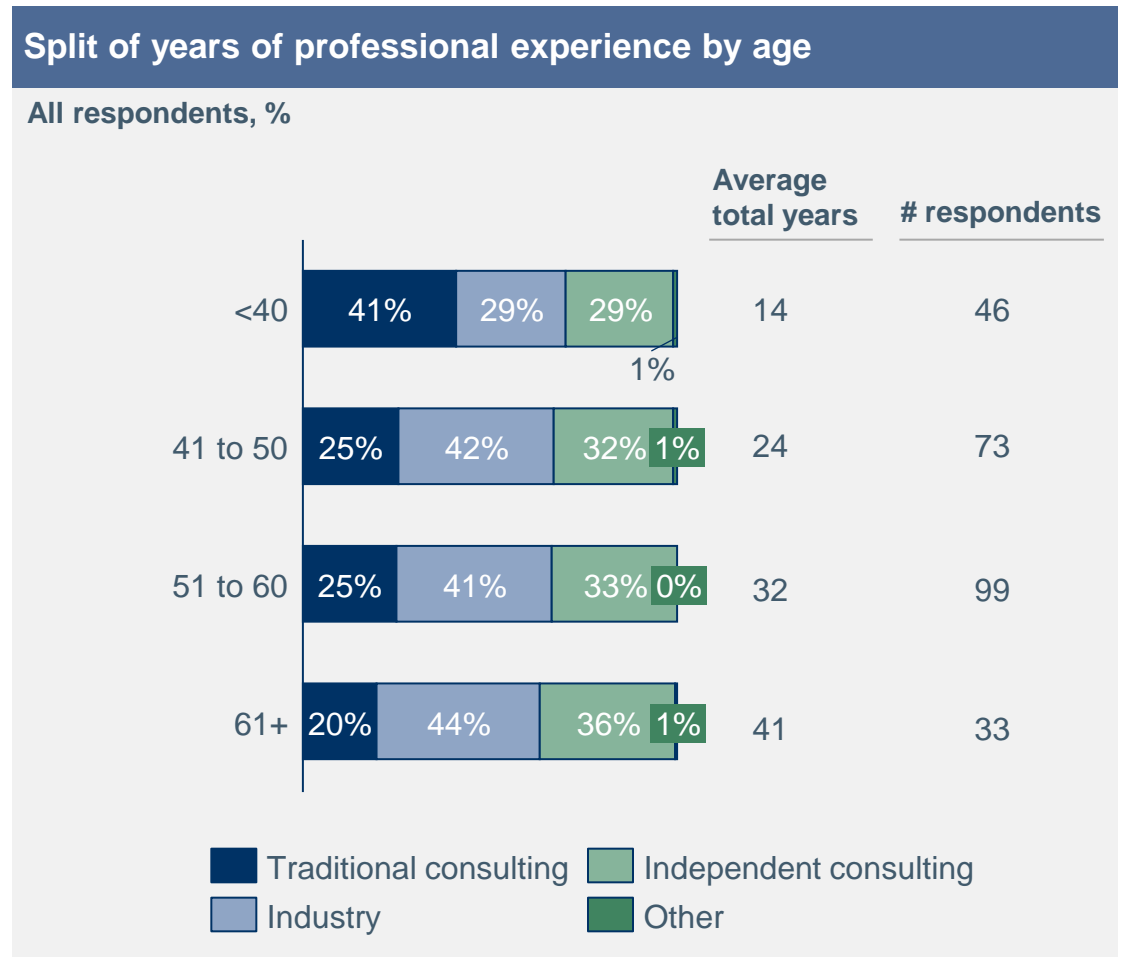
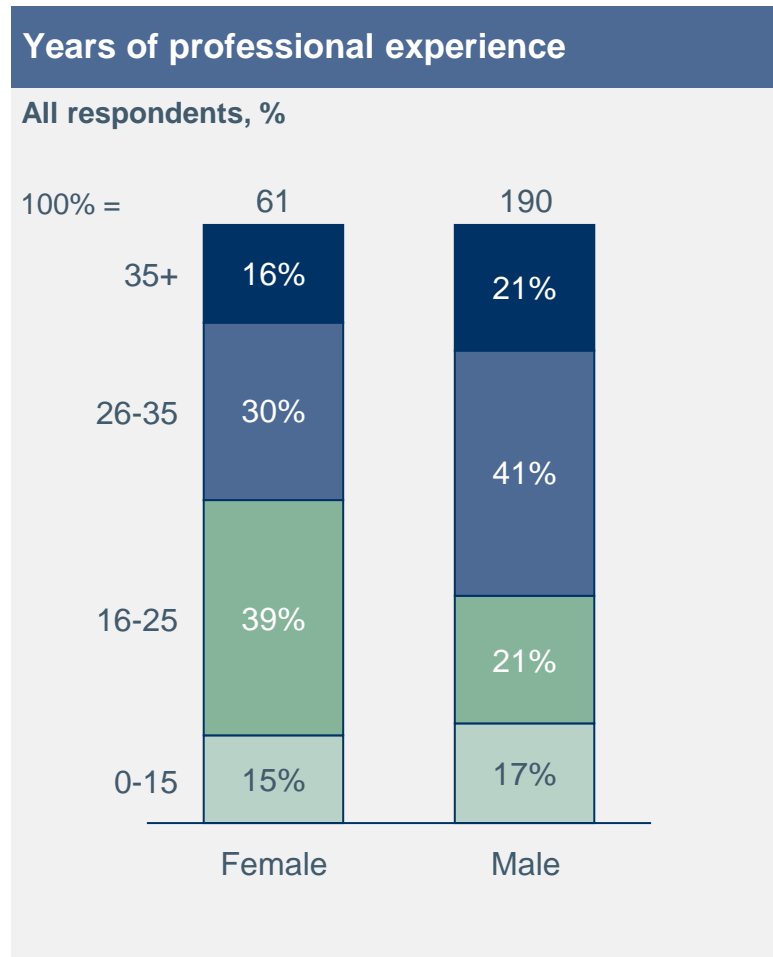
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2. Background on the respondents

Current independents are highly experienced; over 80% have over 15 years of professional experience, with a broad balance between traditional consulting, independent consulting and industry in all age groups

Current independent consultants' professional experience



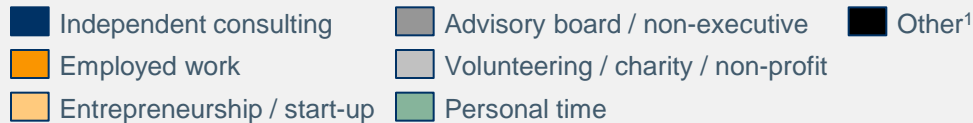
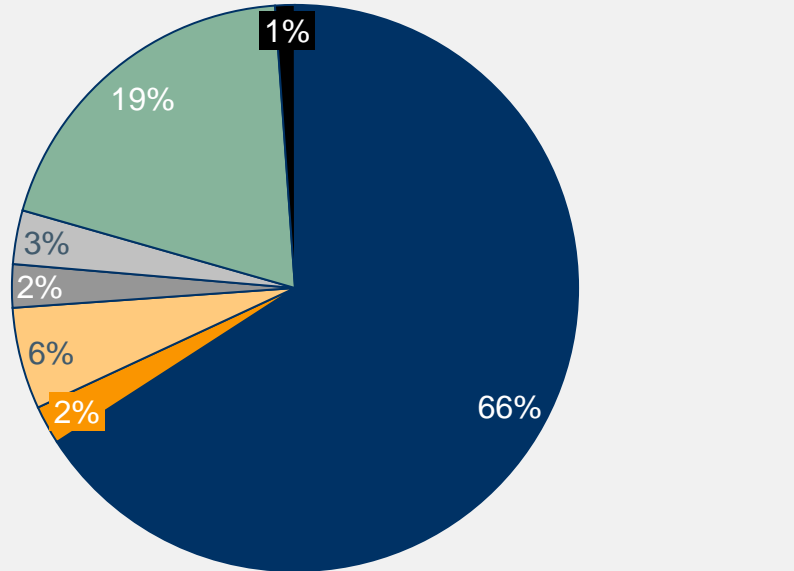
For most, independent consulting takes up the bulk of their activity during the 'working week'; and within independent consulting nearly 80% is on billable work

Current independent consultants

Split of working time across activities in a typical year

Average % of time by activity

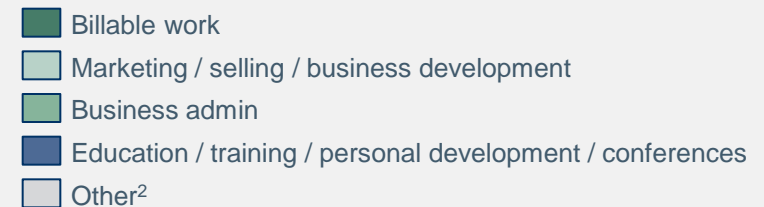
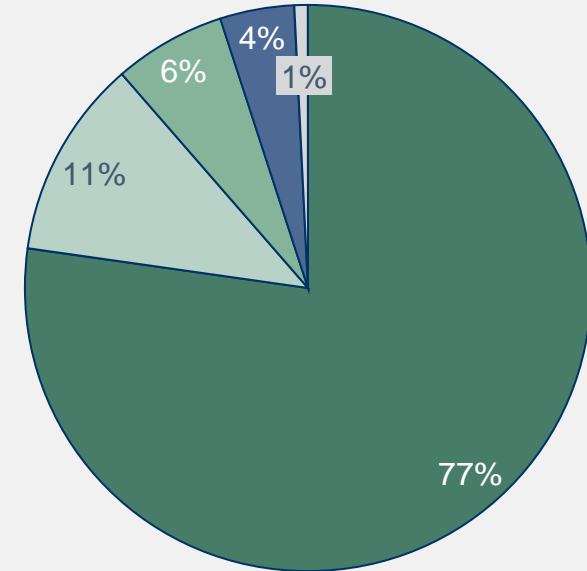
100% = 251 respondents



Split of time spent working as an independent consultant

Average % of time by activity

100% = 251 respondents



1. Other includes: Property development and rental, job search, academic pursuits and study, research, coaching, farming, politics, photography, reading, networking

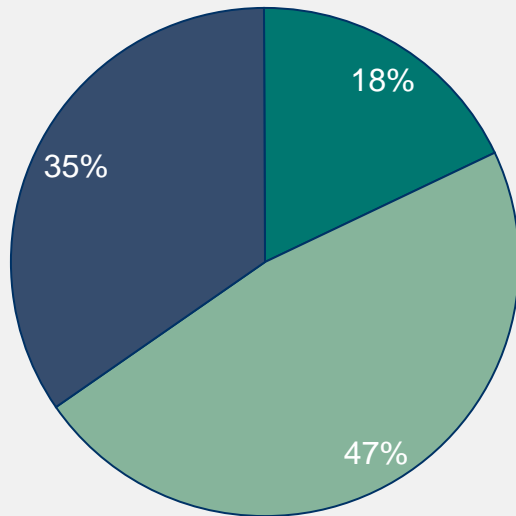
2. Other includes: Wasted time, IP development, new product development, writing books, pro-bono work, family office

Working patterns are flexible, although the vast majority work on client site and, to a lesser extent, at home; very few have dedicated or shared office space, and only rarely work in public places such as cafes

Current independent consultants

How respondents organise their time

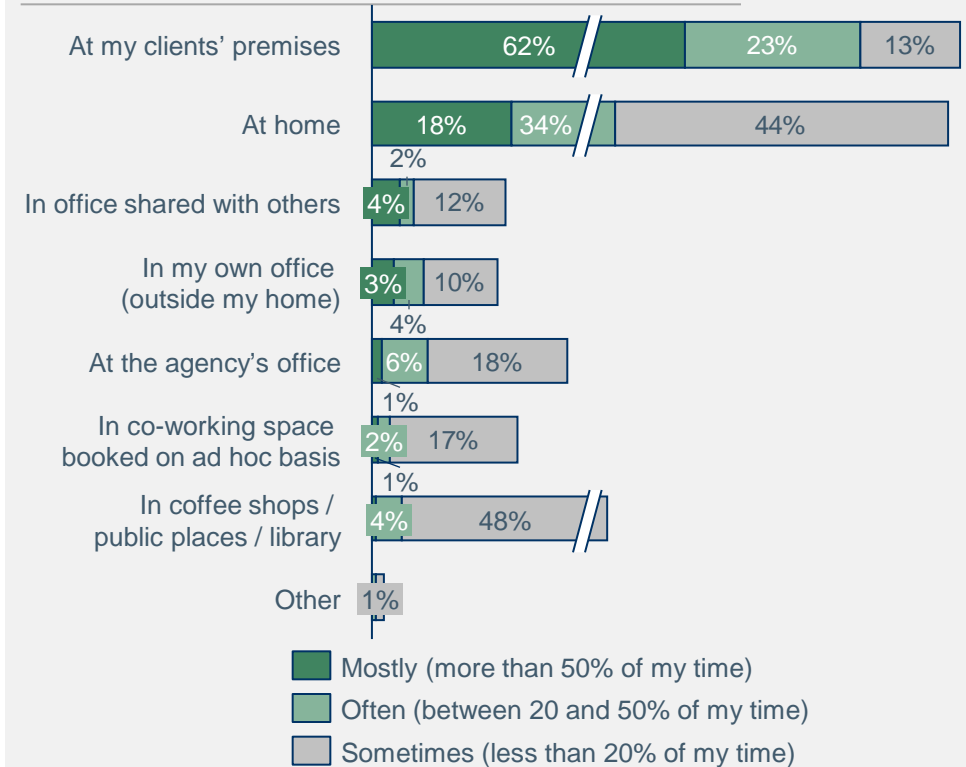
100% = 251



- I have a routine, a fixed and predictable number of days and hours that I devote to my work activities each day/ week /month
- I do not have a fixed routine; my work is organized differently from day to day and/or week to week
- I have some routine in how I structure my time but there are also many exceptions

Where they work

Ordered by Mostly (more than 50% of their time), %



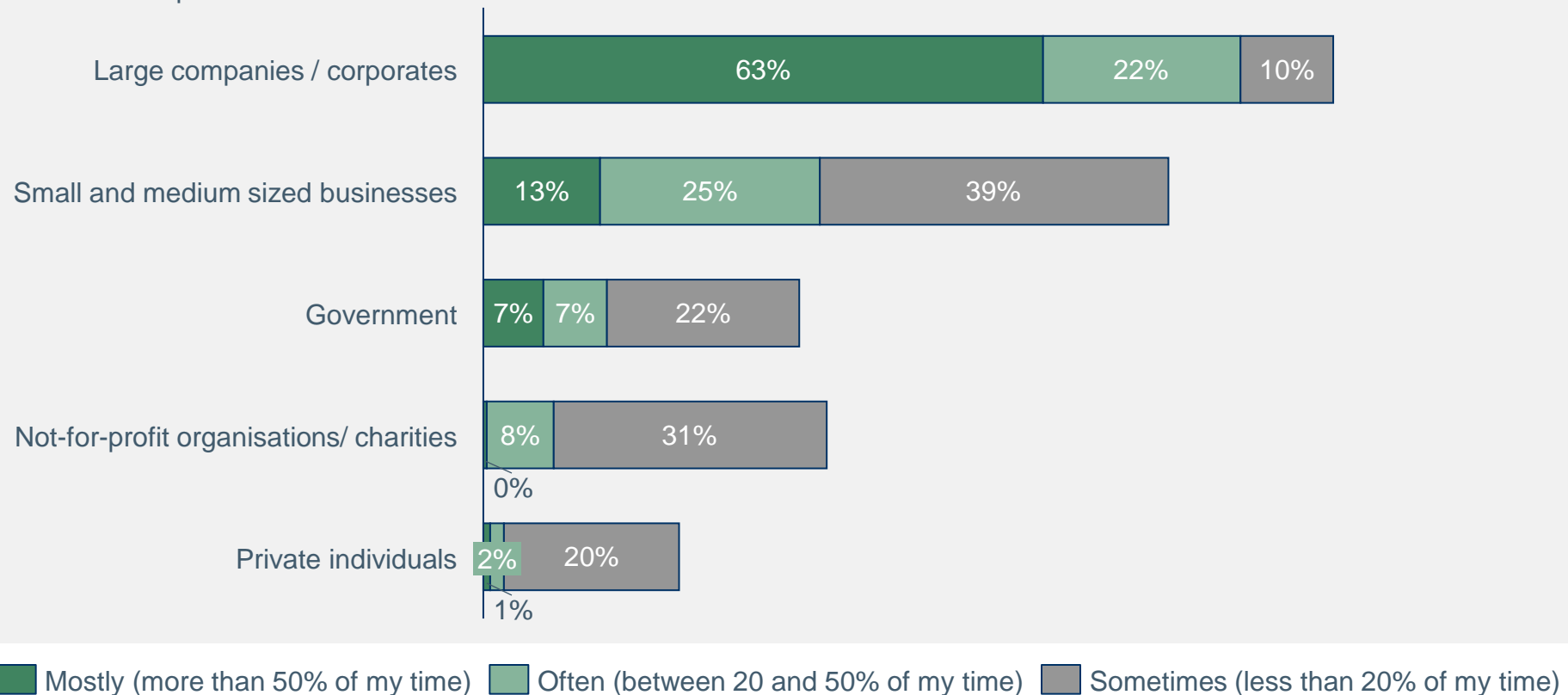
The main clients for Current Independent Consultants are large corporates

Current independent consultants

Types of clients working with as an independent

% of time spent working with each client type

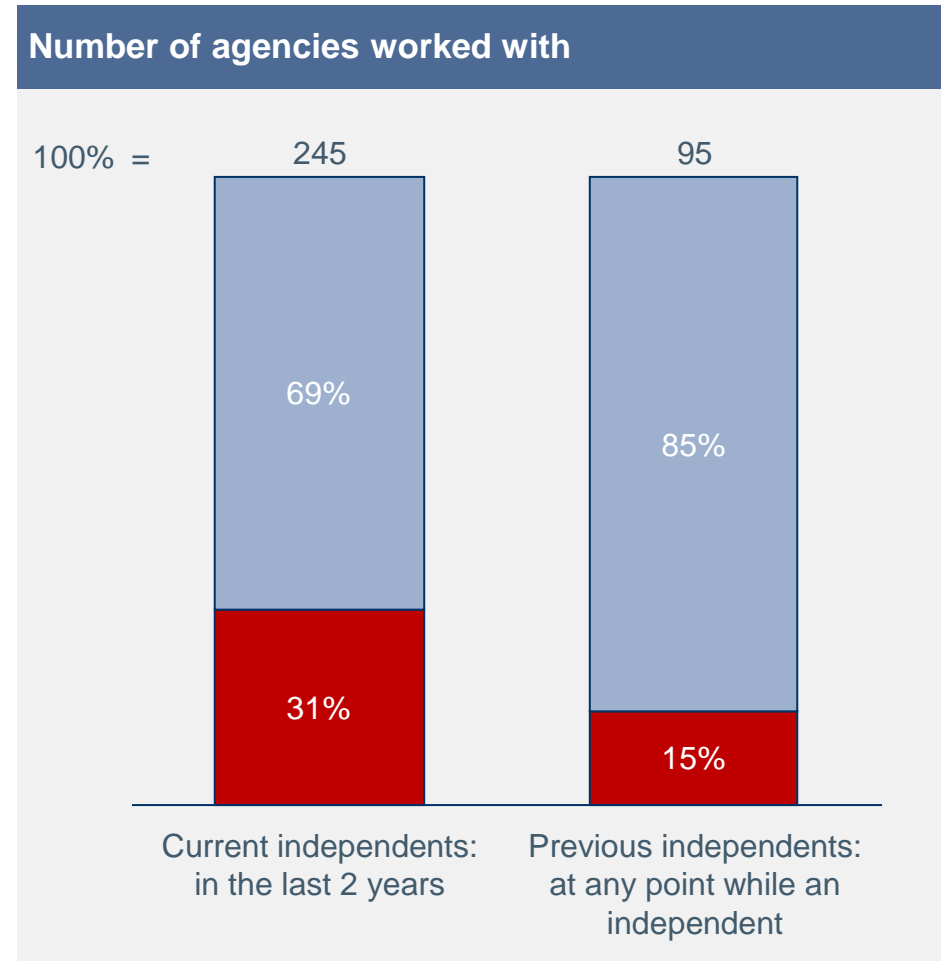
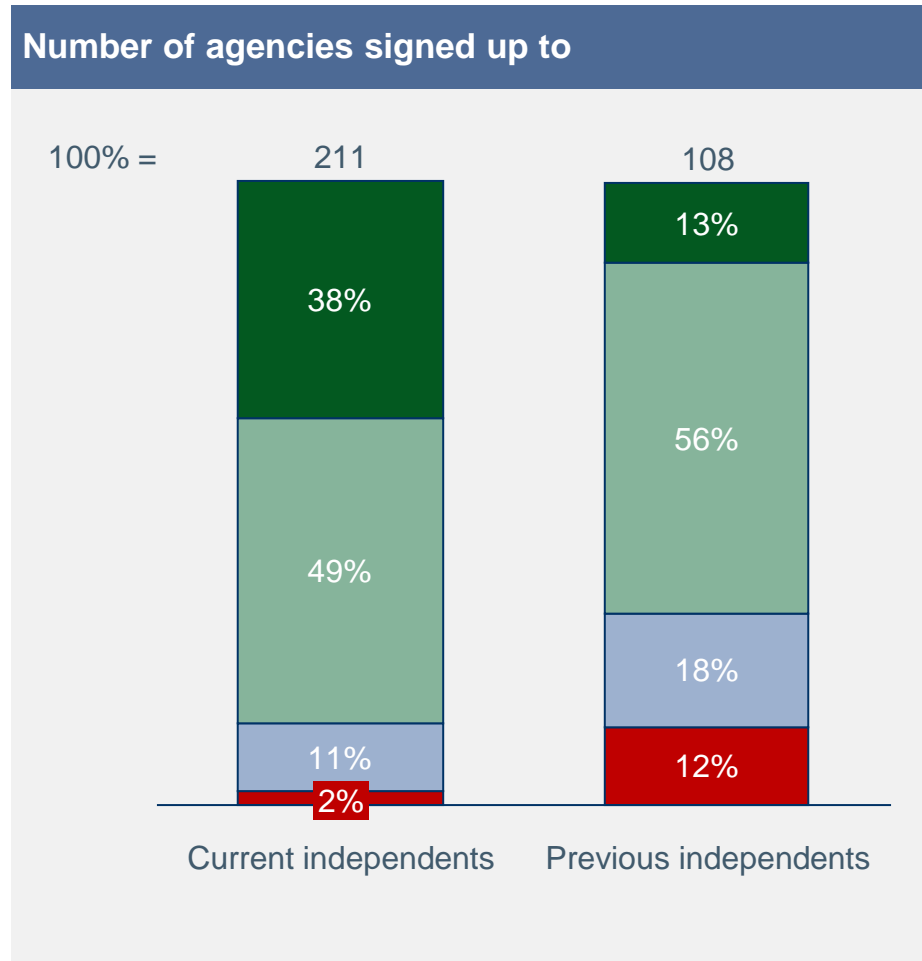
100% = 251 respondents



Note: Excludes "other" as only 5 responded that they worked with this group

Most of both Current and Previous independents are/were signed up to a number of agencies, and c. 70% of Current have worked with an agency in the last 2 years

Current and Previous independent consultants

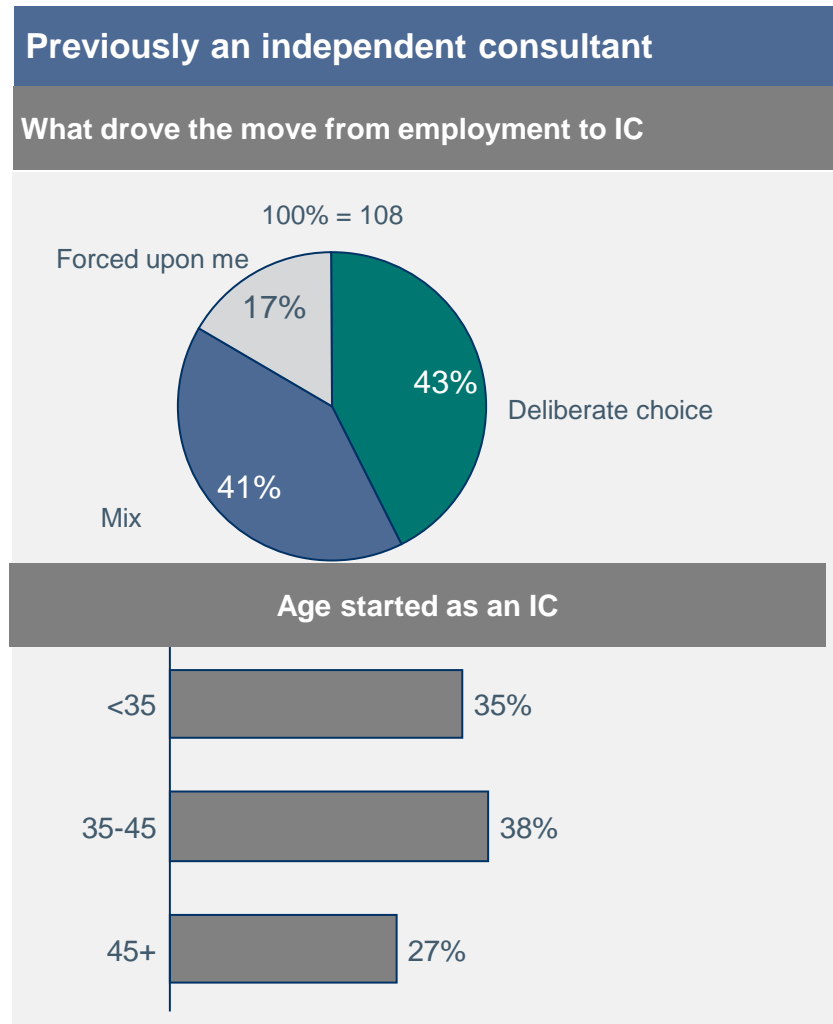
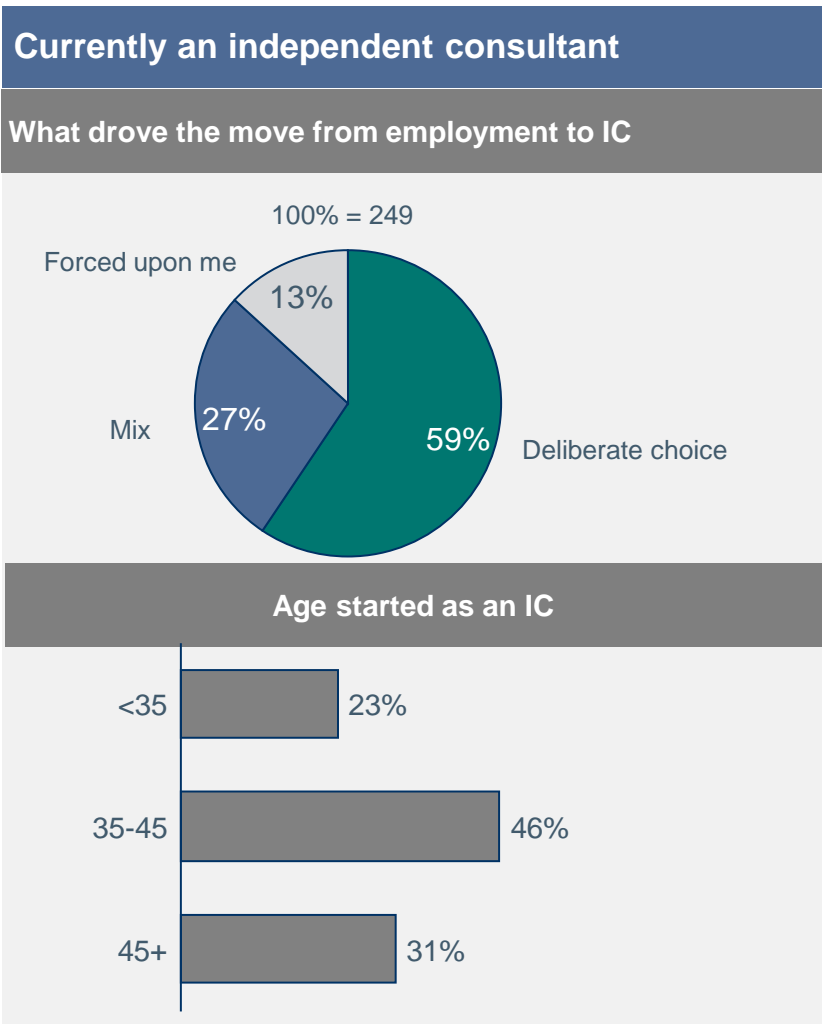


5+ 2-4 1 None

One or more None

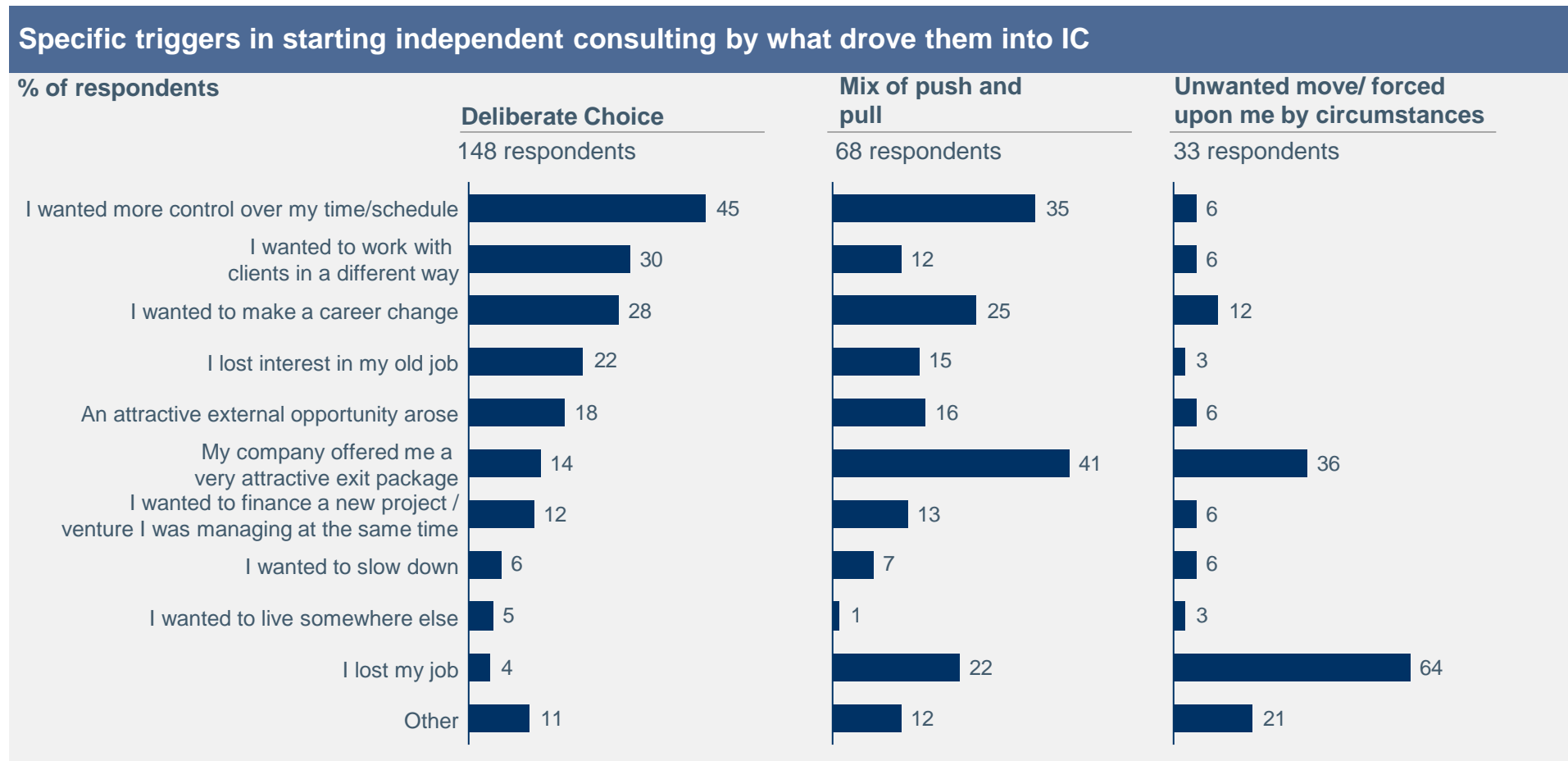
Most Current (~60%) made a deliberate choice to embark on this career path, and 77% began their independent career after the age of 35; Previous independents were less likely to have made a deliberate choice and began at a somewhat younger age

Current and previous independent consultants



Desire for more control and to work with clients differently triggered most of those who made a deliberate choice to become independent

Current independent consultants

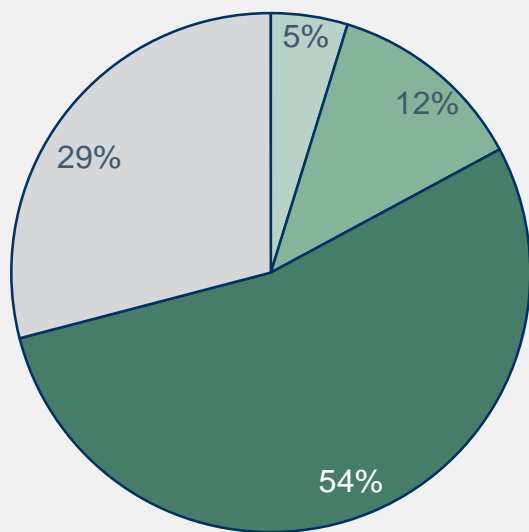


Most intend to remain an Independent Consultant for more than 3 years; only 5% are likely to return to a traditional consulting firm if they cease working as an independent

Current independent consultants

Years intending to remain an Independent Consultant

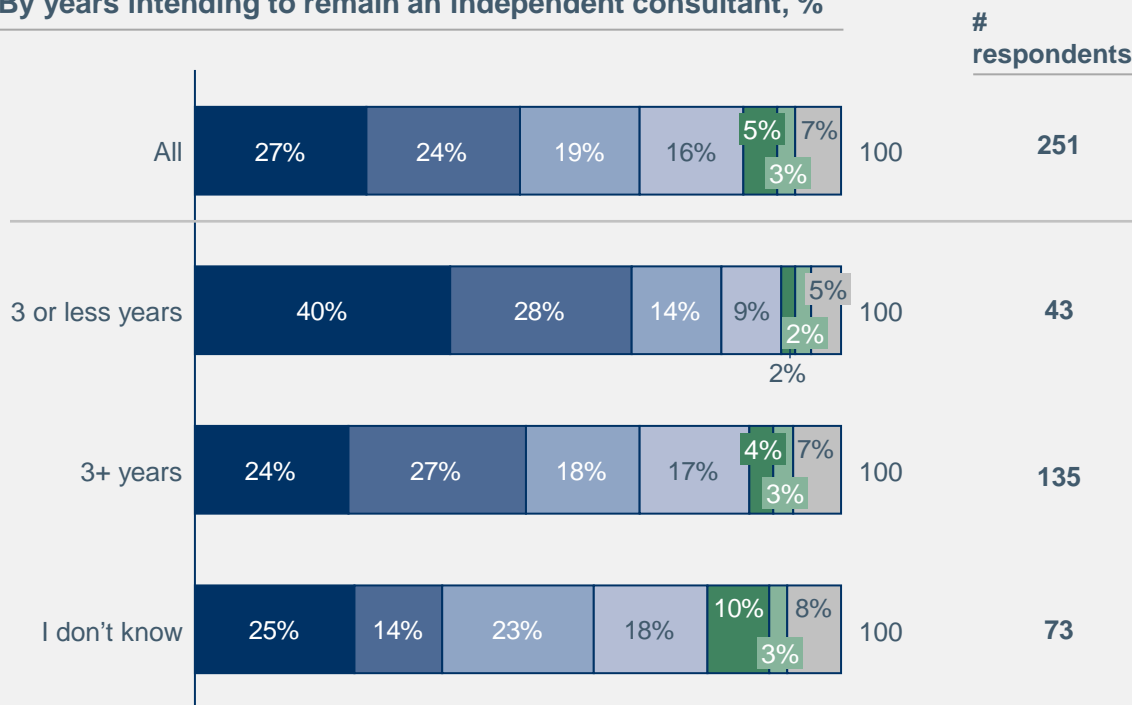
100% = 251 respondents



- < 12 months
- 1-3 years
- More than 3 years
- I don't know

Next move if they were to stop being an independent consultant

By years intending to remain an independent consultant, %



- Take a corporate role
- Start own business
- Join a traditional consulting firm
- Other¹
- No longer work/retire
- Join a small/start-up business
- Take a career break

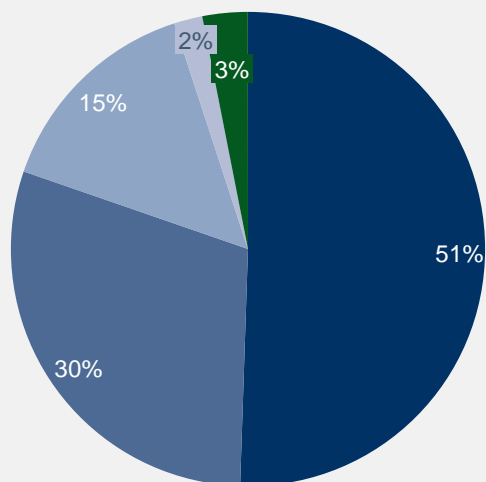
¹ Other includes: Develop an investment fund; role in PE backed business; non-executive director; grow my own business; start a charity; unsure; concentrate on my 2nd venture; non-profit or business mentor; property; school bursar; venture capital; another field of endeavour entirely; board roles and advisory; writer; corporate financier

Most Previous stopped being an IC within the last 3 years, typically because they liked the job being offered; financial security, learning development opportunities and status were also important factors

Previous independent consultants

How long ago they stopped independent work

100% = 108 respondents



- 1 year
- 2-3 years
- 4-5 years
- 6-10 years
- 11+ years

Reasons why they stopped being an independent and returned to employment

All

Total respondents = 108

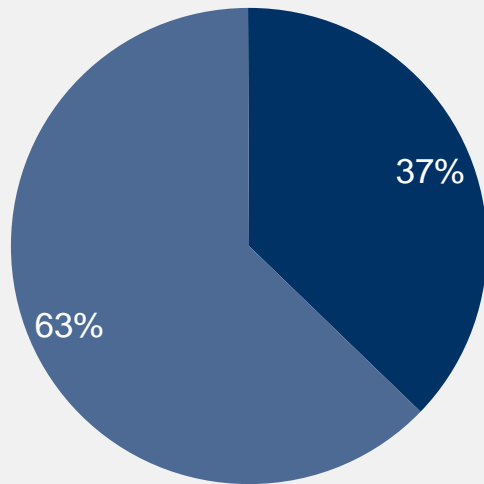


Only 1/3 of Current Independent Consultants have a website; but they use a variety of methods to keep their knowledge up-to-date

Current independent consultants

Use of their own website

100% = 251 respondents



■ Yes
■ No

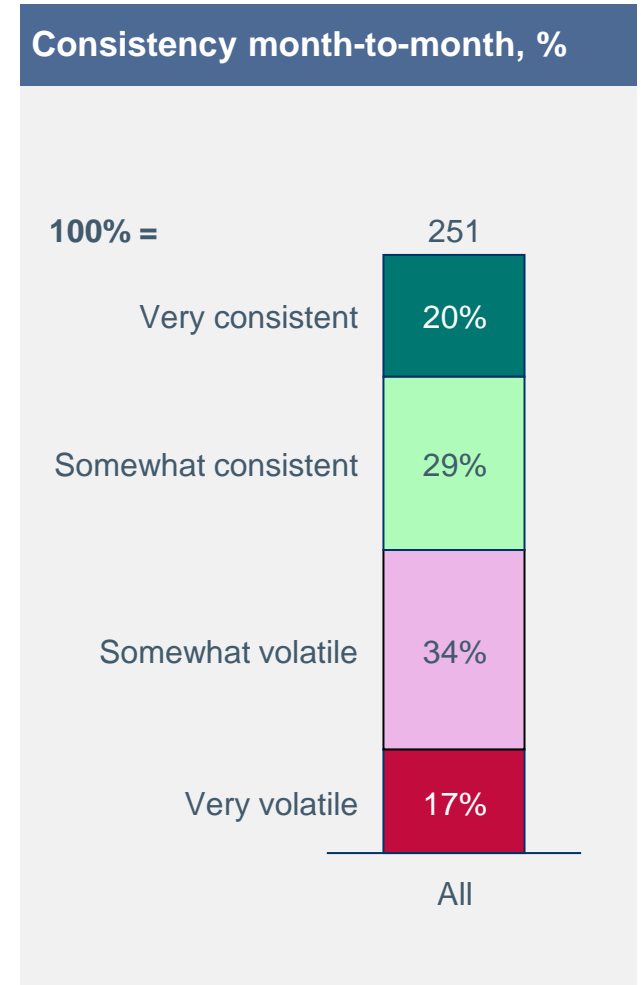
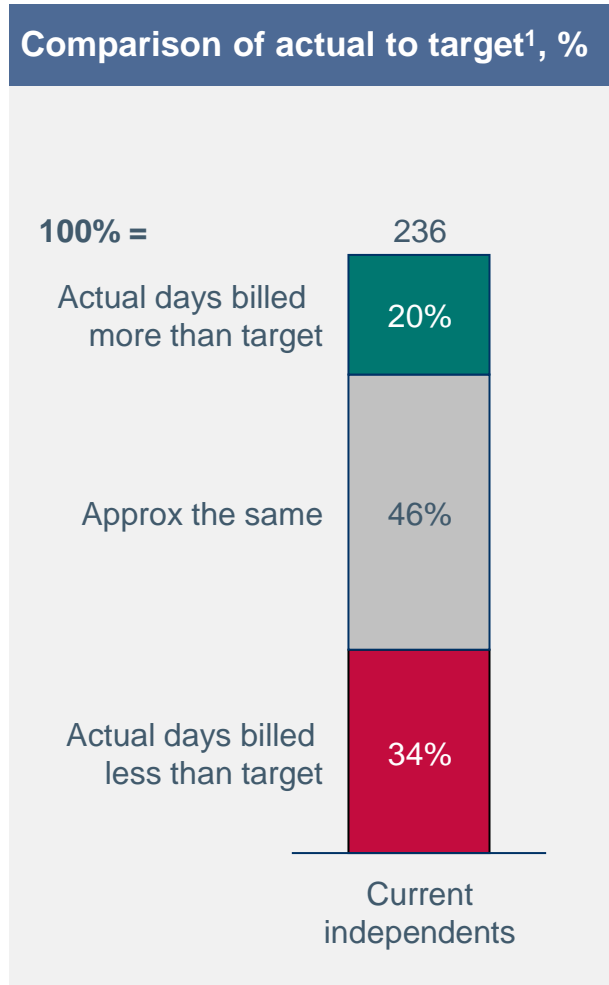
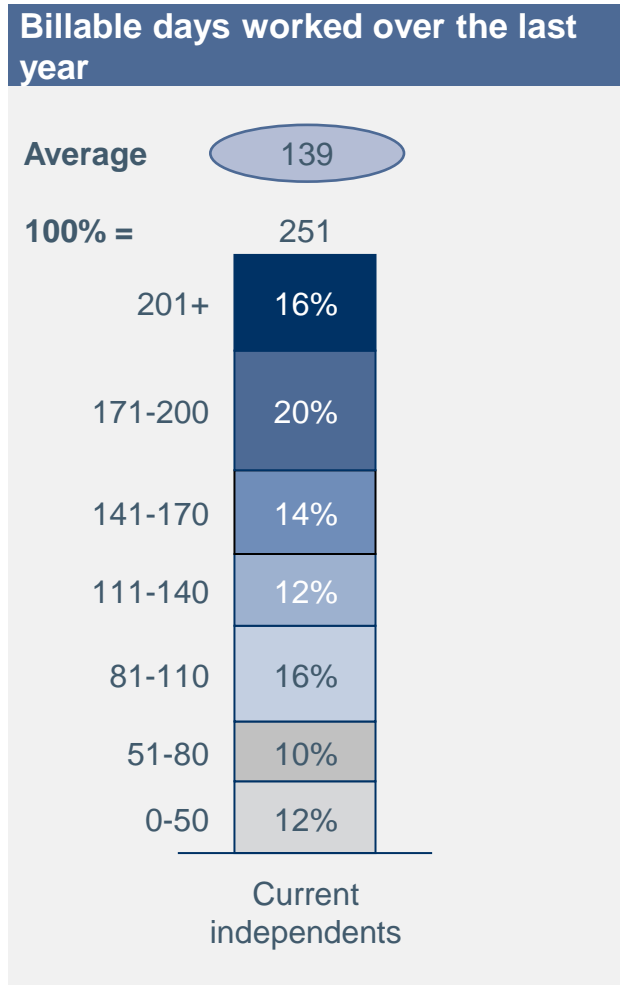
How current independents have kept their knowledge up to date in the last 12 months

%, Total respondents = 251



Most bill for over half of the year and two-thirds are broadly at/over their target days; there is a 50/50 split between those who see consistency vs. volatility in month-to-month billings

Current independent consultants

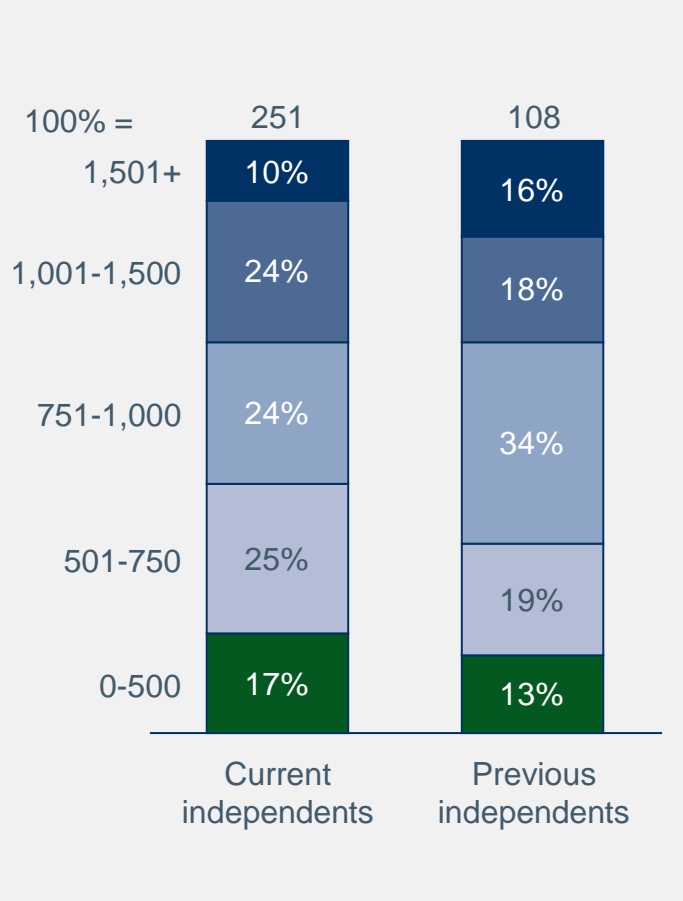


¹ Excluding "Not sure / Don't Know"

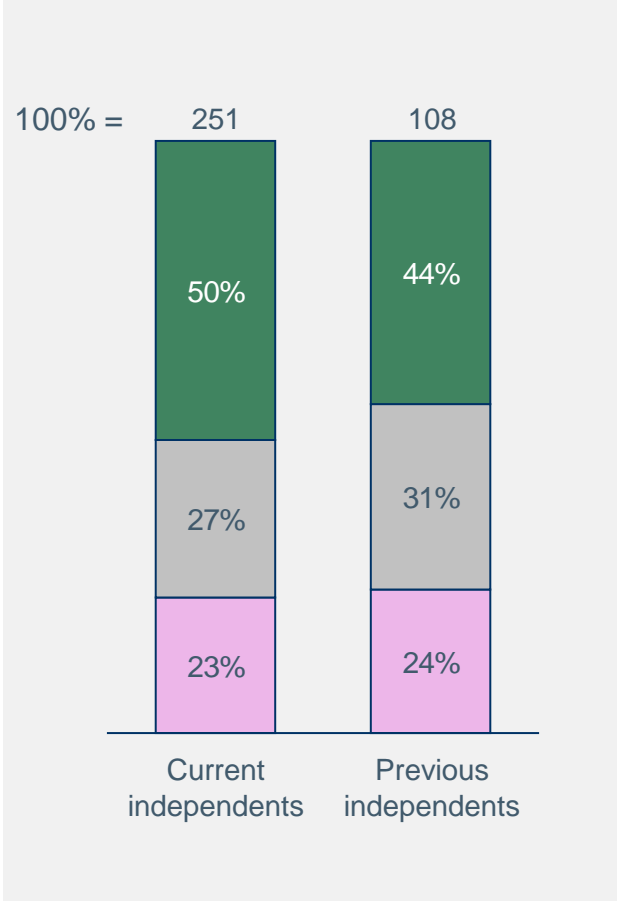
Over 75% say they make more or similar money vs when they were employed, with half saying they make more

Current and previous independent consultants

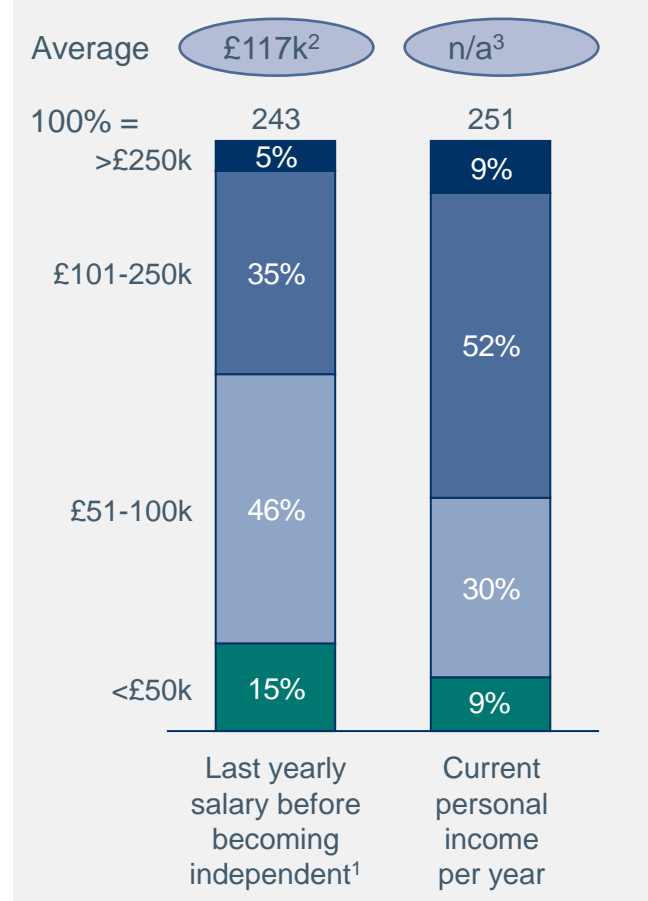
Current and Previous independents: Day rates



Current and Previous independents: Financial remuneration as independent vs. when employed



Current independents: Last salary when employed vs. current personal income



1 Full-time equivalent

2 One response removed from analysis (respondent had entered a number which is likely non-factual)

3 Radio button options only for answers (rather than open answer)

More money

Less money

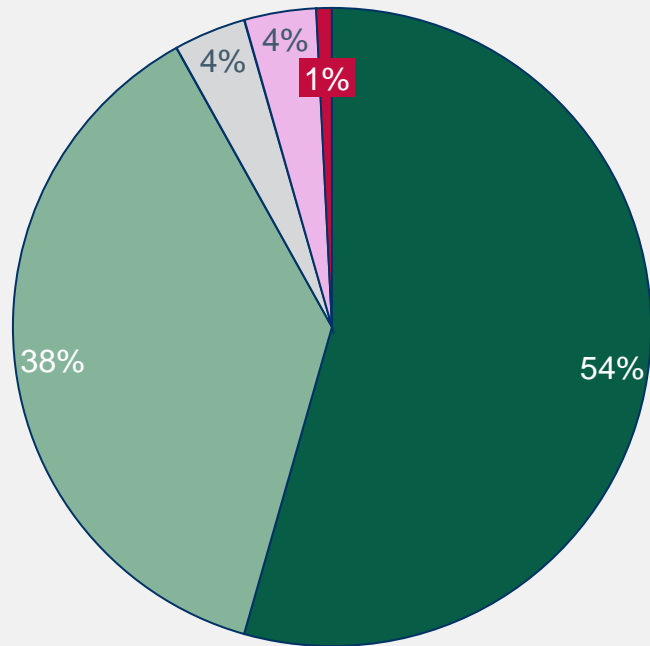
Similar amount of money

There is strong satisfaction with independent consulting – with 90% of Current independents and over 85% of Previous independents Very or Somewhat satisfied

Current and Previous independent consultants

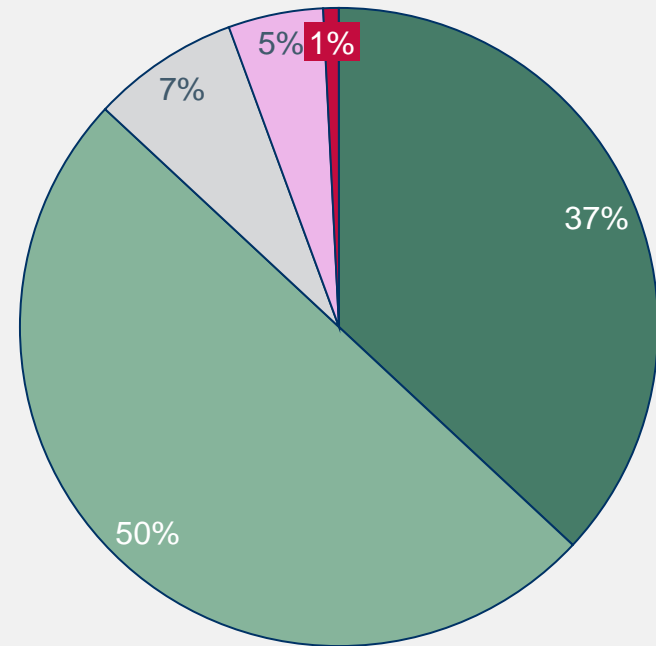
Current independent consultants

100% = 251 respondents



Previous independent consultants

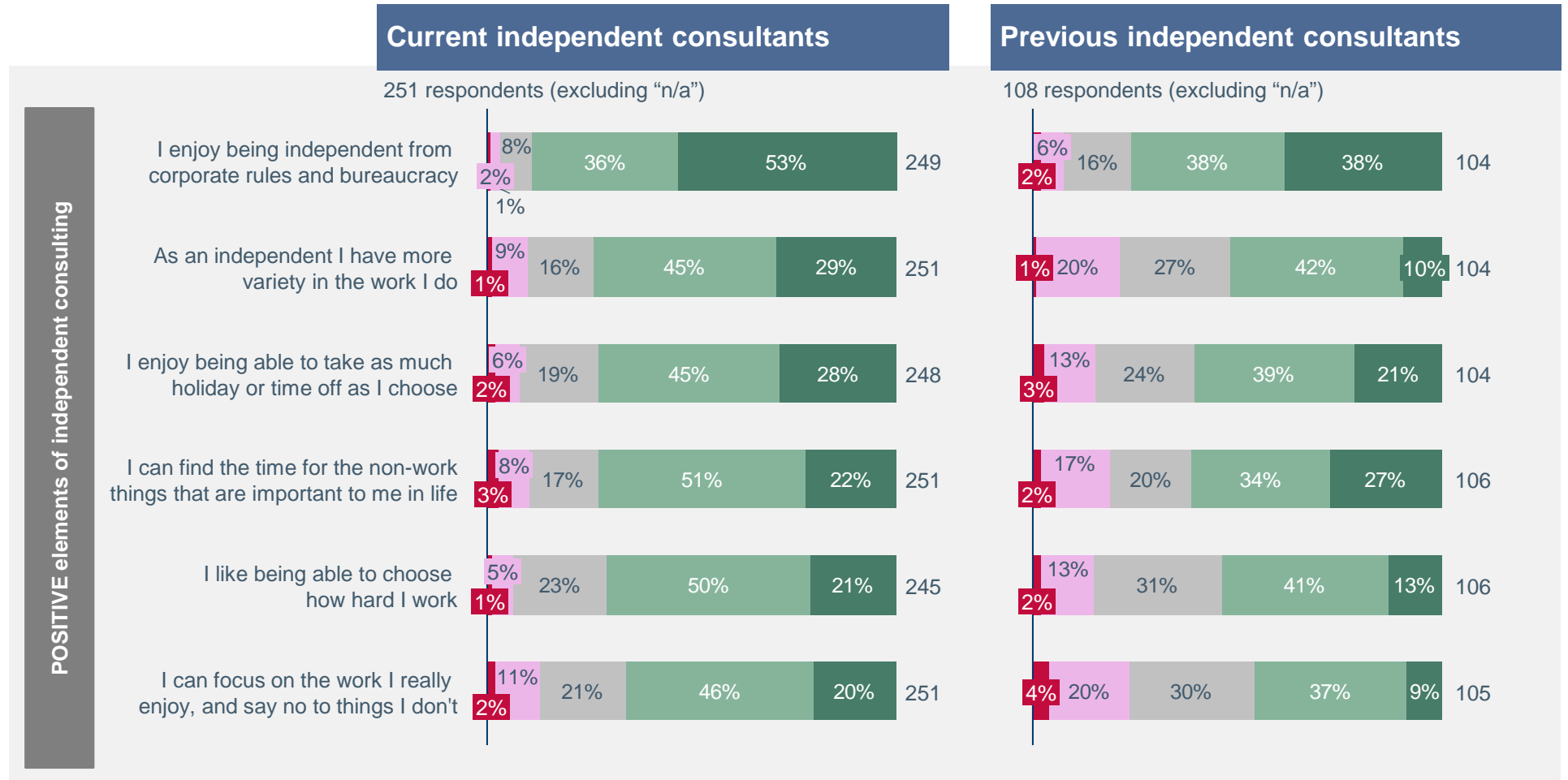
100% = 108 respondents



Very Satisfied Somewhat satisfied Neither satisfied nor dissatisfied Somewhat dissatisfied Very dissatisfied

There is broad agreement with the positive aspects of independent consulting...

Current and previous independent consultants, % agreeing/disagreeing to statements about their experience with independent consulting*

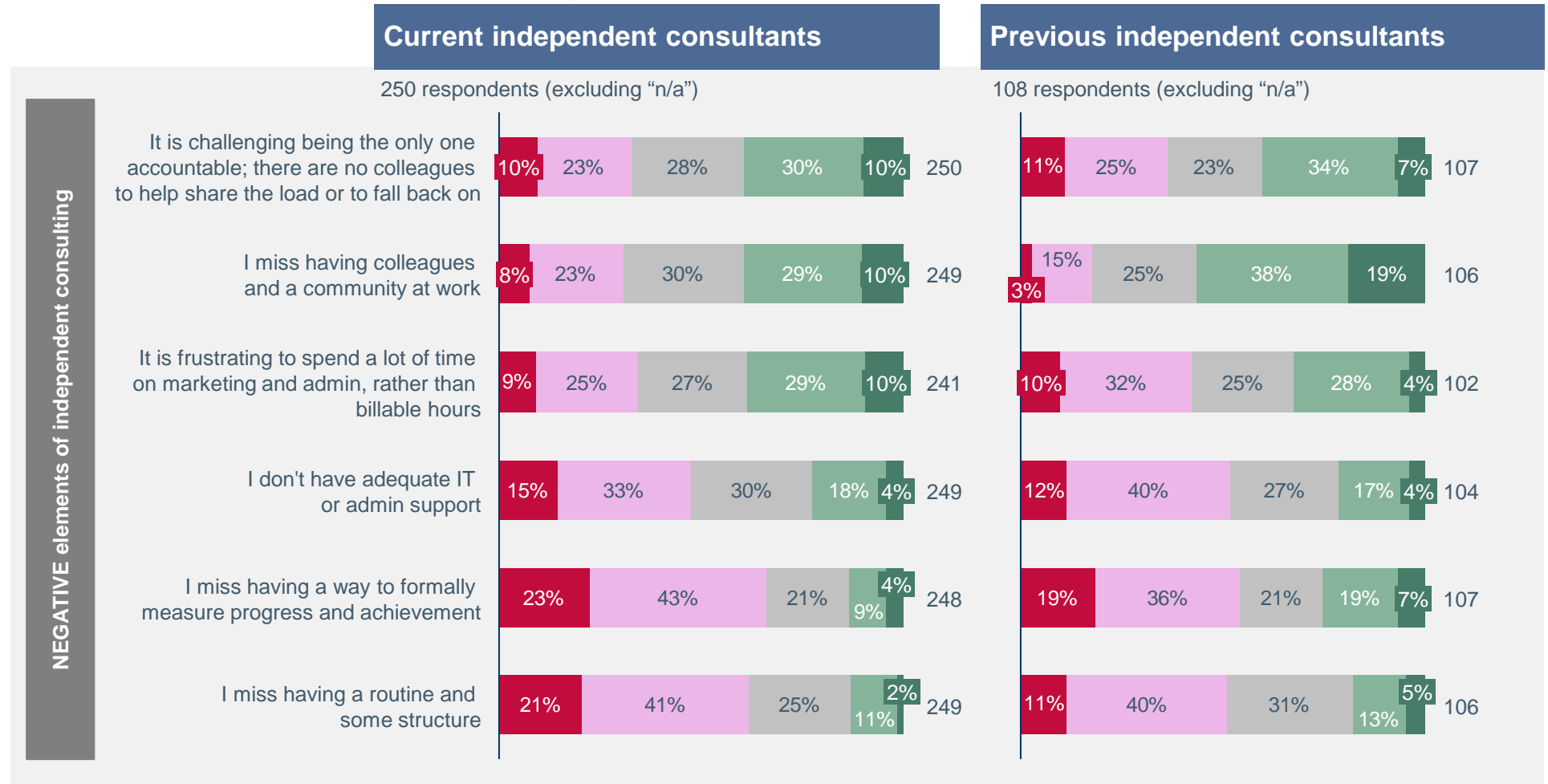


* Excluding those who responded "n/a"

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

... While the potential negatives are not as widely felt

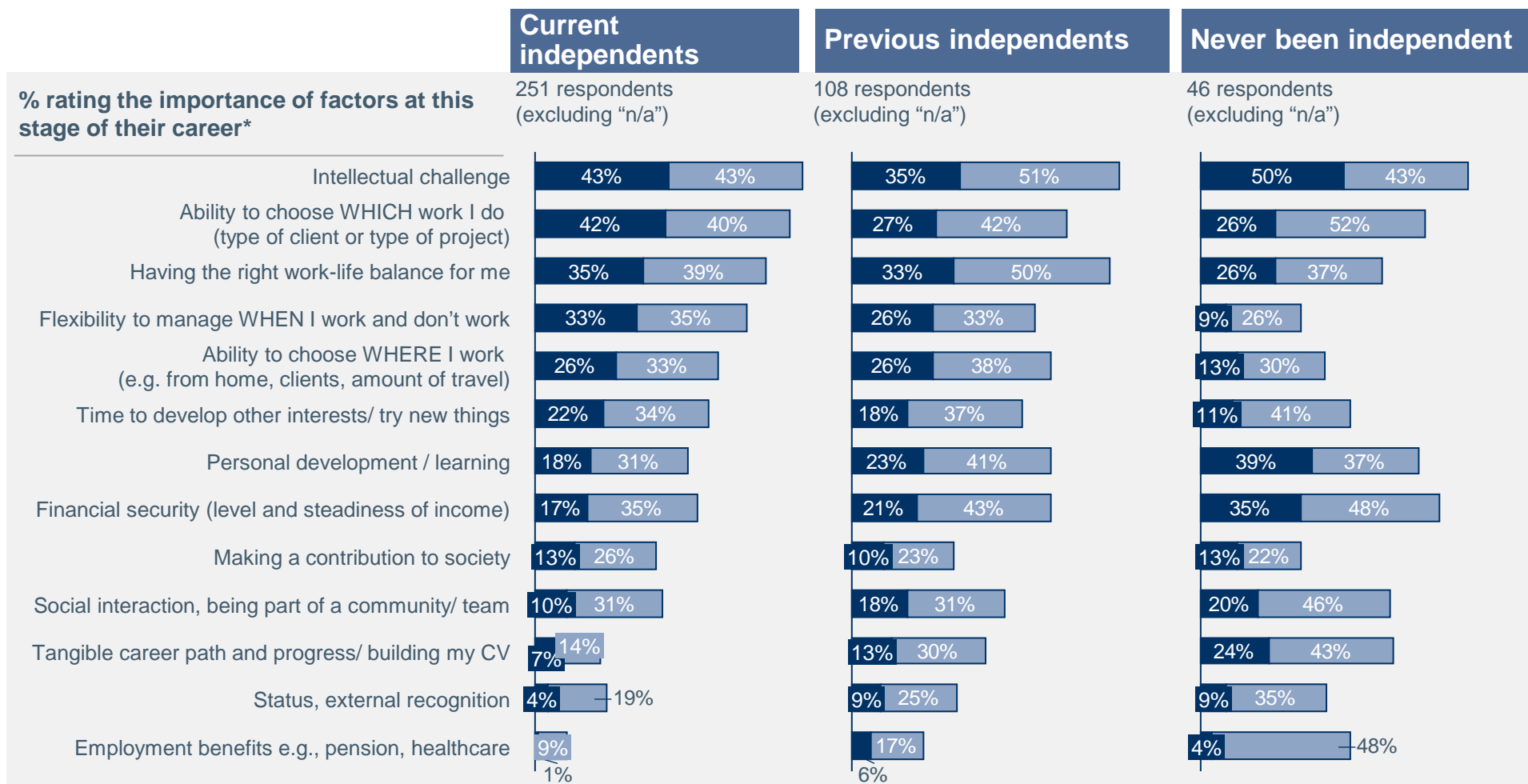
Current and previous independent consultants, % agreeing/disagreeing to statements about their experience with independent consulting*



* Excluding those who responded "n/a"

■ Strongly disagree
 ■ Disagree
 ■ Neither agree nor disagree
 ■ Agree
 ■ Strongly agree

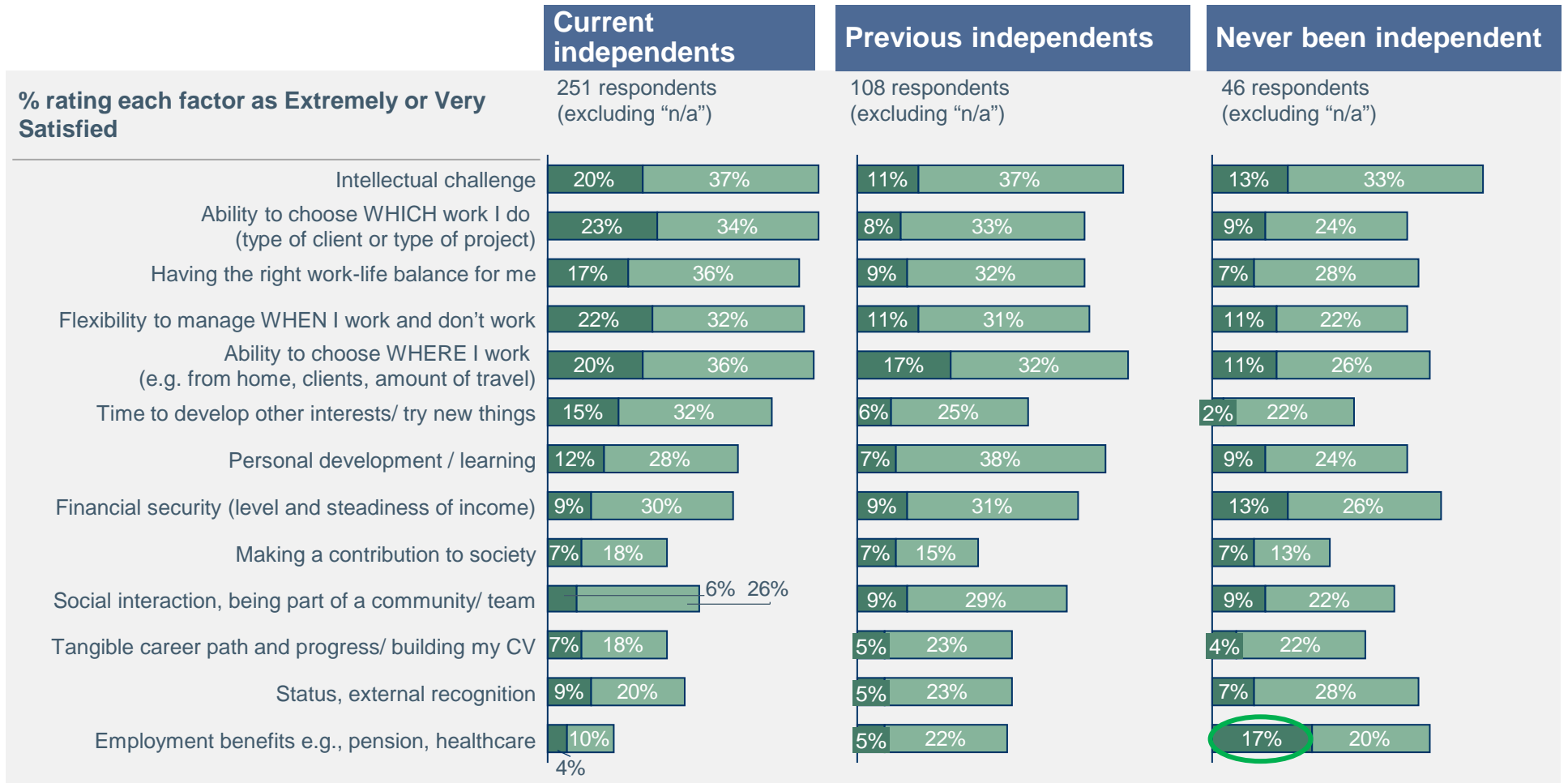
Not surprisingly, control over what type of work, when and where are far more important for ICs than those employed, while the latter place more emphasis on development, financial security and career path



* Excluding those who responded "n/a"

Extremely important Very important

Current ICs are more or as satisfied on virtually every dimension vs. their employed counterparts (with the exception of financial security and employment benefits)

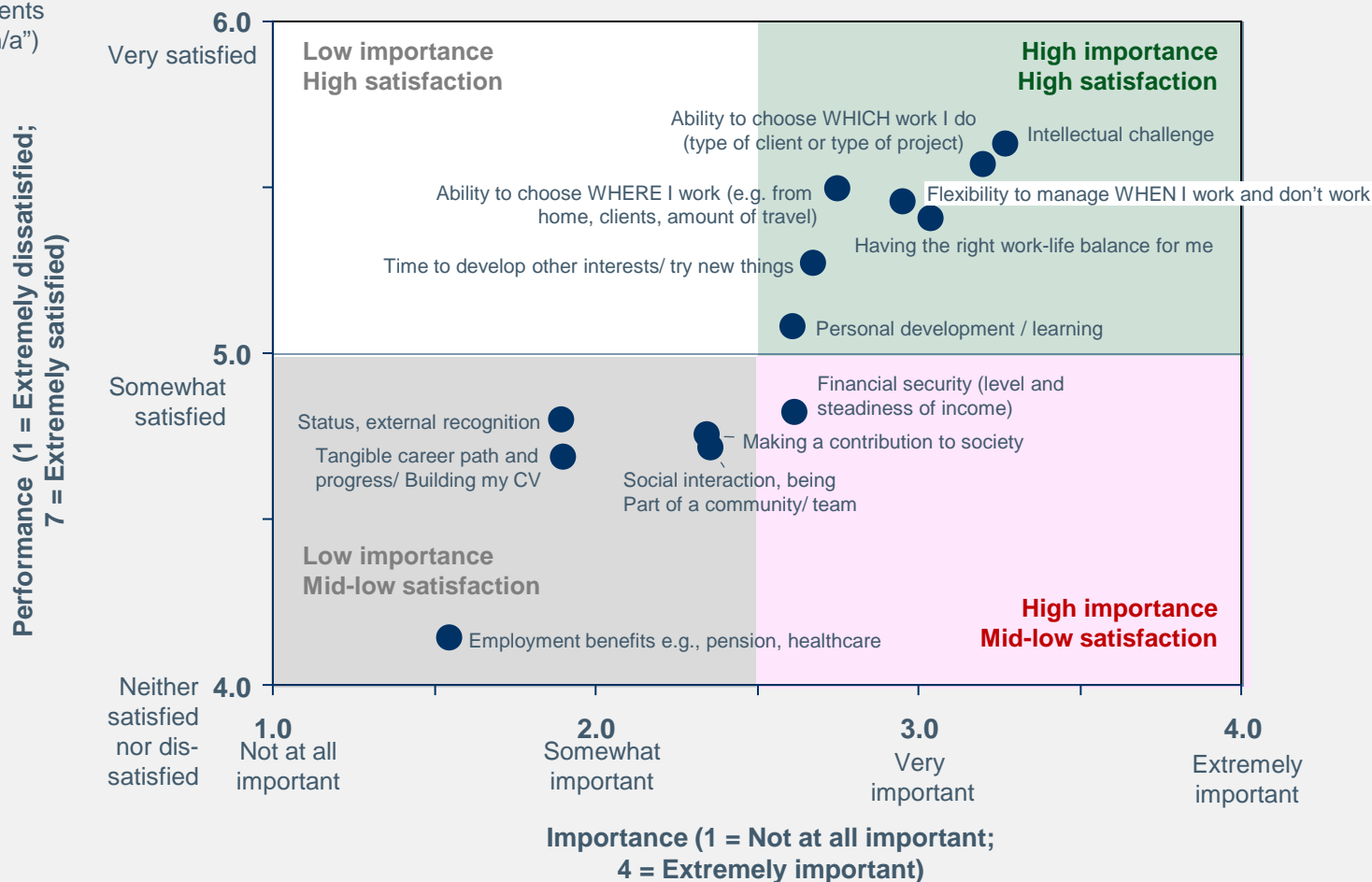


Extremely satisfied Very satisfied

Current ICs have high satisfaction with the factors most important to them such as intellectual challenge, control (what, where, when work), and time to develop other interests and learn

Current independent consultants

251 respondents
(excluding "n/a")

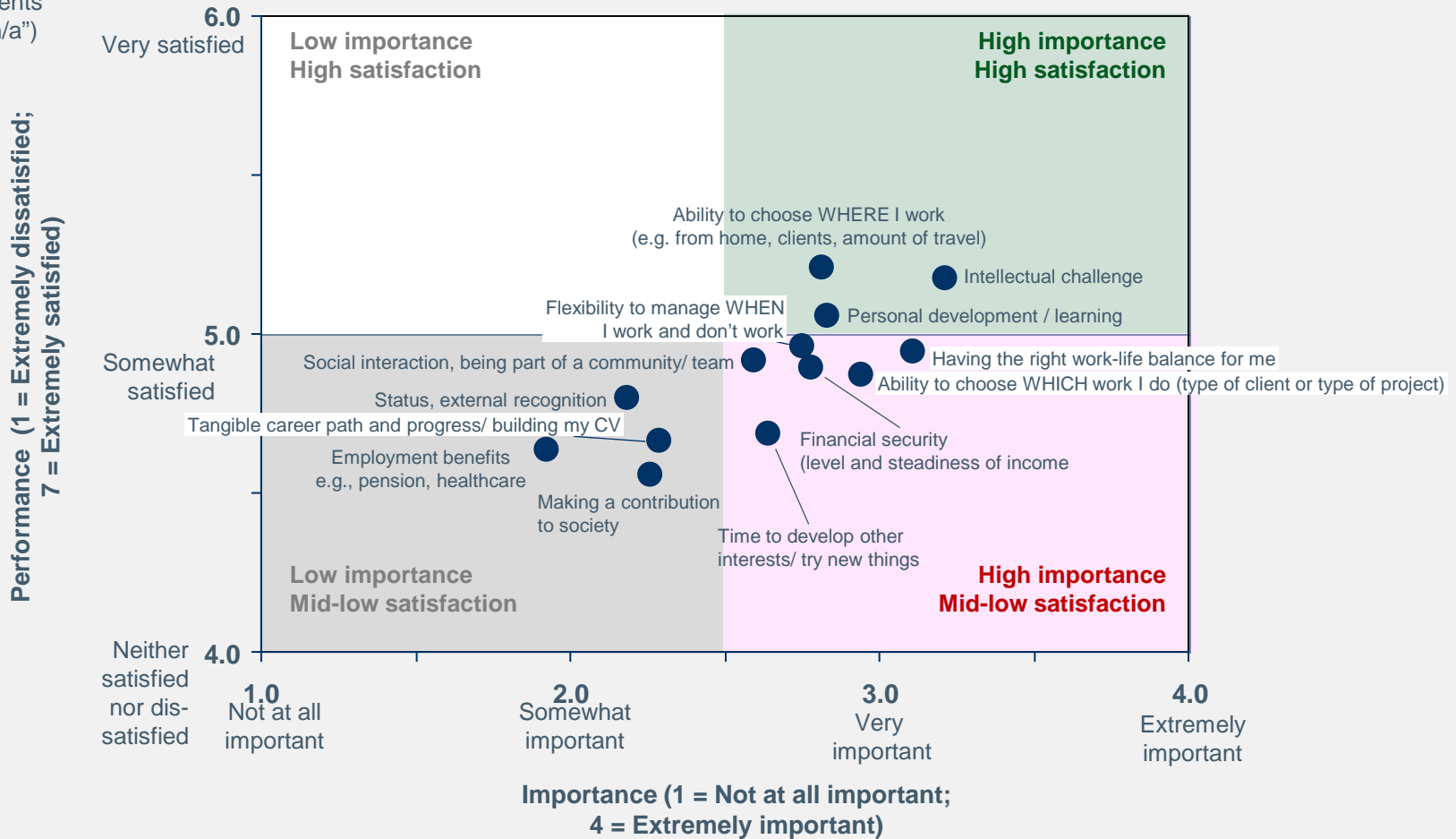


Note: Excludes those responding "n/a" for importance or satisfaction

Amongst Previous Independent Consultants, satisfaction is lower, and mostly clustered around 'somewhat satisfied'

Previous independent consultants

108 respondents
(excluding "n/a")

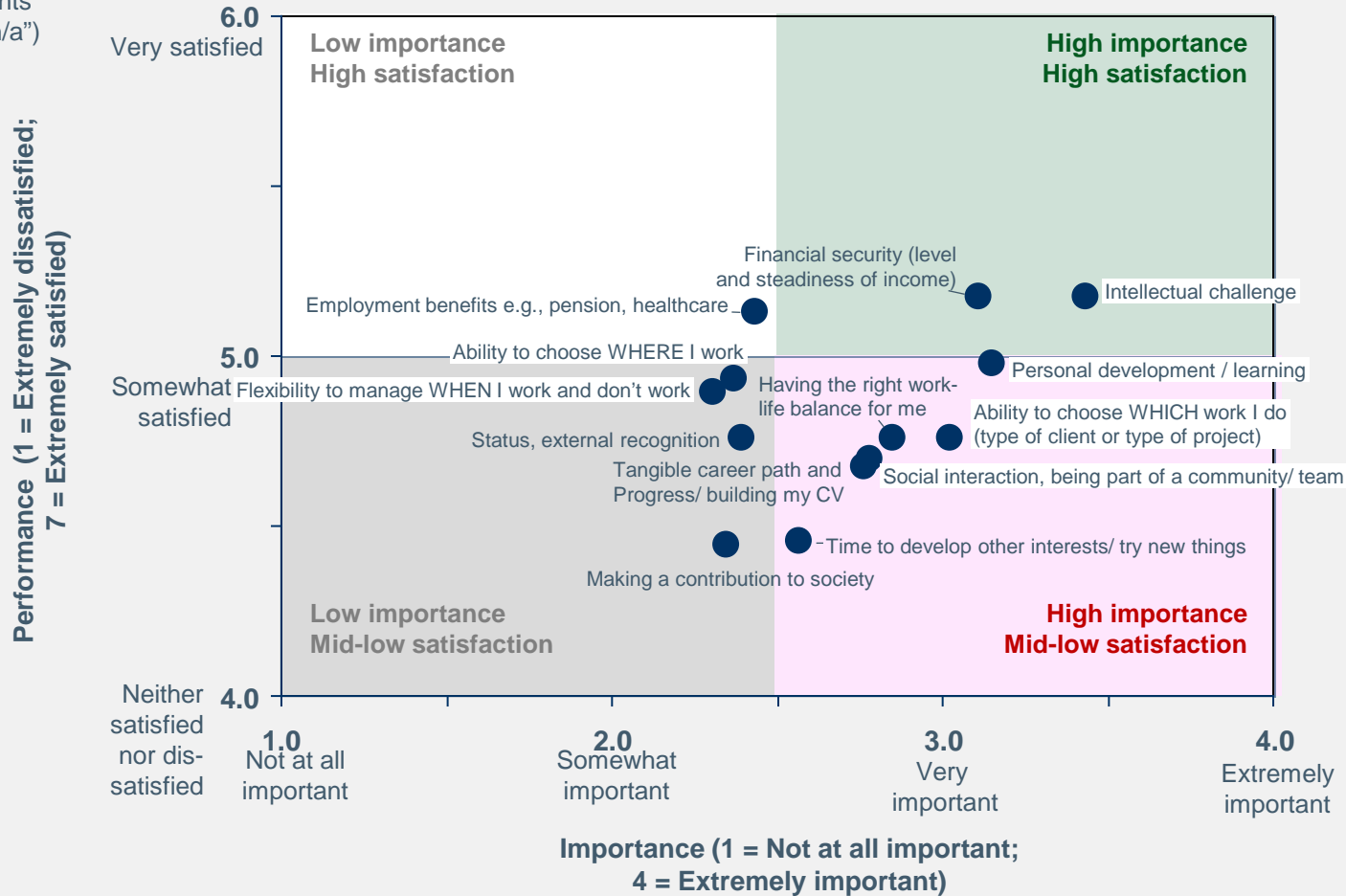


Note: Excludes those responding "n/a" for importance or satisfaction

Satisfaction across the factors is generally lower amongst those who are currently employed and have never been independent

Never been independent consultants

46 respondents
(excluding "n/a")



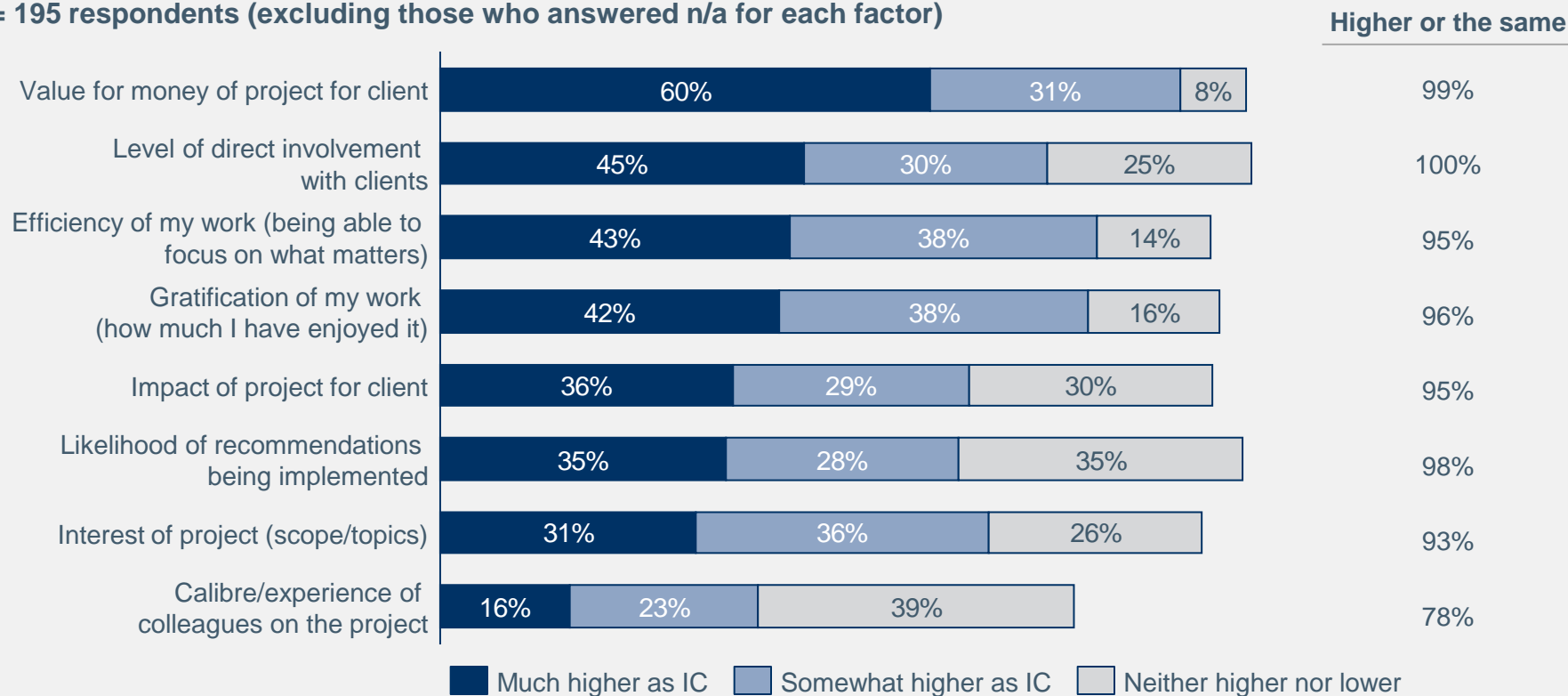
Note: Excludes those responding "n/a" for importance or satisfaction

Over nine in ten ICs say the value for money for clients is higher now than when they were in a traditional firm, and two-thirds say the projects have more impact and are more likely to be implemented

All respondents who have previously worked for a consulting firm

Rating of current work as an independent vs. their project work when employed in a traditional consulting firm

100% = 195 respondents (excluding those who answered n/a for each factor)



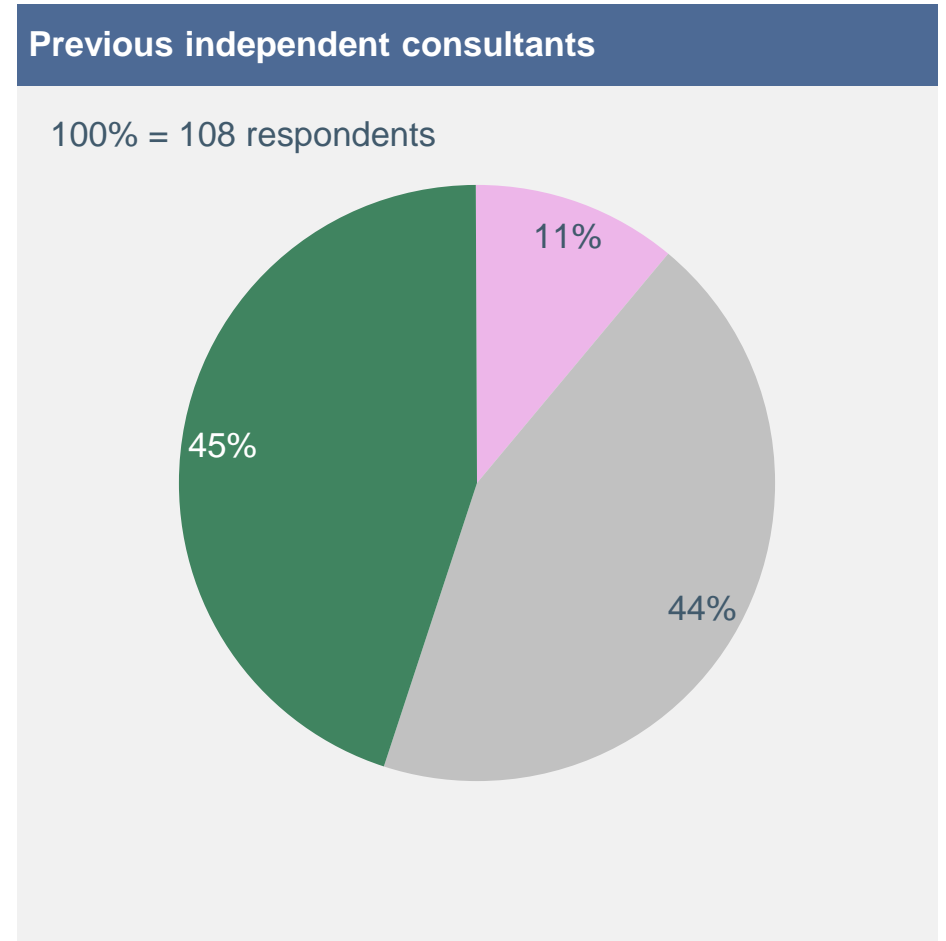
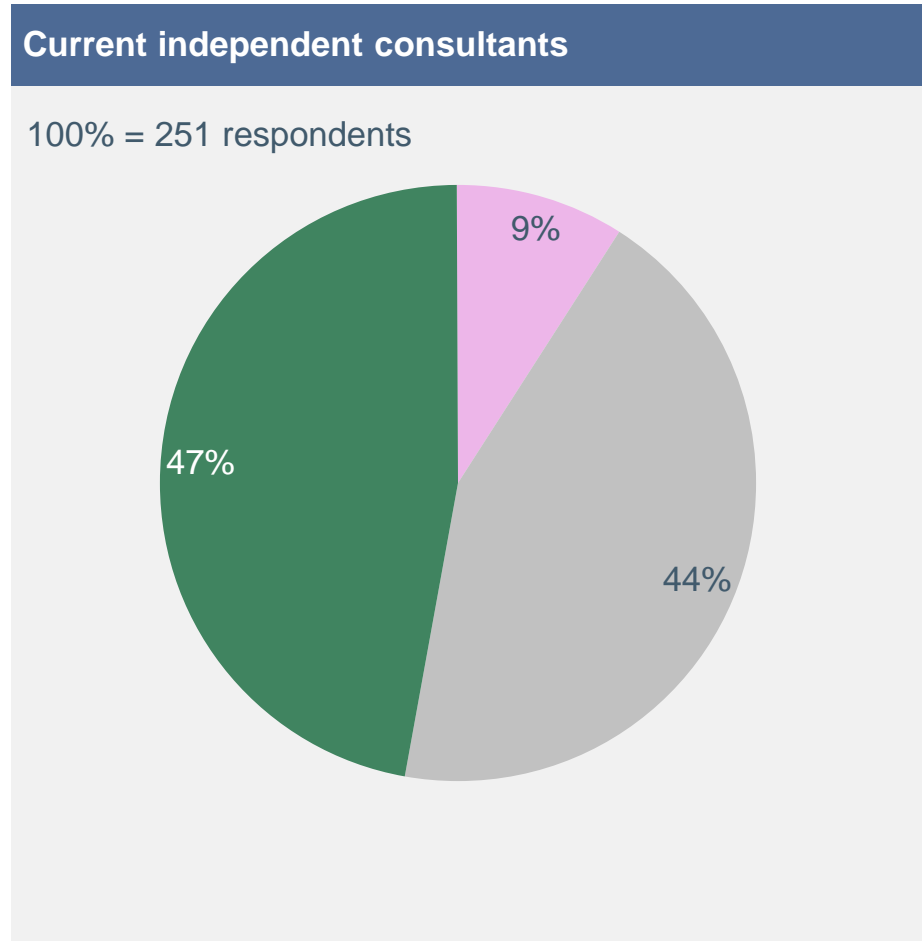
* Excluding those who responded "n/a"

QUESTION: Comparing your project work as an independent consultant NOW with your project work when you were employed in a traditional consulting firm, how would you rate the following factors?

Both Current and Previous independents would broadly recommend independent consulting

Current and previous independent consultants

% recommending from 0 (Definitely not recommend) to 10 (Definitely recommend)



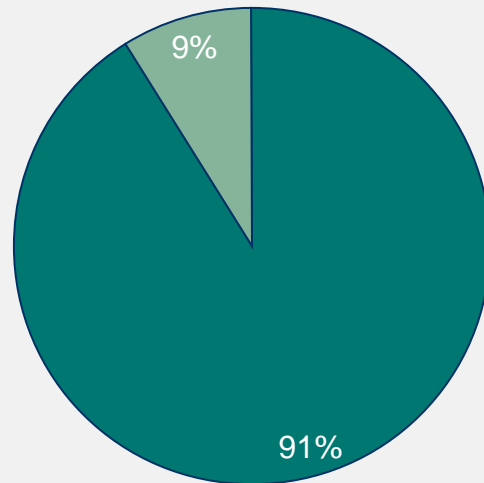
1-4 5-7 8-10

9 in 10 Previous ICs would consider becoming independent again

Previous independent consultants

Would you consider becoming independent again?

100% = 108 respondents



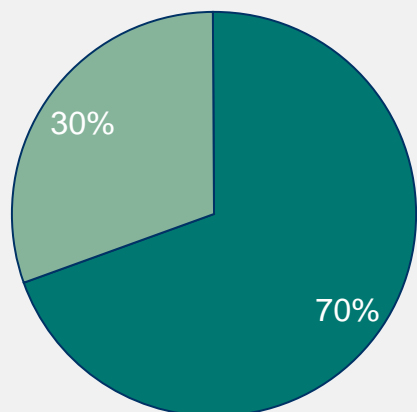
Yes
No

A significant number of those employed have considered becoming independent in the future, with financial security and status being key factors keeping them in their current roles

Never been independent consultants

Have you ever considered independent consulting?

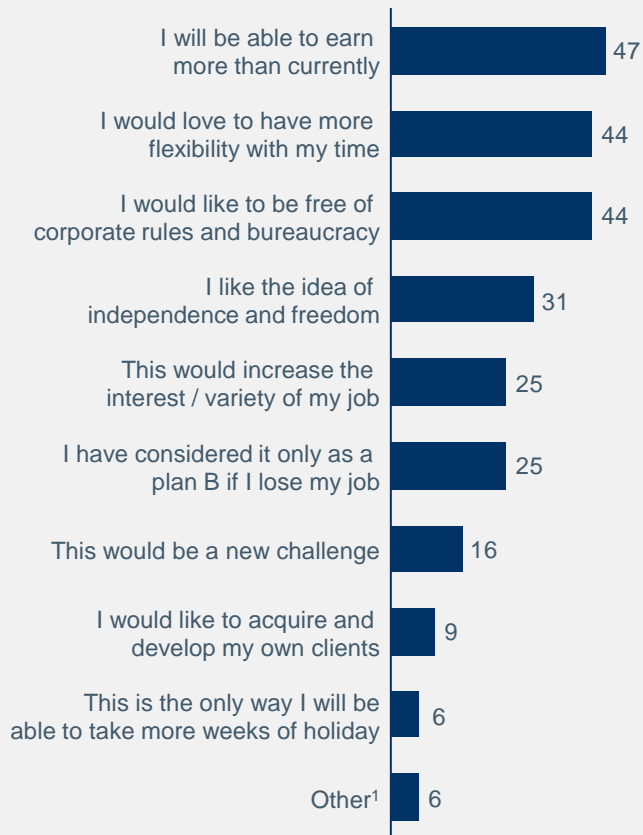
100% = 46 respondents



■ Yes
■ No

Reasons for considering becoming an independent

100% = 32 respondents



Reasons for not considering becoming an independent

100% = 15 respondents



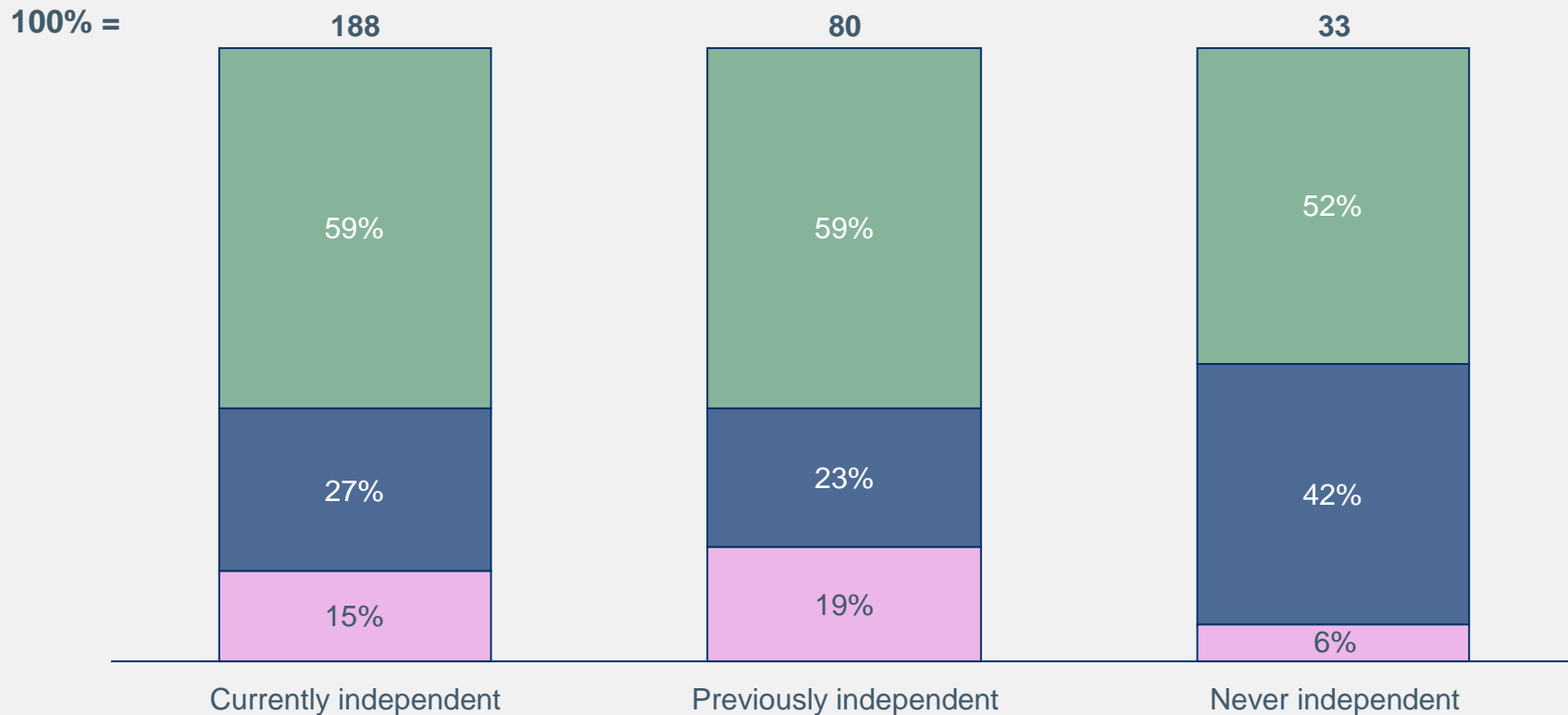
¹ Other includes: Change of location; to live away from a major city

² Other includes: Bigger challenges, bigger clients in a company; concerned I would actually work harder

Across the board there is a view that the image of freelancing is improving, although there is a significant proportion who “Don’t Know” (even amongst Current)

Current, Previous and Never Been independent consultants

Perceptions on how the image of freelancing in consulting has changed in the last 5 years*



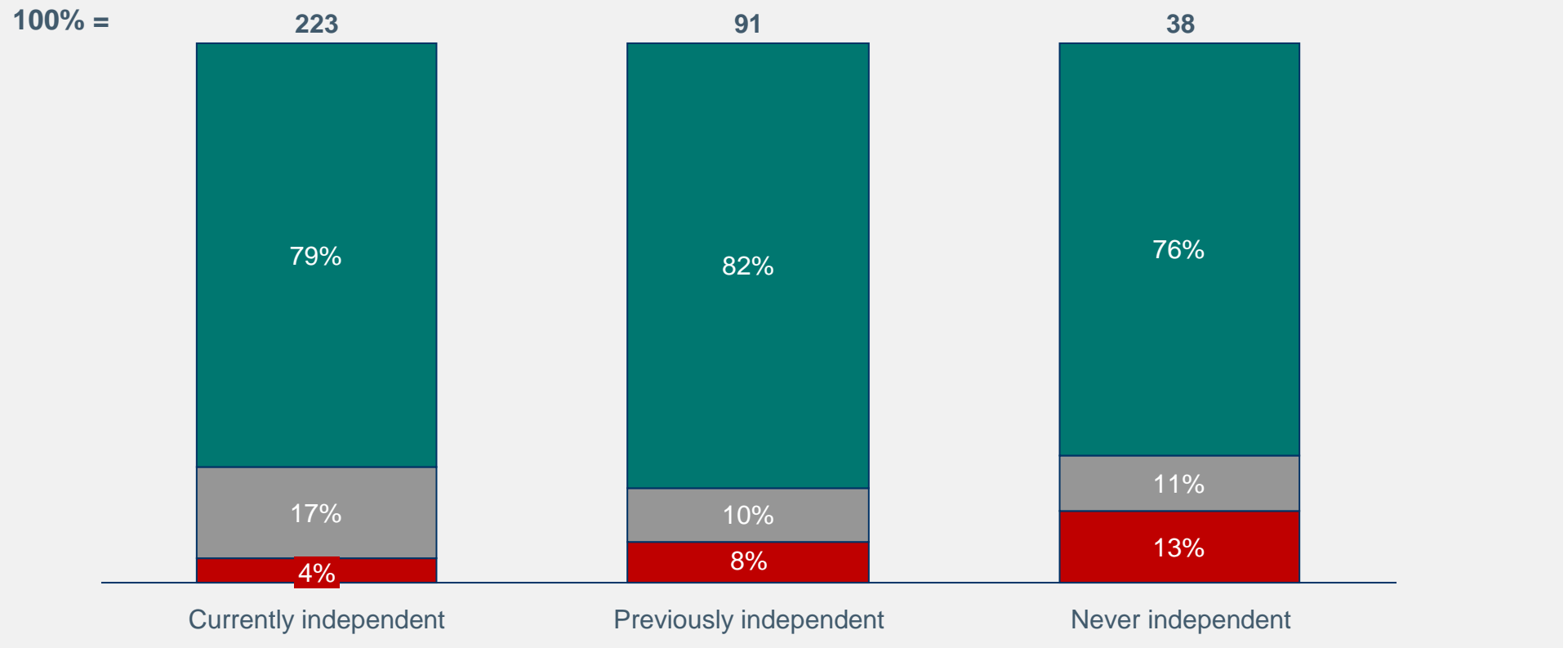
* Excludes those who answered 'don't know'

Yes, positively No, no change Yes, negatively

A significant proportion believe that independent consulting will increase in the future

Current, Previous and Never Been independent consultants

Views on whether freelancing in consulting will increase or decrease over the next 5 years



* Excludes those who answered 'don't know'

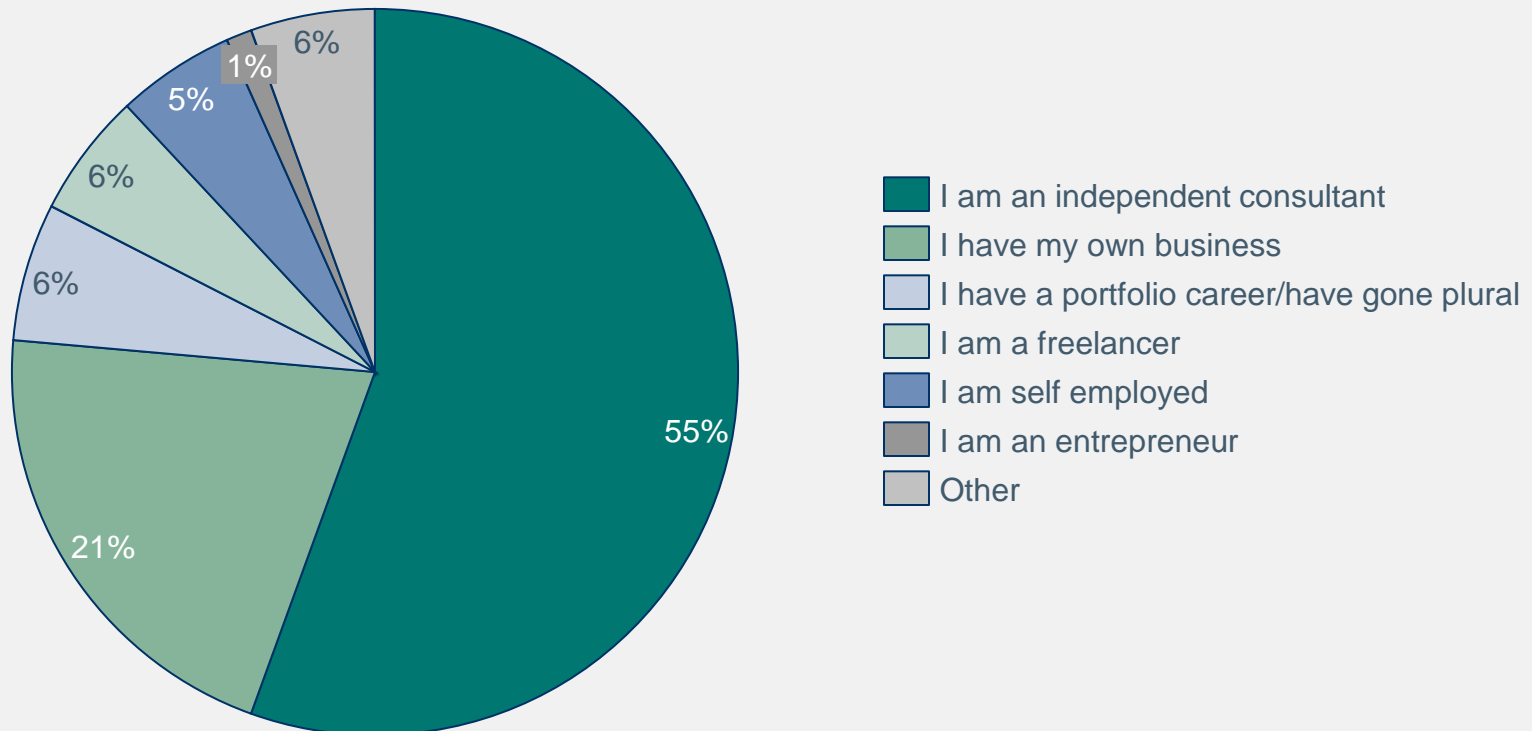
Will increase Will stay about the same Will decrease

Most refer to themselves as 'Independent Consultants', followed by 'have my own business' and a much smaller proportion as a 'Freelancer'

Current independent consultants

How respondents describe themselves as a professional when they are asked what they do (e.g., at a party)

100% = 251 respondents



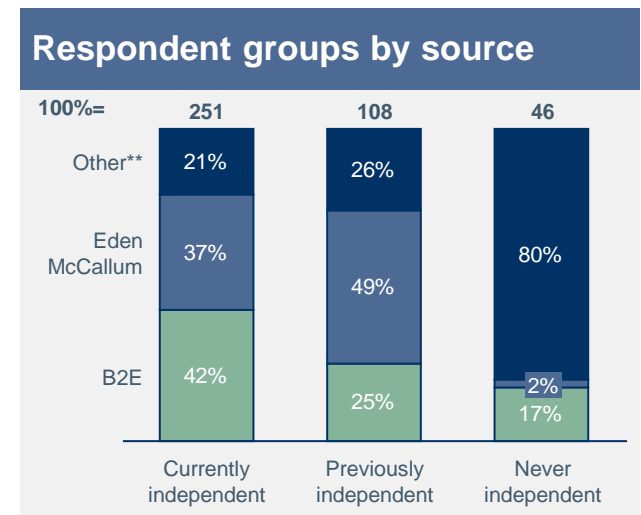
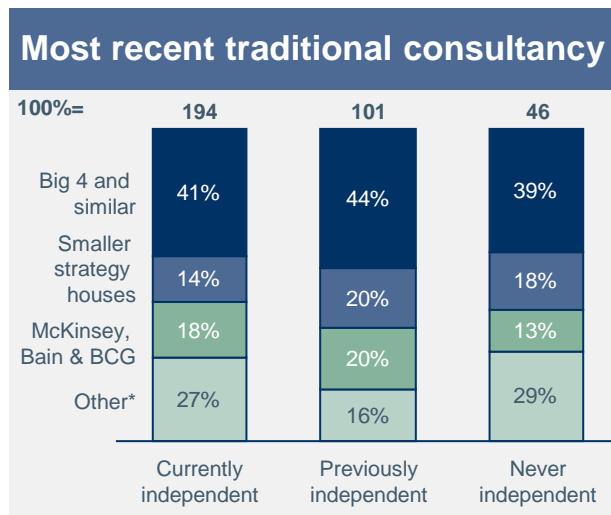
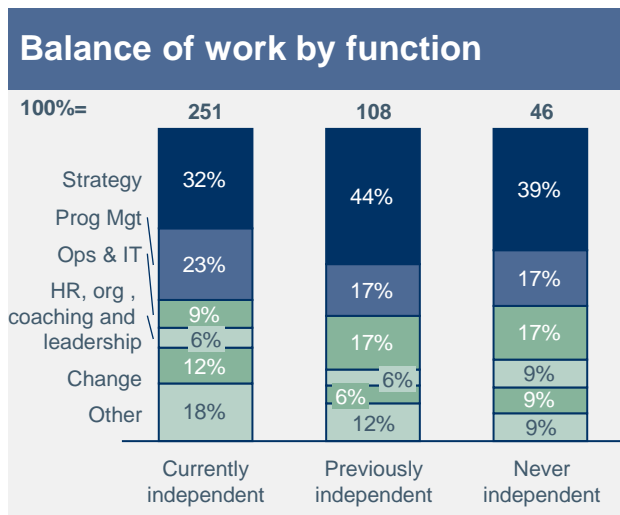
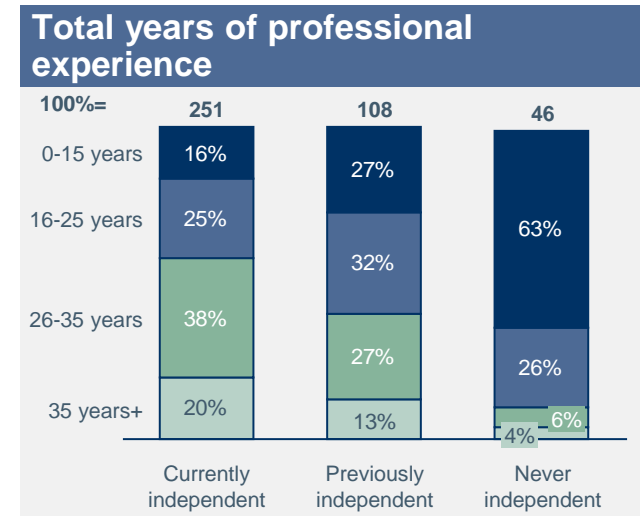
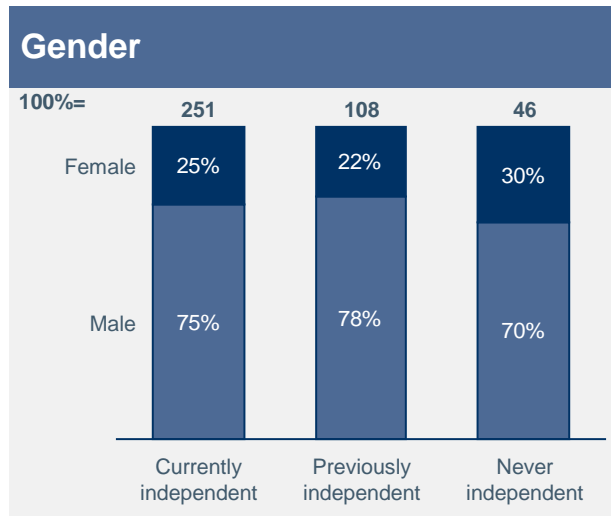
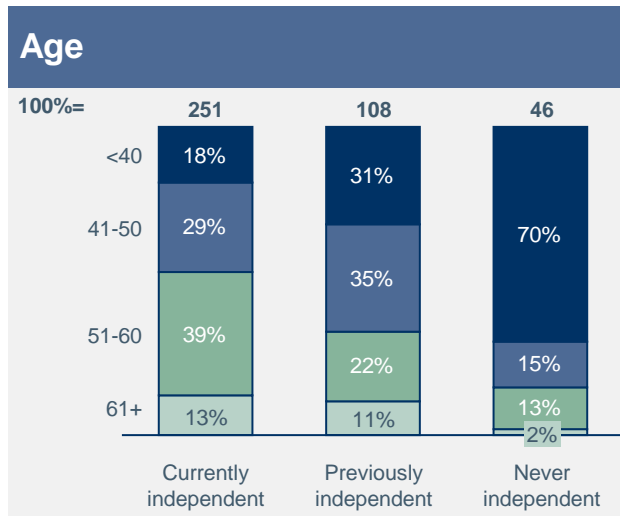
QUESTION: How do you usually describe yourself as a professional when someone asks what you do (e.g., at a party)?

Contents

1. Survey results

2. Background on the respondents

Background on respondents to the survey: Current independents vs. Previous independents and Never Been independents (1/2)



* Other includes: strategic transformation; variety of work, health; electrical and control systems; environmental licencing/compliance; turnaround; digital transformation; implementation; finance; customer experience; business development; corporate responsibility, M&A/DD; analytics, pensions; property . ** Other includes FT, LBS, LinkedIn

Background on respondents to the survey: Current independents vs. Previous independents and Never Been independents (2/2)

