



Market Report

A Snapshot of your Market Sector

Consultancy

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Consultancy** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2023**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Consultancy market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The industry will become increasingly competitive as larger companies continue to buy out smaller consultancy firms, expanding their capabilities and client offerings and increasing market share concentration. Industry enterprise figures will continue to rise, raising competition, though investment in new technology will support profit growth. Moreover, weather conditions are set to become increasingly erratic, encouraging precautionary action and spending on infrastructure. (IBISWorld, *Environmental Consultants in the UK*, December 2023).
- ◆ Small businesses command a significant role in the UK economy, and their presence extends across virtually every industry, including sectors such as manufacturing, which typically involves far higher levels of capital investment as a barrier to entry. In 2022, the combined turnover of the near 5.5 million small businesses accounted for 34.1% of total private sector activity. (Intel, *Small Business Overview*, December 2022).
- ◆ The Marketing Consultants industry had enjoyed mostly favourable conditions before 2020-21, when the COVID-19 outbreak began to disrupt demand. Businesses have increasingly sought consultants' advice on improving their marketing strategies, particularly regarding digital channels. Industry revenue is expected to contract at a compound annual rate of 0.5% over the five years through 2023-24 to £4.5 billion, including an anticipated 2% rise in 2023-24. (IBISWorld, *Marketing Consultants in the UK*, July 2023).
- ◆ The global strategy consulting market was valued at \$55.97 billion in 2022 and is estimated to grow to \$126.05 billion in 2027. This will create an incremental growth opportunity worth \$70.08 billion between 2022 and 2027, which translates to around 126% of the market size in 2022. This represents significant growth opportunities for vendors. (Technavio, *Global Strategy Consulting Market 2023-2027*).
- ◆ The global education consulting market was valued at \$2,270.0 million in 2022 and is estimated to grow to \$2,947.89 million in 2027. This will create an incremental growth opportunity worth \$677.89 million between 2022 and 2027, which translates to around 30% of the market size in 2022. In this low growth environment, vendors must be both aggressive and defensive while leveraging the growth opportunities available. (Technavio, *Global Education Consulting Market 2023-2027*).
- ◆ The national organisation for this industry is the [Management Consultancies Association](#). Other industry bodies include the [Institute of Consulting](#), [Public Relations Consultancy Association](#) and [Consultancy UK](#).

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Management Consultants in the UK (November 2023).** The increasing prominence of cloud-based technology has made IT consulting advice more vital than ever. A recent flurry of acquisitions highlights the rising importance of this segment, with the largest industry players beefing up their digital consulting competencies. The pandemic accelerated this trend.
- ◆ **IBISWorld – Consultant Engineering Services in the UK (November 2023).** Over the five years through 2028-29, revenue is forecast to swell at a compound annual rate of 2.7% to £71.3 billion. The projected expansion of the infrastructure market is expected to be the main driver of growth. Electricity infrastructure construction activity will be directed towards the replacement of older infrastructure with new sources of electricity, fuelled by regulations aimed at reducing carbon emissions under the new UK Emissions Trading System.
- ◆ **IBISWorld – Computer Consultants in the UK (November 2023).** Software consulting benefited from the pandemic as businesses moved to remote working in response to nationwide lockdowns and stay-at-home guidance. UK businesses must maintain robust online systems to keep their workforces connected.
- ◆ **IBISWorld – Tax Consultants in the UK (August 2023).** Over the five years through 2023-24, tax consultant's revenue is expected to contract at a compound annual rate of 3.5% to £4.5 billion. Before the COVID-19 outbreak, operating conditions had been generally favourable, as a falling unemployment rate and a rising number of businesses have increased the potential client base for tax consultancies. The industry has a high level of market share concentration, with the four largest firms collectively accounting for 82.4% of industry revenue in 2023-24.

There are also a number of online resources you may find helpful:

- ◆ The **Management Consultants Association** have a reports section which includes the [Member Survey 2023](#). This survey identifies key trends, challenges and opportunities in the UK consulting sector.
- ◆ The **Public Relations and Communications Association (PRCA)** has a [blog](#) which provides articles on the PR and communications industry.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

Last updated: December 2023

Updated by: Liesel

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