



Market Report

A Snapshot of your Market Sector

Consultancy

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 **July 2019**. 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 Management Consultants industry covers a broad range of consulting services, including strategic and organisational planning, marketing, IT and human resource consulting, and business process management. Industry revenue is expected to grow at a compound annual rate of **1.7%** over the five years through 2018-19. [...] In 2018-19, revenue is forecast to dip by **0.2%** to reach **£50.2 billion** (IBISWorld, *Management Consultants in the UK*, January 2019).
- ◆ The [Computer Consultants] industry has performed well over the past five years and is expected to record strong revenue growth. Overall, revenue is expected to grow at a compound annual rate of **4.4%** over the five years through 2018-19 to achieve **£50.6 billion**, which includes a **0.5%** growth in the current year (IBISWorld, *Computer Consultants in the UK*, December 2018).
- ◆ The Consultant Engineering Services industry's revenue is expected to increase at a compound annual rate of **3%** over the five years through 2019-20 to **£57.3 billion** (IBISWorld, *Consultant Engineering Services in the UK*, May 2019).
- ◆ The [Tax Consultants] industry has a medium level of concentration, with the four largest players having a combined market share of **57.7%**. Over the five years through 2019-20, industry revenue is estimated to grow at a compound annual rate of **2.6%**, reaching **£4.6 billion** (IBISWorld, *Tax Consultants in the UK*, June 2019).
- ◆ The United Kingdom management and marketing consultancy market grew by **5.6%** in 2018 to reach a value of **\$10,908.2 million**. In 2023, the United Kingdom management and marketing consultancy market is forecast to have a value of **\$13,670.6 million**, an increase of **25.3%** in 2018 (Marketline, *Management & Marketing Consultancy in the United Kingdom*, July 2019).
- ◆ The UK's exit from the European Union has been driving demand for services from UK consultancy firms. [...] Compliance, regulatory and supply chain consultancies are some of the providers in highest demand as firms attempt to plan and adapt for a transition of persistently unclear timing and nature (Consultancy UK, *Brexit driving demand for consultancy services – and M&A*, July 2019) (tinyurl.com/yxfkdjd9).
- ◆ The national organisation for this industry is [Management Consultancies Association](#). Other industry bodies include [Institute of Consulting](#), [Public Relations Consultancy Association](#), [Consultancy UK](#) and the [Association of Independent Computer Specialists](#).



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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 (December 2018)***. Uncertainty regarding the UK's forthcoming departure from the European Union is expected to increase demand for consulting services as firms plan for the potential implications of Britain's exit. Further regulatory changes in the financial services sector are also expected to support demand. Meanwhile, demand for IT consulting is anticipated to rise over the next five years and remain highly important to revenue generation; however, the rate of growth for this segment is unlikely to match that of the five years through 2018-19, as competition from the Computer Consultants industry increases.
- ◆ **IBISWorld – *Consultant Engineering Services in the UK (May 2019)***. Demand for consultant engineering services is sensitive to trends in business investment and changes in infrastructure construction activity. When business investment increases, the need for engineering feasibility assessment, design and project management services across the manufacturing, resources, transport and energy markets rises, which bolsters demand for industry services. Business investment increased during the start of the five-year period through 2019-20, as businesses were optimistic about their future prospects, which propelled demand for industry services. However, business investment was adversely affected from 2016-17 due to the economic woes caused the EU referendum, and was responsible for the slowdown in revenue expansion.

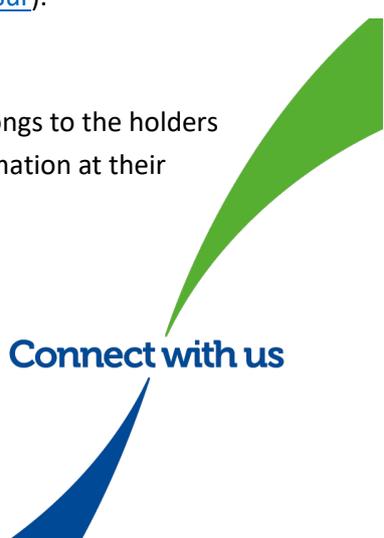
We also have access to the following reports:

- ◆ **IBISWorld – *Computer Consultants in the UK (December 2018)***.
- ◆ **IBISWorld – *Tax Consultants in the UK (June 2019)***.
- ◆ **Marketline – *Management & Marketing Consultancy in the United Kingdom (July 2019)***.

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

- ◆ **Consultancy UK** has put together Industry Statistics for the United Kingdom including information on the size of the market, industry segmentation by service offering, and year-on-year growth (tinyurl.com/yx8v7a8p).
- ◆ The **Management Consultancies Association (MCA)** has a member directory which provides information on key companies within the industry and their contact details (tinyurl.com/yyq7m8ur).

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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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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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