

THE ANNUAL  
CONSULTANTS'  
FORUM  
2004



The New Shape of the Market: The UK View

## SUMMARY OF PRESENTATION

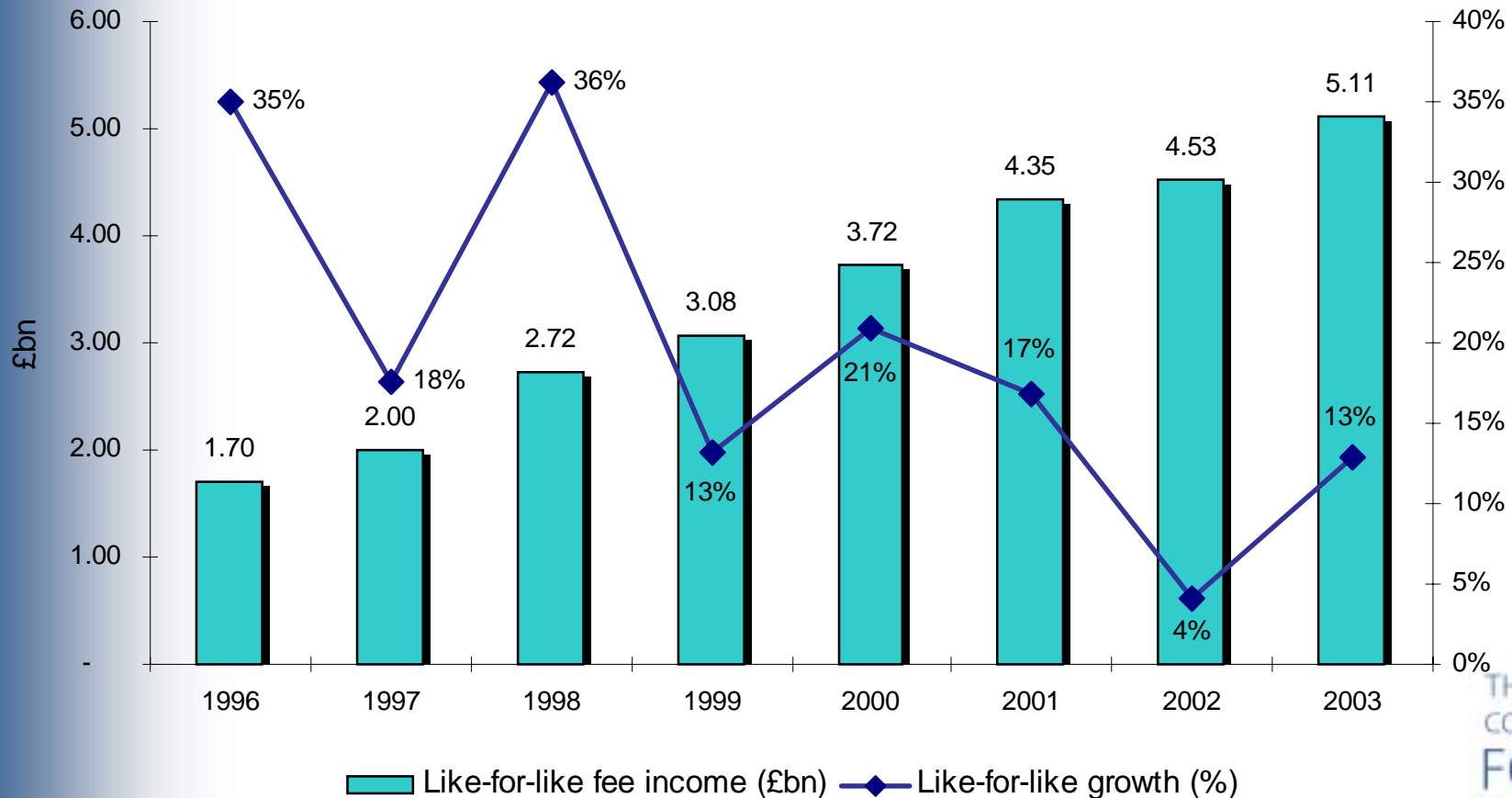
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PLEASE NOTE THAT THE STATISTICAL INFORMATION  
CONTAINED IN THE COMPLETE VERSION OF THIS  
PRESENTATION IS AVAILABLE IN THE  
2003/4 CONSULTING INDUSTRY REPORT.  
CONTACT [REPORTS@PMP.CO.UK](mailto:REPORTS@PMP.CO.UK)

# Out of the tunnel?

Fee income 1996-2003 (£m) and percentage growth rates



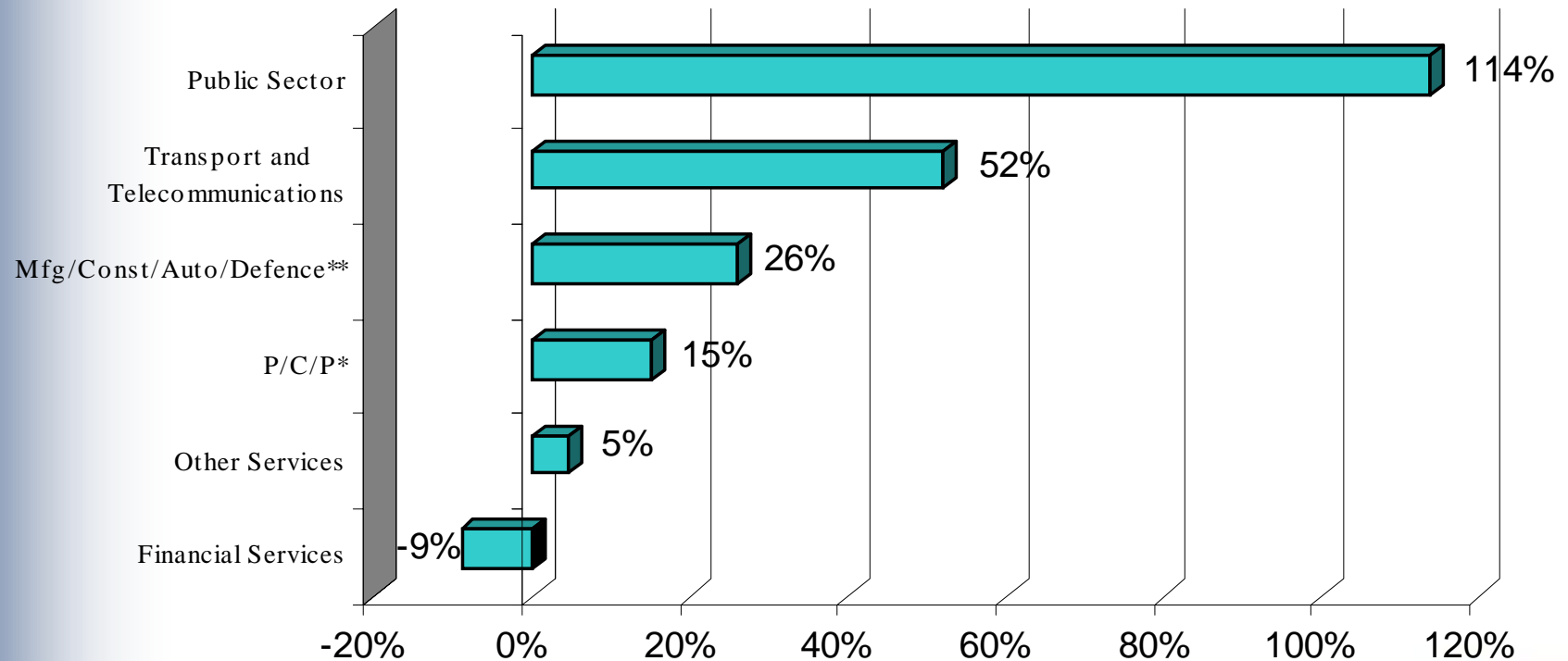
# Key questions

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- What accounts for the recovery?
- How sustainable is it likely to be?
- What challenges does this pose?

# Lower growth in the private sector

*Percentage changes in fee income 2002-2003, by sector*



# How sustainable is the recovery?

Public sector	<ul style="list-style-type: none"><li>• Delivery agenda</li><li>• National Programme for IT</li></ul>
Outsourcing	<ul style="list-style-type: none"><li>• Long-term change in the nature of organizations</li><li>• Sourcing strategy / offshoring</li></ul>
Everything else	<ul style="list-style-type: none"><li>• Gradual return of business confidence?</li><li>• Pent-up demand?</li></ul>

# The challenges this poses

## Cost-control

- Continuing pressure on prices
- Pent-up demand for salary increases
- Other costs rising – and clients are less willing to cover them
- Partnering with other organizations?



# The challenges this poses

## Revenue growth

- Need to re-build relationships
- Improve reputation of consulting industry
- Better ability to measure the contribution consultants make
- The next big thing – a double-edged sword?

# The challenges this poses

## People



- Still difficult to recruit the best people
- Need for flexibility
- Caution about recruitment
- Advantages and disadvantages of associates

# The forecast

Elsewhere, patchy  
rain and drizzle

Some areas of sunshine

**Take an umbrella!**