Predictions for the Consulting Industry in 2016
It’s typically the job of professional consultants to provide industry forecasts and identify emerging trends in a specific category. But what do consultants predict for their own industry in the year ahead?

Interestingly, many of the trends that are impacting other industries are now materializing as important developments in the consulting field itself. These include disruptive influences, technology innovations and the rise of the “gig” economy. According to a sampling of industry experts, here are seven predictions for the U.S. consulting industry in 2016:

1. Multi-sourcing

There is an accelerating trend away from the old days where one large consulting firm would be retained to execute a substantial project for a corporate client. Experts predict that we will see more arrangements where clients press multiple consultancies to collaborate on projects.¹

The driving force behind this trend is the growing belief among many corporate executives that their interests are best-served by retaining firms with special expertise in specific niches, then requiring those various firms to work together for the good of the enterprise that has engaged them. The message to consultants is to learn how to work with other consultants who may have complementary areas of expertise.
**Uberization**

The emergence of the “gig” economy—sometimes referred to as the Uberization of America—may well have a growing impact on the consulting industry as 2016 marches onward. Consulting veterans warn that this trend could have far-reaching implications for an industry that has historically focused on recruiting the best and brightest, then developing that talent for the long haul.

Companies that hire consultants still seem to focus on the cost of hiring a consultant rather than the value that this professional can bring to the company, but in the coming years, “consulting services may be seen as a more commoditized, transactional type of interaction rather than as a professional long-term service partnership,” predicts Dan Reardon, CEO of North Highland. In 2016, look for more use of freelance and transactional arrangements for consulting services.

**Healthcare Leads the Way**

As has been the case for the last several years, industry experts predict that Healthcare will continue to lead the way as the most attractive vertical market in the industry. Clearsight Advisors, which estimates the size of the overall U.S. consulting industry at approximately $175 billion, projects that within the Healthcare segment, Life Sciences will continue to garner momentum and will become one of the more coveted domains for larger consultancies to target for growth.

In addition to Healthcare, analysts forecast that the Energy vertical will regain its footing in 2016 now that the market is acclimating to new pricing realities. Clearsight also sees continued business momentum in Cloud Services; Compliance-Related Consulting; and Big Data/Data Analytics Consulting. These areas continue to show double-digit growth rates, causing the largest consulting firms to seek to enhance their capabilities in these markets.

**The Talent War**

The consulting business has always been about the people doing the work. A consulting firm is only as successful as the talent of its people and their abilities to achieve measurable results for clients.

As corporate spending has continued to show modest year-over-year increases and private-sector job growth has entered its seventh year, the competition for consulting talent is tighter than it has been in quite some time. Finding and retaining the best people will be a top agenda in 2016 for about one in four management consulting firms (24%), according to Business2Community. The talent war may force some consulting firms to prioritize specific niche markets and go after recruits to fill those needs on their teams.

**Offshoring**

“The issue is not so much about doing work in different parts of the world or high-cost economies versus low-cost economies, but about the balance of costs firms should have going forward,” says Fiona Czerniawska, an author and recognized authority on the consulting industry. “How many high-paid people do you need and how many less expensive people? Do they have to be in the same firm? If not, how do you join them together?”

This is admittedly one of the more controversial trends in the consulting industry, and there is always the risk that one major negative news story in a U.S. media outlet could deal a serious blow to the image of those firms that pursue offshoring as a business strategy. With that in mind, it’s likely that those firms now employing talent in lower-cost markets will do so with their heads on a swivel.
Key trends in some of America’s largest industries are beginning to impact the functions within the consulting industry. Here are a few ways LexisNexis can help consultants succeed:

- Access the largest collection of news, company, industry and market intelligence database; including news archives going back 40+ years.
- With one search create a comprehensive report about existing and prospective clients, business partners, vendors and competitors.
- Access premium financial information sources for company analyses and understand the financial viability of current and potential business partners.
- Use the world’s largest Chinese and English language database of published information from Greater China including news and company intelligence.
- Monitor key events, trends, partners, clients and competitors affecting a company and industry.

In 2016, consulting enterprises will be more successful by being knowledgeable about their clients’ changing needs and finding ways to work with these trends—rather than to see them as being adversarial. New technologies that automate certain consulting functions will increasingly be viewed as an important complement to the skills of the professional consultants.

For more information

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1 http://managementconsultingnews.com/interview-fiona-czerniawska2/
2 http://www.forbes.com/forbes/welcome/93053d2b2cad
3 http://clearsightadvisors.com/top-consulting-trends-for-2016/
5 http://managementconsultingnews.com/interview-fiona-czerniawska2/
6 https://www.linkedin.com/pulse/uberization-consulting-abhijit-hazari
7 http://www.marketplace.org/2015/12/09/business/startup-disrupting-consulting-industry

LexisNexis Solutions

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Conclusion

Some of the key transformational trends that are impacting America’s largest industries are now beginning to impact the way the consulting industry functions as well. The year ahead should offer consulting firms plenty of business challenges to navigate, including the very essence of how they obtain new clients, recruit new professionals and deliver their services.