


Enrique Dans · [Follow publication](#)

🌟 Member-only story


The end of billable hours: how AI is forcing consulting to reinvent itself

4 min read · 3 days ago



Enrique Dans

Follow

-  Listen
-  Share
-  More



A Reuters article, [“AI sets up Kodak moment for global consultants”](#), has sparked debate among the profession. The article explains how consulting is experiencing rapid and structural disruption that threatens to destroy the business model that has sustained it for decades.

AI is eroding the differential value of the major consulting firms: Accenture, Deloitte, PwC, KPMG or McKinsey, which for decades have sold packaged knowledge, intensive analysis and deployed armies of young analysts.

Consulting companies: enjoy the AI ride while it lasts...

Amid the sound and fury of the artificial generative intelligence boom, consulting is undergoing a largely unnoticed...





A few months ago, I wrote about the same topic in “AI and consulting: enjoy the ride while it lasts”, pointing out that the real transformation, that of business models, is only just beginning, and that when artificial intelligence is normalized the added value that consulting firms thought they offered could disappear.

That prediction is already taking place: large clients are beginning to realize that a large part of consulting projects are now automatable. A commission that once cost a million dollars can now be solved with relatively simple machine learning and prompt engineering tools for just a fraction of that price. What used to be justified by the time invested by humans and their analytical capacity, today is solved with algorithms that do not sleep or charge overtime.

In a viral debate on X, dozens of consultants acknowledged that their work is becoming a translation process: interpreting and making up results produced by AI. The industry’s historical margins are disappearing as companies learn to directly integrate tools like ChatGPT Enterprise or Claude Team. AI is the new invisible partner, cheaper and, in many cases, more accurate than human consultants.

AI is forcing professional services firms to redefine their value proposition: it is no longer enough to offer analytics, instead they have to build systems capable of learning together with the customer. All indications are that the future of consulting will be hybrid: a combination of human strategic vision, technological infrastructure and credibility based on measurable results, not fancy slides. Disruption is no metaphor: Accenture is cutting staff and sacking anybody who cannot embrace AI within its global restructuring, while accelerating internal automation projects, a clear sign of change in the knowledge economy. BCG, for its part, expects 20% of this year’s revenue to come from AI-related consulting, and foresees reaching 40% by 2026, reflecting that value shifts from slideware to solutions leveraged on models and data. Even McKinsey has reduced its workforce by more than 10% in 18 months, after years of expansion, and is reorienting capabilities towards AI and software, another indicator that the traditional model of billable hours is no longer viable.

In many ways, this disruption is not just technological, but existential. Consulting firms are not losing tools, they are losing their monopoly on knowledge. AI has

democratized access to information, models, and methodologies that previously justified hiring an external firm. AI turns knowledge into a commodity, and consulting thrived precisely because it wasn't.

Accenture, PwC, EY and McKinsey are not ignorant of this reality: they are desperately investing billions in AI, developing internal automation divisions and introducing new predictive analytics platforms such as Accenture's AI Navigator. But the question is not whether they embrace technology, but whether they are capable of redefining their role: traditional consulting was conceived to absorb knowledge and resell it. AI, on the other hand, distributes and democratizes it.

The result is that companies that previously needed to pay for reports and presentations can now generate scenarios and strategies in real-time. The client, for the first time, can have a model that "thinks with them", not that gives them conclusions on a deferred basis. It's the automation of applied thinking, and it directly touches the heart of the industry: its billable hours model.

The disruption, therefore, is not only that AI does the work faster or cheaper, but that it makes intermediation irrelevant. Like all transformative technology, it does not destroy by accident, but by coherence. Consulting firms were designed for a world where knowledge was scarce and slow. AI inhabits a world where knowledge is abundant and immediate.

The only viable way out is reinvention: to go from being providers of knowledge to being architects of transformation. Those who understand this, those who manage to accompany customers not only with data, but with vision, ethics and purpose, will survive. The others will become a secondary function: algorithm auditors, compliance guardians or outsourcers of the past.

The disruption in the consulting sector is no temporary crisis: it is a reconfiguration of power. Like other industries before it, it must decide whether to take charge of its change or a witness to its own demise. In a world where knowledge is no longer bought but generated, true consulting will be the one that helps you think, not the one that charges you for doing so.

. . .

(En español, aquí)

Consulting

AI

Artificial Intelligence

Disruption

Knowledge

Some rights reserved 



Follow

Published in Enrique Dans

12.9K followers · Last published 2 hours ago

On the effects of technology and innovation on people, companies and society (writing in Spanish at enriquedans.com since 2003)



Follow



Written by Enrique Dans

72K followers · 173 following

Professor of Innovation at IE Business School and blogger (in English here and in Spanish at enriquedans.com)

Responses (9)



Bgerby

What are your thoughts?



Hodman Murad

1 day ago



Consulting's crisis isn't just cheaper AI, it's that their entire business was built on controlling scarce knowledge, and AI made that knowledge abundant overnight. The survivors won't be those who automate old services, but those who shift from... [more](#)



39



2 replies

[Reply](#)



Ismayil Khayredinov

3 days ago



20% of this year's revenue to come from AI-related consulting, and foresees reaching 20% by 2026,

This sentence makes no sense



17



2 replies

[Reply](#)



mohamad shahkhajeh

3 days ago



It would be useful to understand how they're measuring the 20% AI-related revenue projection for accuracy and consistency.



7

[Reply](#)

[See all responses](#)

More from Enrique Dans and Enrique Dans


 In Enrique Dans by Enrique Dans

Small reactors, big problems: the nuclear mirage behind AI's energy hype

In the debate over the energy infrastructure required for the rapid growth of AI, small (nuclear) modular reactors (SMEs) are being touted...

✦ Oct 11 🖱 800 💬 27



 In Enrique Dans by Enrique Dans

Behind the padlock: the hidden risks of built-in password managers

One of the questions my students ask me most often when I explain how password managers work and why they should use one is why can't they...



6d ago



1.1K



20



In Enrique Dans by Enrique Dans

The long tail lockdown: how Google is quietly fencing off the internet for itself

For years, I've been explaining that much of the richness of the internet lies in its long tail, the millions of small, specialized pages...



Oct 7



641



12





In Enrique Dans by Enrique Dans

How DeepSeek's V3.2 changes everything about AI scaling

Reflecting the real-time evolution of AI, a growing range of models are being developed in the United States, where companies are locked in...



Oct 3



705




7



See all from Enrique Dans

See all from Enrique Dans

Recommended from Medium

 Ignacio de Gregorio

Continual AI Learning, Finally Solved?

A Smart Trick for a Hard Problem

 3d ago  602  10





Dylan Combellick

Ukraine Update November 1

2025—Nuclear Arguments, Strikes



3d ago




5K



51




 In Entrepreneurship Handbook by Joe Procopio

AI Porn Is Here—and We're All Pretending It'll Be Fine

Sam Altman has decided that five years is enough of a head start for the porn companies

★ 4d ago 🖱️ 1.2K 💬 49



 In Artificial Intelligence in Plain English by Sandra Bats

OpenAI is coming for your org*sms... and we should be worried

I thought it was a joke. I really did. But it's official. ChatGPT is going to get a 'pervert mode'. CEO Sam Altman announced yesterday that...


 Scott Galloway 

America's Best Bet

America is now one giant bet on AI. If not for the Magnificent 10, the markets would be flat for the year. There's a different technology...




3d ago 🖱️ 1.1K 💬 35

🔖+ ⋮

 In Geopolitics & Beyond by Sahil Nair

The Weekend That Shook the World: Inside the US-China Trade Deal Nobody Saw Coming

Tariffs, tech, and trust here's what really happened when Trump and Xi rewrote the rules.

 5d ago  619  25  

See more recommendations