

Forecast Analysis: Consulting Services, Worldwide

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Initiatives: [Technology Market Essentials](#)

The \$229 billion consulting market is forecast to grow 11.9% in constant currency in 2022. Organizations are seeking faster, more cost-effective solutions to support their accelerated digital transformation plans. In addition, the talent crunch increases their reliance on external consultants.

Additional Perspectives

- [Invest Implications: Forecast Analysis: Consulting Services, Worldwide](#)
(16 August 2022)

Overview

Forecast Assumptions

- Over the next two years, breakthrough productivity improvements and increased business agility will be the top priorities for buyers of digital technologies from IT services providers.
- Through 2026, organizations will continue to accelerate their digital business transformation plans by increasing their reliance on external consultants, as the talent crunch situation compounds their struggles to achieve their ambitions with internal resources and capabilities.
- By 2026, over half of the consulting providers will build strong connections between their consulting and managed service practices to meet client demands for cost-effective, scalable and business-outcome-based solutions.
- By 2025, at least 25% of organizations will have environmental sustainability as one of the top five strategic business priorities, up from an average of less than 5% over the past decade (2012 through 2021).

Market Impacts

- The market will pivot to focus on delivering productivity gains as buyers continue to increase their focus on digital business optimization.
- Spending on consulting services will continue, reaching a five-year CAGR (2021-2026) of 10.1% in U.S. dollars, as organizations seek external assistance to support their digital business growth ambitions.
- The shift toward platform orchestrators will reshape the dynamics of technology markets, requiring consulting providers to complement their traditional project-based approach with assets, automation and managed services.
- Sustainability consulting services will be a major growth opportunity for consulting providers, accounting for almost 17% of the total consulting market by 2026, as buyers reconfigure their operations to reduce their carbon footprints and mitigate environmental risks.

Notable Changes

This document provides estimates of the market size, annual growth rates and the associated five-year compound annual growth rate (CAGR) for the consulting market, as well as the underlying forecast assumptions. For more details about the methodology used to create our forecast for consulting, see [Market Definitions and Methodology: IT Services](#).

Russian Invasion of Ukraine

In response to Russia's invasion of Ukraine that began on 24 February and was ongoing at the time of this publication, Gartner is suspending forecast coverage of Russia and the Eurasia region. The definition of Rest of Eastern Europe has been expanded to include Russia and the countries previously covered in the Rest of Eurasia.

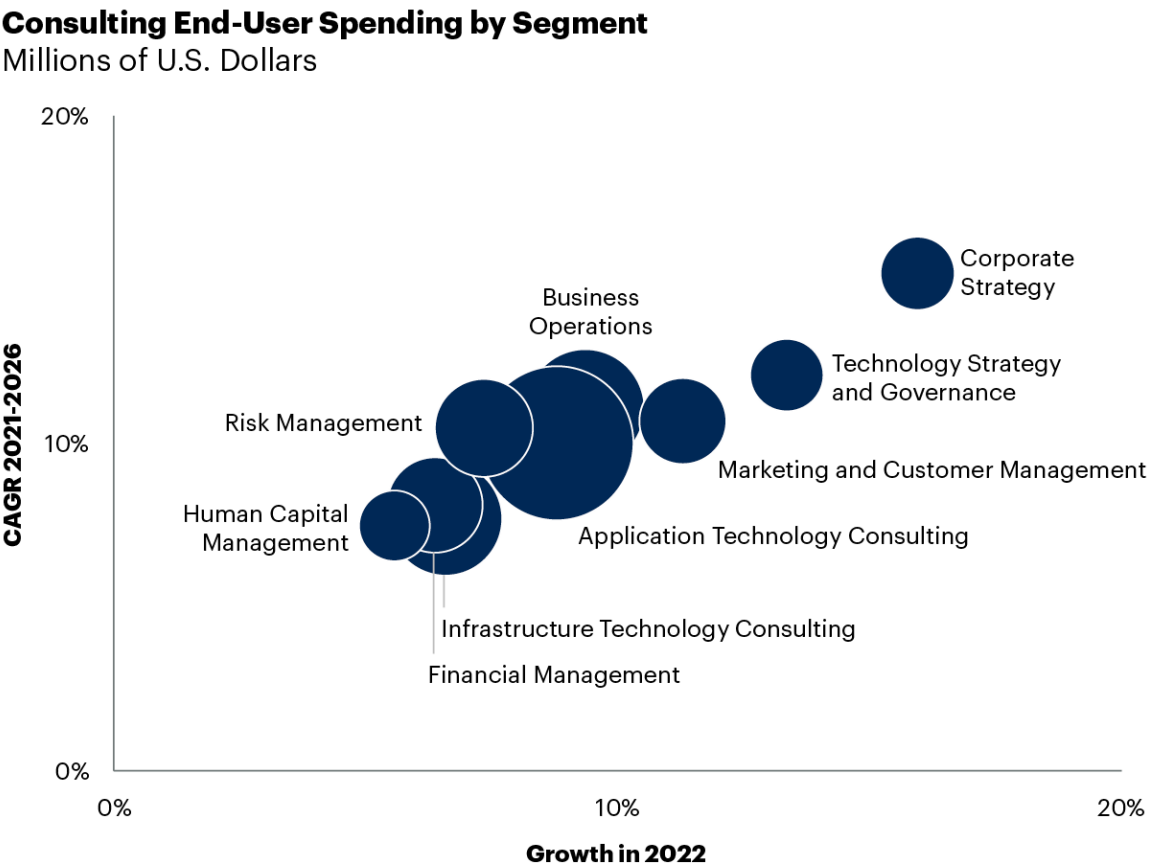
Exchange Rate Alert

In the current environment, currency exchange rate fluctuations will be more volatile. Foundational factors, such as interest rates, tariffs and economic sanctions, will change more rapidly and with less predictability throughout 2022. For the near term, expectations for exchange rates should be treated with a heightened level of caution.

Forecast Data Summary

See Figure 1 for a summary of forecast data.

Figure 1. Consulting End-User Spending by Segment (Millions of U.S. Dollars)



Source: Gartner (August 2022)
Note: The size of each bubble represents 2021 end-user spending by consulting segment in current U.S. dollars.
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Table 1 shows the consulting market forecast by subsegment.

Table 1: Consulting Market Forecast by Segment (Millions of U.S. Dollars)

(Enlarged table in Appendix)

Segment	2021	2022	2023	2024	2025	2026	2021-2026 CAGR
Business Operations	35,433	38,748	43,094	48,120	53,707	59,894	11.1%
Corporate Strategy	13,688	15,871	17,782	20,640	24,144	27,756	15.2%
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Consulting Total	234,425	255,253	279,646	310,069	343,214	379,340	10.1%
Note: Numbers may not add to totals shown because of rounding.							

Source: Gartner (August 2022)

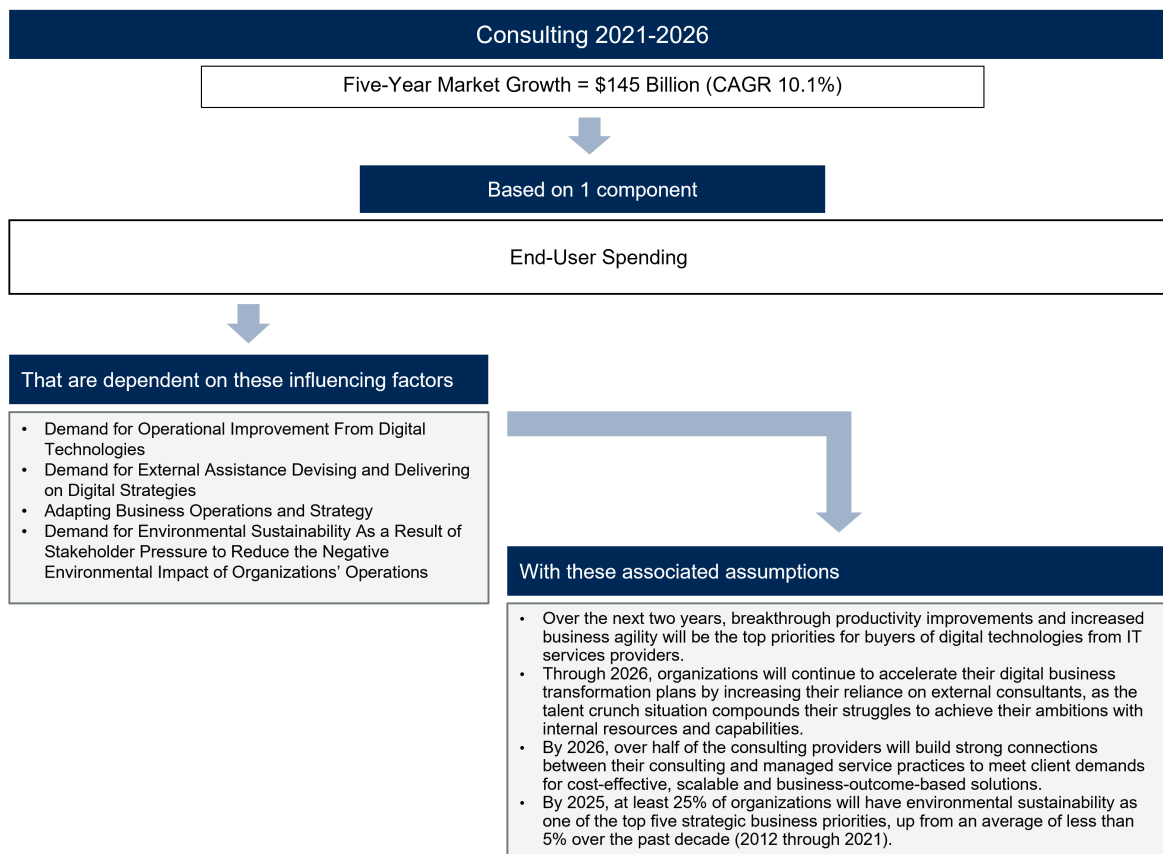
Digital business transformation continues to be one of the primary drivers of IT spending as organizations embrace remote work and automation for business continuity and survival. According to Gartner's latest forecast (see [Forecast: IT Services, Worldwide, 2019-2025, 2Q22 Update](#)), the consulting market will reach a five-year CAGR (2021 through 2026) of 10.1% in U.S. dollars.

Forecast Model Summary

See Figure 2 for a summary of the forecast model.

Figure 2. Consulting Market Model

Consulting Market Model



Source: Gartner (August 2022)
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Influencing Factors and Assumptions

Influencing Factor: Demand for Operational Improvement From Digital Technologies

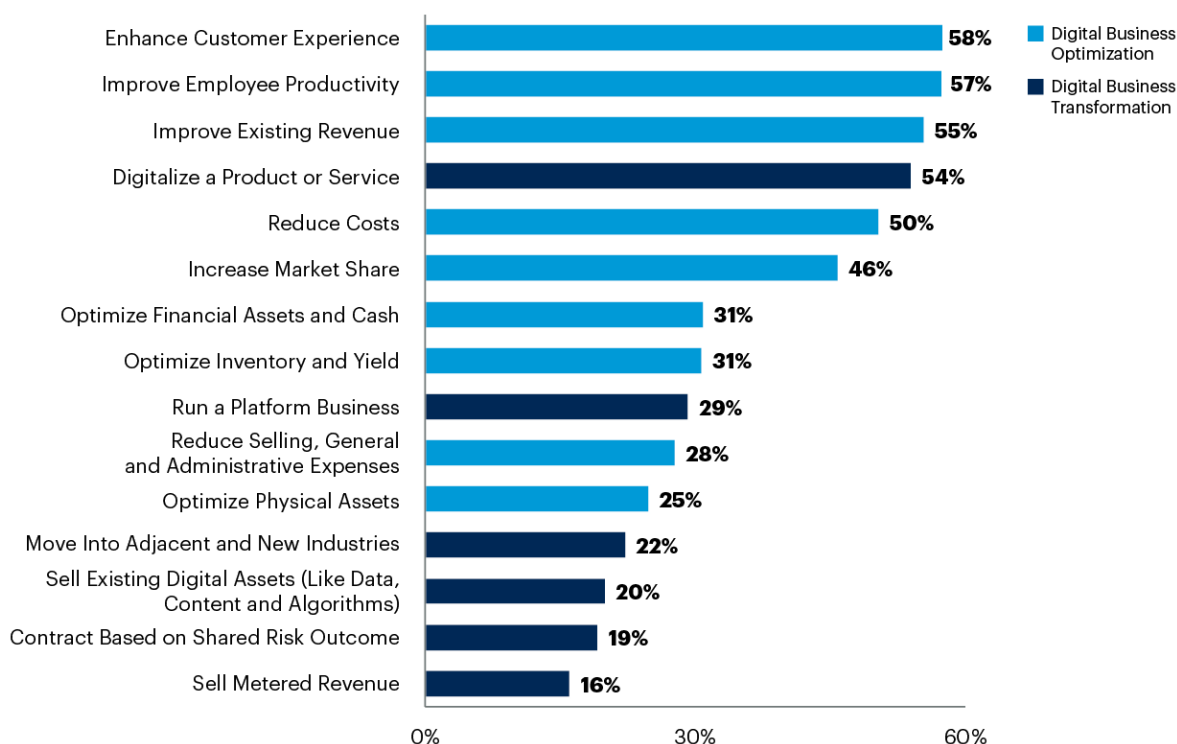
Business leaders turning to digital technologies to enable operational improvements have long been a primary factor driving client demand for consulting services.

Respondents to the 2021 Gartner Digital Business Acceleration Survey were more likely to mention optimization goals than transformative goals when asked why their organizations are pursuing digital initiatives (see Figure 3).

Figure 3. Reasons to Pursue Digital Initiatives

Reasons to Pursue Digital Initiatives

Multiple Responses



n = 615; executives very familiar with enterprise digital initiatives

Q. Why is your enterprise pursuing digital initiatives?

Source: 2021 Gartner Digital Business Acceleration Survey

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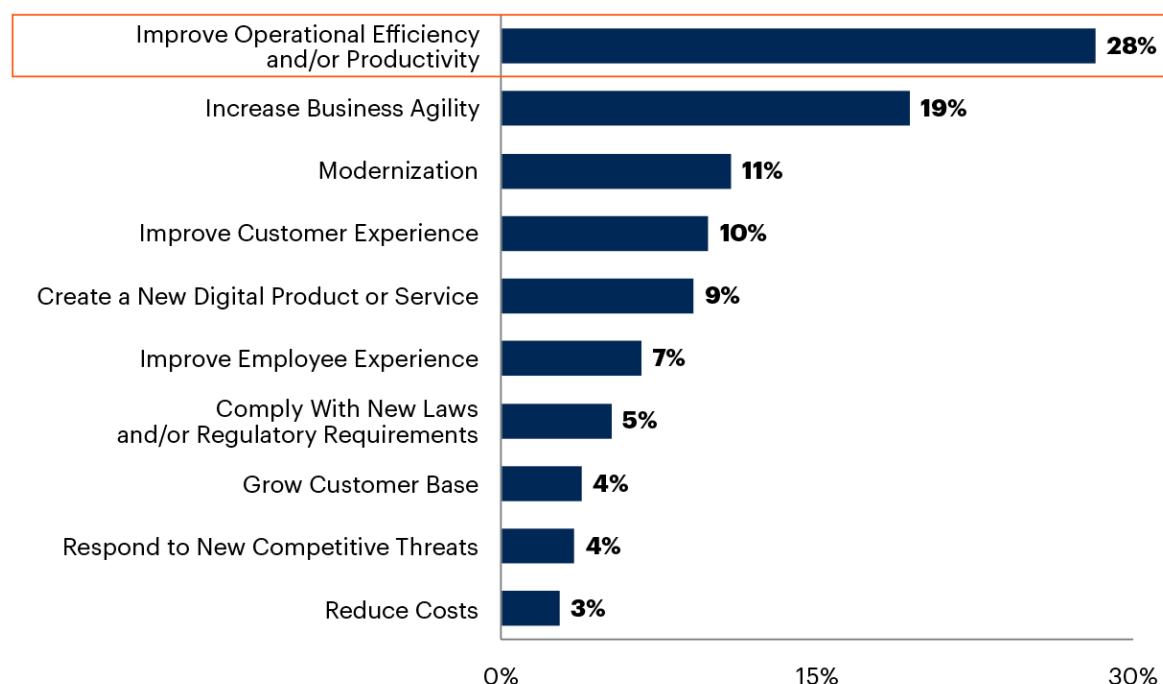
Forecast Assumption: Over the next two years, breakthrough productivity improvements and increased business agility will be the top priorities for buyers of digital technologies from IT services providers.

New — Most organizations pursue a mix of digital business transformation and digital business optimization goals at the same time, though, on average, there is a greater focus on optimization. According to the Gartner 2022 Technology Buying Behavior Survey, almost half of organizations are seeking to achieve either operational and/or productivity improvements (28%) or increased business agility (19%), which ranks considerably above modernization or creating a new digital product or service objectives (see Figure 4) (see [Tech Buying Basics: IT Services, 2022](#)).

Figure 4. What Are Organizations Seeking to Achieve With IT Services?

What Are Organizations Seeking to Achieve With IT Services

Percentage of Respondents



n = 283; all respondents

Q. What was the primary objective for this purchase?

Source: 2022 Gartner Tech Buying Behavior Survey

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Technology has always been applied to productivity, but in recent years, much effort has been invested in digital marketing, selling, and product and customer experience innovation, rather than core internal operating efficiency gains. To counter increasing political and economic challenges, a new tech focus on breakthrough — not just incremental — productivity is likely needed to enable business leaders to compete effectively and grow through a redesigned operating strategy.

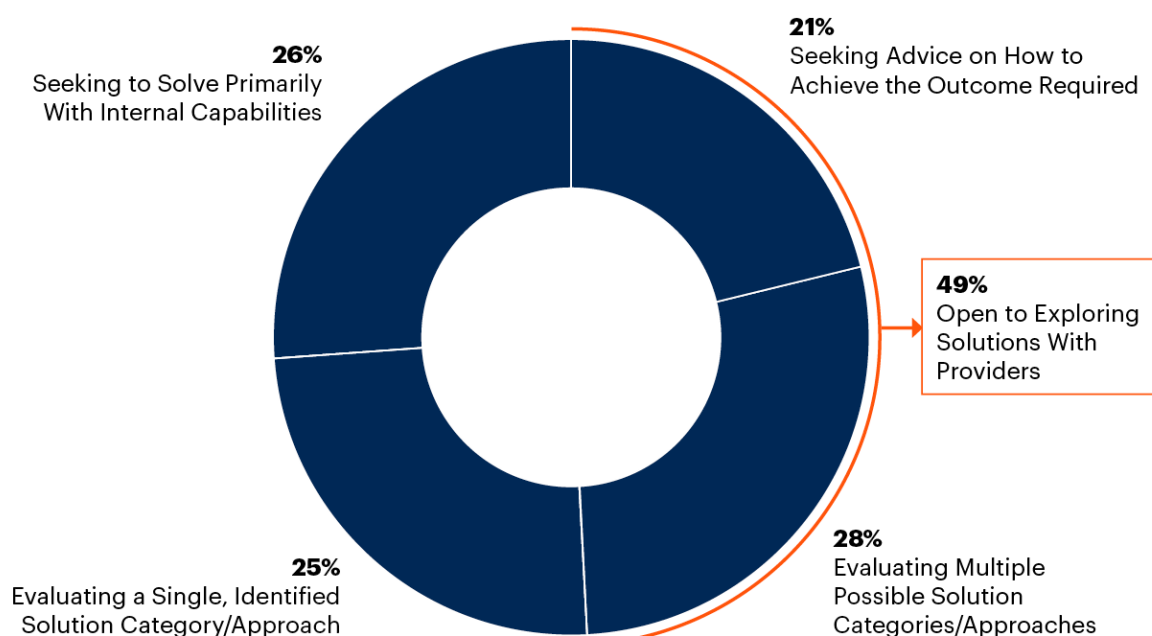
Influencing Factor: Demand for External Assistance Devising and Delivering on Digital Strategies

The willingness of potential buyers to engage external advisors (an inverse function of their ability and/or internal capacity to do the work themselves) will continue to increase over the forecast period. The 2022 Gartner Industry Line-of-Business Buyers Survey indicates that almost half of line of business (LOB) buyers are open to advice on how to achieve their targeted outcomes (21%) or are evaluating multiple possible solution categories/approaches (28%), while only 26% are seeking to solve primarily with internal capabilities (see Figure 5).

Figure 5. Approach to Achieve the Technology Solutions to Address Top Strategic Business Initiative

Approach to Achieve the Technology Solutions to Address Top Strategic Business Initiative

Percentage of Respondents



n = 708, all respondents, excluding "not sure"

Q. Select the one that best describes your planned/preferred approach to acquiring the technology solutions for this strategic initiative.

Source: 2022 Industry LOB Buying Behavior Survey

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Forecast Assumption: Through 2026, organizations will continue to accelerate their digital business transformation plans by increasing their reliance on external consultants, as the talent crunch situation compounds their struggles to achieve their ambitions with internal resources and capabilities.

Updated – The following two primary factors drive the continued increase in potential buyers seeking external assistance:

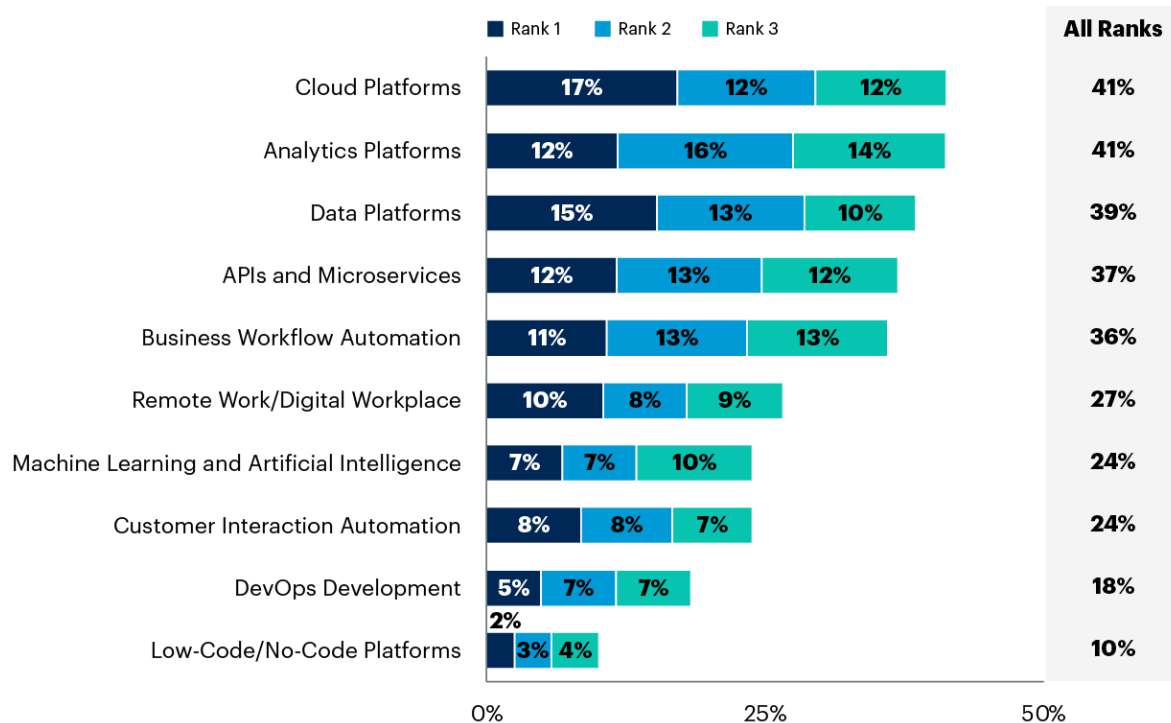
- An increase in the degree and pace of strategic change. This trend has only accelerated in the wake of the disruption wrought by COVID-19. Many clients choose to work with consultants not only because they bring needed strategic advice, but also because they enable the client to move faster.
- Frustration with a lack of internal organizational competencies required to execute a digital business growth strategy. The impact of the “talent crunch” is being widely felt, but clients are struggling in particular to hire and retain the in-house talent with the necessary digital skill sets to deliver on their growth ambitions.

In the 2022 Gartner CIO and Technology Executive Survey, Gartner asked CIOs to rank the top three technology skills that will be most important to achieving their enterprise’s crucial priorities over the next 12 months. Clearly, the digital technology skills particularly related to cloud, analytics and data platforms stand out from the rest (see Figure 6).

Figure 6. Most Important Technology Skills for Achieving Critical Priorities – CIOs

Most Important Technology Skills for Achieving Critical Priorities

Percentage of Respondents



n = 2,358 CIOs and technology executives answering

Q. Rank the top three technology skills that will be most important to achieving your enterprise's crucial priorities over the next 12 months.

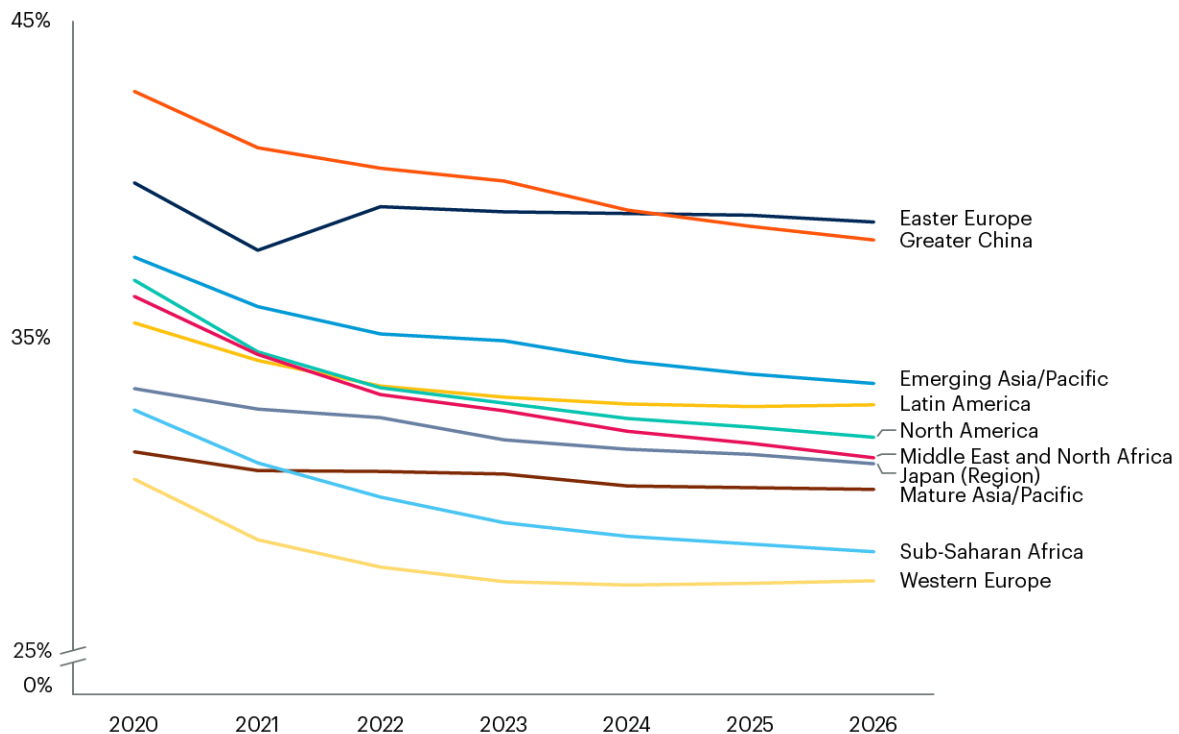
Source: 2022 Gartner CIO and Technology Executive Survey

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Toward the end of 2021, many organizations were discussing efforts to address the skills shortages and retain staff by offering higher compensation, more perks and long-term incentives, and increasing investment in training and reskilling existing staff (see [How Can CIOs Overcome the Challenge of IT Compensation Hikes in 2022 and Beyond?](#)). However, most CIOs cannot afford the cost increases for the IT skills suffering a critical shortage globally. Figure 7 shows that, in every region, the percentage spent on internal staff compared with combined spending on services, consulting, infrastructure implementation and managed services is in decline for the next five years.

Figure 7. Spend on Internal Staff Is Declining

Percentage Spend on Internal Staff Is Declining

Source: Gartner (August 2022)

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There is both unprecedented growth and resource constraints in today's service market. Consulting providers will need to pull multiple levers across multiple areas to keep pace with the growth opportunity and successfully navigate the tough headwinds of the talent crunch in a booming service market (see [IT Services Talent Crunch: 5 Urgent Levers for Tech CEOs to Attract and Retain Staff](#)).

Influencing Factor: Adapting Business Operations and Strategy

Organizations are responding to uncertainty due to rapid technological and business environment change by adjusting their approach to business strategy. The 2019 Gartner Business and IT Strategy Survey showed that 56% of leaders planned to increase the frequency of their strategy reviews over the next two years. However, there are a number of factors frustrating business leaders' efforts to increase the frequency of their strategy reviews. The most notable of these factors is a lack of resources to gather information and conduct reviews. This presents an opportunity for consulting providers to add additional client value but only if they complement their traditional project-based approach with assets, automation and managed services.

Forecast Assumption: By 2026, over half of the consulting providers will build strong connections between their consulting and managed service practices to meet client demands for cost-effective, scalable and business-outcome-based solutions.

New — To remain competitive in 2026, consulting providers will have to respond to changing client needs by evolving the way they create value for clients. While the traditional project-based approach will remain an important part of strategy consulting (particularly when helping the client create the initial strategy), on its own, it is insufficient. The traditional approach is not well-suited to providing cost-effective insights on a frequent or even continual basis. As a result, consulting providers will have to complement project-based strategy consulting services with managed services while incorporating automation and reusable assets to deliver value to clients (see [Consulting Providers Must Invest in Asset-Based Managed Services to Capture Strategy Consulting Opportunities](#)).

Further, in order to achieve their accelerated digital business transformation initiatives, organizations are shifting toward assembling a technology platform that allows them to compose the applications that comprise their digital business rather than concentrating on an integrated suite. As multiple solutions are deployed within the organization, there will be an increasing need for a single platform to act as the “primary orchestrator” of different technology requirements to support that digital ecosystem. The consulting providers stand to gain the most as customers evolve toward platform orchestrators since most of them are already moving toward more product/asset-based services that are well-aligned with this trend (see [Market Opportunity Map: Platform Orchestrators, Worldwide](#)). In addition, the consulting providers also help in aligning the different participants in the ecosystem (for example, industry associations and government agencies) to deliver business outcomes to the clients. They usually have the necessary skills in putting together business cases, formulating questions and solving business problems.

Influencing Factor: Demand for Environmental Sustainability as a Result of Stakeholder Pressure to Reduce the Negative Environmental Impact of

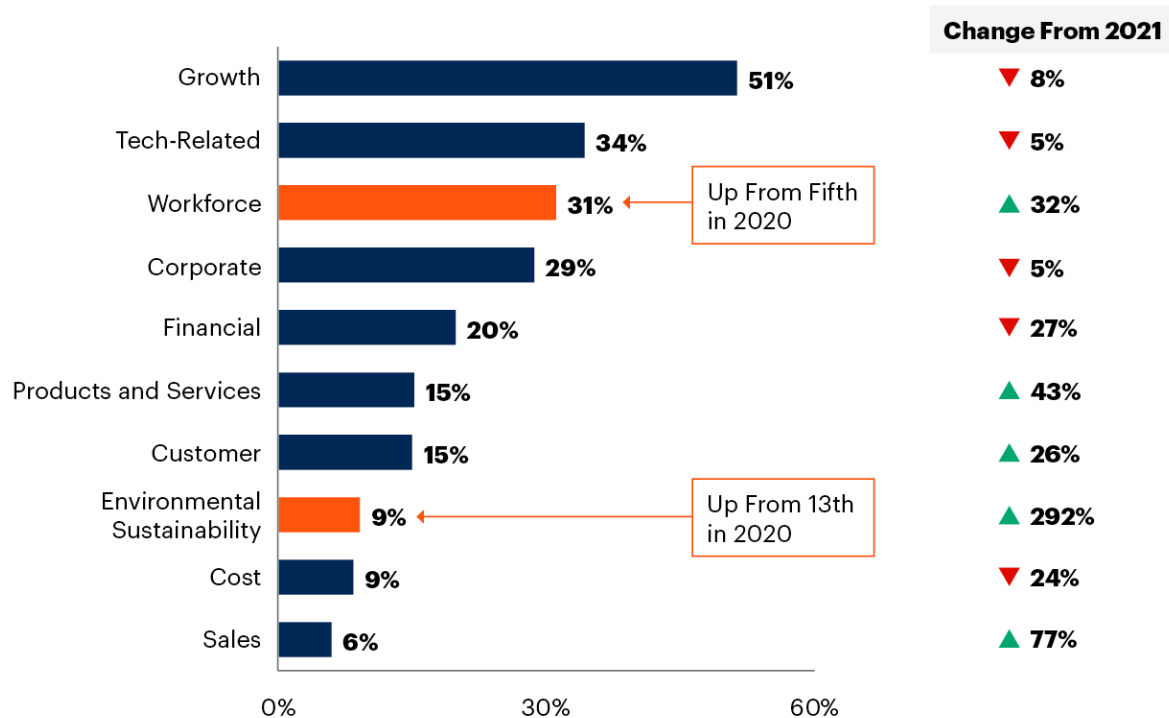
Organizations' Operations

Business leaders are under pressure from customers, investors, regulators and employees to do more on environmental sustainability, and they are now treating needed changes as opportunities to drive business efficiency and revenue growth. In the 2022 Gartner CEO and Senior Business Executive Survey, environmental sustainability as a top priority rose by nearly 300% year over year, CEOs placing it within their top 10 priorities for the first time ever (see Figure 8).

Figure 8. CEOs' Top 10 Strategic Business Priority Areas for 2022-2023

CEOs' Top 10 Strategic Business Priority Areas for 2022-2023

Summary Top Three Mentions, Coded Responses



n = 410, all respondents

Q: Please tell us about your organization's top five strategic business priorities for the next two years (2022-2023).

Source: 2022 Gartner CEO and Senior Business Executive Survey

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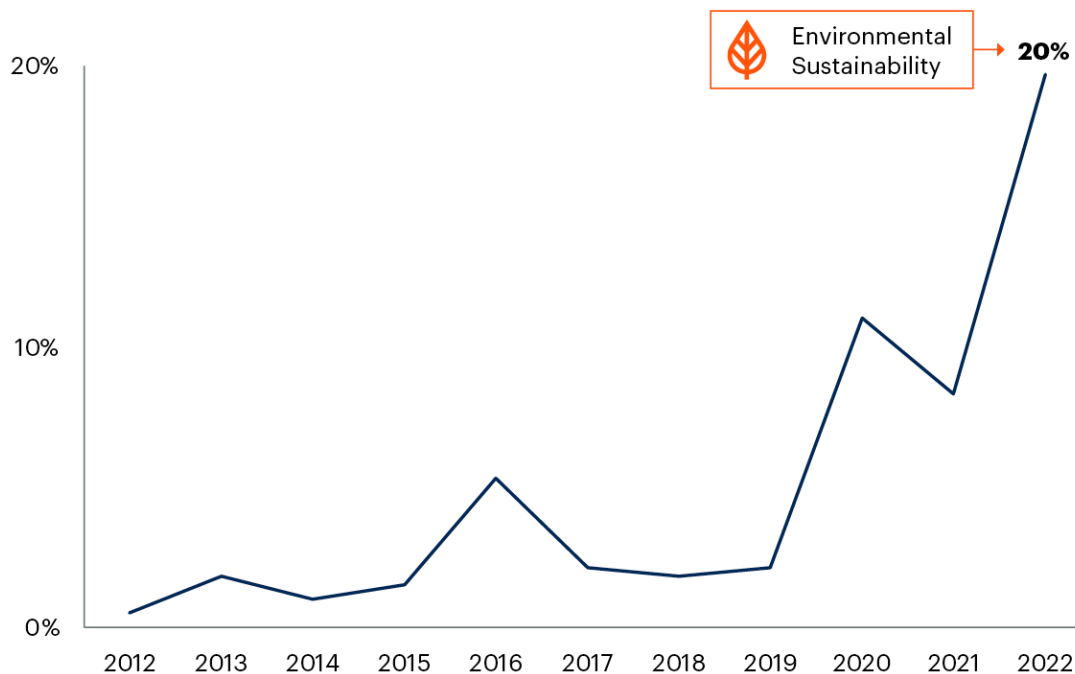
Forecast Assumption: By 2025, at least 25% of organizations will have environmental sustainability as one of the top five strategic business priorities, up from an average of less than 5% over the past decade (2012 through 2021).

New — Organizations are now making environmental sustainability a core and potentially sustained priority. Figure 9, which compares 11 years of data from Gartner's CEO surveys, shows how environmental sustainability has risen to become a top priority for CEOs in the past two years. This will lead to an increase in demand for sustainability consulting services which is expected to account for almost 17% of the total consulting market by 2026, up from just over 2% in 2021 (see [Forecast Analysis: Sustainability Consulting Services, Worldwide](#)).

Figure 9. Percentage of Respondents Mentioning Environmental Sustainability in Their Top Five Strategic Business Priorities

Percentage of Respondents Mentioning Environmental Sustainability as a Business Priority

Within Their Top Five Strategic Business Priorities



n = varies, all respondents

Q. Please tell us about your organization's top five strategic business priorities for the next two years?

Source: 2012-2022 Gartner CEO and Senior Business Executive Surveys

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While a niche market for sustainability consulting services has existed for at least 20 years, it is only within the past two years that it has begun to transition from a niche to a mainstream market. A combination of factors, including pressure from investors, regulators, customers, employees and other stakeholders, has convinced a growing number of leaders that they need to take action to address environmental sustainability while integrating it with their digital transformation initiatives. This will require a structural reconsideration about how technology can enable the redevelopment of products, services and business operations to lower carbon footprints and enable circular economy models, thus pushing environmental sustainability as one of the top strategic priorities.

Evidence

The 2022 Gartner Technology Buying Behavior Survey: This survey was conducted to understand how organizations approach large-scale buying efforts for enterprise technology. The research was conducted online from November through December 2021 among 1,120 respondents in organizations with at least 20 employees and \$1 million in annual revenue, and residing in either North America, Western Europe or Asia/Pacific regions. The North American countries represented in the survey were the U.S. (36%) and Canada (7%). The European countries were France (12%), Germany (13%) and the U.K. (20%), and Asia/Pacific countries were Australia (6%) and Singapore (5%). Industries surveyed included education, financial services, government, insurance, healthcare, manufacturing, natural resources and energy, media, retail, services, telecommunications, transportation, utilities, and wholesale. Respondents representing information technology organizations were excluded from the survey. Respondents were required to be at a manager level or higher, aware of large-scale buying efforts for technology occurring during the past two years, and directly involved in the evaluation or selection of products or services for technology projects. Qualifying technology purchases included new, replacement or expansion purchases of software, services, hardware, managed services or integrated solutions. At least 70% of the purchases reported by respondents had contract values of at least \$250,000. Approximately 87% of expansion purchases resulted in at least a doubling of the original contract value. The survey was developed collaboratively by a team of Gartner analysts and Gartner's Research Data, Analytics and Tools team. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

The 2022 Gartner CEO and Senior Business Executive Survey: This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by size was \$50 million to less than \$250 million (n = 58), \$250 million to less than \$1 billion (n = 81), \$1 billion to less than \$10 billion (n = 212) and \$10 billion or more (n = 59). The survey was developed collaboratively by a team of Gartner analysts and Gartner's Research Data, Analytics and Tools team. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

The 2022 Gartner CIO and Technology Executive Survey: This survey was conducted to help CIOs and technology executives adopt business composability as a means to thrive during periods of volatility and uncertainty. It was conducted online from 3 May 2021 through 19 July 2021 among Gartner Executive Programs members and other technology executives. Qualified respondents are each the most senior IT leader (CIO) for their overall organization or a part of their organization (for example, a business unit or region). The total sample is 2,387, with representation from all geographies and industry sectors (public and private). The survey was developed collaboratively by a team of Gartner analysts and Gartner's Research Data, Analytics and Tools team. Disclaimer: Results do not represent global findings or the market as a whole, but reflect sentiment of the respondents and companies surveyed.

The 2022 Gartner Industry LOB Buyer Behavior Survey: This survey was conducted to understand how business leaders in each industry are shaping the role played by technology in their business initiatives and operational change, and how decision-makers in core business areas are making these decisions. The research was conducted online between February and April 2022 among 711 respondents in North America (325 – the U.S. and Canada), Western Europe (245 – the United Kingdom, France and Germany) and Asia/Pacific (141 – Australia and Singapore). Organizations had \$50 million or more in revenue in fiscal year 2022 across eight verticals (banking and financial services, energy and utilities, retail, manufacturing, insurance, healthcare, public sector, and telecom). Respondents were head of the LOB department or within two reporting levels and have been involved in evaluation of products or services for technology projects and should be aware of any exploration, purchase, replacement, or renewal of technology products or services for their department. The study was developed collaboratively by Gartner analysts and Gartner's Research Data, Analytics and Tools team. Disclaimer: Results of this study do not represent global findings or the market as a whole, but do reflect sentiment of the respondents and companies surveyed.

The 2021 Gartner Digital Business Acceleration Survey: This survey was conducted to learn about organization-specific digital business acceleration actions and outcomes. The research was conducted online from 1 April through 2 May 2021 among 615 respondents from North America (n = 311), Western Europe (n = 202) and Asia/Pacific (n = 101). Respondents were screened for function, job category (directors and higher) and involvement in their enterprises' digital initiatives. The survey was developed collaboratively by a team of Gartner analysts and Gartner's Research Data, Analytics and Tools team. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

The 2019 Gartner Business and IT Strategy Survey: Results presented are based on a Gartner study to understand how strategy is created, managed and maintained and how approaches to strategy are evolving to meet the needs of digital business. The primary research was conducted online during July through August 2019 among 342 respondents in the U.S., the U.K. and Asia/Pacific. The survey covered 342 respondents from six countries and eight industry groups with enterprises ranging in size from \$250 million in revenue to over \$10 billion. Qualified respondents were senior executives who are involved in making decisions on business strategy, including CIOs and non-IT roles. The study was developed collaboratively by Gartner analysts and Gartner's Research Data, Analytics and Tools team.

Document Revision History

[Forecast Analysis: Consulting Services, Worldwide - 24 August 2021](#)

[Forecast Analysis: Business Consulting, Worldwide - 12 August 2020](#)

[Forecast Analysis: Business Consulting, Worldwide, 2019 - 8 August 2019](#)

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Forecast: IT Services, Worldwide, 2020-2026, 2Q22 Update](#)

[Update: Label Changes in IT Services Forecast](#)

[Market Definitions and Methodology: IT Services](#)

[Market Share: IT Services, Worldwide, 2021](#)

[Market Share Analysis: Consulting Services, Worldwide, 2021](#)

[Forecast Analysis: Digital Business Consulting Services, Worldwide](#)

[Forecast Analysis: Sustainability Consulting Services, Worldwide](#)

[IT Services Talent Crunch: 5 Urgent Levers for Tech CEOs to Attract and Retain Staff](#)

[Consulting Providers Must Invest in Asset-Based Managed Services to Capture Strategy Consulting Opportunities](#)

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