

Modeling studio

Goal: We want to understand what we need to do to reach the profitability of +20% again in a sustainable manner (i.e. not squeezing but sustainable way).

We reckon that seniority spread is one of the most significant factors affecting our profitability, and we want to take it as the starting point for the scenarios we want to build in the studio.

Some parameters:

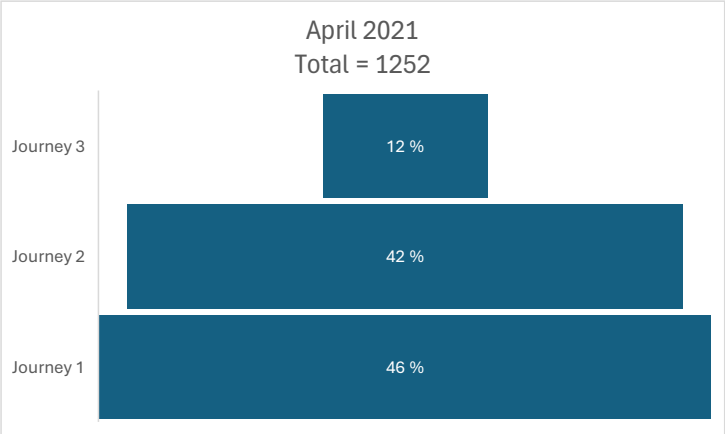
- We want to do the seniority split according to the following:
 - o Journey 1 = A, AC, C
 - o Journey 2 = SrC, AM
 - o Journey 3 = M, SrM
 - o Journey 4 = P, Pi
 - o Please note that in some of the earlier graphs Journey 3 and Journey 4 have been combined, and that's good enough simplification for this as well
- We want to focus on the **global** seniority split
 - o If we split it in any way, it should be
 - Sto
 - Muc
 - Others
 - Emerging 2 (HAM, HEL, OSL, BER, CPH)
 - Emerging 1 (ZUR, FFM)
 - New offices (COL, AMS, TOR, LON + new)
- We want to focus on the **headcount** (not nro of employees nor FTEs)
- We should factor in the approximate number of levelers per half-year
 - o Significant levelers are C → SrC and AM → M
- We should look at the time span of 2025-2028 in half-year intervals (meaning: H1 2025 – H2 2025 – H1 2026 - ... - H2 2028)
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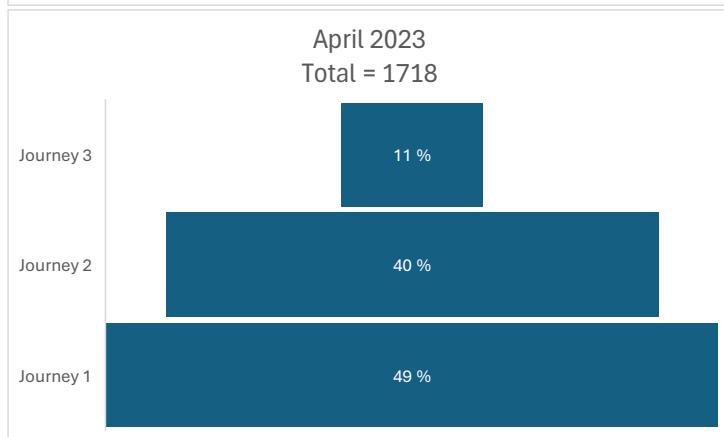
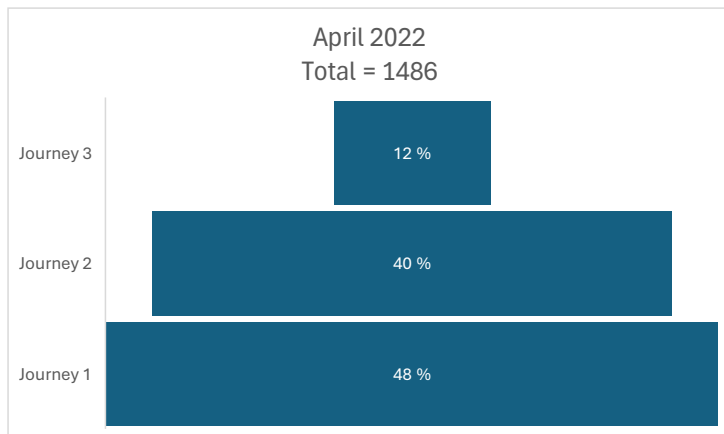
Initial idea of the scenarios

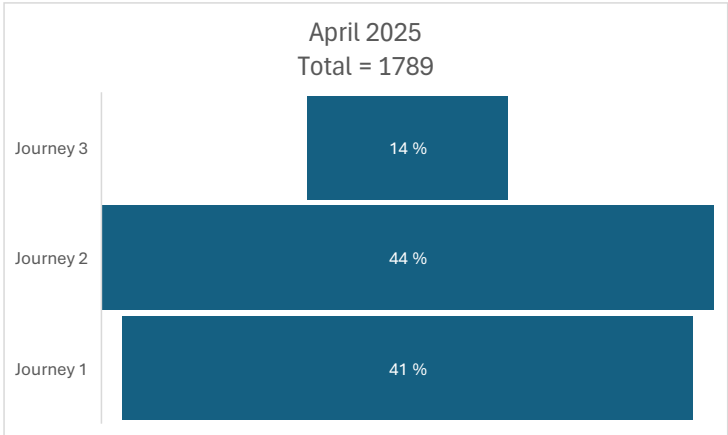
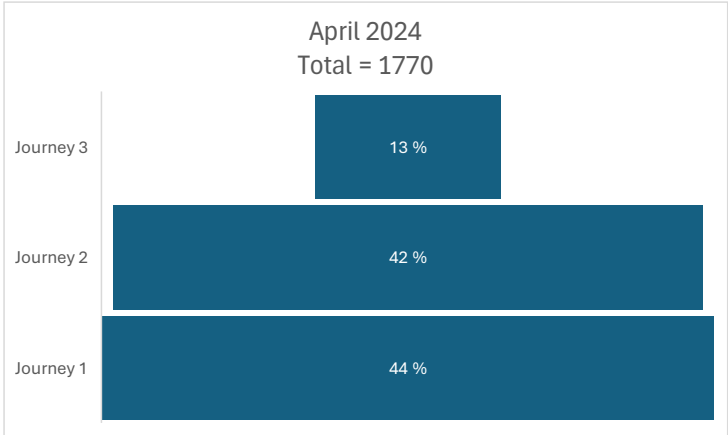
- Scenario 1: current pyramid
(this might also partly answer the question of what if there's not that much demand for junior consultants)
 - o Keep the current seniority split constant over three years span
 - o The impact to profitability
 - What profitability we'd end up to if our UTR was 85%?
 - What profitability we'd end up to if our UTR was 90%?
 - How much would be needed to additionally increase UTR and/or prices in order to reach 20%/23%/25% profitability? Is it even possible?
 - What does it mean for growth rate?
- Scenario 2: target pyramid
 - o Achieve the target seniority spread (J1: 50-55%, J2: 30-35%, J3: 10-15%)
 - Flavor 1: achieve it in H1 2026
 - Take the current forecast/budget as basic assumption and take levers into account.
 - How many colleagues less should we have in journey 2 and 3?
 - How much would we need to grow/shrink the headcount to get to the target split in that time frame?
 - Where would we end up with profitability?
 - How much would we grow (negatively)?
 - Flavor 2: achieve it in H2 2028
 - How much should we recruit and CTL per half-a-year to make our way to the target split by the end of 2028?
 - How much would we grow?
 - How would our profitability develop?
 - (+ what are the assumptions for UTR, price increase, non-debit, etc have we used)
- Scenario 3: step-by-step
 - o Achieve 2024 pyramid on 2026, achieve 2023 pyramid on 2027 and 50-38-12 on 2028
 - How would our profitability develop?
 - How much should we recruit, level and churn to achieve that?
 - What would be the annual growth then?
 - (what assumptions for UTR, price, non-debit and levelling have we used)

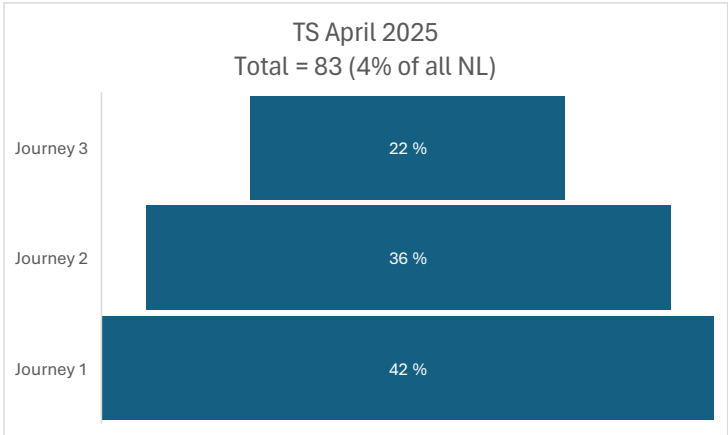
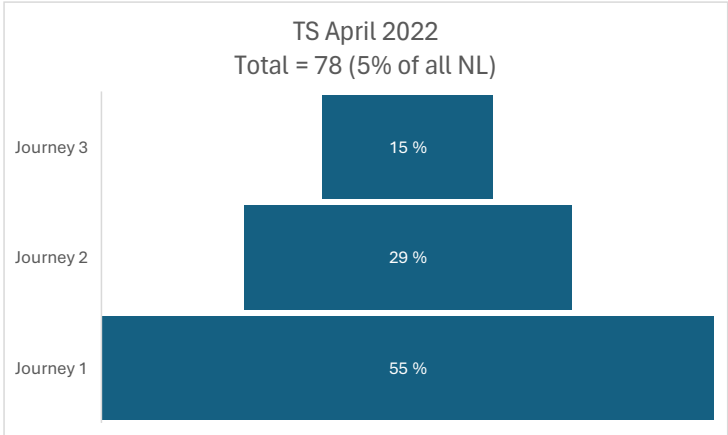
Background information (this is what the participant group’s eye is used to seeing)

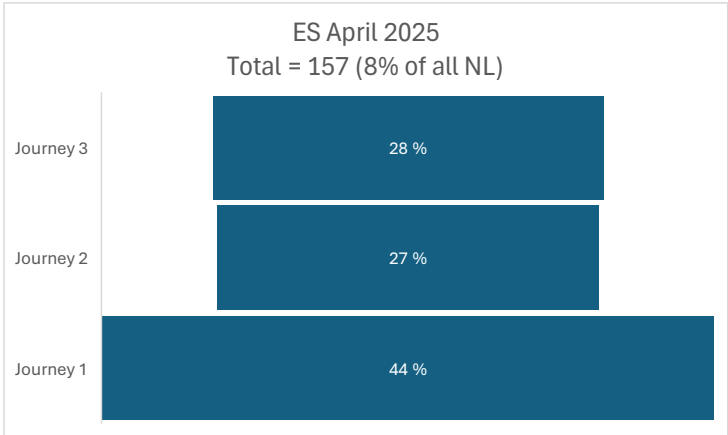
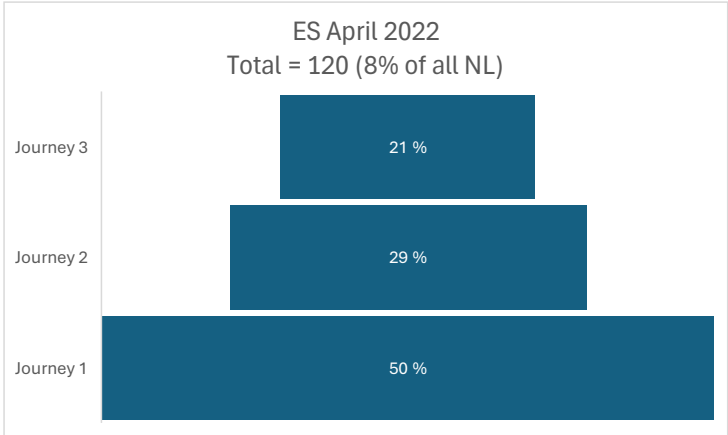
Katri’s earlier data (here Journey 3 includes also journey 4):



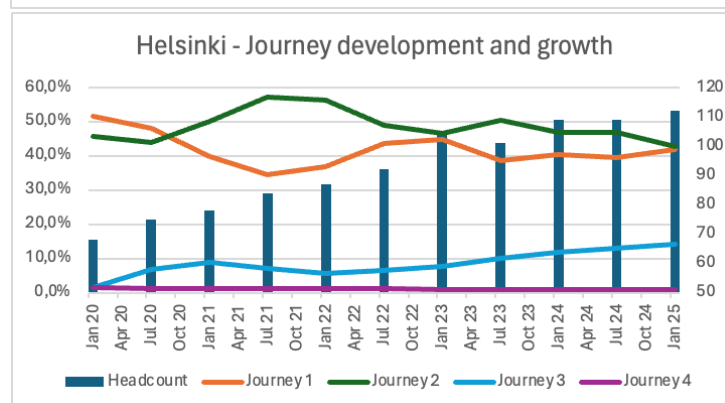
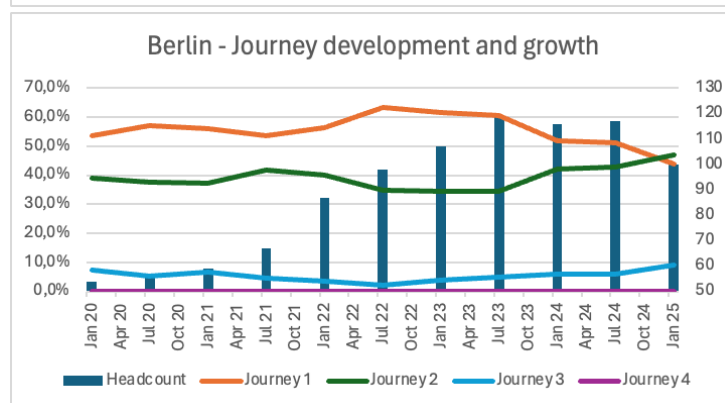
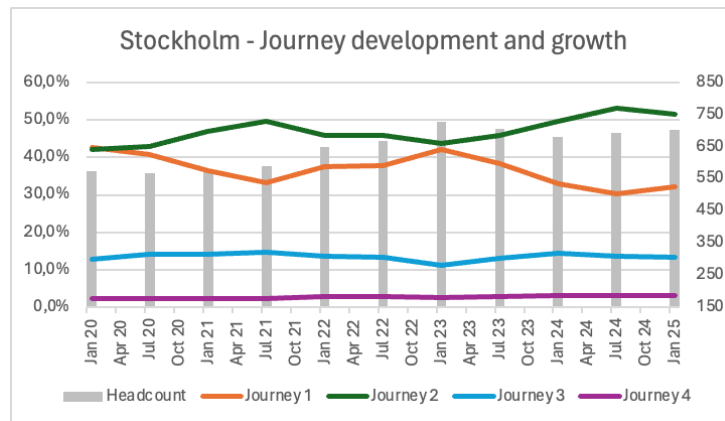


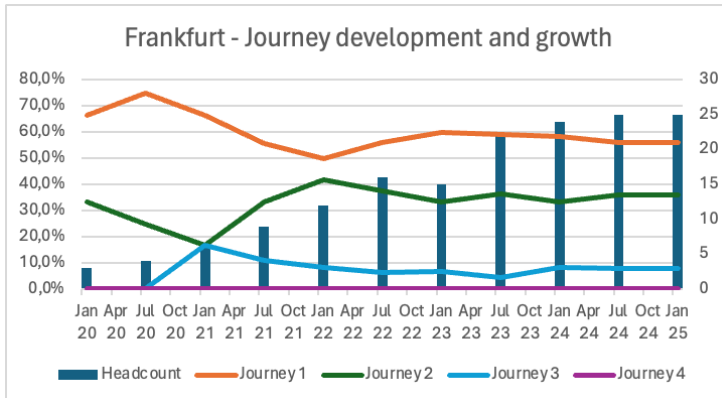
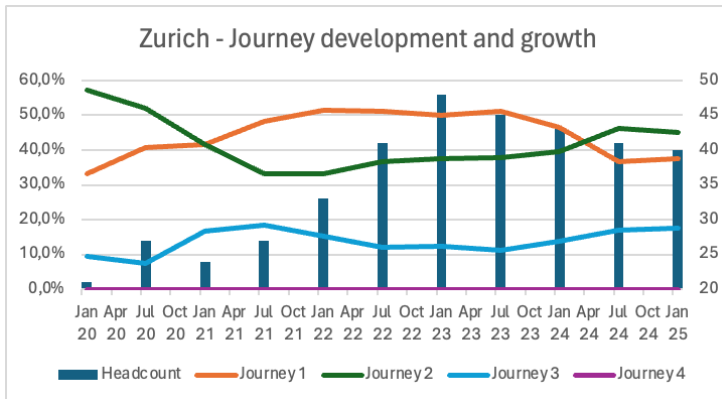
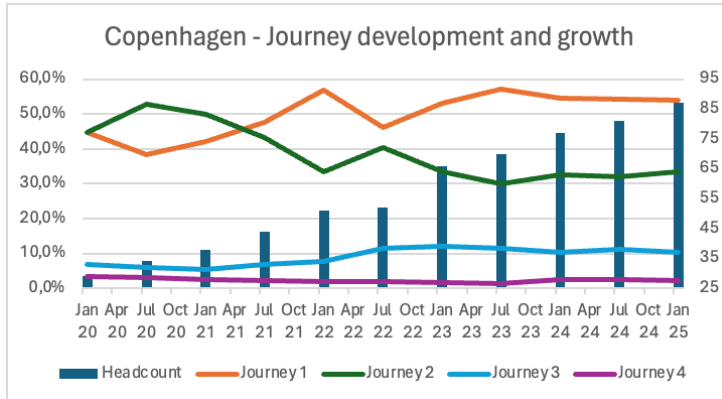


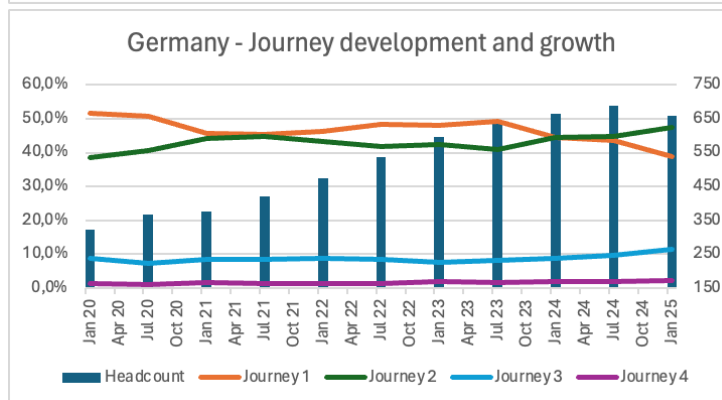
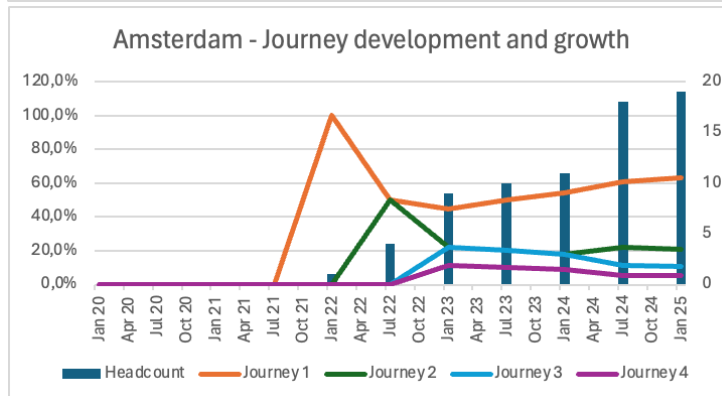
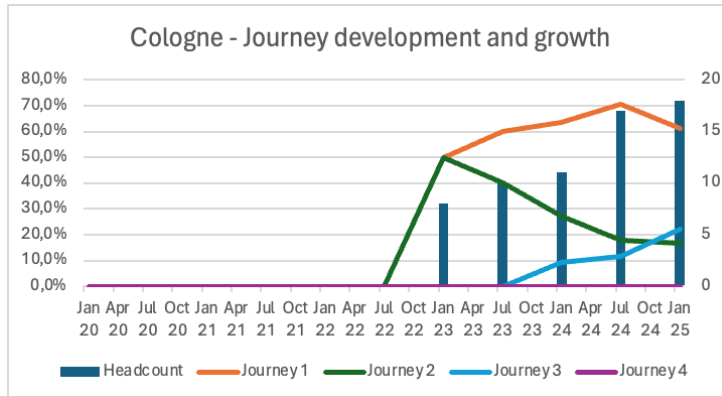


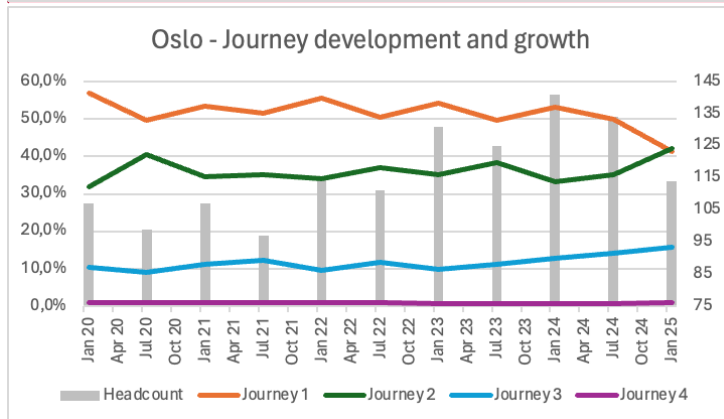
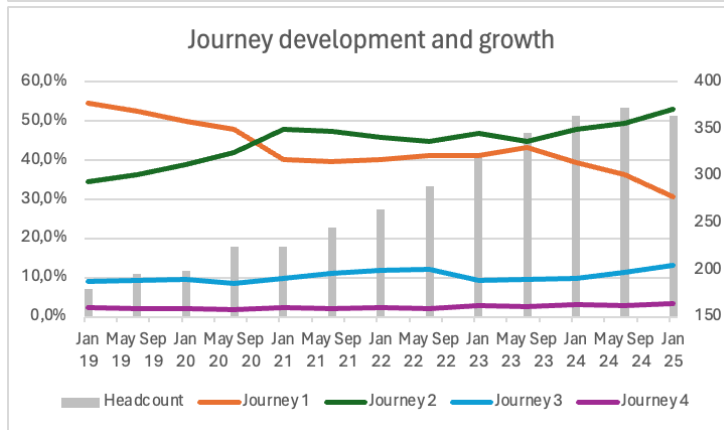
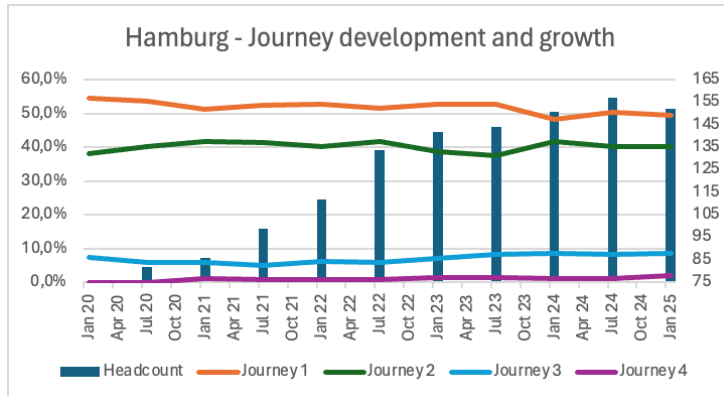


Existing graphs by Björn Hansson (upon request from Felix)









Commented [KJ1]: This is Munich