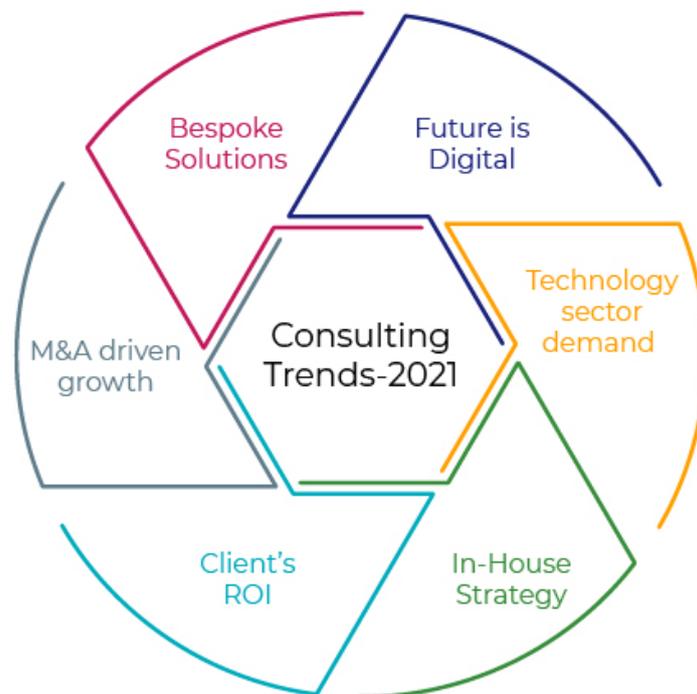


# Consulting Trends in 2021

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The current pandemic has led to a new set of challenges for the consulting sector. This articles tries to summarize some of the trends emerging and what the [consulting firms](#) can do to come out victorious on the other side.

## **The future is digital: Redefining the consultant's role and global resourcing**

The consulting business thrives on consultants, who visit client sites to understand their processes before beginning their collaboration. However, going forward, onsite consulting is expected to be an antidote to crisis situations only. Consultants will redefine work from remote locations spread globally and gain more traction from end clients. Virtual platforms will be leveraged to manage consulting cases and coordinate with teams scattered worldwide. This will provide an impetus to alternative avenues of resourcing (including offshoring), leading to higher demand for specialised and skilled resources.

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## **Bespoke solutions: Role of experts and SME pool**

The industry is moving away from high-value short-term projects in favour of longer-term strategy development and broader input engagements. Firms are increasingly looking for consultancies that can provide fully customised solutions formulated by first gaining deep insights into their business. This will promote the role of [Subject Matter Experts \(SMEs\)](#) in strategy articulation. Expertise in niche areas/sectors will dominate the new demand for strategies, and consultancies with diverse sector practices will stand out. Additionally, consultancies will need a robust resource pool with expertise in various sectors. Tapping third-party research capabilities will be beneficial, as it will yield on-demand solutions at low costs.

## **Strategy moving in-house: Lean consultant teams and technology to tap this market**

The growth of strategy as a function has seen corporates scurrying to build their own internal strategy teams, including ex-consultants who had served in consulting behemoths. Consulting firms will do well to provide such clients no-frills services, as well as an array of offerings (backed by robust technology and digital products) difficult for internal teams to replicate. Some large firms have already incubated [data-driven technology solutions](#), promoting asset-based consulting models, and are set to benefit from being the first off the blocks. Automated decision-making, predictive analytics, [machine learning](#), and codeless software will be in vogue, alongside mandates to automate administrative tasks and improve productivity.

## **Clients' ROI: Sustained margins**

Clients remain price savvy about [consulting services](#). Freelancers as well as boutique firms do not have much frills added to their services and are hence able to quote a much lower price compared to a global consulting major. Even billing models are being disrupted because of clients' pricing concerns; firms are seeking more return on investment and 'proof' of quality on consulting advice. Additionally, off-the-shelf technology tools available online and stiff competition have eroded margins and profitability for consultancies. They will likely implement cost-effective solutions over expensive diagnosis based on actual billing hours. These trends will also mean enhanced collaboration with [boutique firms](#)/freelancers for expert advice, leaving the onus of heavy lifting to offshoring partners.

## **Technology sector demand: Tech companies will provide enhanced business opportunities**

Technology-related businesses are on the upswing and will increasingly rely on consultancy support to exploit the current favourable conditions. This may bolster the demand for strategy and operations-related mandates for consulting firms. The latent demand for technology-enabled start-ups, such as fintechs and app-based firms, will further fuel this practice, with these start-ups gaining critical mass and taking steps to drive their next phase of growth.

Consulting firms with technology practice or tie-ups with technology partners will find it easy to tap this upcoming demand given their better understanding of the market and the right skill sets to offer tailor-made solutions.

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## Deal-driven market: Restructuring practices to witness high demand

End clients, impacted by the current turbulence, may seek consulting advice to focus on core vs non-core activities. [M&A](#) looks set to increase, as there will be some value-buying. This will keep consulting firms engaged, with mandates to advise firms on restructuring and divestments. Additionally, business sectors that plan to re-engineer themselves to adapt to altered market scenarios will require change management and support for strategic, cultural and operational development, along with upskilling employees to revised business requirements. Consultancies with capabilities in these twin areas are expected to capture a pie of consulting mandates for this market.

### How Acuity Knowledge Partners can help consultants:

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#### Sources:

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#### About Acuity Knowledge Partners

Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 350+ financial institutions and consulting companies through a team of over 3,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to

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transform their operating model and cost base.

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