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P r e s s r e l e a s e

Slight but sizeable upward trend in the European consultancy market

FEACO President Rémi Redley: "In future the dividing line between professional and industrial solutions will become even sharper in the consultancy market"

Zurich, 20 November 2003 (feaco) – European management consultants expect that the total turnover for the consultancy sector will be about the same as in 2002. Last year total returns in the European consultancy sector amounted to approx. 46.5 billion Euro and the average decrease in turnover - compared to the year 2001 -was about two per cent. These are results from the market study `FEACO-Survey 2002` carried out by the European umbrella organisation for management consultants, namely the European Federation of Management Consulting Associations (FEACO) with its headquarters in Brussels, which was presented at FEACO's general assembly in Zurich today. FEACO expects a first recovery no earlier than 2004.

In many companies investment backlogs – e.g. in the IT and data security area - have increased dramatically due to the clients' diffidence which they have shown ever since 2001. Moreover, the companies will increasingly get back to working on growth and future strategies again as soon as the economy picks up, FEACO President Rémi Redley, who is also President of the German Association of Management Consulting Firms (Bundesverband Deutscher Unternehmensberater BDU e.V.) believes.

It is evidently so that clients are focussing more and more on the management consultants' expertise, quality and experience. Dr. Leonhard Fopp, President of ASCO – i.e. of the Association of Management Consultants Switzerland, adds: "The management

consultant's personality is in focus again. And thus the dividing line between "management consulting" (professional consulting) and "solution consulting" (industrial consulting) will become even sharper in future. Standardised solutions are less and less acceptable and there is hardly any demand for pure concepts any longer. The clients' high expectations must be met by the consultants' professionalism, their proven social competence and sector-related experience. In the fight for market shares in the consulting sector ethical consulting practices must however not be neglected as – apart from the consulting quality – trust and transparency are further decisive selection criteria for our clients.

Pursuant to Rémi Redley approximately 300,000 consultants in 57,000 consulting businesses were available for their clients in Europe in 2002. The biggest consulting markets in Europe are Great Britain with 29.2 per cent of the total turnover in the consulting industry, Germany with 28 per cent, France with 13.4 per cent, Spain with 5.3 per cent and Italy with 4.6 per cent. For the year 2002 the consultancy areas can be broken down as follows: IT consulting (28.5 per cent), organisation consulting (28.2 per cent), strategy consulting (19.9 per cent), outsourcing (12.7 per cent) and human resources management (10.7 per cent). The biggest demand came from the banks with 13.6 per cent, public procurers with 10.2 per cent, energy and water utilities with 9.2 per cent and commerce and trade with 8.6 per cent.

Zurich, 20 November 2003