

The National Consulting Index estimates the revenue contribution of the management consulting sector to a nation's gross domestic product. It's a powerful tool that allows for a comparative analysis of the sector's strength in one country compared to others.

NCI 2024



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REPORT

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Abstract

The National Consulting Index (NCI) estimates the revenue contribution of the management consulting sector (MCS) to a nation's gross domestic product (GDP). It is a powerful tool that allows for a comparative analysis of the strength of an MCS in one country with others. This index, a brainchild of the International Council of Management Consulting Institutes (ICMCI) in 2018, has developed to hold immense significance in the global management consulting landscape, shaping how we understand and evaluate the sector. (Haslam et al., 2020).

This paper provides a comprehensive update on the NCI project, including an estimate of the size of the MCS in 2023 in 84 of the 100 countries studied. It serves as a gateway to unique qualitative insights from member institutes about the trends and dynamics of their management consulting industry, offering a deeper understanding of the industry's evolution and prospects¹.

Introduction

Starting in 2018, the NCI project was created to gain insight into national differences in the management consulting sector and to develop a data-driven method for calculating the sector's size in each country. The 2024 NCI project is more than a compilation of data. It is a significant endeavour that refines and strengthens the computational model for estimating an NCI, updates earlier estimates of the size of the MCS in each country for which data are available, and uses the findings to learn more about the trends and characteristics of the consulting market. The invaluable contributions of the ICMCI Member institutes, which are at the heart of this crucial initiative, provide unique and invaluable insights that are not available anywhere else.

This paper unveils a treasure trove of unique and fascinating insights from the NCI project. It outlines the project method and background and presents the analysis results in two parts. The first part provides financial estimates (US\$m) for the MCS in the studied countries. The second part, perhaps the most intriguing, reports insights from those ICMCI Member institutes that provided commentary. These insights, exclusive to this paper, are valuable for understanding the management consulting industry. The paper concludes with a thought-provoking reflection on the NCI project and its implications for future research.

Background

Despite the rapid growth and increasing use of management consulting by governments and businesses, there remains a significant gap in our knowledge about its size and performance as an industry group. Few governments keep a national record of the sector's activity. However, it is widely acknowledged that the size of a country's MCS varies in proportion to the size of that country's economy. This lack of understanding underscores the crucial role of the NCI project and its findings. By providing comprehensive and reliable data, the NCI project is instrumental in filling this knowledge gap and shaping the future of the management consulting industry.

Source Global Research (SGR) estimated that in 2023, the global average of a

country's MCS was approximately 0.30% of GDP (SGR estimated the international management consulting market at US\$312.5B, compared to a global GDP of US\$104,476.4B).

The research seeks to illuminate the factors that can show why a national MCS is proportionally higher in some countries than others. Figure 1 shows the distribution of the percentage of national GDP contributed by the MCS (i.e. NCI) in the 29 countries supplied by SGR, while Figure 2 shows the NCI compared with the GDP in 2023. As seen from those figures, the MCS is a more substantial component of the economy in some countries than in others. The NCI project, therefore, seeks to provide a data-driven method to estimate a country's MCS and explain this variation.

One way to estimate a country's MCS is to predict it by determining the relationship between a range of parametric and non-parametric measures and the size of the market, where that market size is known (Haslam & Blackman, 2023; Haslam et al., 2020; O'Mahoney et al., 2021). Once the MCS estimates are known, each country can calculate the NCI by dividing its estimate by its GDP.

Methodology

For the 2024 study, the method involved the following eleven steps:

1. Raw national consulting market size data for 2023 for 29 countries were acquired as a benchmark from Source Global Research (SGR). These countries were chosen to provide a size, geographical, and cultural spread (see Table 1)ⁱⁱ.

Table 1: MCS estimates supplied by Source Global Research before and after adjustment for small and medium consultancies in 2023.

Country	SGR23raw (US\$M)	SGR23adj (US\$M)
Argentina	\$1,053.00	\$1,316.25
Australia	\$6,236.00	\$7,795.00
Austria	\$1,138.00	\$1,422.50
Brazil	\$2,451.00	\$3,063.75
Canada	\$5,616.00	\$7,020.00
Chile	\$799.00	\$998.75
China	\$13,377.00	\$16,721.25
Chinese Taipei	\$616.00	\$770.00
Columbia	\$797.00	\$996.25
France	\$14,206.00	\$17,757.50
Germany	\$16,827.00	\$21,033.75
Indonesia	\$1,745.00	\$2,181.25
Italy	\$2,870.00	\$3,587.50
Japan	\$4,758.00	\$5,947.50
Kenya	\$244.00	\$305.00
Malaysia	\$1,448.00	\$1,810.00
Mexico	\$2,117.00	\$2,646.25
Netherlands	\$2,943.00	\$3,678.75

North Macedonia	\$1,022.00	\$1,277.50
Portugal	\$1,450.00	\$1,812.50
Russian Federation	\$562.00	\$702.50
Singapore	\$2,166.00	\$2,707.50
South Korea (ROK)	\$790.00	\$987.50
Spain	\$3,720.00	\$4,650.00
Thailand	\$807.00	\$1,008.75
Türkiye	\$1,182.00	\$1,477.50
United Kingdom	\$19,319.00	\$24,148.75
United States	\$103,543.00	\$129,428.75
Vietnam	\$696.00	\$870.00
Totals	\$214,498.00	\$268,122.50

Unadjusted, the SGR sample accounted for 68.6 per cent of its estimate of the global MCS. Once adjusted to account for small and medium-sized consultancies, the proportion of global MCS increased to 85.8 per cent.

The mean MCS size for the unadjusted SGR sample was US\$7,396.5M ($SD=US\$19,204.4M$). Following adjustment, the mean rose to \$US9,245.6M ($SD=US\$24,005.5M$). As can be seen from Figure 2, the data spread was not distributed normally. Therefore, the median scores (unadjusted US\$1,745.0M, adjusted US\$2,181.3M) were used in relevant analyses. The median NCI for the sample was 0.2703 per cent ($M=0.2905$, $SD=0.1829$).

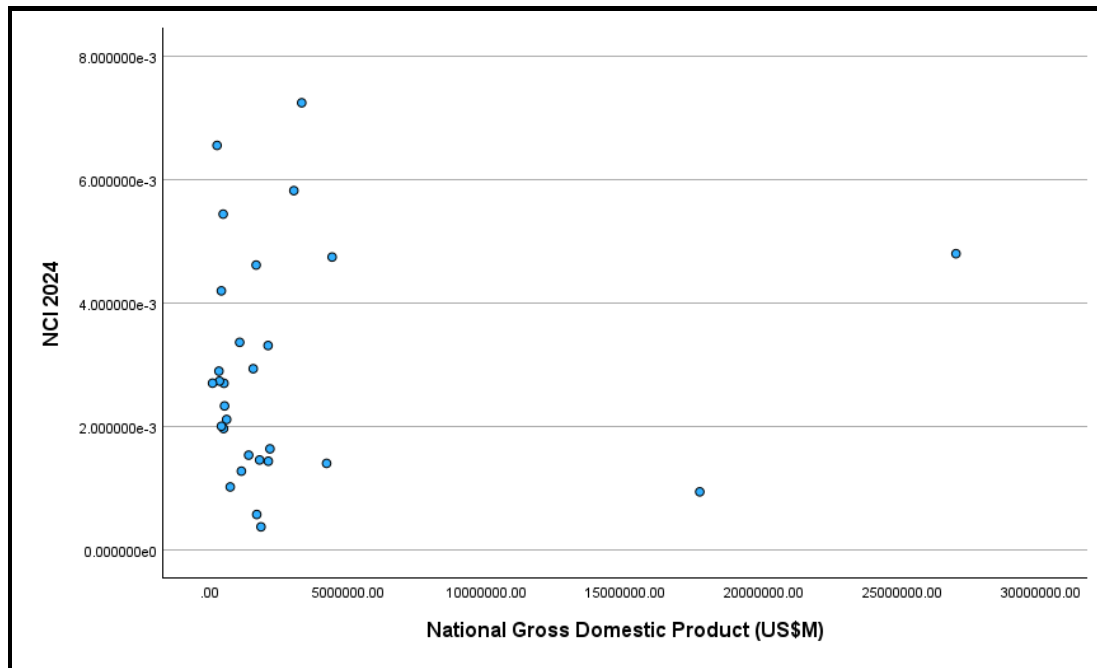


Figure 1: Management Consulting Sector size estimate in 2023 as a percentage of GDP for 29 reference countries compared with their GDP.

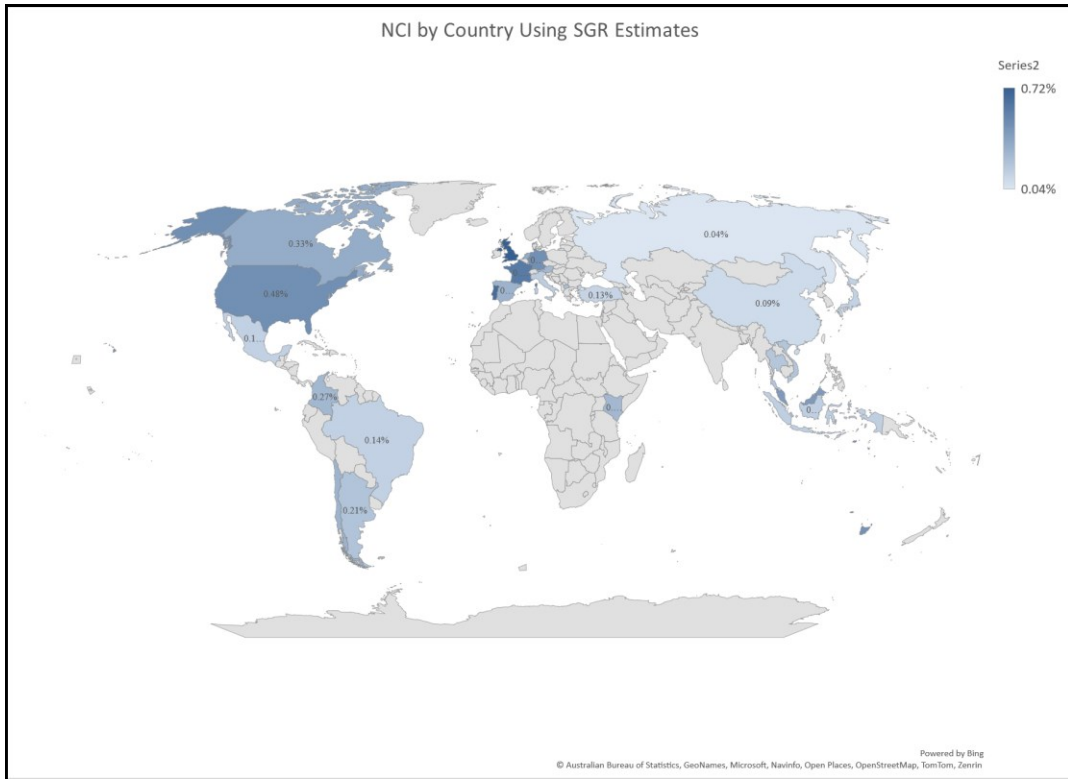


Figure 2: Geospatial distribution of NCI level by country using SGR estimates for the 29 countries for which data were purchased. ⁱⁱⁱ

Table 2: The percentage contribution of the MCS to the GDP for each country in the SGR sample in 2023.

Country	National GDP (US\$M)	NCI	Country	National GDP (US\$M)	NCI
UK	3,332,059	0.7247	North Macedonia	546,768	0.2336
Portugal	276,432	0.6557	Argentina	621,833	0.2117
France	3,049,016	0.5824	Vietnam	433,356	0.2008
Singapore	497,347	0.5444	Thailand	512,193	0.1969
USA	26,949,643	0.4803	Italy	2,186,082	0.1641
Germany	4,429,838	0.4748	Indonesia	1,417,387	0.1539
Australia	1,687,713	0.4619	Mexico	1,811,468	0.1461
Malaysia	430,895	0.4201	Brazil	2,126,809	0.1441
Netherlands	1,092,748	0.3367	Japan	4,230,862	0.1406
Canada	2,117,805	0.3315	Türkiye	1,154,600	0.1280
Spain	1,582,054	0.2939	Chinese Taipei	751,930	0.1024
Chile	344,400	0.2900	China	17,700,899	0.0945
Columbia	363,835	0.2738	South Korea (ROK)	1,709,232	0.0578
Kenya	112,749	0.2705	Russian Federation	1,862,470	0.0377
Austria	526,182	0.2703	<i>Austria's NCI was the median for the SGR sample</i>		

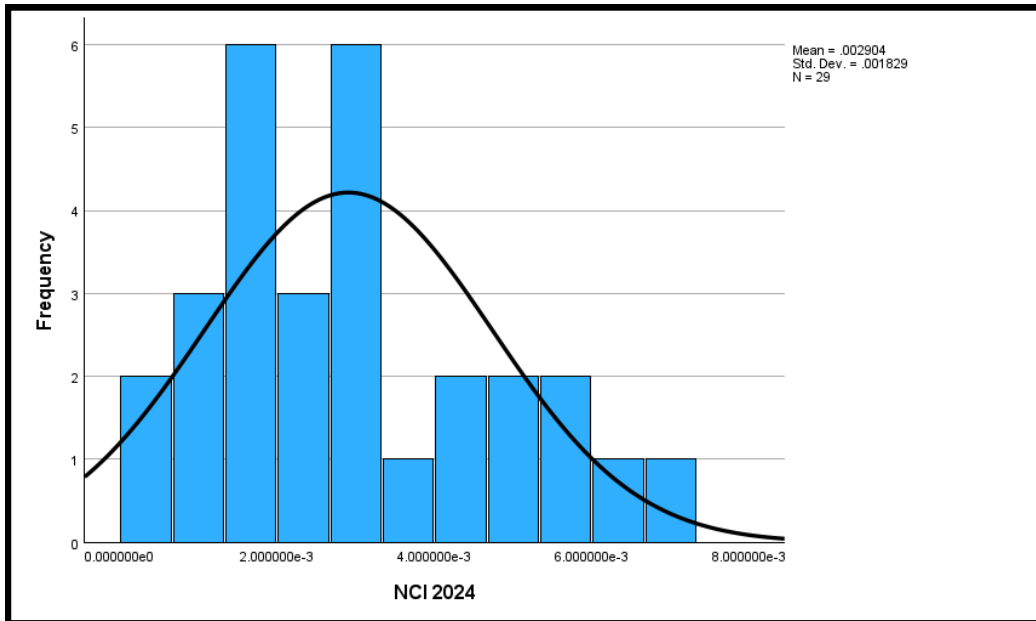


Figure 3: The distribution of the adjusted SGR MCS estimates as a percentage of national GDP (NCI scores) in 2023.

2. On advice from SGR, the acquired raw estimates were adjusted by 25 per cent to include the impact of small and medium consultancies.
3. The available literature, including earlier NCI analyses, was reviewed to identify economic and socio-cultural measures related to management consulting activity.
4. Correlations between identified measures and SGR estimates of MCS were calculated.
5. The best fitting regression model to use to estimate the size of national MCS was determined.
6. The MCS for each country for which all selected variables were available was computed using unstandardised beta values from the regression.
7. The MCS was then adjusted by $1-R^2$ (0.046) to improve the model fit.
8. After determining the mean error between the adjusted SGR estimates and the computed MCS, a final MCS was fine-tuned to allow for that error (Mean error = -0.0152).
9. The NCI for each country was calculated by dividing the adjusted MCS by the nation's GDP.
10. For those countries for which an estimate of MCS could not be derived through the regression model, an MCS size was computed using the median NCI for known nations.
11. The MCS estimates were then sent to each ICMCI Member institute with an invitation to indicate their agreement or otherwise with the MCS size estimate for their country and for commentary that could explain any variations and identify and explain market trends.

Project Results

The results section is split into two parts. The first reports quantitative data from the NCI project, and the second gives additional qualitative insight into various national consulting sectors.

Variables Identified

The dependent variable (DV) was the set of 29 adjusted SGR estimates. Six independent variables used in previous analyses (Haslam, 2022; Haslam & Blackman, 2023) were included in the 2024 exploratory analysis. These were:

1. Hofstede's Individualism-Collectivism (HIDV) (Schachner & Sakkinen, 2024)
2. Index of Economic Freedom
3. Global Innovation Index
4. V-Dem Liberal Democratic Index
5. GDP per capita (recoded to its natural log LnGDPpc)
6. GDP (recoded to its natural log LnGDP)

Another seven variables considered for analysis included:

1. Corruption Perception Index
2. National population (recoded to its natural log (LnPop))
3. Education Index
4. Economic Growth Rate
5. The other five Hofstede's Cultural Dimensions (Schachner & Sakkinen, 2024)
6. The NCI from prior years
7. R&D expenditure as a percentage of GDP
8. UN Human Development Index

Several exploratory tools, including correlation and factor analyses and linear regression, were used to isolate the regression model with the best fit for predicting an MCS value. The optimal group of independent variables identified included:

1. National GDP 2023 (LnGDP23)
2. GDP per capita 2023 (LnGDPpc23)
3. The NCI for 2022 (NCI2022)
4. Education Index (Edi2023)
5. V-Dem Liberal Democratic Index (VDem2023)

Quantitative Results

MCS Size

The 2024 NCI project has provided three methods to estimate the size of national management consulting markets:

1. Using the reference data from SGR (this is considered the most robust of the three methods of determining MCS size);
2. by NCI calculation, which is considered the second most robust method of determining MCS); and
3. approximating MCS as a proportion of national GDP - this is considered the least robust but is useful where the data needed for the MCS calculation are not present for that country.

In 2024, one hundred countries were analysed. Table 3 shows the membership status of the studied population. In total, 47 member institutes and 20 non-members were included.^{iv}

Table 3: ICMCI membership of the 100 countries studied.

		Membership group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full member	45	45.0	45.0	45.0
	GI countries	8	8.0	8.0	53.0
	Caribbean nations	27	27.0	27.0	80.0
	Non-member	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

A linear regression analysis was conducted following variable identification and determination of the best-fitting regression model. The model was significant ($R^2 = .954$ (Adj. $R^2 = .934$), $F(5,11) = 46.013$, $p < .001$). Unique contributors to variability in the model included LnGDP23 ($Part\ r = .751$, $t = 11.662$, $p < .001$), NCI2022 ($Part\ r = .377$, $t = 5.847$, $p < .001$), and LnGDPpc23 ($Part\ r = .143$, $t = 2.227$, $p < .05$). Computed unstandardised beta scores from the regression resulted in the following predictive model for estimating the MCS size in 2023:

$$LnMCS = -8.822 + LnGDP23 * .958 + NCI2022 * .337 + LnGDPpc23 * .418 + Edi2023 * -2.68 + VDem2023 * .533$$

The calculated predictions' results were then expanded to convert them from a logarithmic scale to millions of US dollars. An MCS estimate was achieved for 84 of the countries analysed using one of the three methods described earlier. Table 3 shows the frequency and distribution of the estimation method used.

Table 4: Frequency of the MCS calculation method used.

Estimation method	Count	Per cent
SGR estimate (adjusted)	29	29.0%
Regression estimate only	40	40.0%
NCI estimate (GDP) only	15	15.0%
Not determined	16	16.0%
TOTAL	100	100.0%

For 16 countries, an MCS could not be determined by any of the three methods due to a lack of data for analysis. Table 4 lists those countries and their ICMCI membership status. As can be seen, most, but not all, of those countries were small Caribbean states and fell within the membership held by the Caribbean IMC. For Ukraine, data were unavailable due to war. At the same time, Cuba, French Guiana, Lebanon, the West Bank and Gaza did not supply the necessary data to the United Nations for 2023 in time for this study.

Table 5: Countries by ICMCI membership category for which an MCS could not be determined using one of the three methods applied.

Country	Member category
Anguilla	Caribbean member
Bermuda	Caribbean member
Bonaire	Caribbean member
Cayman Islands	Caribbean member
Cuba	Non-member
Curacao	Caribbean member
French Guiana	Non-member
Grenada	Caribbean member
Guadeloupe	Caribbean member
Lebanon	Full Member
Martinique	Caribbean member
Montserrat	Caribbean member
St Maarten	Caribbean member
The British Virgin I	Caribbean member
Turks & Caicos	Caribbean member
West Bank & Gaza	GI countries

For the remaining 84 countries, MCS size estimates were prioritised according to the estimation method used. The SGR estimation for the 29 countries for which an estimate had been acquired was considered the final version. The second tier comprised the group of 40 countries for which no SGR estimate was held, but the MCS size could be predicted using the linear regression method described. The final tier consisted of the 15 countries for which an MCS size estimate could only be achieved using the sample mean NCI ($n=84$) of 0.002837 (0.2837 per cent) of GDP. That percentage is conservative compared to the SGR estimate of a sector size globally of 0.3127 per cent of GDP. As a result, the MCS size calculations for that tier are also conservative.

MCS Size Predicted by Linear Regression

The size of the MCS in forty countries was determined by applying the regression formula referred to above. Table 5 lists the MCS estimate (US\$M) for those countries and their ICMCI membership status, for which the estimate was calculated using the regression prediction formula referred to above.

Table 6: The MCS size in countries by ICMCI membership status where the MCS size was calculated from linear regression.

Country	Membership category	MCS size 2023 (US\$M)
Algeria	Non-member	200.18
Armenia	Full Member	29.00
Bangladesh	Full Member	398.03
Barbados	Caribbean member	18.39
Bulgaria	Full Member	172.18
Croatia	Full Member	108.81
Cyprus	Full Member	122.71
Denmark	GI countries	1,181.08
Dominican Republic	Caribbean member	243.93
Egypt	GI countries	414.14
Finland	Full Member	754.03
Guyana	Caribbean member	55.29
Haiti	Caribbean member	48.19
Hong Kong	Full Member	738.87
Hungary	Full Member	473.23
India	Full Member	5,738.61
Iran	Full Member	247.89
Ireland	Full Member	2,571.33
Israel	Full Member	948.45
Jamaica	Caribbean member	41.48
Jordan	Full Member	84.75
Kazakhstan	Full Member	260.40
Moldova	GI countries	22.14
Mongolia	Full Member	28.95
New Zealand	Full Member	1,067.17
Nigeria	Full Member	359.93
Pakistan	GI countries	601.45
Philippines	Full Member	541.20

Romania	Full Member	453.61
Rwanda	GI countries	18.61
Saudi Arabia	GI countries	1,784.53
Serbia	Full Member	99.17
South Africa	Full Member	482.89
Suriname	Caribbean member	7.45
Sweden	Full Member	1,594.04
Switzerland	Full Member	3,960.55
Trinidad & Tobago	Caribbean member	67.68
Ukraine	Full Member	75.88
United Arab Emirates	GI countries	1,045.48
Zimbabwe	Full Member	36.54

MCS Size Determined by NCI Calculation

Table 7: The MCS size (US\$M) in those countries where neither SGR nor regression estimates were known, using the median NCI of known countries.

Country	Memcat	MCS23ALL (US\$M)
Antigua & Barbuda	Caribbean nations	5.66
Aruba	Caribbean nations	11.12
Belize	Caribbean nations	9.35
Commonwealth of Domi	Caribbean nations	2.02
Ecuador	Non-member	344.72
Estonia	Non-member	121.40
Ghana	Non-member	222.56
Kosovo	Full member	24.08
Latvia	Non-member	135.55
Norway	Non-member	45.89
Saint Lucia	Caribbean nations	7.17
St. Kitts & Nevis	Caribbean nations	3.10
St. Vincent & Grenad	Caribbean nations	3.02
Tanzania	Non-member	244.07
The Bahamas	Caribbean nations	40.30

2023 NCI by Country

As shown in Figure 4, in the 84 countries where an NCI calculation was possible using one of the three methods described, the MCS contribution ranged from .04 (the Russian Federation) to 0.72 per cent of GDP (the UK). The average NCI was 0.24 per cent ($M=0.24$, $SD=0.14$), and the median was 0.23 per cent.

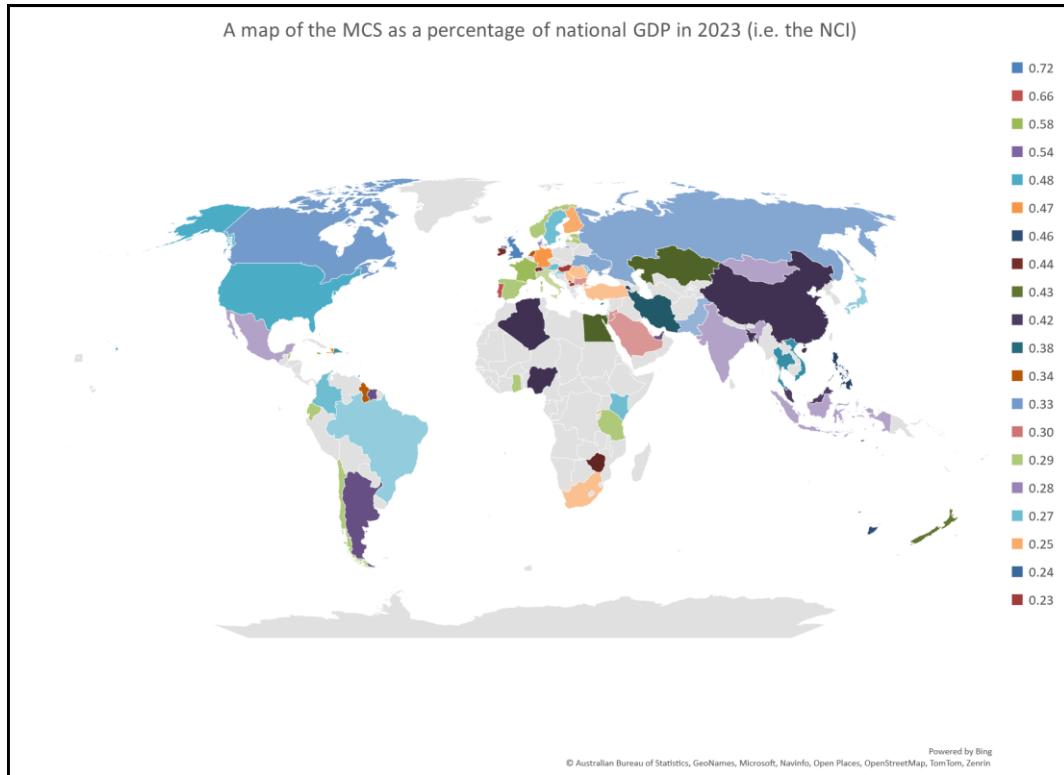


Figure 4: Geospatial distribution of the NCI for the 84 countries where a calculation was possible using the methods described.^v

NCI Comparisons by Cultural Group

Cultural differences in governments' and businesses' propensity to acquire management advisory services have been identified previously by contrasting MCS activity using Hofstede's cultural dimensions (Haslam et al., 2020; Hofstede, 2011; O'Mahoney et al., 2021). However, the findings are inconsistent—for example, O'Mahoney et al. (2021) found a strong negative relationship between power distance and consultancy spending, whereas Haslam et al. saw no such relationship (Haslam & Blackman, 2023; Haslam et al., 2020, 2022). Also, O'Mahoney's team found a strong positive relationship between individualism and the level of spending on consultancy, which is supported by the findings of Haslam et al. (2023) However, this contrasts with that of Premer et al. (2018), who found a negative relationship between individualism and the propensity to purchase management consulting services in their study of a European sample.

Another approach was added to this study. Instead of limiting the comparisons to Hofstede's cultural dimensions (Hofstede, 2011; Minkov, 2007), the 84 countries for which an NCI calculation was possible were also compared across dimensions of the Inglehart–Welzel Cultural Map (Inglehart & Weitzel, 2023). Catholic and Orthodox Europe were combined for comparison and simplicity in analysis.

For the first comparison, the NCI was compared across Hofstede’s dimensions. Four statistically significant correlations were identified. Two of the comparisons were negative: for power distance ($r(69) = -.433, p = <.001$) for which the correlation was of medium effect size, while a small negative correlation was found for uncertainty avoidance ($r(69) = -.276, p = <.05$). Two others were positive and of medium effect size: Individualism ($r(69) = .491, p = <.001$, and indulgence ($r(64) = .402, p = <.001$). No significant relationships were found between NCI and motivation to achieve or long-term orientation.

To contrast groups on the Inglehart-Weizel World Cultural Map, the mean NCI for the 84 countries was compared. As can be seen in Figures 5 and 6, Independent-samples Kruskal-Wallis ANOVA identified significant differences in the proportion of GDP made up of the MCS between English-speaking (Mean Rank = 77.17) and both Confucian (Mean Rank = 17.50) and African-Islamic cultural groups (Mean Rank = 26.67) ($\chi^2 = 28.842, df = 6, N = 84, p = <.001, f = 347$).

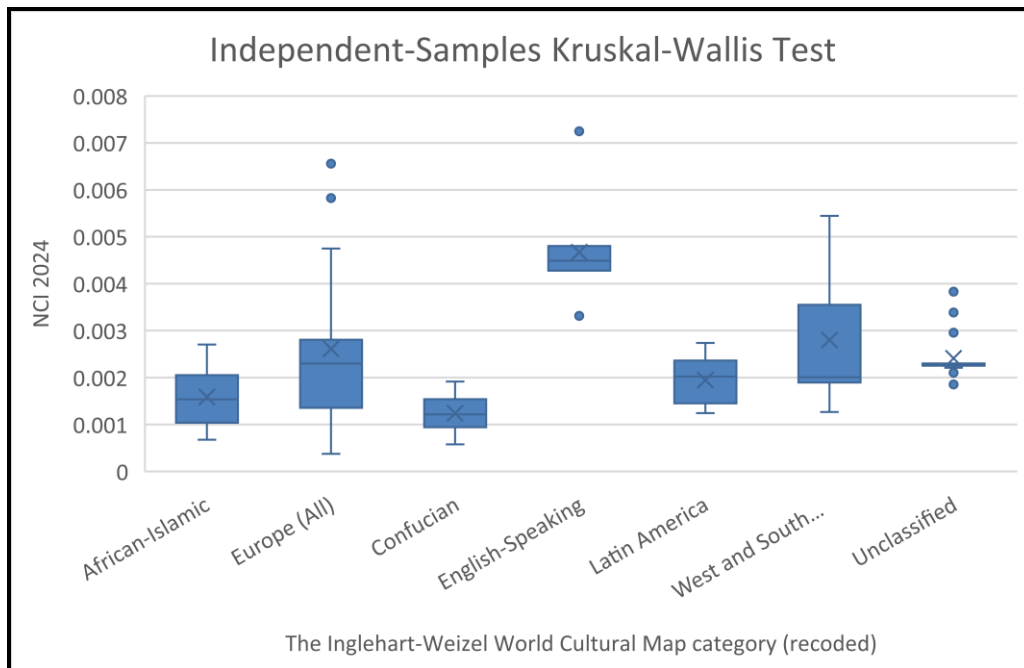


Figure 5: Independent-samples Kruskal-Wallis comparative analysis of NCI determinations across Inglehart-Weizel World Cultural Map categories.

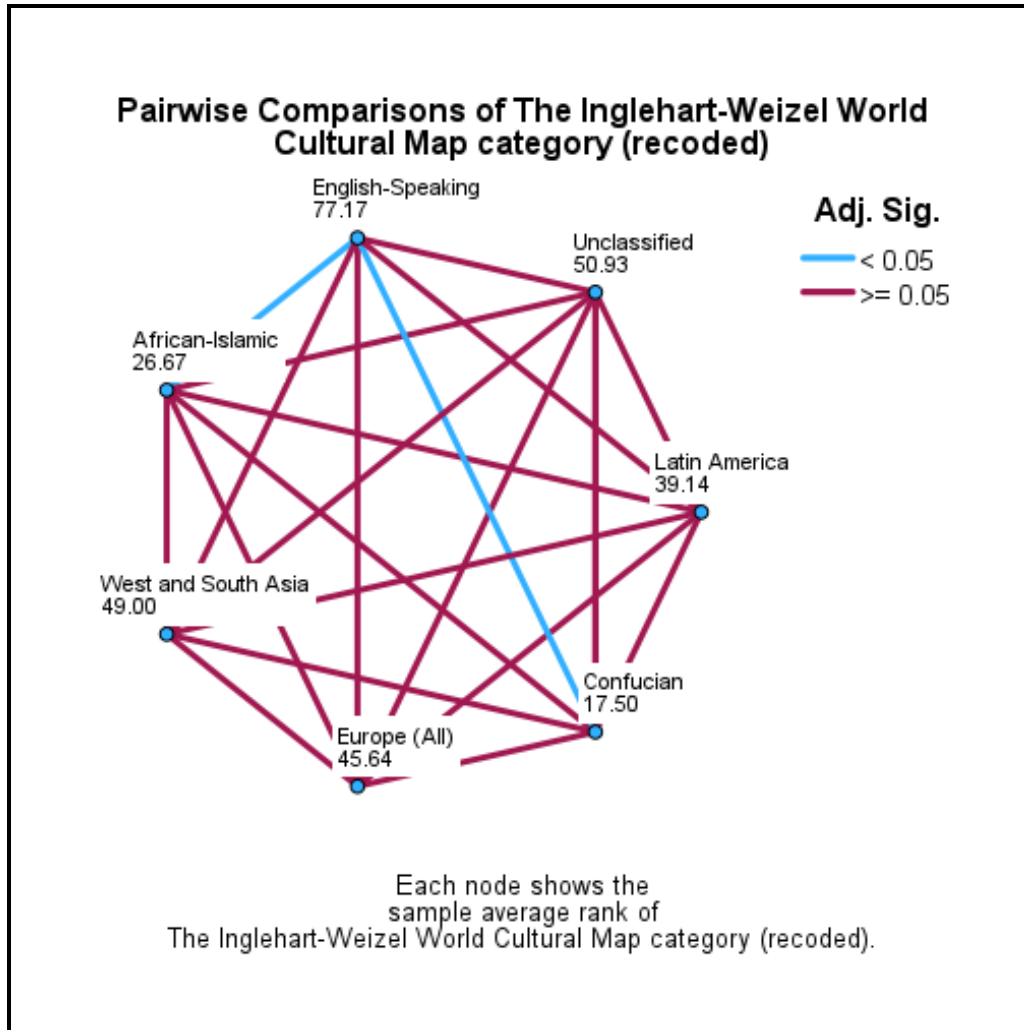


Figure 6: Pairwise comparisons of the NCI between the Inglehart-Weizel World Cultural Map categories.

The findings from the Kruskal-Wallis analysis tend to be supported by the correlations identified from the comparison of NCI results across Hofstede's cultural dimensions and the cultural differences between ethnoreligious groups identified by Hofstede (2011) and Minkov (2011). However, those correlations were not strong, perhaps reflecting the diversity within groups on the Cultural Map.

Insights From IMC Member Institutes

Following a determination of the NCI for each country, the 46 national IMC Members of the ICMCI were surveyed to determine their views on the NCI project and findings; 24 (52.2%) of the members responded.

Perceived Importance Of The NCI Findings

As Figure 7 shows, most respondents viewed the NCI findings as at least somewhat important, although 8.7 per cent stated that they did not know whether they were necessary. Of the 22 members who indicated the importance level, 27.3 per cent viewed it as unimportant. However, 72.7 per cent saw the NCI findings as either somewhat (27.3%), very (31.8%), or vitally (13.6%) important.

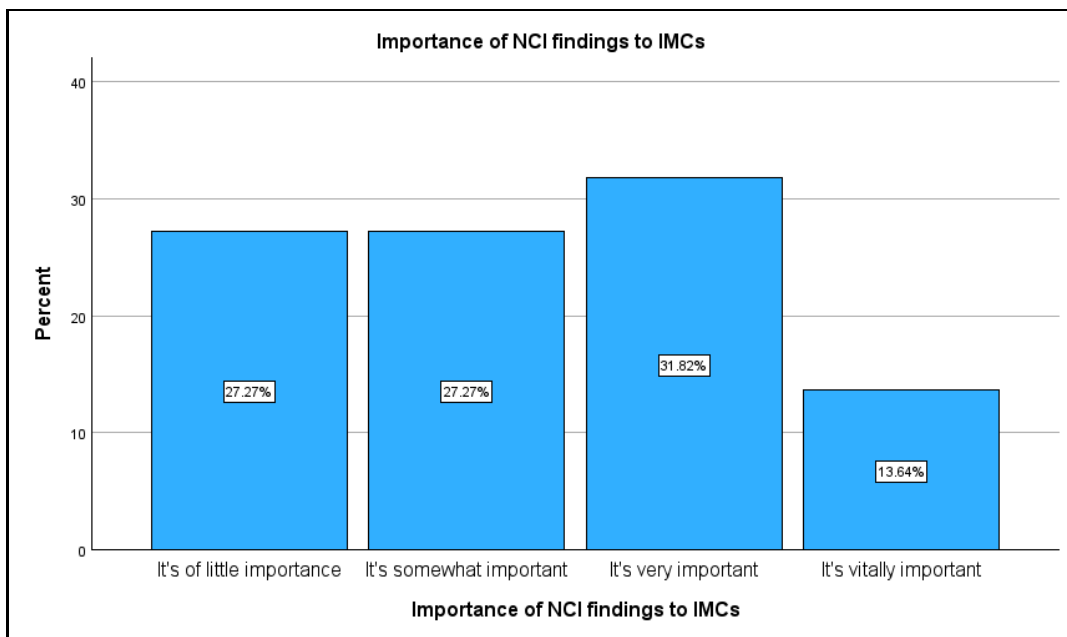


Figure 7: The perceived importance of the NCI findings to members of the ICMCI.

Use of the NCI Findings to Support the Industry?

From the ICMCI's viewpoint, the project team needed to understand how national institutes might use this study's findings. A thematic analysis of IMC responses identified the six uses listed in Table 7.

Table 8: Ways in which IMC Member institutes plan to use NCI findings.

NCI Uses	Count	Per cent
Informing stakeholders.	9	40.9%
Market and competitive analysis.	9	40.9%
Stakeholder guidance and collaboration.	5	22.7%
Benchmarking.	5	22.7%
Membership attraction.	3	13.6%
Identify training and education opportunities.	1	4.5%

NB: Sums to more than 100% as some respondents named more than one use.

The most commonly stated uses of the findings were to inform stakeholders and to use the information for market and competitive analysis. Four in ten of the respondents mentioned using the findings for those reasons. The results were also necessary to guide and collaborate with stakeholders, benchmark against other sectors and the MCS in like countries, attract members, and identify training and education opportunities.

The IMC's Projection of The Size of The MCS in Its Country in 2024

As Figure 8 shows, most (65.2%) respondents expected the MCS size in their jurisdictions to increase, either by less than ten per cent (39.1%) or by more than ten per cent (26.1%). Another 13.0% predicted that last year's market size would be unchanged. However, 21.7% expected a decline of either less than ten per cent (4.35%) or more than ten per cent (17.4%) in the size of the MCS in their country in 2024.

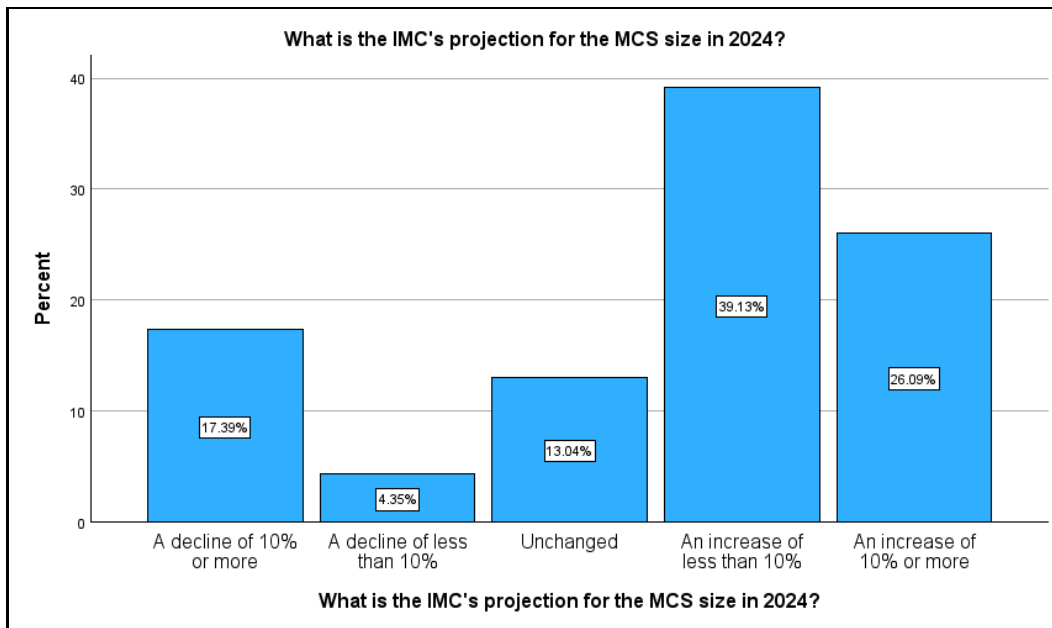


Figure 8: MCS size expectations for 2024 compared to 2023.

As Table 8 indicates, governmental policy and regulation can inhibit or boost a country's MCS size. However, the industry's structure may have the most significant influence on MCS size, with 54.2 per cent of respondents commenting on it as a source of imbalance in the sector. Economic growth and the level of business

activity are also seen as important, as noted by 41.7 per cent of respondents.

Table 9: Expected change in MCS size by the most critical influences on MCS size.

	A decline of 10% or more	A decline of less than 10%	Un-changed	An increase of less than 10%	An increase of 10% or more	Totals
	Count	Count	Count	Count	Count	
Industry structure and development	1	0	1	8	3	13
Economic growth/business activity	2	1	2	2	3	10
Governmental policy/regulation	3	0	2	0	3	8
Technological changes	0	0	1	1	4	6
Geopolitics/war	2	0	2	1	0	5
Global warming	0	0	0	1	1	2

Other significant influences included the impacts of geopolitics, war, and global warming.

Comparisons of the MCS size estimate provided compared to IMC estimates

As Figure 9 shows, just under half (45.0%) of responding IMCs indicated that the MCS size estimate provided was in line with their expectations. In comparison, another 20 per cent felt it slightly underestimated the market size, while five per cent felt it overestimated it slightly. However, of the 24 respondents, 10 (41.7%) did not have an estimate of the MCS in their country yet still provided an answer to this question. Of the 14 (58.3%) who did have a separate estimate, one declined to provide that estimate. Of the remaining 13, eight (61.5%) indicated that the NCI project calculation of market size was either about right (38.5%) or slightly underestimated (15.4%) the size.

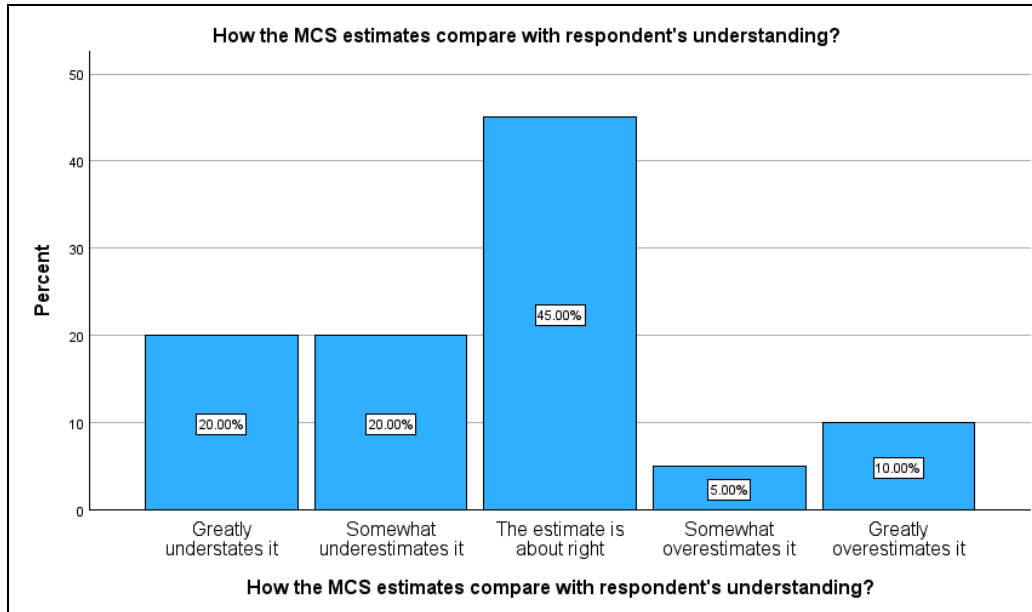


Figure 9: IMC Member's assessment of the calculated MCS size estimates from this study compared to their own.

Conversely, four (30.8%) stated that the MCS size estimated for their region greatly understated the market size, while one (7.7%) indicated that it greatly overstated the size.

Some underestimation was expected, as the NCI calculations used were found to be conservative. Therefore, an analysis of those who believed that the MCS size estimate provided either greatly overstated or understated the market size was undertaken.

The four country-wide institutes that responded that the MCS size estimate provided greatly understated their estimates were Italy, the Russian Federation, Singapore, and the United States. The one who responded that the estimate greatly overstated their estimate of the MCS size was Iran. Ireland also responded that the MCS size estimate greatly overstated their estimate but indicated that they did not have an estimate against which to compare it.

Influences on the size of a country's MCS

As Table 9 shows, industry structure and development were mentioned by 54.2 per cent of respondents as the most critical influence on the sector in their country. Prominent comments lamented the dominance of the "Big 4" and the presence of unqualified low-cost providers. Other important influences included the level of economic growth and general business activity, mentioned by 45.8% of respondents, and government policy and regulation (37.5% of respondents), which, as already mentioned, might be seen as having either a positive or negative effect on the MCS. Other critical influences included technological impacts (29.2% of respondents), geopolitics and war (20.8% of respondents), and global warming (8.3% of respondents).

Table 10: The most critical influences on MCS size.

Influences on MCS size	Count	Per cent
Industry structure and development	13	54.2%
Economic growth/business activity	11	45.8%
Governmental policy/regulation	9	37.5%
Technological changes	7	29.2%
Geopolitics/war	5	20.8%
Global warming	2	8.3%

NB: Sums to more than 100% as some respondents named more than one use.

The most significant long-term challenges facing the MCS

Regarding long-term challenges, the dominant ones were technological and consequential industry changes, mentioned by 45.8 per cent of respondents, and the ability of consultancies to maintain and retain skills in the industry, which was commented on by 41.7 per cent of responding institutes. Changes to government policy and the need to lobby governments to embed professional standards as a requirement for consulting contracts were also raised by 33.3 per cent of respondents.

Table 11: The most critical challenges facing the MCS in 2024.

Significant challenges for the MCS	Count	Per cent
Technological/industry changes	11	45.8%
Skills maintenance and retention	10	41.7%
Governmental policy/regulation/lobbying	8	33.3%
Market demand/business growth	7	29.2%
Economic growth/business activity	7	29.2%
Enhancing competitiveness	6	25.0%
Industry reputation	6	25.0%
Business costs	3	12.5%
Geopolitics/war	2	8.3%
Ageing workforce/management	2	8.3%

NB: Sums to more than 100% as some respondents named more than one use.

Other significant challenges included the level of demand and business growth, mentioned by 29.2 per cent of respondents, along with overall economic growth and business activity, also noted by 29.2 per cent. The next most frequently mentioned were the need to enhance competitiveness (25.0% of those commenting) and the industry's declining reputation (also noted by 25.0% of those who responded). Less commonly mentioned but still seen as critical challenges were the impacts of geopolitics and war (8.3%) and an aging industry workforce and management (8.3%).

IMC representation of the industry

Table 12: An analysis of responses to the questions "How many individual members does your national institute have?", and "What is your estimate of the total number of consultants in your country?".

		<i>Number of IMC members</i>	<i>Number of management consultants in the country</i>
<i>N</i>	<i>Valid</i>	20	20
	<i>Missing</i>	2	2
<i>Mean</i>		1,573	118,232
<i>Median</i>		149	34,000
<i>Mode</i>		50	2,000
<i>Std. Deviation</i>		5,244.44	359,574.45
<i>Minimum</i>		9	40
<i>Maximum</i>		23,710	1,631,000
<i>Sum</i>		31,462	2,364,633

Multiple modes exist. The smallest value is shown.

Responses to the questions of how many individual members an institute had ($M=1573.1$, $SD=5244.4$) and how many consultants were operating in their country ($M=118232$, $SD=359574.5$) varied considerably, and overall, the data were significantly positively skewed. There are also multiple modes, the lowest of which are 50 members and 2000 consultants. As a result, the medians have been assessed as the most likely indicator for determining IMC representation more broadly.

As the median number of members per institute was 149, and the estimated median number of consultants in each jurisdiction was 34 thousand, IMC Member institutes represented just 0.44 per cent of the consultant population. However, the mean representation was 1.33 per cent, while the mode was 2.5 per cent.

Discussion

No one knows the size of the MCS in each country. However, whichever method is used to determine the proportion of the industry represented by an IMC Member, the representation level remains low. Therefore, strategies to raise that level of representation are a crucial focus of the ICMCI.

As the findings of this study illustrate, variations between nations in the proportion of GDP contributed by the MCS are due to a mix of political, economic, socio-cultural, environmental, and technological factors. At the same time, differences in the reporting of market size might also be confounded by the global nature of the larger consulting firms and a lack of clarity of where consulting revenue is earned, as well as from definitional confusion and the mixing of earnings from management consulting with those derived from other advisory areas. This complexity makes the NCI even more critical, as indirect measures of the sector's market size seem to account for and smooth out several confounding effects.

Nevertheless, this study shows that cultural differences are essential in determining a population's propensity to employ management consultants, while government policy limits bureaucratic access to specialist advisory services. Also notable is the level of technological need and societies' growing awareness of the necessity to change systems and processes rapidly to mitigate the effects of climate change, the approaches to which are political. Overarching is the ability and willingness of each country and its businesses to engage and pay for management consulting services.

The NCI project has identified several variables that might be used to predict the sector's size within national boundaries. Other variables might also be important influences. For example, the distribution of businesses by size has been suggested (O'Mahoney et al., 2021). However, the MCS has a significant global component and a heavily centralised corporate presence in a few countries, such as the USA, the UK, and Hong Kong. Corporations in those countries often generate a significant portion of their revenues from export activity. Therefore, it is essential to note that the NCI only estimates the domestic consumption of management consulting services.

Limitations

The statistical model used might not be stable. A limitation of the regression is that the number of datasets used as the dependent variable may be too few for a stable prediction model. Therefore, to improve the reliability of the NCI formula, the number of datasets acquired for this study was increased from 14 to 29. However, the minimum sample size is determined by the number of independent variables; the minimum for each variable is 10 cases (Tabachnick & Fidell, 1996). As five independent variables were used, the minimum sample size would be 50, so the number of national MCS estimates purchased may need to be revised.

A second limitation is that the preceding methodology is limited to the management consulting industry. Its extension to other sectors requires further investigation.

Finally, the variables identified in this analysis are not all global in the coverage. Consequently, the MCS contribution in some countries is sometimes impossible to determine using the method described in this study.

Recommendations

Future research on this topic is strongly encouraged, especially by members of the ICMCI Academic Fellowship. Studies to confirm the validity of the predictive model of MCS size would be meaningful. Of course, the ultimate goal would be for governments to record accurately and publish the activity of advisory services conducted within their jurisdiction, thereby making the need for a predictive model redundant.

In particular, follow-up is needed to understand the reasons for the outliers found where IMCs indicated that the MCS size estimates supplied varied significantly from their own; the answers might differ for each country. However, a clue might be found in the comments of the USA, which highlighted the fact that several prominent consulting firms are based in that country. This may mean that revenue counted in the USA's estimate included that gained from consultancies undertaken outside of its national boundaries. Defining the revenue gained from within each

country will, therefore, be critical to understanding those variations. Also, comparisons were made to estimates provided by other research organisations, such as IBISWorld and Statistica. Methodological and definitional differences must be identified to understand the different results fully.

Conclusion

The National Consulting Index is an ongoing project designed and implemented by the ICMCI. The intention is to continue to refine the project methodology and build a worldwide picture of the financial value of the management consulting industry and the trends and characteristics that various countries are experiencing. The aim is to provide ICMCI, as well as Member Institutes, with solid input that can support their efforts in advocating for the management consulting industry and showcase to developmental bodies that both ICMCI and Member Institutes are critical players in the various economies and, hence, should be a part of their agendas and budgets.

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[1] This project is indebted to Reema Nasser and Khuzaima Zaghlawan's efforts for data sourcing and guidance from ICMCI Board members Robert Bodenstein and Tamara Abdel-Jaber.

[2] SGR estimates were based on medium and large consulting enterprises. To account for the total MCS, including the 'long tail' of small and micro consulting

enterprises, SGR suggested a 25% increase in the MCS figures.

[iii] The Excel graphical interface used for geospatial mapping has a bug that misrepresents Australia as Tasmania and perhaps as an island of New Zealand. One country will be very amused, the other not so much.

[iv] The Global Institute (GI) is a full member of the ICMCI, which covers countries with no IMC. The Caribbean nations fall under the auspices of the Caribbean IMC, which is a full member.

[v] The Excel graphical interface used for geospatial mapping has a bug that misrepresents Australia as Tasmania and perhaps as an island of New Zealand. One country will be very amused, the other not so much.