

Learn about trends in the **Management Consulting** industry, and where to find more information about how to start your own **consultancy business**. Don't forget you can receive free or low-cost training and **free professional business advice**, from [your local Small Business Development Center!](#)

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Management Consulting Business Overview & Trends

NAICS Code: 541611; SIC Codes: 8742 & 8748

This [Management Consulting Services market research excerpt is from First Research](#) which also sells a full version of this report.

“Companies in this industry provide management, scientific, and technical consulting services, including specialized services such as environmental, human resources, IT, logistics, and marketing consulting. Major global companies include Accenture, Bain & Company, Booz Allen, Boston Consulting Group, IBM Services, and McKinsey & Company, as well as the consulting arms of the Big Four accounting firms — Deloitte, Ernst & Young, KPMG, and PricewaterhouseCoopers.

The worldwide consulting services industry generates about \$490 billion in revenue annually, according to Plunkett Research. The US and Europe are the largest markets for consulting services, but global firms are targeting other industrialized regions with emerging economies for growth. Economic reform efforts have recently boosted demand for consulting services in India.

The US consulting services industry includes about 170,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of about \$265 billion.

COMPETITIVE LANDSCAPE

Demand is driven primarily by corporate spending. The profitability of individual companies depends on the efficiency of their operations and their ability to maintain a steady flow of business. Large firms have advantages in being able to offer broad ranges of services and to take on more complex projects. Small firms can compete effectively by specializing. The US

industry is fragmented: the top 50 companies account for about 30% of industry revenue.

PRODUCTS, OPERATIONS & TECHNOLOGY

Management consulting services, including consulting related to strategic planning, marketing, and human resources, account for about 85% of US industry revenue.”

Management Consulting Customer Demographics

IBISWorld reports on the major market segments for [Management Consulting in the US](#). The full version of the report is available for purchase.

- The Management Consulting industry generates approximately \$255.9 billion with the majority of consulting services generating revenue from the private sector
- The major markets are segmented by industry sectors and include Consumer Products and Manufacturing (26.3%), Financial Services (23.2%), Government Organizations (19.2%), Technology, Media and Telecommunications (10.1%), Healthcare and Life Sciences (8.0%), Individuals and Nonprofit Organizations (7.4%) and Energy and Resource Companies (5.8%).

Management Consulting Business Startup Costs

- [How To Start A Consulting Business](#)
“Different specialties may have different startup requirements in terms of capital investment in equipment and supplies for a particular field. As a rough estimate, Entrepreneur reports that a business consultant can generally set up shop for \$2,000 to \$10,000.”
- [How To Start A Consulting Business from growthink.com](#)
“What are the typical startup costs for a new consulting business?
Startup cost for new consulting businesses range from \$10,000 to \$50,000.”
- [Business Consultant Startup Costs from Entrepreneur Magazine:](#)
 - Total Startup costs: \$10,000 - \$50,000
 - Home based: Can be operated from home.
 - Part Time: Can be operated part-time.
 - Franchises available? Yes
 - Online Operation? No
- [How to Start a Consulting Business](#) from Entrepreneur

Management Consulting Business Plans

- [Business Consulting Business Plan](#)
- [Consulting Firm Business Plan](#)
- [Components of a Business Plan for a Freelancing or Consulting Business](#)

Management Consulting Publications

- [Consulting Magazine](#)
- [McKinsey & Company Featured Insights](#)
- [The Economist](#)
- [Harvard Business Review](#)
- [Fast Company](#)
- [Consultancy](#)
- [ALM Intelligence](#)

Management Consulting Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- [Institute of Management Consultants](#)
- [Professional and Technical Consultants Association](#)
- [Turnaround Management Association](#)
- [The Society of Professional Consultants](#)

Management Consultants Employment Trends

Here is a look at the management consulting employment market from the Bureau of Labor Statistics focused on [Management Analysts Job Market Conditions](#).

Quick Facts: Management Analysts	
2018 Median Pay	\$83,610 per year \$40.20 per hour
Typical Entry-Level Education	Bachelor's degree
Work Experience in a Related Occupation	Less than 5 years
On-the-job Training	None
Number of Jobs, 2016	806,400
Job Outlook, 2016-26	14% (Faster than average)
Employment Change, 2016-26	115,200

“Work Environment

Management analysts usually divide their time between their offices and the client’s site. Because they must spend a significant amount of time with clients, analysts travel frequently. Analysts may experience stress when trying to meet a client’s demands, often on a tight schedule.

Job Outlook

Demand for consulting services is expected to grow as organizations seek ways to improve efficiency and control costs. As markets become more competitive, firms will need to use resources more efficiently.

Demand for management analysts is expected to be strong in healthcare. This industry segment is experiencing higher costs in part because of an aging population. In addition, more management analysts may be needed to help navigate the regulatory environment within health insurance.

Information technology (IT) consultants are also expected to see high demand. Businesses will seek out consulting firms to help them attain a high level of cyber security, and make sure their IT systems are efficient and up to date.

Growth will be particularly strong in smaller consulting companies that specialize in specific industries or types of business function, such as information technology or human resources. Government agencies will also seek the services of management analysts as they look for ways to reduce spending and improve efficiency.

A more specific breakdown of wages for Professional, Scientific, and Technical services in the US can be found [here](#) (see [13-1111](#)).”

Additional Small Business Resources

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- View industry-specific research here: [Market Research Links](#)
- View business plans samples here: [Sample Business Plans](#)

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