

THE
CONSULTANCY
GROWTH
NETWORK

WOW

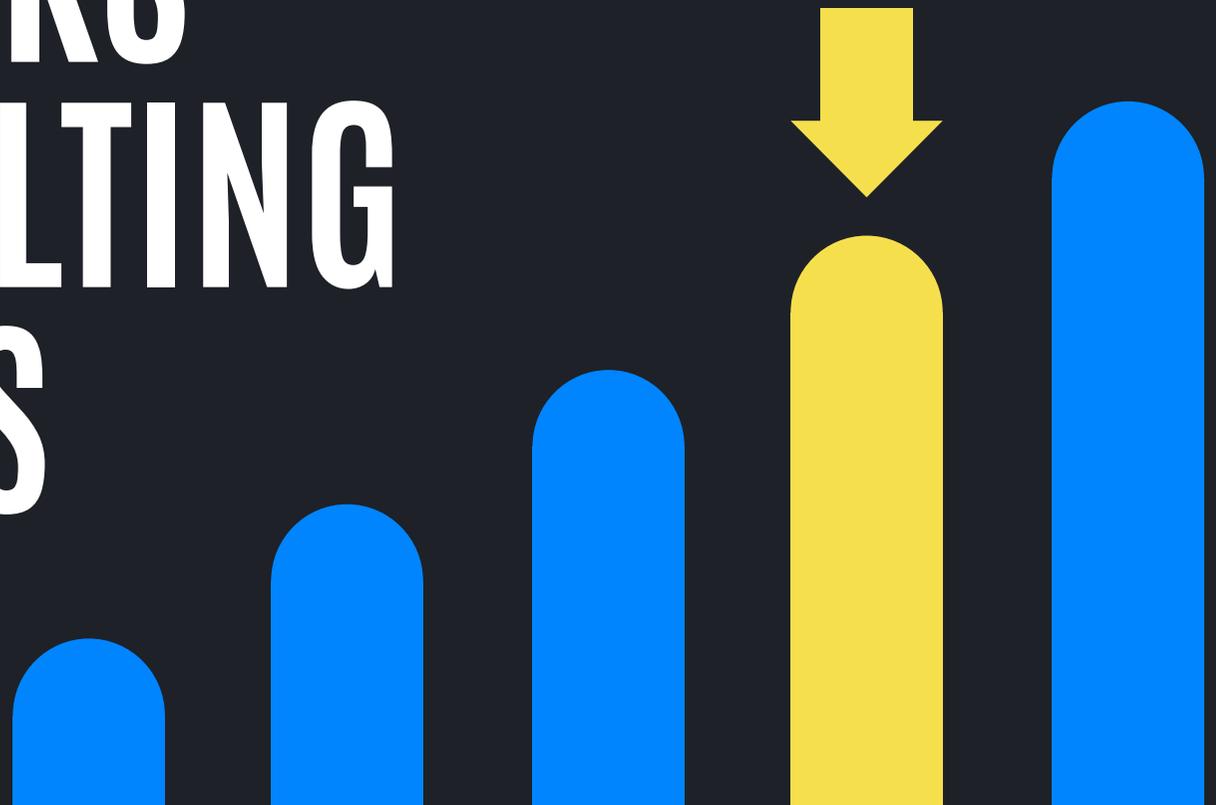


EVALUATE YOUR PERFORMANCE IN KEY AREAS

ABRIDGED REPORT

BENCHMARKS FOR CONSULTING BUSINESSES

2022



CONTENTS

- 3 INTRODUCTION**
- 6 GROWTH & PROFIT**
- 12 FINDING TALENT**
- 14 NURTURING TALENT**
- 17 WHO COMPLETED THE SURVEY**



THE POWER OF BENCHMARKING

WHY BENCHMARKING

Consultancy BenchPress is run by [The Wow Company](#), an accountancy practice that specialises in working with consulting and creative businesses, and [The Consultancy Growth Network](#), an international community for consulting business owners to access expert insights, peer support, introductions and actionable advice. We believe that benchmarking plays a key role in improving performance. These insights highlight opportunities to improve, show you what's possible, and are a catalyst for positive change within your business.

TAKE YOUR CONSULTANCY TO THE NEXT LEVEL

Last year's [Consultancy BenchPress](#) was a landmark moment for the consulting industry. For the first time, founder-led consulting firms were able to compare themselves against their peers in several key areas, including hourly rates, profitability, and earnings. This year, we've analysed how performance has changed over the past year, as well as focusing on one of the hottest topics right now: how to find and retain the best talent. We hope this report inspires you to take things to the next level for your consulting business.

GET ACCESS TO THE **FULL REPORT**

This is an abridged report. [Complete the survey](#) to get the full version. The full version is also available to members of [The Consultancy Growth Network](#) - an international community for consulting business owners enjoying access to insights, introductions and actionable advice.

FIND OUT MORE ABOUT

THE
CONSULTANCY
GROWTH
NETWORK



BOOK A CALL WITH LUKE



THE FULL REPORT
CONTAINS DATA FROM
254 INDEPENDENT
CONSULTING BUSINESSES
WITH REVENUES OF
UP TO £20M

SETTING OURSELVES UP FOR SUCCESS



MARC JANTZEN

FOUNDER

THE CONSULTANCY
GROWTH NETWORK



“This is our second report giving you the opportunity to benchmark the performance of your founder-led consultancy against your peers. I am pleased to see confidence levels are riding high and that 88% are anticipating that 2022 will be a growth year.

Typically, finding and winning new clients is the biggest challenge consulting businesses face. However, this year, our biggest constraint is attracting and retaining talent. Our results show that consultancies are not tackling this people challenge as vigorously as they need to.

There are a number of factors at play. Consulting owners continue to struggle to find enough time to work on the business instead of in it. This lack of consistent strategic focus is showing itself in unsophisticated selection processes, lack of investment in the candidate experience, and over dependence on personal networks.

These are just a sample of the many opportunities for improvement identified in our research across a broad range of benchmarks. I encourage you to act on the insights from this report, not just to help you with the problems of today but to set yourselves up for success beyond 2022.”

THE HEADLINES



1. NOT ENOUGH BEING DONE TO TACKLE THE RECRUITMENT CHALLENGE

Finding talent is our number one challenge right now. Despite this, less than a third of consultancies are accessing the expertise needed to solve this challenge. Many firms are failing to look beyond their existing contacts for talent, and only one in four are investing in a conscious strategy to deliver a great candidate experience. Find out more in the full report.



2. LACK OF REFERRAL STRATEGY IS LEAVING MONEY ON THE TABLE

Referrals are by far the most effective way to pick up new clients, with 41% of new clients coming from referrals. Despite this, only 12% of consulting firms have fully implemented a sales referral strategy, with those that do growing much quicker as a result. This represents a huge opportunity for those that haven't yet done this. Find out more in the full report.



3. FAR TOO MANY FIRMS RELIANT ON A SINGLE CLIENT

If a single client accounts for more than 15% of your revenue, this puts your business at risk of having to adapt to a sudden change in revenue if circumstances change with that client. Incredibly, four out of five consultancies are in this position. If this is you, find out what you can do about it in the full report.



4. NOT ENOUGH WORKING ON THE BUSINESS

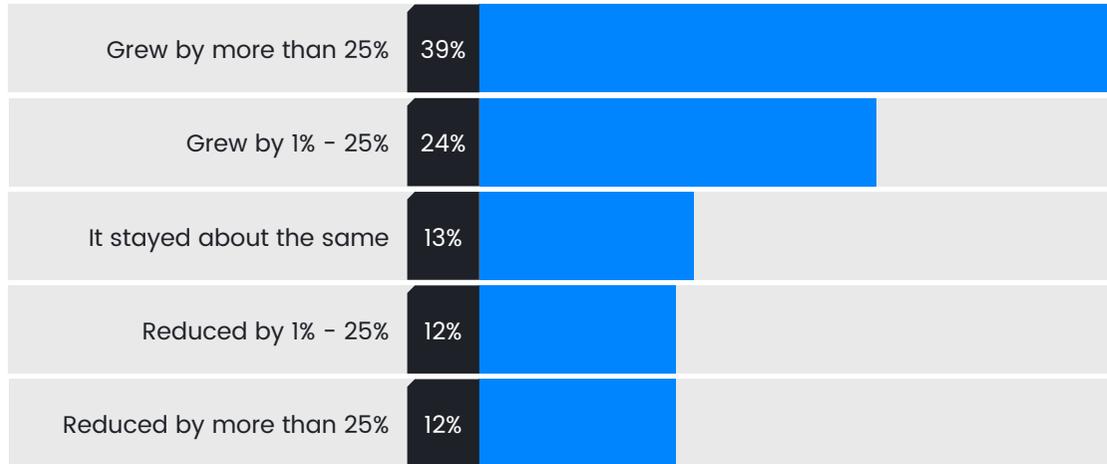
The average utilisation rate for a partner is 47%. That's too high if you're looking to grow a high performing consulting business. Despite a third of consultancy owners seeking to reduce their chargeable work, this is still the second biggest challenge consultancies are facing. Find out how you can solve it in the full report.

[COMPLETE THE SURVEY TO ACCESS THE FULL REPORT](#)



GROWTH RATES

HOW MUCH DID YOU GROW REVENUE BY LAST YEAR?



Globally, professional services firms grew by an average of 8.7%*

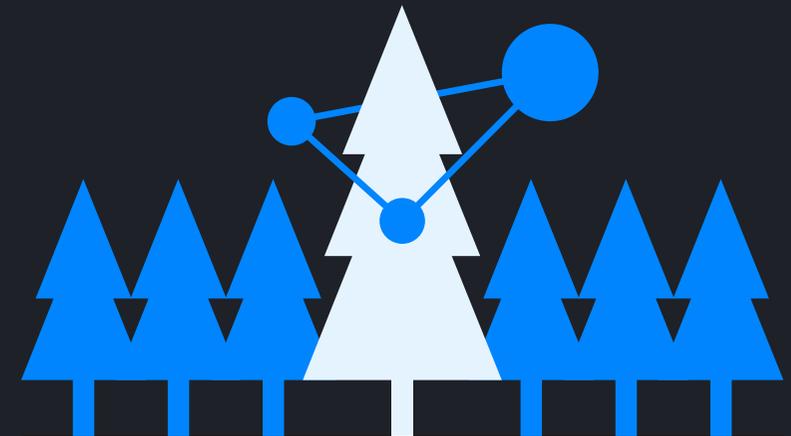
* In the last 12 months. Source: [statista](https://www.statista.com)

A MUCH BETTER YEAR THAN PREDICTED

Last year we surveyed owners of founder-led consultancies six months into the COVID pandemic, and less than half were predicting growth in 2021. In the end, 63% managed to grow revenues, with two out of five growing by more than 25%.

MEMBERS OF THE CONSULTANCY GROWTH NETWORK GREW FASTER

51% OF MEMBERS GREW BY MORE THAN 25% COMPARED TO 35% OF NON-MEMBERS



LOOKING TO GROW FASTER?

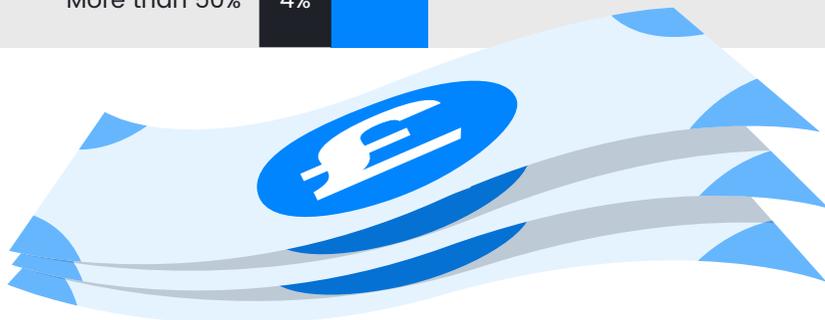
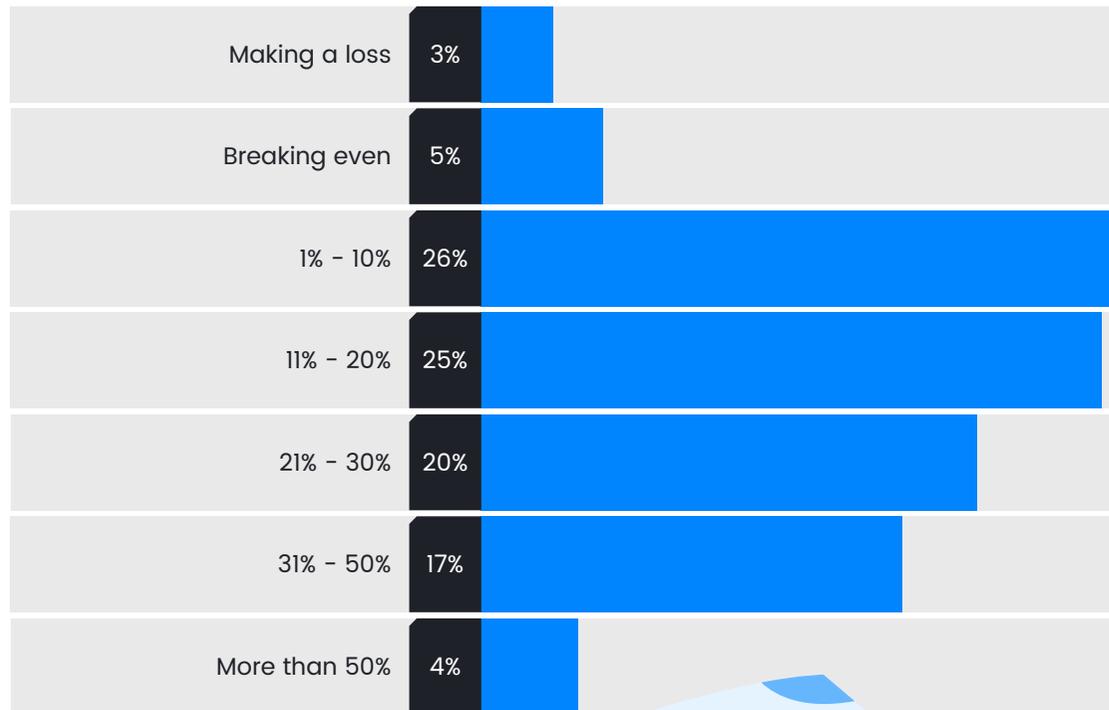
To find out about how membership could support your growth plans, visit:

THE CONSULTANCY GROWTH NETWORK



OPERATING PROFIT

This is often referred to as EBIT – earnings before interest, tax and dividends. The figures below are adjusted to take into account a market level remuneration for owners.



OPERATING PROFIT INCREASES

16% ➔ 19%

In 2020, the average operating profit was 16%. In 2021, this rose to 19%, as clients started spending again and consultancies took advantage of their leaner operating models.



WANT TO BUILD A SUPER-PROFITABLE CONSULTANCY?

FOR TIPS YOU CAN IMPLEMENT RIGHT NOW

CLICK HERE



CONFIDENCE REACHES A NEW HIGH

WE ASKED CONSULTING BUSINESS OWNERS 'HOW DO YOU FEEL ABOUT THE YEAR AHEAD?'

A 50 rating is neutral. Above 50 and you're feeling confident. Below 50 and you're expecting the next 12 months to be worse than the last 12 months.



Members of The Consultancy Growth Network are more confident about the future than non-members.

CONSULTING M & A



BRUCE RAMSAY
MANAGING DIRECTOR
CONSULTING M&A

Rising confidence is reflected in the increasing volume of transactions for the sale of consultancies.

If you are at the stage when you would like to realise value from the years of effort you have put into your consultancy, contact Bruce Ramsay at Consulting M&A. The team has over a decade of experience completing company sales in the sector.

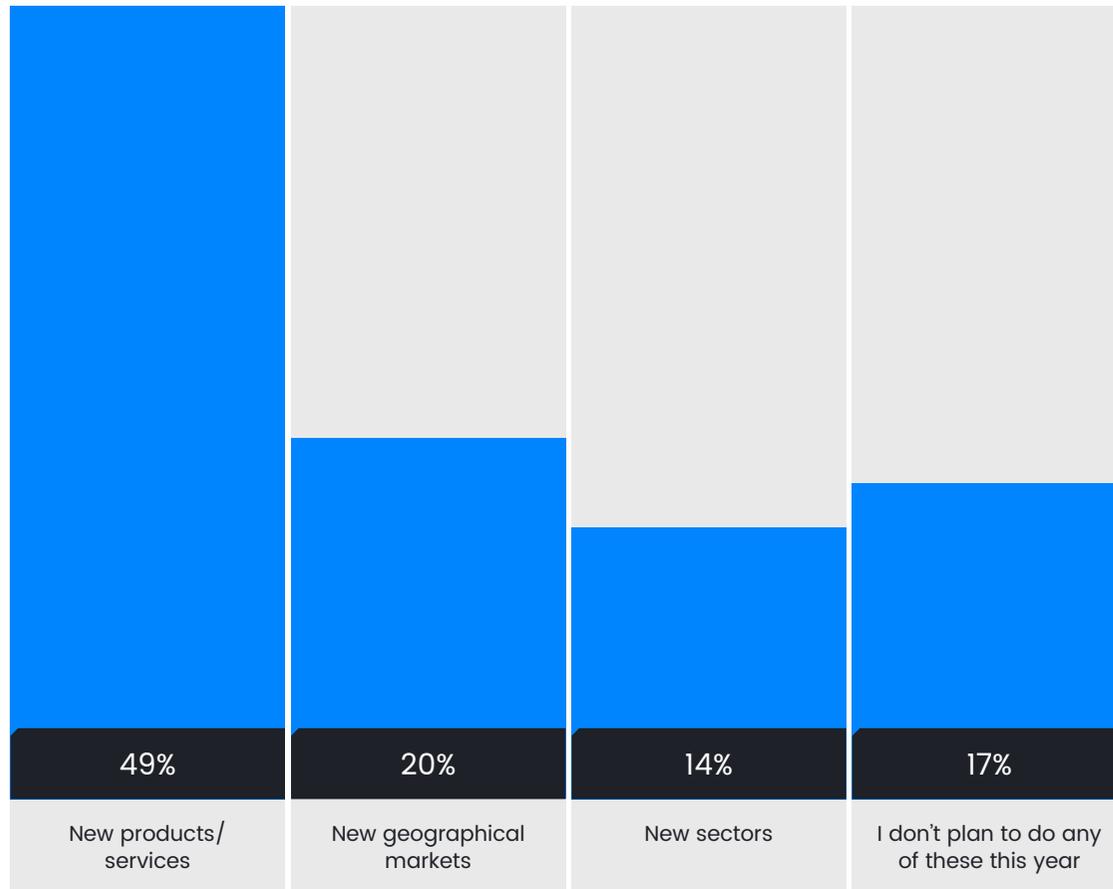
[FIND OUT MORE](#)



WHERE WILL GROWTH COME FROM?

WHERE DO YOU EXPECT THE MAJORITY OF YOUR GROWTH TO COME FROM?*

*In addition to expanding existing clients and winning new clients in your current markets.



HOW WILL YOU BE INNOVATING IN THE NEXT 12 MONTHS TO WIN MORE WORK IN THESE AREAS?

Three questions to ask yourself to support your revenue growth:

- 
1

How could you use your network of lapsed clients to enter new sectors?

- 2

Which products and services would your clients be interested in?

- 3

Which markets do your existing clients operate in that you could access?

REPORTING

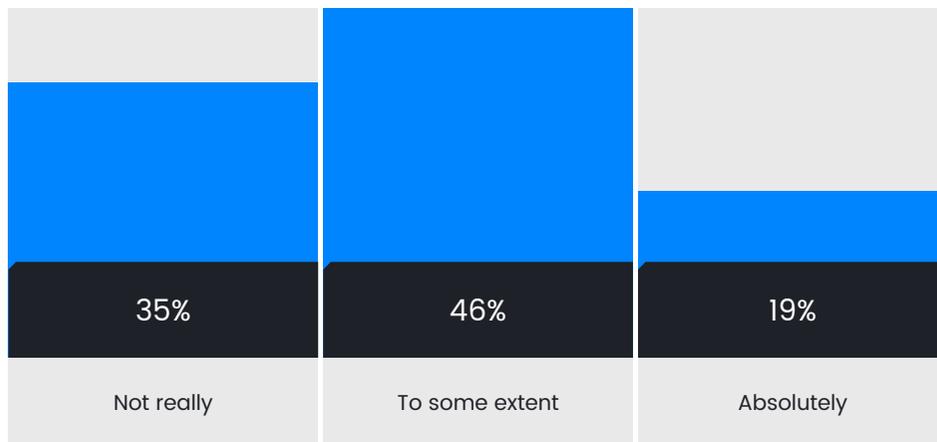


BETTER REPORTING EQUALS MORE PROFIT

Those who measure their Key Performance Indicators (KPIs) regularly make significantly more profit than those that don't.

The average operating profit percentage for consultancies with a balanced KPI framework was 28% compared to just 18% for those without this.

DO YOU HAVE A BALANCED KPI FRAMEWORK CASCADED THROUGHOUT THE BUSINESS SO THAT YOUR TEAM ALL HAVE ROLE CLARITY, CLEAR TARGETS AND TRANSPARENT CAREER PROGRESSION?



JON STEAD

STRATEGY DIRECTOR
CMap SOFTWARE

CMap helps consultancies to win more work and deliver it more profitably within an end-to-end system providing:

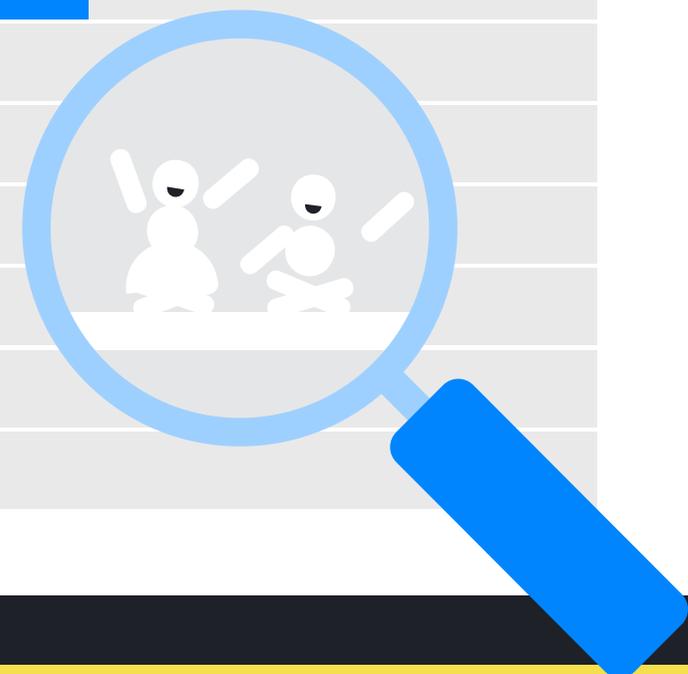
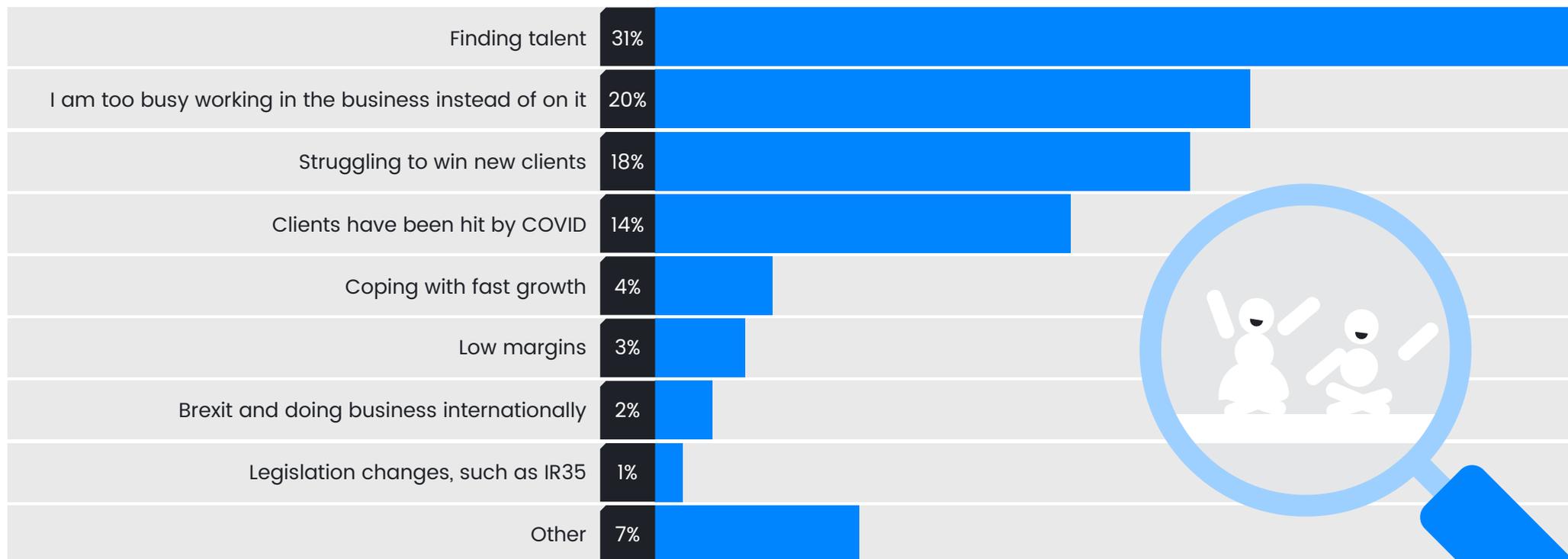
- CRM
- Timesheets and expenses
- Resourcing and HR
- Billing and revenue
- Reporting and dashboards
- Mobile apps and more!

We kill off spreadsheets and failed systems, providing consultancies with business clarity all in one place.

FIND OUT MORE



WHAT'S YOUR BIGGEST CHALLENGE RIGHT NOW?



FINDING NEW CLIENTS HAS HISTORICALLY BEEN THE BIGGEST CHALLENGE OF GROWTH. NOT ANY MORE.

Consultancies now face a new #1 challenge: the battle to find and keep the best talent to fulfil their growth plans.

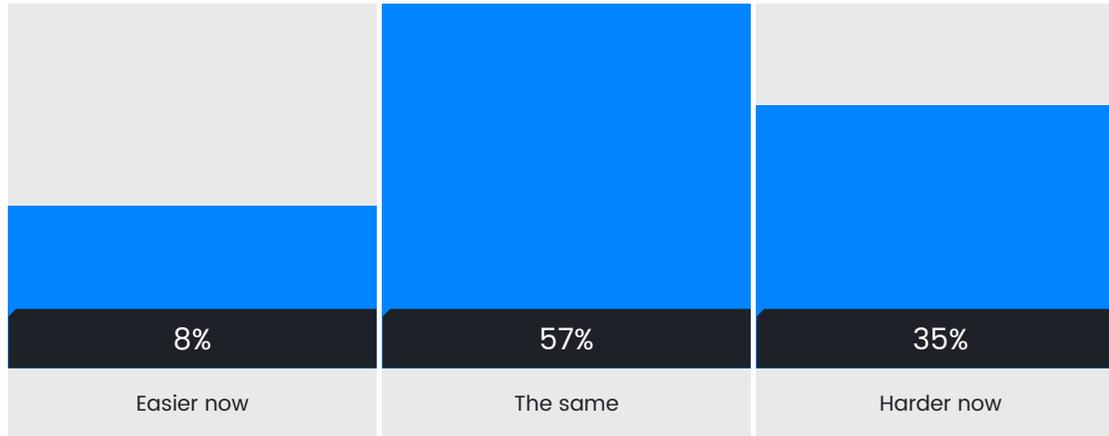


STRUGGLING TO FIND THE BEST TALENT TO GROW YOUR CONSULTANCY?

[Complete the survey to read all the insights in the full report](#)

FINDING TALENT

HOW HARD ARE YOU FINDING IT TO ATTRACT TALENT COMPARED TO 12 MONTHS AGO?



A SMALL NUMBER OF CONSULTING FIRMS ARE FINDING IT EASIER TO RECRUIT

This group has recognised the need for expertise in this area and are less reliant on personal contacts than those finding recruitment harder.

HOW TO RISE TO THE RECRUITMENT CHALLENGE



DO YOU OUTSOURCE ANY ASPECT OF YOUR RECRUITMENT OR RETENTION STRATEGY?



THE MOST SUCCESSFUL WAYS OF SOURCING CANDIDATES



THE TOUGHEST RECRUITMENT MARKET FOR 20 YEARS

In the second half of 2021, the recruitment market was officially hotter than it has been for 20 years. The Office for National Statistics reported more live vacancies (across all industries) than at any time since 2001. According to Source Global Research, nearly two in three consulting firms are short-staffed and one in five is turning down work due to lack of resource. It therefore comes as no surprise that over a third of firms are finding it more difficult to attract talent now than 12 months ago.

38% OF CONSULTANCIES CONSIDER PERSONAL CONTACTS TO BE THEIR MOST SUCCESSFUL SOURCE OF CANDIDATES

This is not surprising. When establishing a business and building a team this is the typical place to start. But your network of personal contacts will inevitably dry up at some point, making this an un-scalable recruitment model. Importantly, hiring personal contacts generally means people with similar career experience. The highest-performing teams benefit from the diversity of thought and approach that comes from hiring people with varied backgrounds and experience.

OUTSOURCING INCREASES CHANCES OF SUCCESS

Whether you outsource it or develop the capability in-house, there is an art to attracting and selecting talent. It is a skill that is often undervalued. However, those that have found it easier to recruit during this challenging market are those that recognise the need to invest in a great candidate experience using the latest tools and specialist recruitment expertise.

NewMinds

LOOKING FOR SUPPORT WITH YOUR RECRUITMENT?

At New Minds we help consultancies to scale, working as an integrated partner and extension of your team, to recruit, reward and retain the people you need.



CAROLINE BOSTON

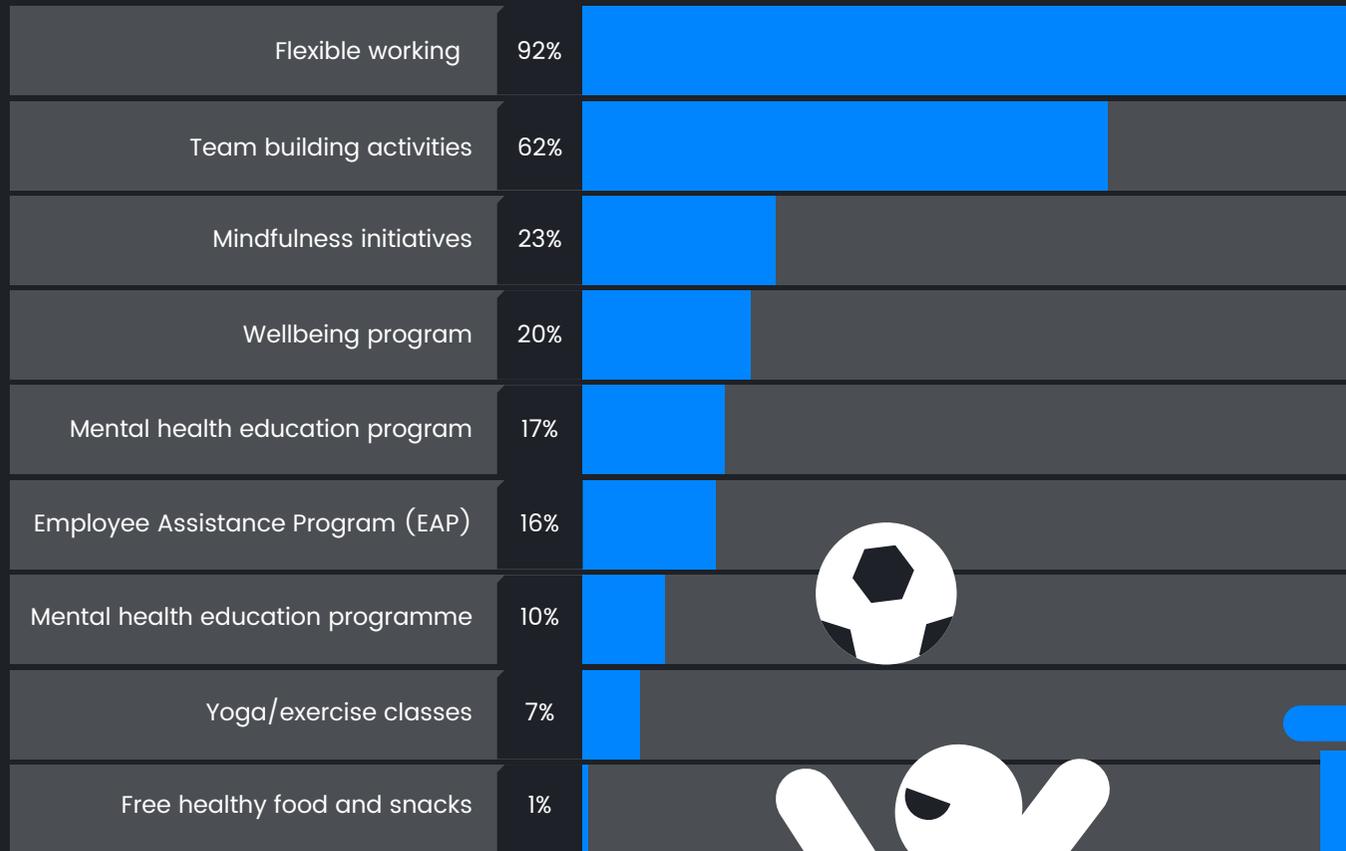
MANAGING DIRECTOR
NEW MINDS

FIND OUT MORE



LOOKING AFTER OUR PEOPLE

WHAT CONSULTANCIES DO TO IMPROVE TEAM WELLBEING

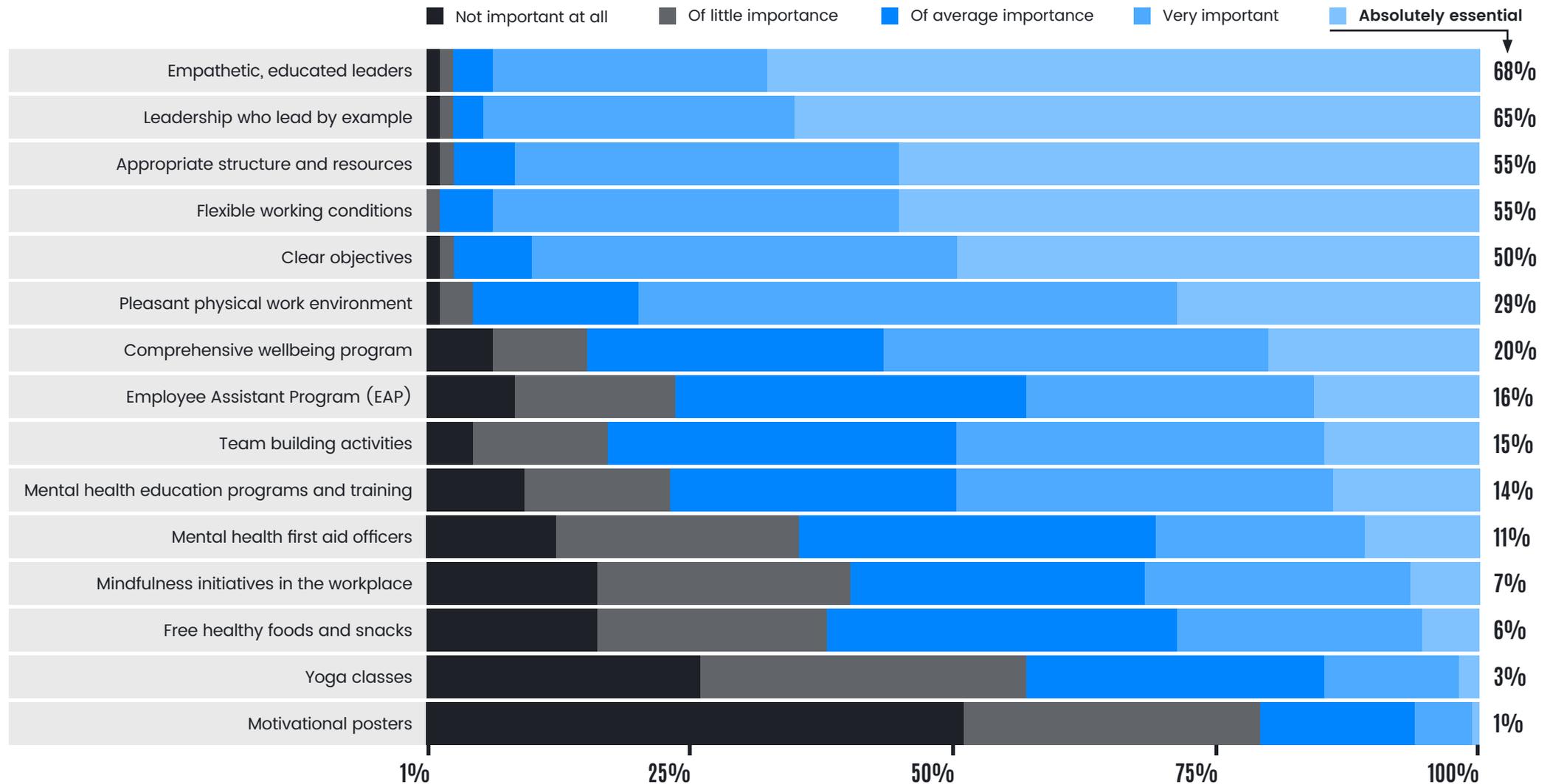


It's great to see that more and more consultancies are proactive in looking after their teams' wellbeings. These things are positive steps in the right direction but are no substitute for what people actually want. Scroll down to find out what this is...



WHAT OUR PEOPLE ACTUALLY WANT

The graph below is taken from a survey of 1,500 employees looking at mental health and wellbeing, conducted by [Mentally Healthy](#). It shows that our people want empathetic, educated leaders. Make this year the year that you invest in your leadership training. Scroll down for tips to get started.



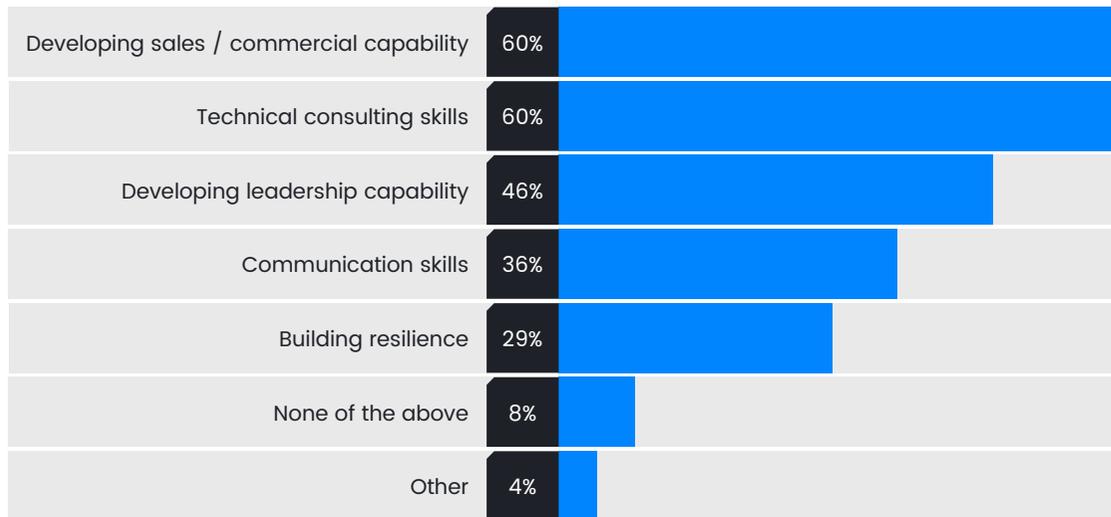
DEVELOPING YOUR PEOPLE



ARE YOU INVESTING ENOUGH TIME IN YOUR TEAM'S DEVELOPMENT?



WHICH AREAS DO YOU PLAN TO INVEST IN?



THE
CONSULTANCY
GROWTH
NETWORK

DEVELOP YOUR LEADERSHIP TEAM WITH CORPORATE MEMBERSHIP

Owners of consultancies can share the benefits of membership of The Consultancy Growth Network with their senior teams through Corporate Membership.

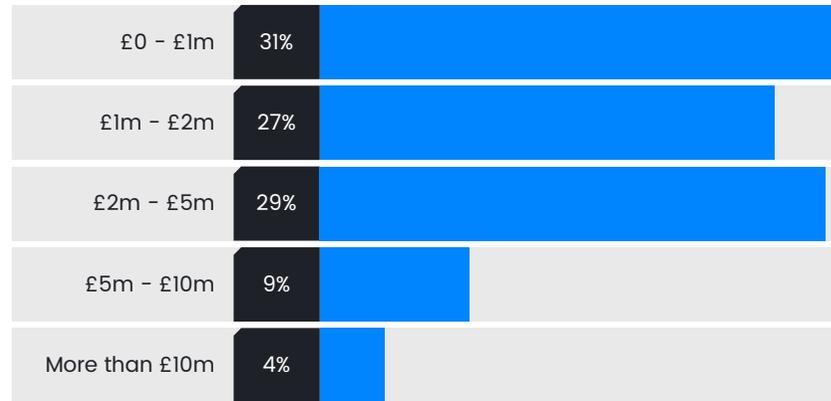
It is a fantastic way to develop their specialist knowledge across all disciplines. It supports them during onboarding and induction and continues as part of their ongoing learning and development.

DISCOVER MORE ABOUT MEMBERSHIP

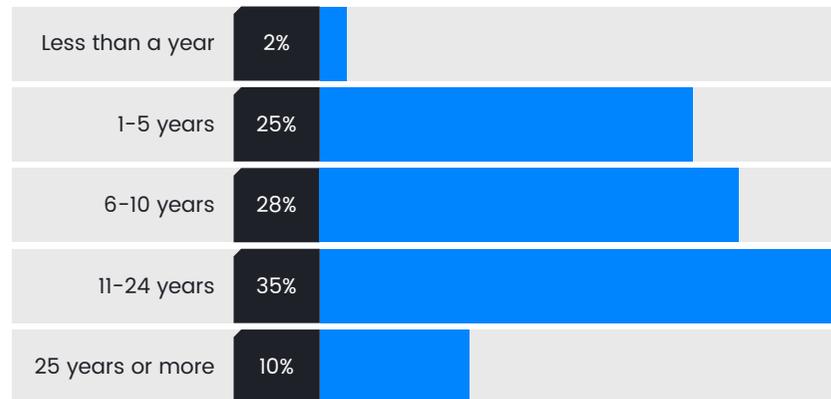


WHO COMPLETED THE SURVEY

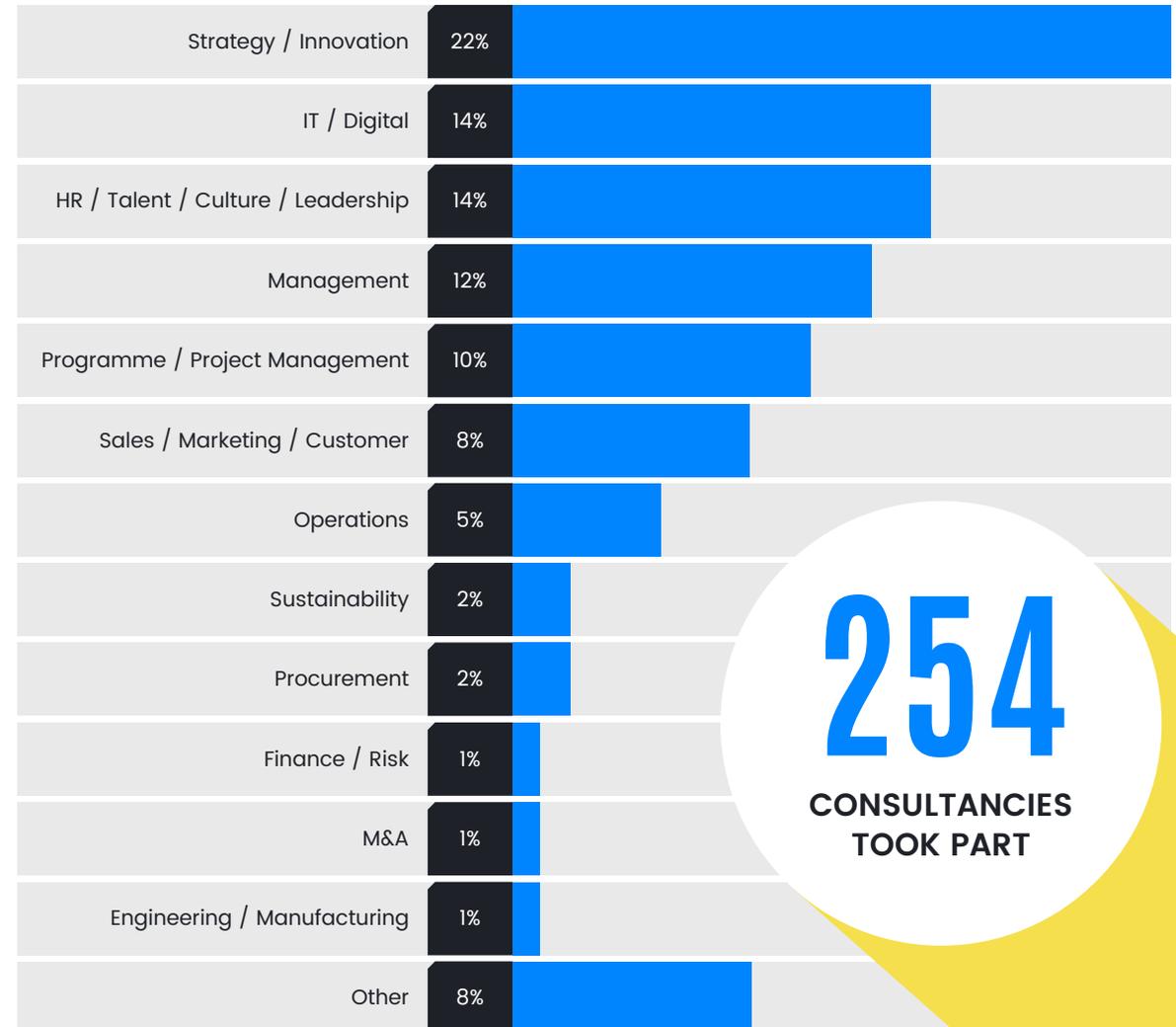
REVENUE IN THE LAST 12 MONTHS



HOW LONG THEY'VE BEEN IN BUSINESS



TYPE OF CONSULTING BUSINESS



254

**CONSULTANCIES
TOOK PART**

GET ACCESS TO THE FULL REPORT

This is an abridged report. The full 45-page version is available to those who complete the 10 minute survey and to members of The Consultancy Growth Network. Here's what you get in the full report:



What should be in your candidate selection process



The impact of COVID and IR35 on consultancies



How your resourcing model affects profit



Why you need to measure team engagement more frequently



How to reduce reliance on a single client



How owner utilisation rates are changing



The strategy that will have the biggest impact on your sales pipeline



Rewards and incentives offered by consultancies

COMPLETE THE SURVEY



ARRANGE A CHAT WITH LUKE



THE CONSULTANCY GROWTH NETWORK



WOW

The Wow Company is an accountancy practice that specialises in working with consulting and creative businesses. We love providing consultancy owners with insights and best practices, so they can make better decisions.

WE LOVE WORKING WITH CONSULTANCIES

- Helping you grow profitably and sustainably – we believe this should be at the heart of growing a business
- Giving you meaningful information at your fingertips so you can make informed business decisions with confidence
- Removing the hassle of staying on top of your finances, so you can focus on what you love doing

HERE'S WHAT OTHER CONSULTANCY OWNERS SAY ABOUT US



AL CATTO
BEYOND

“The team at Wow made the transition from our previous accountants painless. They worked closely with us to both gain a deep understanding of our business, and also the individual motivations of our directors. Every time we have needed advice or a new service, Wow has been able to rise to the challenge quickly and efficiently. Wow has definitely given us greater control of our financial metrics, but ultimately the greatest benefit is that they have given us time back, enabling us to focus on growing the business”



WANT TO GROW YOUR CONSULTANCY PROFITABLY AND SUSTAINABLY?

Running a consulting business is fun, but it can also be tough. Whatever your journey throws at you, we'll be with you every step of the way. We'll make your life easier and offer great advice as you grow.

BOOK A CALL WITH RORY



 @THEWOWCOMPANY

 @THEWOWCOMPANY

GET IN TOUCH

**THE
CONSULTANCY
GROWTH
NETWORK**

CONSULTANCYGROWTHNETWORK.COM

LUKE@CONSULTANCYGROWTHNETWORK.COM

07760 725 156

WOW

THEWOWCOMPANY.COM

RORY.SPENCE@THEWOWCOMPANY.COM

0345 201 1580