British consulting industry to see robust growth driven by AI and digital technology

The British consulting sector is projected to experience single-digit growth over the next year, with a near nine per cent increase anticipated for 2026, largely driven by advancements in AI.

Research from the Management Consultancies Association (MCA) suggests that the consulting sector will grow by 6.4 per cent in 2025, as reported by <u>City AM</u>.

This follows MCA's report last year predicting a return "to double digits growth in 2025 (11 per cent)". The latest report reveals that nearly 40 per cent of consulting firms plan to expand further with additional regional offices outside <u>London</u> this year, with investments estimated at £2.8m, rising to £5.3m for larger firms.

The growth is expected to be seen in consulting services in AI (66 per cent), digital technology (59 per cent) and cost reduction (46 per cent). The energy and resource sector, infrastructure, and digital and technology sector are predicted to be the top three sectors for this anticipated growth.

AI is also expected to play a pivotal role in meeting increasing client expectations. The survey predicts consultants will increasingly utilise AI-powered tools to streamline processes, enhance decision-making, and provide more personalised solutions to clients.

The survey also emphasised the industry's "increasing commitment to inclusivity", as data showed a shift in the educational backgrounds of young consultants, with those from

Russell Group universities decreasing to 30 per cent, compared to 73 per cent in 2017.

In a recent study focusing on job satisfaction for consultants, it was found that for the first time in six years, flexible working, preferred by 37 per cent, has surpassed the appeal of a competitive salary, which sits at 28 per cent. Despite the rising trend in flexible work arrangements, there's still a notable yearning for personal interaction within the consultancy sphere, with 56 per cent of those surveyed indicating they desire more face-to-face time.

Tamzen Isacsson, chief executive of Management Consultancies Association (MCA), commented on the findings: "Nearly three quarters of business leaders say their performance either met or exceeded expectations last year and it's encouraging that our leaders expect client demand to bounce back this year and next."

She further noted the consulting realms progressive reputation: "It is no wonder therefore that the consulting sector has been identified as a growth-driving industry by the <u>government</u>."

Isacsson also highlighted the sector's commitment to inclusivity, "Our sector continues to lead the way on diversity and inclusion and continues to attract more diverse talent into the sector from all backgrounds and regions of the UK," she concluded.

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