

## How consulting firms in Australia can help to future-proof their business



It may have enjoyed a long period of growth, but the Australian economy has hit some big bumps in the road recently, and the jury is out as to whether things are set to change for the better. In the meantime, it's clear that the business community is feeling shaken by the sheer range and potential severity of the negative indicators facing it, and a nervous client base is rarely good news for consultants.

However, it's our view that there will still be reasonable levels of growth on offer in the country's consulting market, though the rate of increase could be slower between now and the end of 2020 than it has been over the last few years. How well consulting firms weather the new experience of a slower growth environment could come down to which parts of the market they choose to serve.

Operational improvement work is set to experience something of a resurgence, with clients likely to shift gear and move from a growth mindset to one that focuses on ensuring bottom line health. With most self-respecting companies having slimmed down costs as far as

possible in the wake of 2008's "GFC" (Global Financial Crisis), finding further efficiency opportunities could prove challenging, with the result that clients will be inclined to look to firms to help them implement innovative change, and target hard-to-access areas. Digital tools are playing an increasingly important role here: For firms to be successful in winning work, an ability to leverage robotics and advanced analytics tools will be vital.

Indeed, strong positioning in all aspects of digital work will prove essential for firms if they are to capture a share of one of the market's bigger growth areas—digital transformation. Just under 40% of all work done by consultants in Australia is now digital in nature—a year-on-year increase of 15%. This uptick in digital work is happening at the expense of more traditional consulting work—which makes it all the more important for firms to get their digital transformation ducks in a row. And this isn't just about the ability to help clients with a few clever tools—clients are looking to achieve fundamental change that delivers value and results. As one senior consultant we spoke to memorably told us, "it's no longer about putting lipstick on a pig."

We're not saying that things are going to be easy as economic growth falters, and clients are less inclined to make bold decisions, but focusing on areas likely to see the most client interest will definitely help.