

International Consultants Day

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National Consulting Index (NCI)

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Consultants of the Future

Developing a National Consulting Index (NCI)

The 2022 NCI Research Team

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Definition

“The National Consulting Index (NCI) is a means of determining the strength of a national management consulting sector, relative to other countries”

(Haslam, 2022, p. 88).

NCI aims

- 1) To develop a tool to determine the potential market size for management consulting services in member countries
- 2) To provide member IMCs with a tool that allows each one to promote the profession to governments and other stakeholders

Project aims

- 1) To update earlier attempts to identify the size of the management consulting sector (MCS) in each country for which data are available, taking into account market conditions in the Covid era
- 2) To refine and strengthen the computational model for estimating an NCI

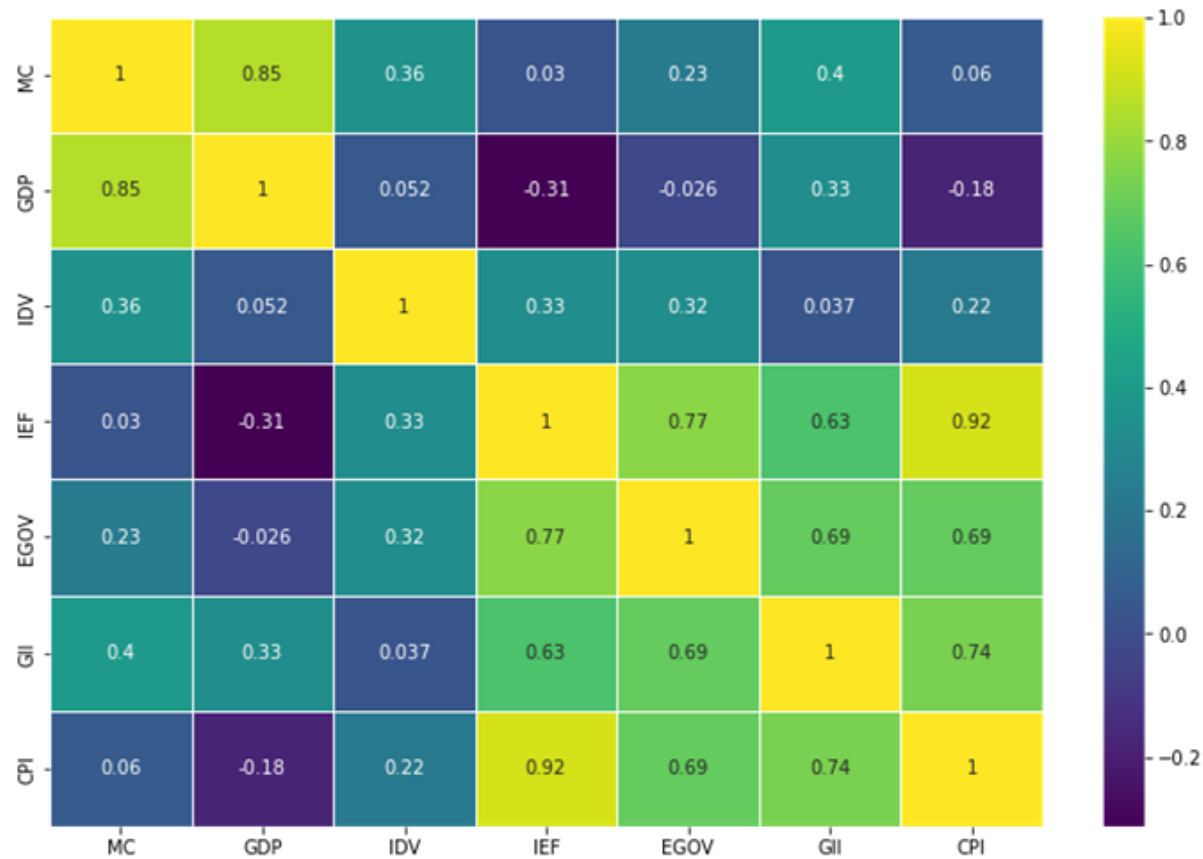
Methodology

- Used 2020 NCI data as a starting point.
- MCS data for 14 countries purchased from Source Global Research. Countries were chosen for their diversity of size, geography, and culture.
- Data adjusted statistically to account for the long tail (est. 75%-80%) of smaller consulting firms and projects.
- Commissioned three data analysts to work independently on a regression model to predict the NCI for other countries.
- ICMCI executive team provided data for variables used in the 2020 NCI calculation, replacing the dated Global Creativity Index with a current Global Innovation Index (GII).
- Correlational and multiple regression analysis using MCS as the dependent variable, and National GDP, Hofstede Individualism score (IDV), Index of Economic Freedom (IEF), eGovernment Index (GII), and Corruption Perception Index (CPI) as independent variables.

Data used to determine the NCI

Country	MCS \$m (2020)	GDP \$bn (2020)	Hofstede Individualism (IDV)	Index of Economic Freedom (IEF)	eGovernment Index (EGOV)	Global Innovation Index (GII)	Corruption Perception Index (CPI)
Australia	6,128	1,327.8	90	77.1	0.943	48.3	77
Austria	1,062	433.3	55	73.8	0.891	50.1	76
Brazil	2,480	1,444.7	38	53.3	0.768	31.9	38
Canada	5,459	1,645.4	80	76.6	0.842	52.3	77
China	14,043	14,722.7	20	48.0	0.795	53.3	42
Germany	15,289	3,846.4	71	76.1	0.852	56.6	80
Italy	2,724	1,888.7	67	65.4	0.823	45.7	53
Japan	4,673	5,057.7	76	69.9	0.899	52.7	74
Netherlands	2,860	913.8	46	79.5	0.923	58.8	82
Russian Fed.	1,294	1,483.5	80	56.1	0.824	35.6	30
Singapore	1,983	340.0	20	84.4	0.915	56.6	85
South Korea	679	1,637.9	51	74.6	0.956	56.1	61
UK	18,183	2,759.8	68	72.7	0.936	59.8	77
USA	92,798	20,953.0	89	72.1	0.930	60.6	67

Correlation Matrix Heat Map



Results

- The strongest predictor variables of MCS size were GDP, IDV, eGOV, and GII
- Predictive model: $MCS = 1.0000912 * GDP * IDV * eGOV * GII$
- The model accounted for 95% ($R^2 = .957$, $p. < .001$) of the variance in the data
- The 14 reference countries account for around 70% of the global MCS
- ICMCI Member IMCs account cover geographies accounting for US\$190B, or nearly 80% of the global MCS

Cautions

- Complete data sets for all variables are not available separately for some jurisdictions
- The small number of countries used in the regression means that the results of that regression should be treated with caution at this point
- Members may have access to different data than that provided via the NCI. Those differences are due to the application of different definitions of what a management consultant is, and differing methodologies used by different researchers.

Future research

1. Member IMCs will be contacted shortly to seek additional information to help us better understand the sector in your region.
2. Tabachnick & Fidell (1996) suggest a minimum sample of 25 for robust regression. If possible, future research should seek Source data for that minimum number of countries to strengthen the regression model.
3. Research to quantify the discrepancies in sector size between NCI and other researchers is needed to ensure member confidence in NCI project results.
4. Continuing research to identify other predictor variables, especially in smaller and non-ICMCI member markets is needed to establish a global picture of the MCS.

References

Haslam, S. (2022). Developing the National Consulting Index: An Update on How to Estimate the Size of National Management Consulting Sectors. *Management Consulting Journal* 5.2.

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Thank you!

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