2020

Independent Consulting in Review

Sixth edition

the barton partnership

Contents

Introduction

The landscape of work is changing. Over the last ten years there has been a significant growth in the adoption of flexible working patterns and short-term, project-based working.

There is a vast spectrum of workers who choose this form of employment. At the highly skilled end sit independent consultants; **individuals with backgrounds from top-tier consulting firms and additional industry experience.** Driven largely by the desire to work flexibly and on projects in which they are intellectually invested, this pivot to independent working is, for many, a deliberate and long-term career move.

Businesses are recognising the many benefits independent consultants bring, finding themselves able to engage experienced talent in a flexible and cost-effective way. Businesses that are adopting this agile mindset benefit from the fresh thinking of independently-minded individuals, as well as the ability to scale their workforce up or down in response to changing workloads.

Amid economic uncertainty, independent workers can be of particular benefit to companies: **filling critical skills gaps, implementing new directions or providing focus in times of unprecedented change.** Flexible approaches to hiring are increasingly necessary to help compensate for instability during times of disruption.

2020 marks the sixth year of our research into the independent consulting market. Since launching the independent consulting business in 2014, **The Barton Partnership has completed over 1,200 projects for more than 450 clients globally.**

In that time, we have grown from just 15 to more than 50 Consultants and opened offices in New York, Paris and Singapore. **Representing a global network of over 4,000 Independent Consultants** we support clients on mission-critical projects, ranging from junior analytics strategy support through managing transitions to leading major transformation projects.

This report draws on the results of a survey completed by more than 400 independent consultants globally between February and March 2020. The report explores the current state of the independent consulting market such as average day rates, project lengths and the percentage of days worked in a year, whilst identifying what drives those who enter independent consulting and the primary considerations taken into account when deciding on which projects to devote their expertise.

Our report also examines where independent consultants add the most value to clients. We have found that more than simply supplementing the skills of their existing workforce, **independent consultants prove far more cost-effective and, overall, are more productive and engaged in projects than a traditional consulting firm.**

Further analysis of more than 890 projects explores how businesses across a range of industries are effectively deploying independent consultants.

We hope you and your organisation are able to make use of these insights and that our report helps clarify what is an increasingly important and necessary subset of today's workforce.

The independent consulting team
The Barton Partnership

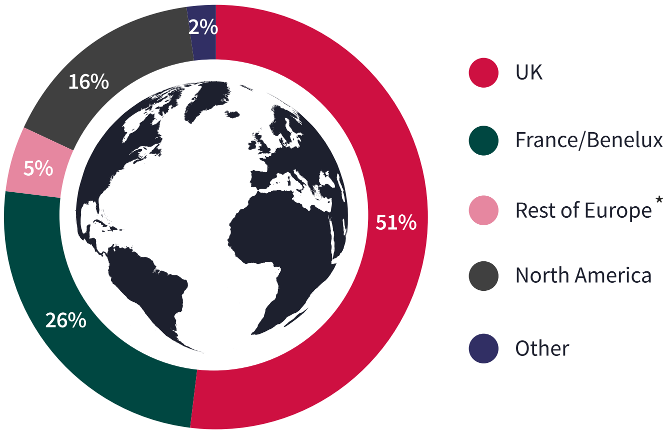
Global and highly mobile independent consulting network

The Barton Partnership's independent consulting business supports clients globally from offices in London, Paris and New York. While more than half of survey respondents are based in the UK, we are pleased to see substantial participation across all our global markets. As we become more embedded in these regions we expect to increase these figures.

Just 24% of independent consultants who completed this survey were women, reflecting the continued under-representation of women in strategy consulting at senior levels.[1]

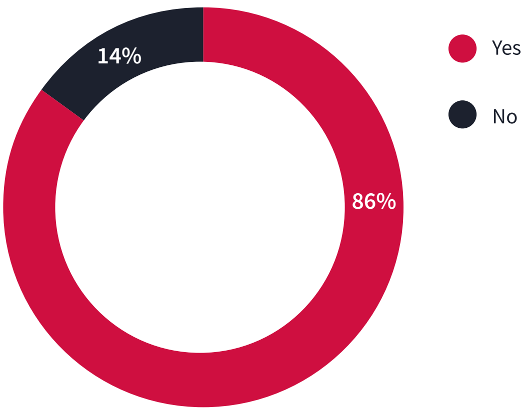
Q. Where are you based?

% of respondents globally



Base size (n) = 413

Q. Are you willing to travel to a distant client location on a weekly basis?



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Base size (n) = 413

When asked whether respondents were willing to travel to a distant client location on a weekly basis, assuming the client is prepared to cover expenses, an overwhelming 86% confirmed that they were. The duration of the project was a key factor in their decision, with many respondents indicating that they would be happy to do so for shorter projects (up to three months in many cases) or when given the opportunity to work on-site for a proportion of their days, with 1-2 days working from home.

1. https://www.consultancy.uk/news/20278/lack-of-women-in-senior-jobs-maintains-consulting-gender-pay-gap

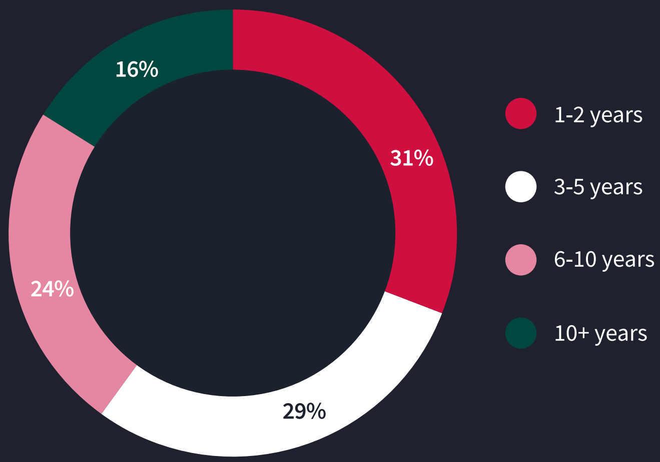
* Survey respondents primarily targeted in the UK, US & France. Wider network and track record across rest of Europe

A long-term career choice for ~1/2 of respondents

Giving up autonomy and flexibility is not an easy decision. These figures contradict the long-held perception that independent consulting is a stopgap.

For many respondents, independent consulting is a deliberate and long-term career move, with almost half indicating that they intend to remain an independent Consultant for six years or more.

Q. How many years have you been an independent consultant?



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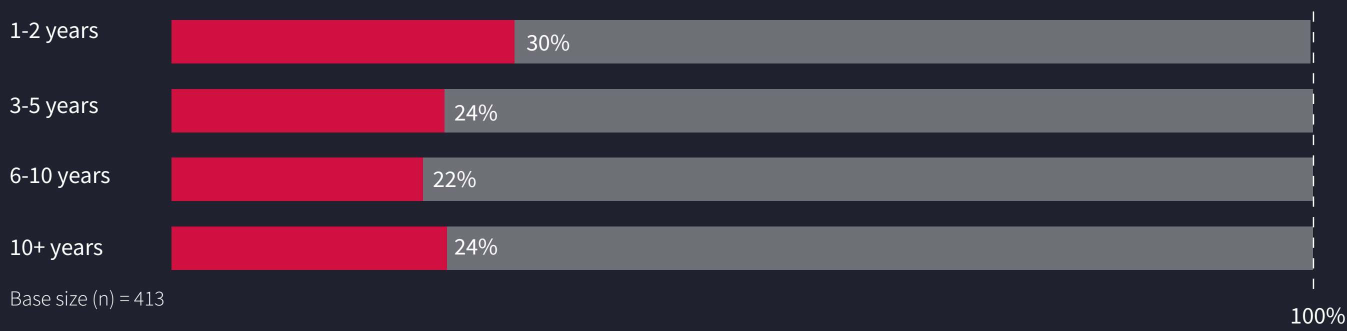
Weighted Average = **5.6 years**

Q. How many more years do you currently envisage being an independent consultant?



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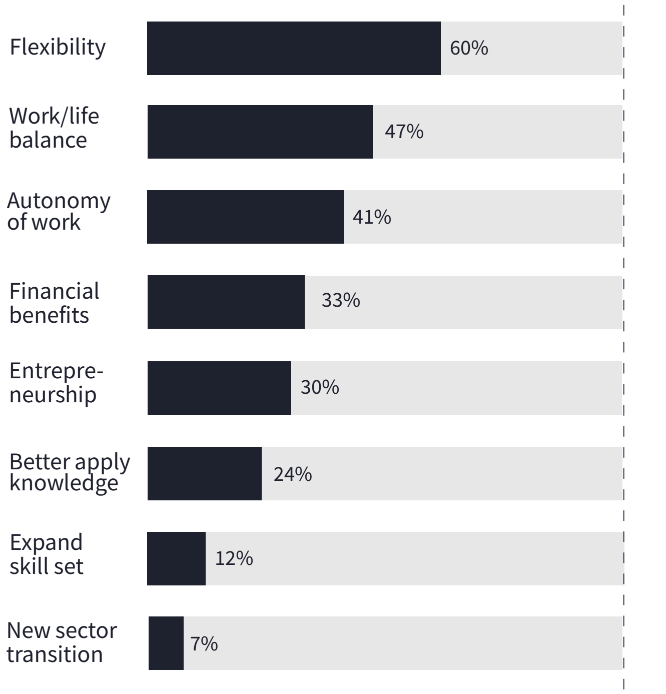
Flexibility, work/life balance and autonomy, 3 key drivers for going independent

Respondents strongly value work/life balance and the flexibility independent consulting brings, with these aspects ranking higher than the financial benefits that often come with this work. Of the 22% who indicated that they plan to leave independent consulting within the next 12 months, 19% specified that they intend to start their own business, reflecting the entrepreneurial spirit that leads many consultants to go independent. 39% cited that they intend to take a corporate role, with only 9% indicating that they would return to a traditional consulting firm.

Only 26% signalled that the upcoming change in IR35 legislation to the private sector in April 2021 is likely to have an impact on their future as an independent consultant, which perhaps reinforces the suggestion that for these individuals independent consulting is about more than simply financial considerations.

Q. What were the primary reasons for becoming an independent consultant?



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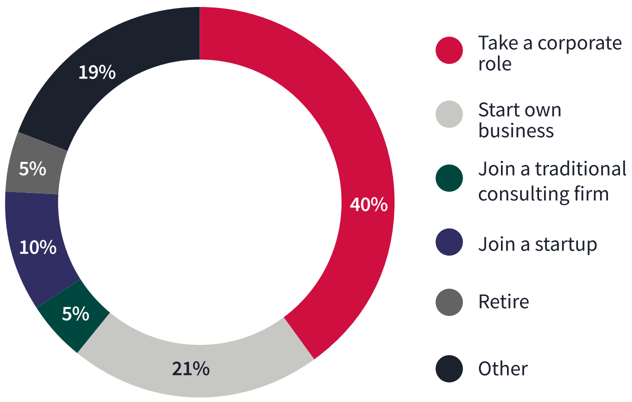
Q. If you are intending to leave independent consulting in the next 12 months, what are you planning to do?



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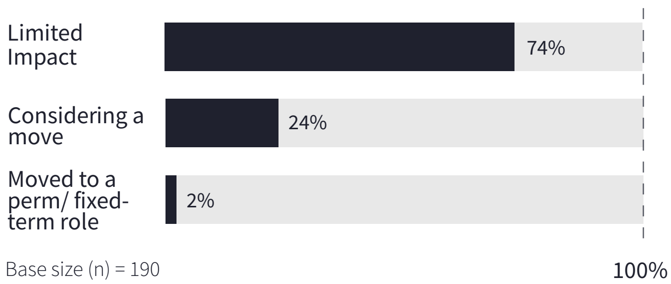
Q. What impact if any, has IR35 legislation had on your career decisions?

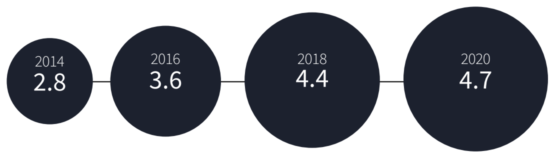


Base size (n) = 190

Longer projects & increased client sector diversity

Q. What was the project duration?

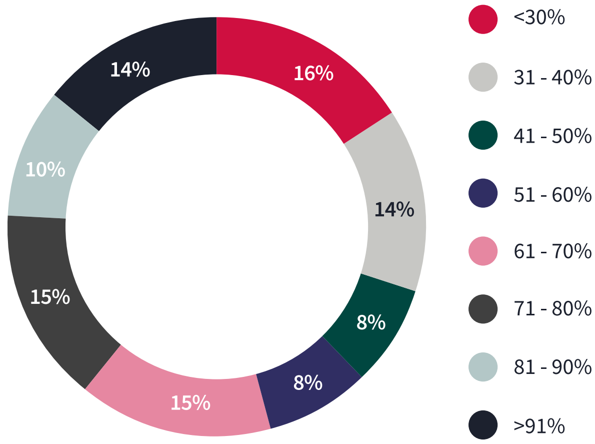
Comparison of average project length (months) 2014, 2016, 2018 & 2020 surveys



Projects are consistently getting longer. Of the 891 projects analysed in the 2020 survey, the average project lasted 4.7 months. This is up from 4.4 months in 2018, and 3.6 months and 2.8 months in 2016 and 2014 respectively. 23% of respondents enjoyed a moderate (9%+) or significant (14%+) increase in the percentage of business days worked over the last 12 months. More than half (54%) reported no real change, and 23% reported a moderate or significant decline.

Clients across all industries are benefiting from the use of independent consultants. 891 projects across the full range of sectors were reported in this survey. Similar to 2018, Financial Services and Healthcare remain the sectors with the highest reported use of independent consultants. The sector spread has remained largely consistent with those reported in 2018 with the biggest fluctuations reported in industrial goods & services and non-profit and public sectors.

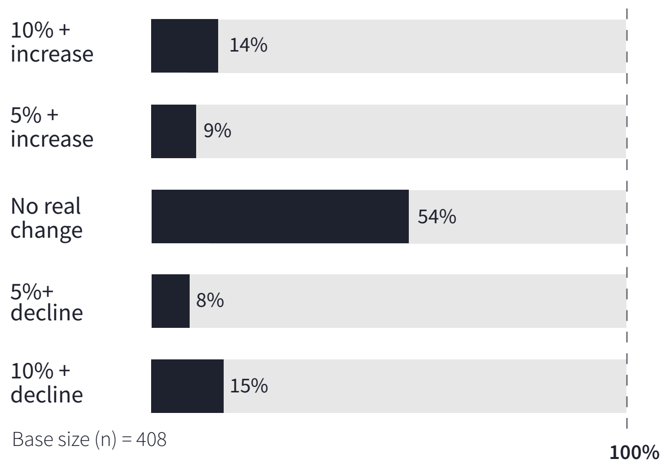
Q. Approximately what % of business days in the last 12 months did you work as an independent consultant?



Base size (n) = 410

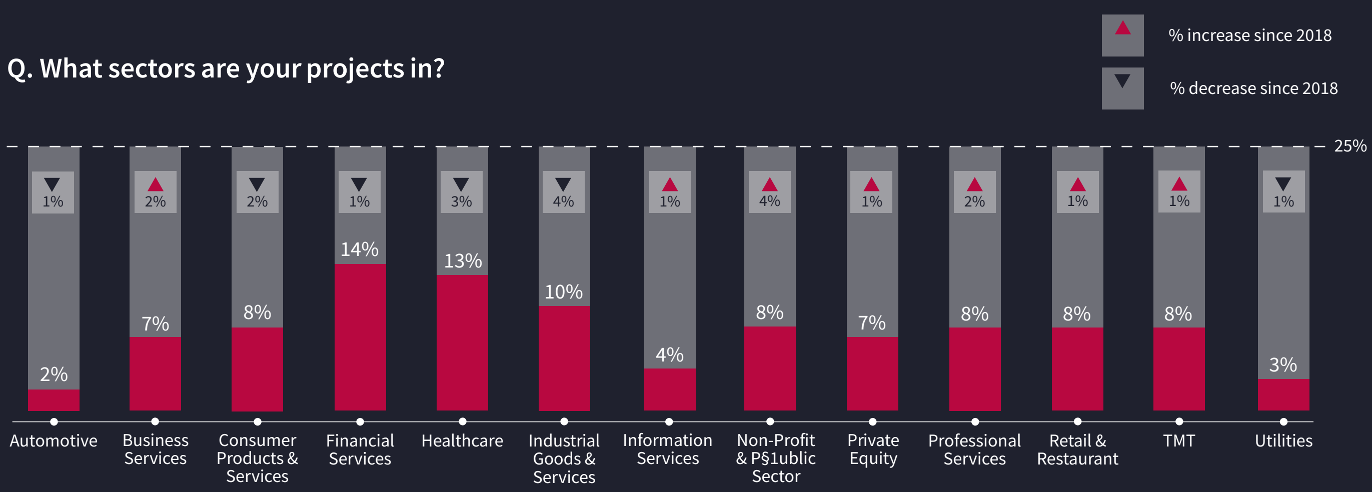
Weighted Average = **58%**

Q. Does the number of business days worked this year represent... *(Changes reported in the last 12 months)*



Base size (n) = 408

Q. What sectors are your projects in?



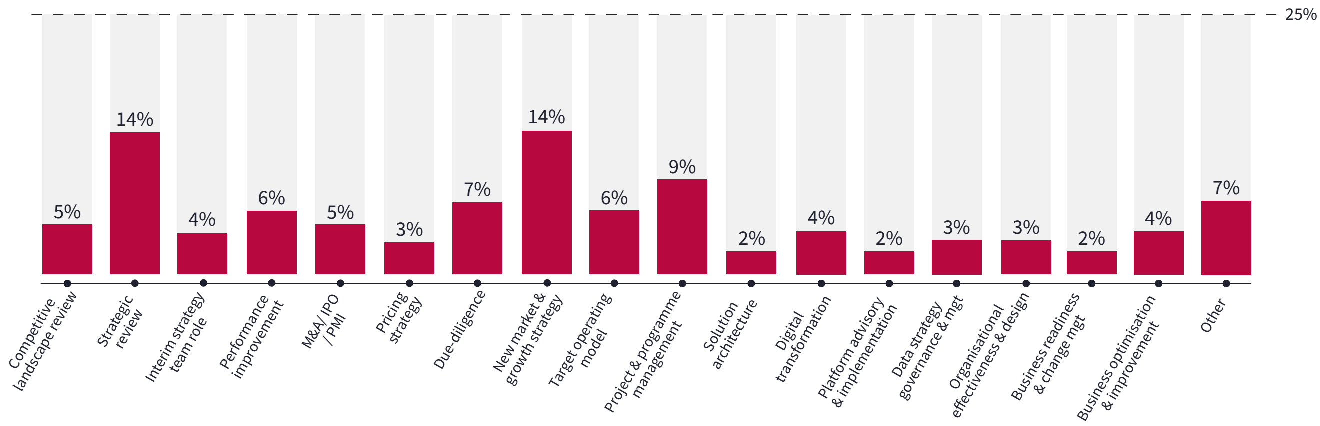
Base size (n) = 891

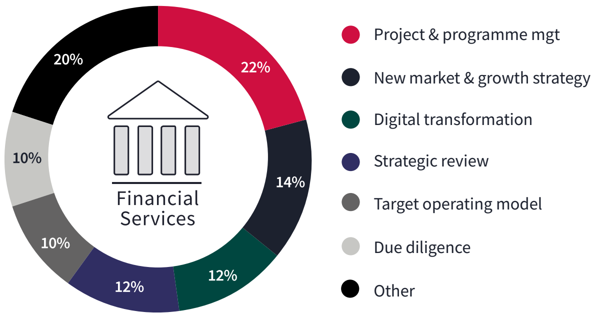
Client demand is evolving across a broader range of functions

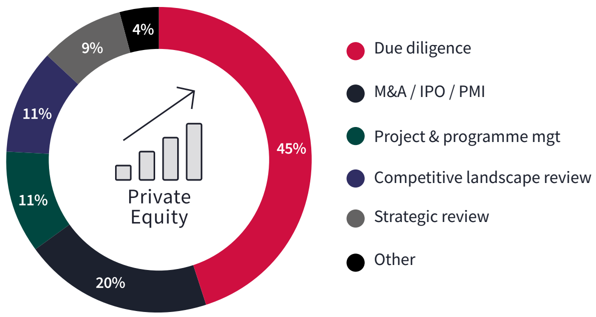
The capabilities and skills of independent consultants are often critical to ensuring organisations can adapt to the changing business and market demands. 891 projects in 2020 were reported in this survey from more than 400 independent consultants. Our research identifies the capability demand across the board, as well as within six core sectors.

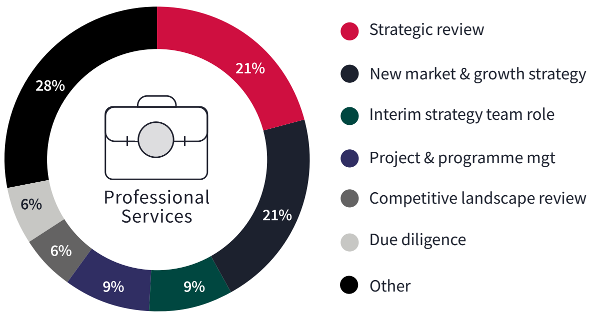
Q. What capabilities are your projects in?

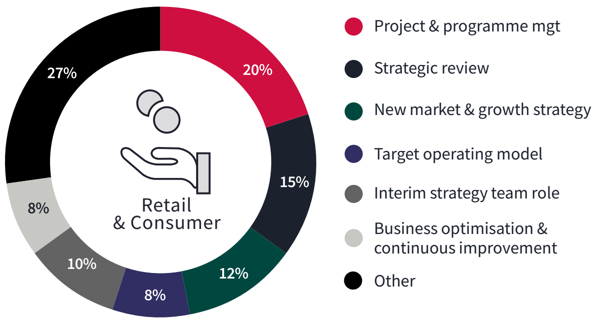
Capability spread across 891 project report in this survey from independent consultants within our network

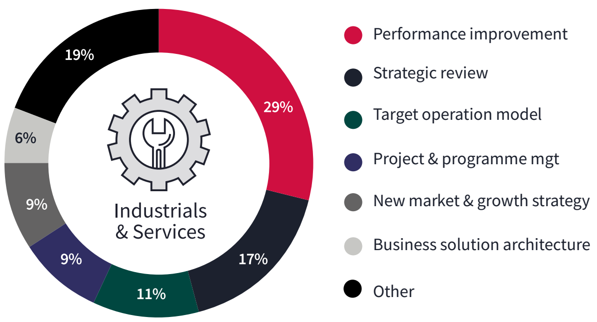


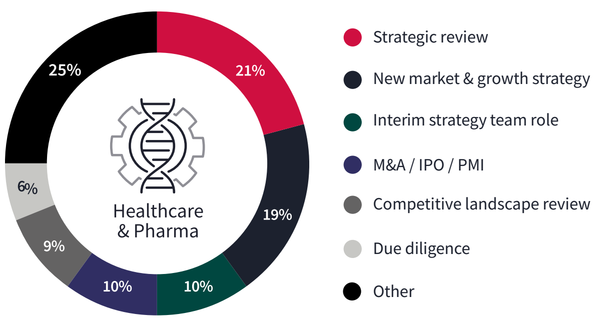












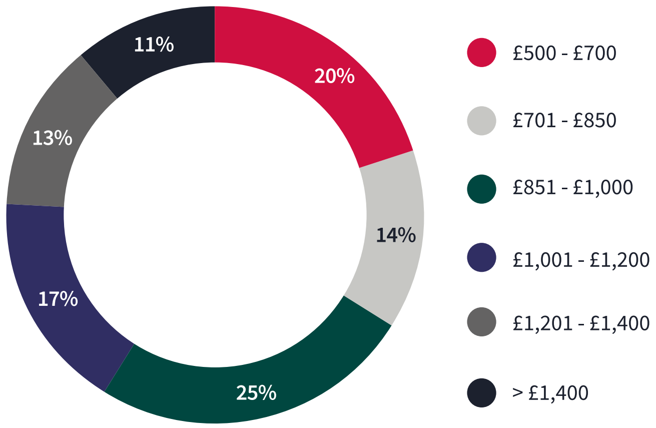
Independent consulting provides flexibility and rewards irrespective of gender

Independent consulting is, for many, a lucrative career path, with 41% of respondents reporting a day rate in excess of £1,000. The most typical pay bracket reported by respondents is the £851 - £1,000 per diem range.

26% of respondents reported either a moderate (5%+), or significant (10%+) increase on average day rate charged compared to the previous year. The majority of respondents (64%) reported no real change, with 4% and 5% reporting a moderate (5%+) or significant (10%+) decline respectively.

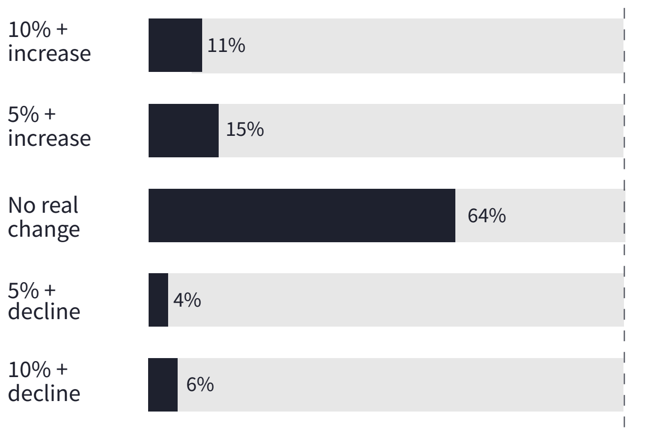
Women can achieve better pay and work-life balance when working as an independent consultant. Project-based work means greater flexibility with working patterns which helps to retain many women in the workplace. When the data was broken down by gender, we found there was minimal difference between males and females across most of the pay brackets. Whilst the percentage of women in the lowest day rate bracket was 30%, compared with 19% for men, the percentage earning a day rate greater than £1,200 was equal across both genders at 22%. This is significant when considering that no major consultancy in the UK has a median bonus gap lower than 20% due to few women reaching senior roles[1].

Q. What is the average you have charged as a day rate in the last year?



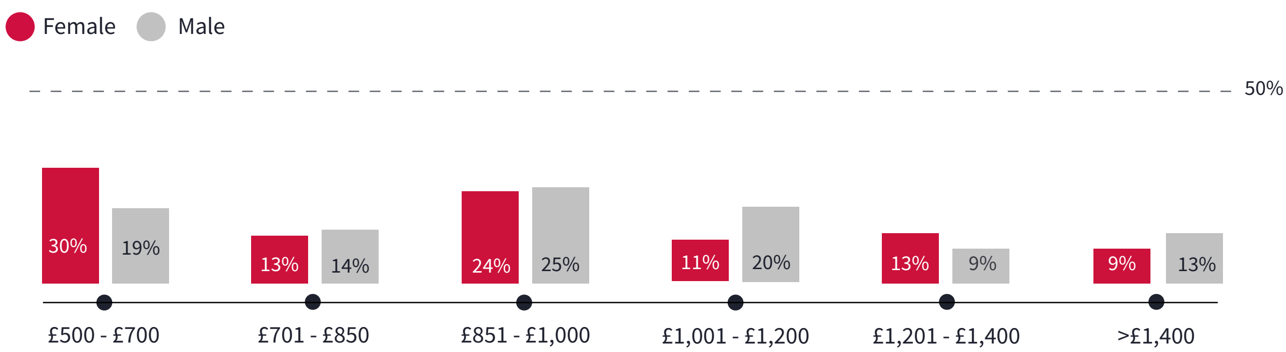
Base size (n) = 240

Q. Does your day rate this year represent...?
(Changes in the last 12 months)



Base size (n) = 410

Average day rate by gender
% of respondents by gender for each day rate bracket during 2020



Base size (n) = 240

1. https://www.consultancy.uk/news/20278/lack-of-women-in-senior-jobs-maintains-consulting-gender-pay-gap

Independents believe they drive better value for money for clients without sacrificing performance

We asked respondents to rank the quality of their work as independent consultants compared to their previous employment in a management consultancy across a variety of metrics, including engagement in a project, efficiency of the project, overall impact on a project and value for money. More than three quarters ranked every aspect as either significantly or moderately higher when working as an independent consultant.

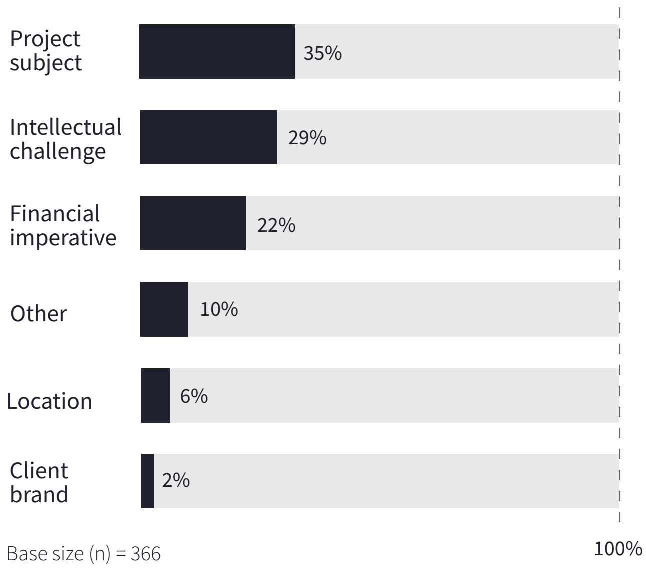
Clients recognise the benefits of engaging former management consultants, many with additional experience in industry, as part of the independent consulting model. They find that they receive highly engaged and driven individuals, many of whom have backgrounds at top-tier consulting firms, for a fraction of the cost.

Independent consultants prioritise working on projects in which they are interested and intellectually invested. When asked about the primary motivation for taking on a new project, project subject was most highly ranked, closely followed by intellectual challenge with remuneration in third.

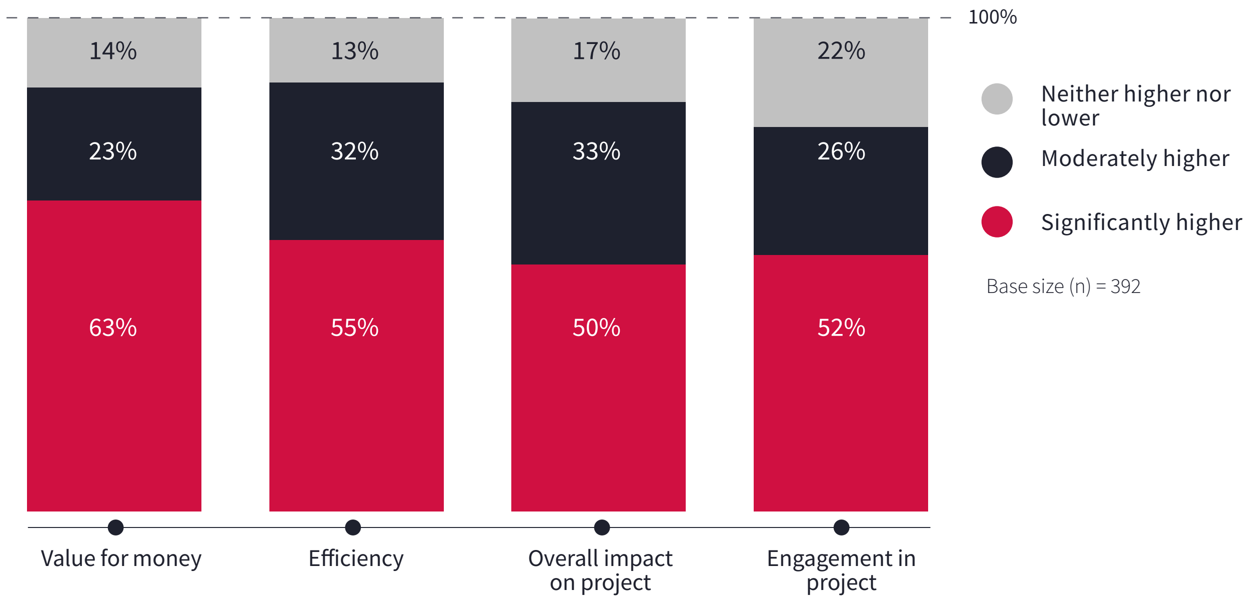
86%

of respondents believe that they offer moderately or significantly better value for money as Independent Consultants.

Q. What's the most important aspect of a project that impacts your decision to take it?



Q. As seen from a client perspective, and comparing your work as an independent consultant vs. previous employment, how would you rate the following...?



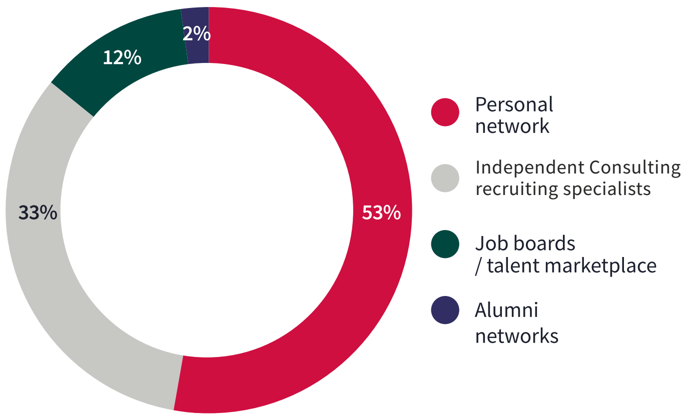
1/3 of respondents source their projects through independent consulting recruitment specialists

With flexibility also comes a lack of security. With the average project lasting 4.7 months, independent consultants rely on a number of avenues to source their work. Typically, more than half of respondents rely on personal networks to source their projects. 1/3 engage an agency or third party.

When asked the reasons why independent consultants would engage a recruitment firm when sourcing work, almost half indicated that it was to increase the volume of their work.

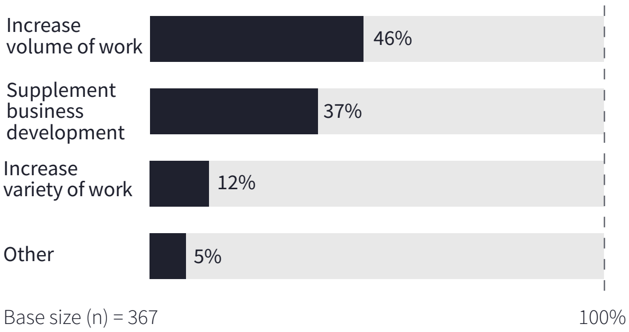
47% of independent consultants engage an agency to boost their volume of work.

Q. How do you typically source your projects?



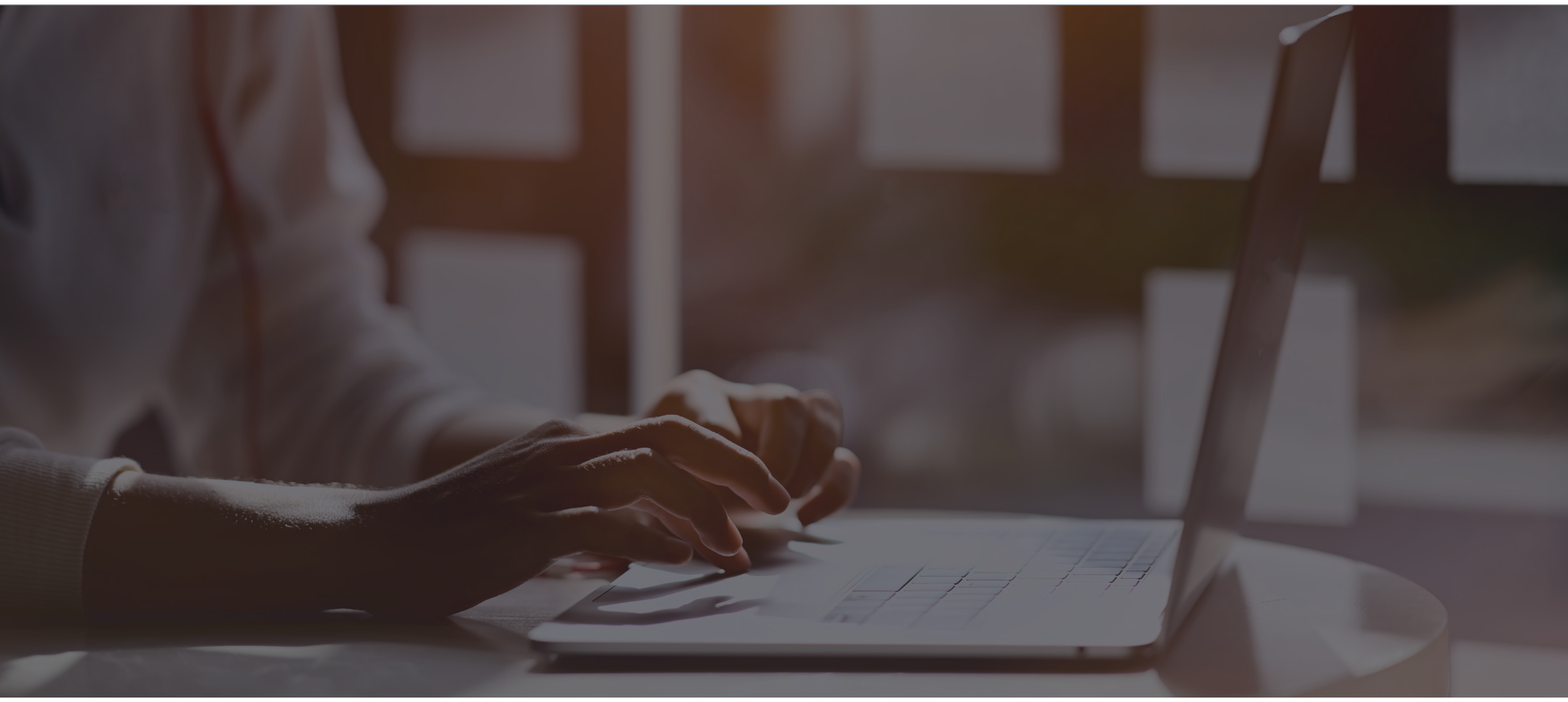
Base size (n) = 374

Q. Why would you engage an agency or third party when sourcing work?



Base size (n) = 367

With the use of independent consultants growing, clients themselves are turning to recruitment firms to help source the skills they need. Recruitment firms therefore act as quality control, able to use their networks and expertise to find the right individuals to solve specific business challenges.



The Barton Partnership

Independent consulting & permanent search talent specialist across Strategy & M&A, Data & Analytics and Transformation & Change.

1,200+

Independent consulting projects delivered since launching the IC business in 2014.

STRATEGY

M&A

TRANSFORMATION

DATA & ANALYTICS

Independent Consulting

Key individuals in high-priority projects

Our independent consulting business provides individuals or small teams with significant operational & sector /function expertise for short sprints or entire programmes.

Permanent Search

Identifying & engaging high performing talent

The permanent search business has a successful track record delivering executive search mandates & team builds across all sectors.

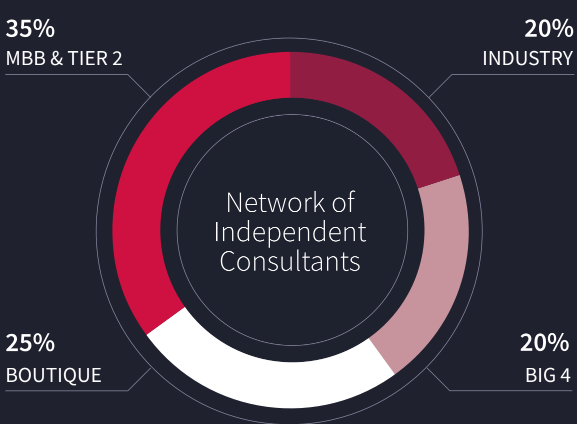
Our expertise is rooted in our combined function and sector focus

Highly capable home-grown talent working alongside former tier-one strategy consultants and industry experts

A fully curated network of more than

4,000

Independent Consultants



Our extensive global network means we can provide consultant shortlists within **48-72 hours** of engagement.

98%

With **98% of clients** saying we, or our Independent Consultants, have met or exceeded their expectations.

A global independent consulting team

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Data tables

Appendix 1: Willingness to travel to a distant client location.

	Total	UK	Rest of Europe	US
Yes	86%	88%	87%	81%
No	14%	12%	13%	19%
Base	402	207	120	66

Appendix 2: How many years have you been an independent consultant?

	Total	UK	Rest of Europe	US
1 - 2 years	31%	28%	31%	39%
3 - 5 years	29%	29%	32%	21%
6 - 10 years	24%	26%	22%	19%
10+ years	16%	17%	15%	21%
Base	413	210	128	66

Appendix 3: How many more years do you currently envisage being an independent consultant?

	Total	UK	Rest of Europe	US
1 - 2 years	30%	31%	30%	27%
3 - 5 years	24%	23%	24%	25%
6 - 10 years	22%	24%	20%	19%
10+ years	24%	22%	26%	29%
Base	413	210	128	66

Appendix 4: If you are intending to leave independent consulting in the next 12 months, what are you planning to do?

	Total	UK	Rest of Europe	US
Take a corporate role	40%	40%	41%	40%
Start own business	21%	20%	27%	8%
Join a traditional consulting firm	5%	7%	4%	4%
Join a start-up	10%	10%	10%	8%
Take a career break	2%	2%	2%	4%
Retire	5%	8%	2%	4%
Other	17%	13%	14%	32%
Base	197	100	72	25

Appendix 5: What were your primary reasons for becoming an independent consultant?

	Total	UK	Rest of Europe	US
Financial benefits	33%	37%	32%	23%
Flexibility	60%	66%	48%	72%
Work/life balance	47%	52%	39%	47%
Autonomy of work	41%	35%	47%	49%
Entrepreneurship	30%	23%	43%	26%
Transition to a new sector	7%	6%	9%	7%
Expanding skill set	12%	13%	10%	12%
Better apply knowledge & expertise	24%	24%	20%	33%
Other	10%	9%	14%	9%
Base	362	191	110	52

Appendix 6: Approximately what % of the business days in 2019 did you work as an independent consultant?

	Total	UK	Rest of Europe	US
<30%	16%	16%	17%	14%
31 - 40%	14%	13%	15%	15%
41 - 50%	8%	5%	6%	12%
51 - 60%	8%	8%	4%	14%
61 - 70%	15%	16%	15%	15%
71 - 80%	15%	16%	13%	14%
81 - 90%	10%	10%	10%	10%
>91%	14%	16%	20%	6%
Base	410	209	127	65

Appendix 7: Compared to 2018, does the number of business days worked in the last 12 months represent...

	Total	UK	Rest of Europe	US
Significant increase	14%	8%	19%	24%
Moderate increase	9%	8%	9%	12%
No real change	54%	58%	51%	50%
Moderate decline	8%	11%	3%	6%
Significant decline	15%	15%	18%	8%
Base	408	208	127	64

Appendix 8: Compared to 2018, does your day rate in the last 12 months represent...

	Total	UK	Rest of Europe	US
Significant increase	11%	9%	16%	8%
Moderate increase	15%	20%	11%	10%
No real change	64%	60%	65%	78%
Moderate decline	4%	5%	4%	0%
Significant decline	6%	6%	4%	4%
Base	410	210	127	64

Appendix 9: What is the most important aspect of a project that impacts your decision to take it?

	Total	UK	Rest of Europe	US
Financial imperative	18%	25%	7%	16%
Location	5%	5%	5%	2%
Intellectual challenge	29%	32%	26%	26%
Project subject	35%	28%	47%	42%
Client brand	2%	2%	1%	2%
Other	11%	8%	14%	12%
Base	366	191	110	57

Appendix 10: How do you typically source your work?

	Total	UK	Rest of Europe	US
Job boards	12%	4%	19%	22%
Head hunters / Recruiters	33%	39%	25%	28%
Personal network	53%	55%	53%	47%
Alumni networks	2%	2%	3%	3%
Base	374	196	111	58

Appendix 11: Why would you engage an agency or third party when sourcing work?

	Total	UK	Rest of Europe	US
Supplement business development	37%	36%	37%	42%
Increase volume of work	46%	50%	41%	42%
Increase variety of work	12%	12%	14%	9%
Other	5%	2%	8%	7%
Base	367	190	111	57

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