

**CONSULTING INDUSTRY** 

# Benchmark report

— State of the global consulting industry using data from hundreds of services firms

— Financial benchmarks per region and industry

— Insights and trends to support future|strategy planning

#### **Foreword**



Mark Orttung Projectworks CEO

Over the past year, consulting services firms across Australasia, North America, and the United Kingdom have navigated a complex and evolving landscape. Despite diverse regional challenges, several global themes have been prevalent, such as inflationary pressures, labor market constraints, and the growing importance of digital transformation and sustainability. These trends have significantly impacted the business environment, shaping both the opportunities and challenges faced by consulting firms.

While the specific circumstances vary by region, the overarching trends highlight the critical role that consulting firms play in navigating these complexities and driving forward business and economic resilience.

We at Projectworks firmly believe there's never been a bigger opportunity for services companies – humanity and the environments we live and work in are facing complex, oversized problems, and society at large is desperately seeking experts that can lead the way. Fortunately, mid-market services firms around the world are made up of people with specialized skillsets and experience that will drive the change we need.

The global consulting industry and its prospects are positioned exceptionally well for the year ahead.

The challenge we see is services firms that are caught up in the 'busy work'. Tedious admin, human error, and the double-handling of data impacts your project and business profitability. Time is money in services, so you need to ensure every available minute in your team is dedicated to maximizing your collective impact. Unfortunately, many firms struggle to understand how they compare to their peers.

That's where this benchmarking report comes in.

We've brought together anonymized customer data from our Projectworks PSA software platform, as well as our 2024 global benchmarking survey, to help you see how your firm compares or contrasts to other businesses like yours. The data pool represents several hundred services firms across a variety of countries and industries. You'll see typical billable rates, utilization, margins, profitability, trending themes and other valuable insights.

We hope this helps you focus your firm, refine your strategy, better deploy your team and maximize your impact.

Mark Orttung Projectworks CEO

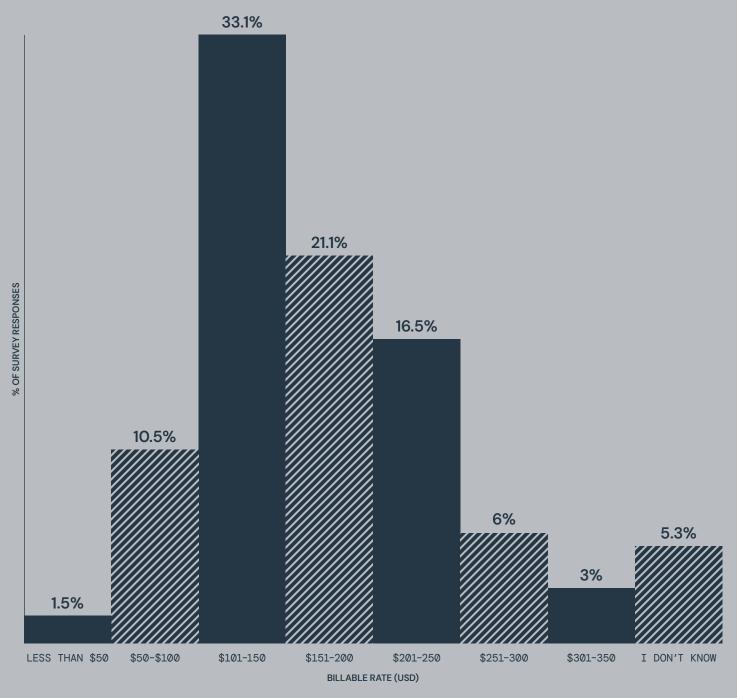
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State of the global consulting industry

#### Billable rates

Survey responses for average billable rate:



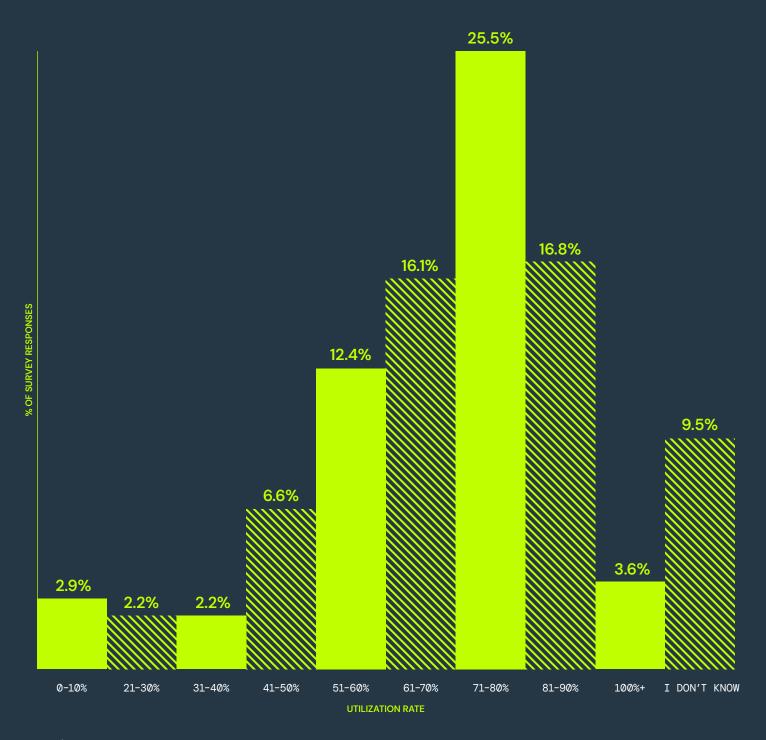
PLATFORM DATA

Average billable rate of Projectworks customers

\$107<sup>USD</sup>

#### **Utilization rates**

Survey responses for average company utilization rate:

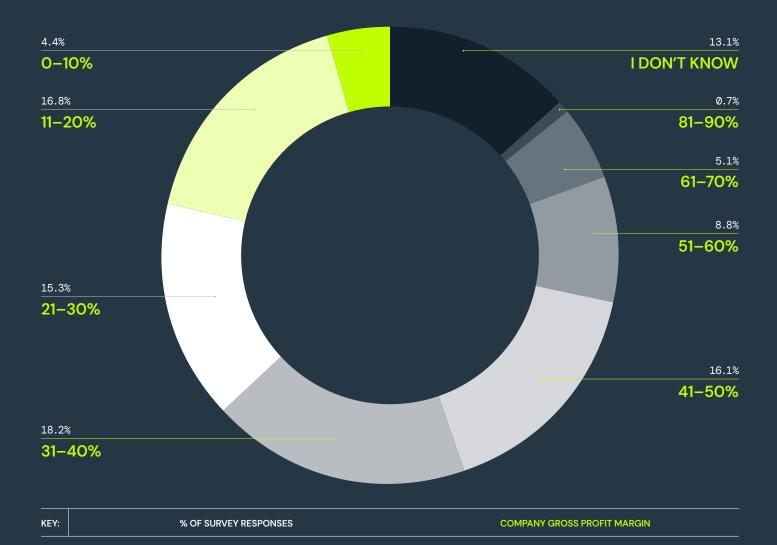


PLATFORM DATA

of survey respondents aren't satisfied with their utilization rates

#### Project gross margin

Survey responses for average project gross margin:



43.8%

of those surveyed aren't satisfied with their average project gross margin

**13.1**%

of those surveyed don't know their average project gross margin

#### **PROJECTWORKS TIP**

Without confident visibility of the money you're making on your projects, your business is flying blind. Projectworks PSA software gives you visibility of your project margins throughout the lifetime of your project, allowing you to make meaningful interventions to reduce risk and maximize your profitability.

#### Services revenue

Survey responses for total services company revenue for the last financial year:



PLATFORM DATA

Average services revenue per full-time employee



**SURVEY DATA** 

of respondents said their current annual revenue has decreased from their prior financial year

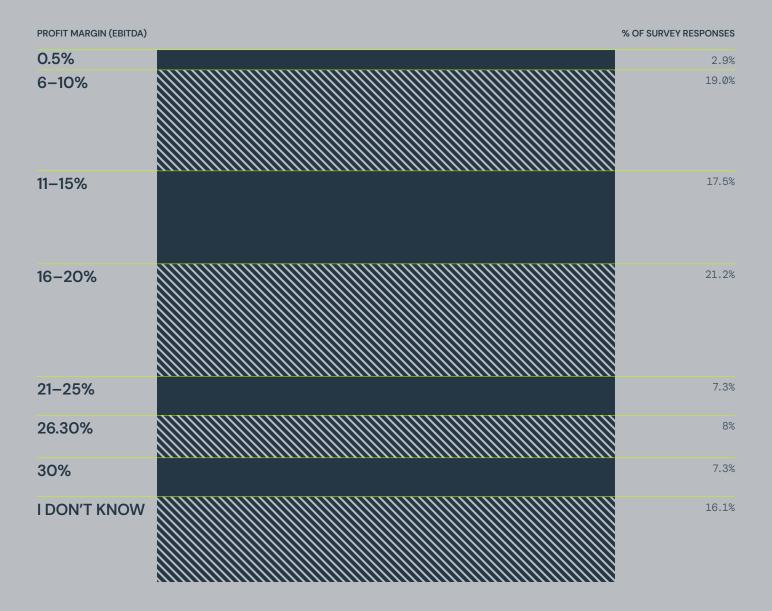
of respondents said their current annual revenue has remained the same as their prior financial year

5% 16.8% 60.6%

of respondents said their current annual revenue has grown from their prior financial year

## Total company profit margin

Survey responses for approximate total profit margin (EBITDA):



54.8%

of surveyed respondents aren't satisfied with their company profit margin and think it needs improvement

#### **PROJECTWORKS TIP**

Obvious places to start growing your margins include eliminating unnecessary admin costs, double handling of data and costly human error by using technology to automate and simplify the running of your business.

#### Late time entries

PLATFORM DATA

**22.3**%

of time entries were submitted after the week they were due

3days

average number of days taken to submit late time entries

6%

of time entries were submitted after both week and month ends 7 days

average number of days post month-end that late entries were submitted



**SURVEY DATA** 

24.1%

of survey respondents feel their timesheets aren't entered in timely and accurate manner

#### **PROJECTWORKS TIP**

Time is money in services. As a starter, ensure you've got project resourcing and time tracking software that's easy-to-use for all of your teams involved - less painful admin for everyone, and far greater impact for your clients and bottomline. Also, ensuring your timesheets automatically pre-populate your invoices helps reduce finance admin and gets you paid faster.





New Zealand Australia <u>Pacific Is</u>lands

## Australasia

Average services revenue per full-time employee from Projectworks platform data



#### Australasia

The economic landscape down under has been tumultuous over the past 12 months with post-pandemic economic resilience remaining a core focus in Australia and New Zealand. Both countries have grappled with rising inflation, driven by global supply chain disruptions, higher energy prices, and other domestic factors.



Opportunities for software consultancies has increased. Among recent pressures, governments and businesses across Australia and New Zealand have been investing in technology to drive efficiency and improved digital infrastructure.

The property markets in both countries have seen significant cooling over the past year due to rising interest rates and tighter lending conditions. This alleviated some of the affordability issues but also dampened construction activity, impacting prospects for architecture and engineering industries.

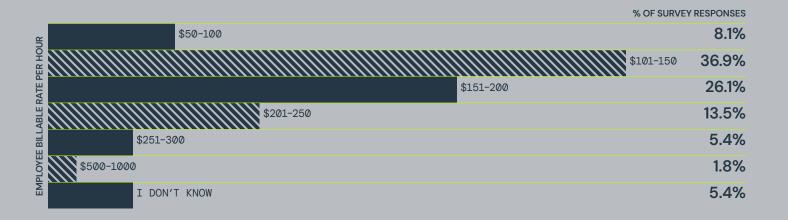
Climate change has remained a critical issue, with Australia and New Zealand both experiencing severe weather events over the past year. These events have underscored the need for robust climate policies and disaster preparedness, influencing government and business strategies. This is providing significant opportunities for environmental engineers and consulting firms to have a positive impact.

The past 12 months have been marked by efforts to balance economic recovery with new challenges such as inflation, supply chain disruptions, and climate change. Both Australia and New Zealand are navigating these shifts by focusing on diversification, digital transformation, and sustainability.



#### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

\$170,621<sup>AUD</sup> \$185,951<sup>NZD</sup>

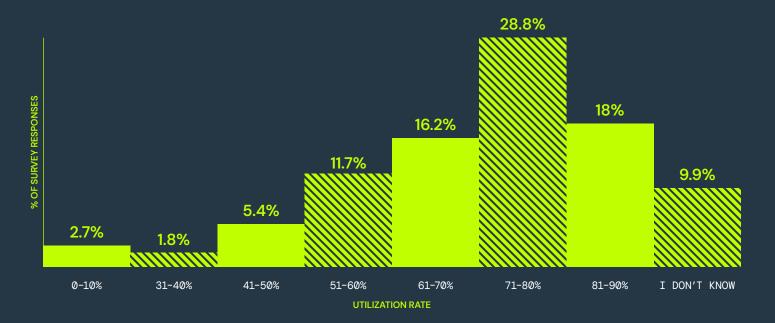
Average billable rate

\$190<sup>AUD</sup> \$207<sup>NZD</sup>

P14 —————————Australasia

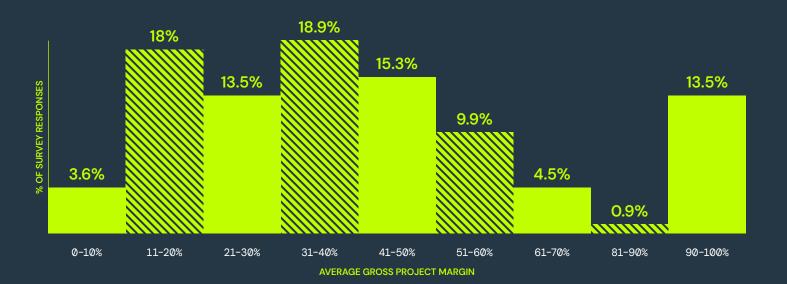
#### **Utilization rates**

Survey responses for average company utilization rate:



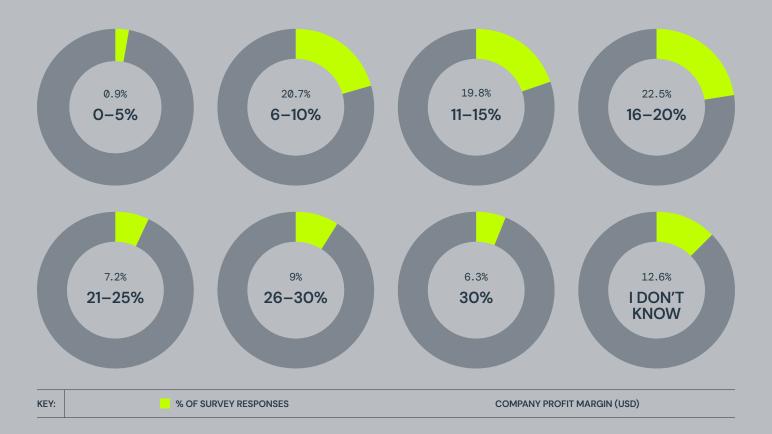
#### Project gross margin

Survey responses for average project gross margin:



## Total company profit margin

Survey responses for total company services profit margin for the last financial year:



PLATFORM DATA

19%

of time entries were submitted after the week they were due 3

is the average number of days taken to submit late time entries 5%

of time entries were submitted after both week and month ends

United States Canada



# North America

Average services revenue per full-time employee from Projectworks platform data

\$90,181<sup>USD</sup>



#### **North America**

Over the past 12 months, the business and economic landscape in North America has experienced several notable shifts. Inflation has been a dominant issue in both countries, driven by factors such as supply chain disruptions, high consumer demand, and energy price volatility. Both The Federal Reserve and Bank of Canada have responded with interest rate hikes, cooling down the housing market and slowing economic growth.





Both countries have seen tight labor markets, with low unemployment rates and high demand for workers across various sectors.

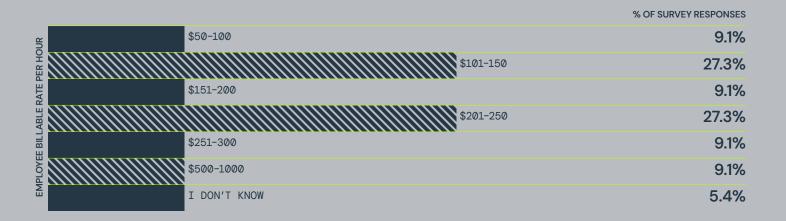
This has especially impacted consulting industries, with hiring and retaining great employees proving particularly challenging.

As a result, many services firms have shifted their strategy to recruit less experienced staff and grow them within the firm. This presents a challenge in and of itself however – younger employees tend to place greater priority on flexible working arrangements, professional development, personal wellbeing, and social & environmental responsibility. These new value sets have meant that many services companies have had to reshape strategies regarding their people and how they work.

Concerns about a potential recession across both the United States and Canada have been contrasted with strong economic growth in the technology sector. Innovations in areas like artificial intelligence, fintech, and digital health have accelerated, leading to significant growth opportunities for software services firms and consultancies that leverage progressive technologies. Additionally, the push toward clean energy and decarbonization has gained momentum, particularly in Canada, leading to healthy prospects for environment-focused consultancies.

#### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

\$90,181<sup>USD</sup>

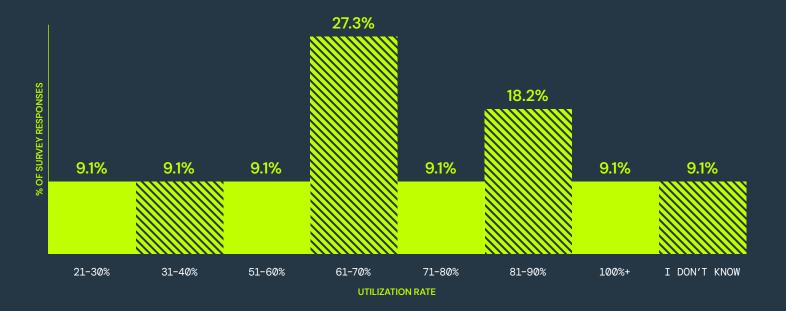
Average billable rate

\$110<sup>USD</sup>

P19 —————————————————————North America

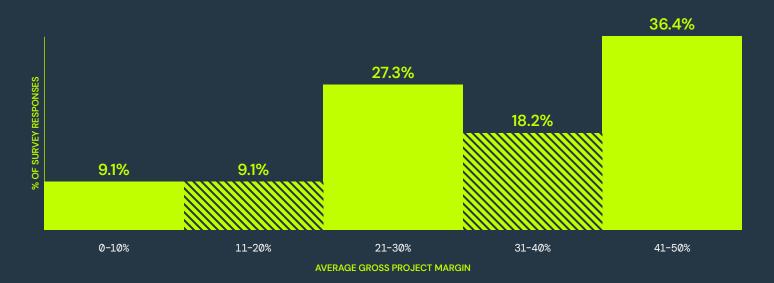
#### **Utilization rates**

Survey responses for average company utilization rate:



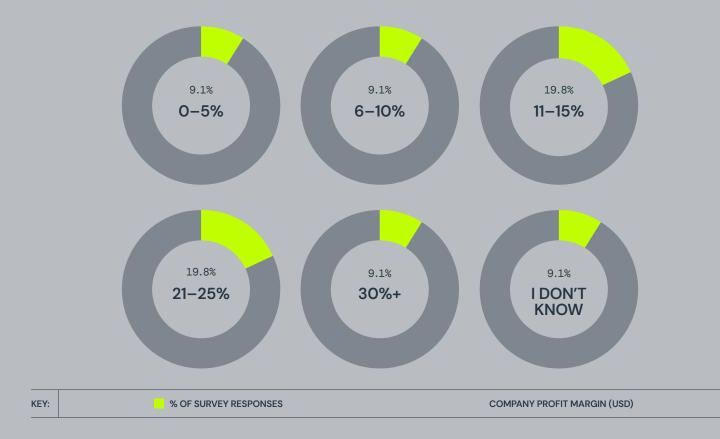
#### Project gross margin

Survey responses for average project gross margin:



### Total company profit margin

Survey responses for total company services profit margin for the last financial year:



PLATFORM DATA

41%

of time entries were submitted after the week they were due 4

is the average number of days taken to submit late time entries 13%

of time entries were submitted after both week and month ends





England Wales Scotland Ireland

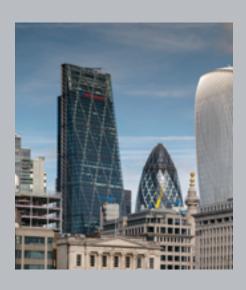
# United Kingdom

Average services revenue per full-time employee from Projectworks platform data

£105,792

#### **United Kingdom**

Inflation growth and widespread cost of living crisis impacts have been persistent in the UK over the past 12 months. The Bank of England has responded by raising interest rates multiple times; however, this has also increased borrowing costs, particularly impacting the housing market and consumer spending. As a result, concerns about a potential recession have grown as the economy has shown signs of slowing down.





Brexit continues to dominate the UK economic landscape, particularly in terms of trade relationships and regulatory divergence from the European Union, as well as exacerbated labor shortages. In services, this has increased pressure around hiring and retaining great employees – particularly those with specialized consulting skillsets.

The energy crisis has accelerated the push toward renewable energy and greater energy efficiency. Sustainability and the transition to a green economy have become even more critical priorities for the UK, leading to significant opportunities for environmental and clean energy oriented consulting companies.

Many technology consulting firms have capitalized on both the government and private sector focus on enhancing digital infrastructure and cybersecurity to support long-term economic resilience. Despite broader economic challenges, the UK has continued to invest in innovation and digital transformation, and the sector remains a strong driver of growth.

#### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

£105,792

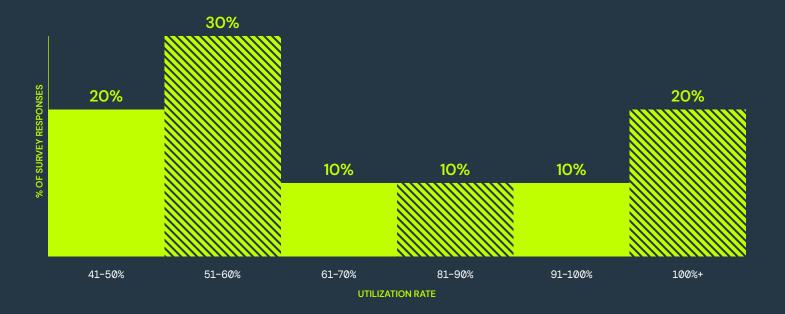
Average billable rate

£117

P24 — United Kingdom

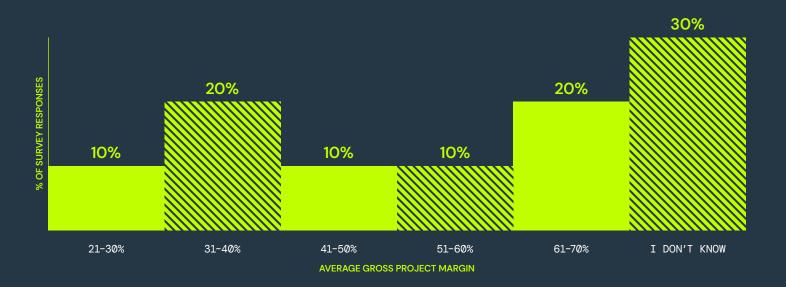
#### **Utilization rates**

Survey responses for average company utilization rate:



#### Project gross margin

Survey responses for average project gross margin:



### Total company profit margin

Survey responses for total company profit margin for the last financial year:



PLATFORM DATA

37%

of time entries were submitted after the week they were due 4

is the average number of days taken to submit late time entries 11%

of time entries were submitted after both week and month ends

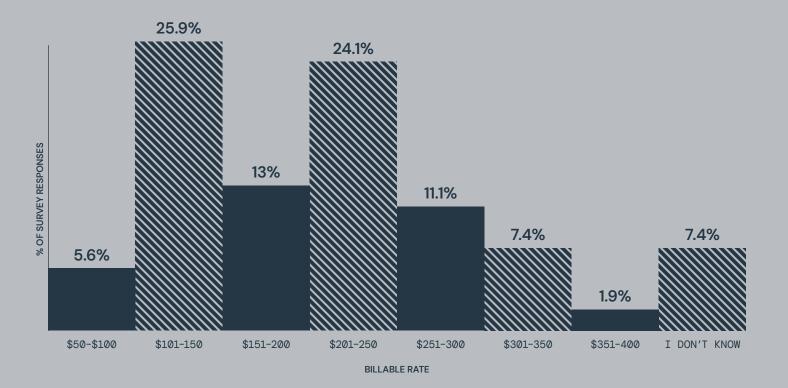


Average billable rate for all service revenue from Projectworks platform data

\$147<sup>USD</sup>

#### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

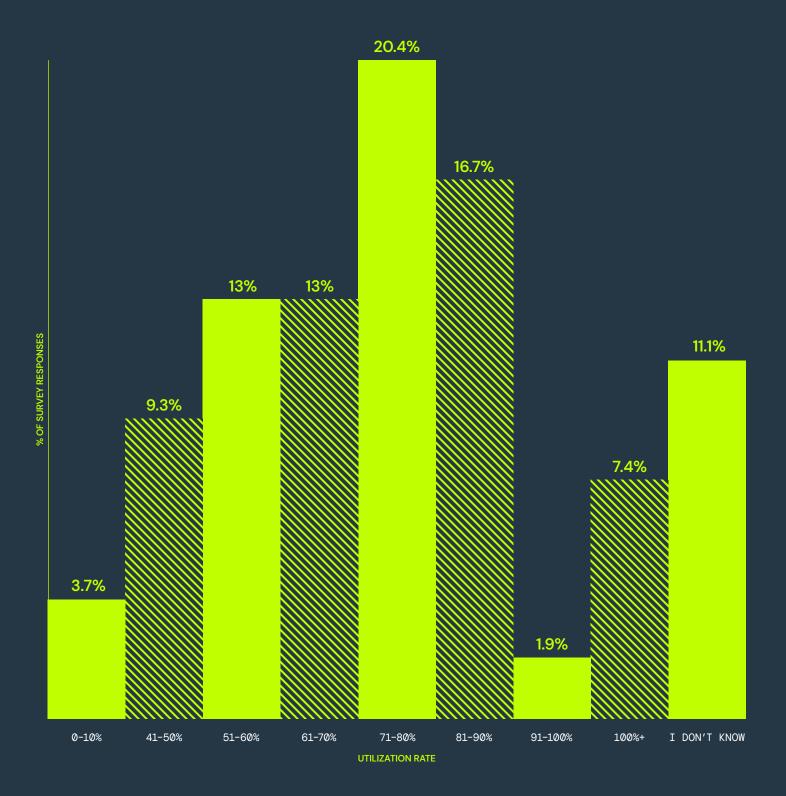
\$131,470<sup>USD</sup>

Average billable rate

\$147<sup>USD</sup>

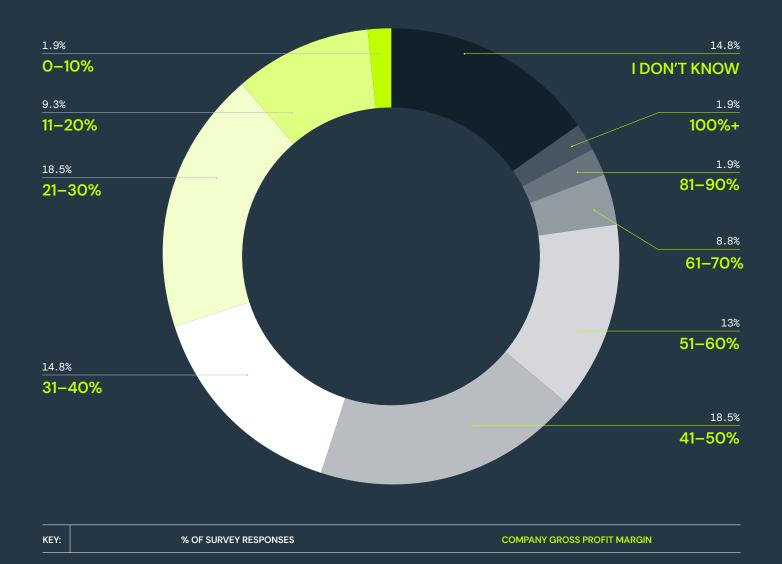
## **Utilization rates**

Survey responses for average company utilization rate:



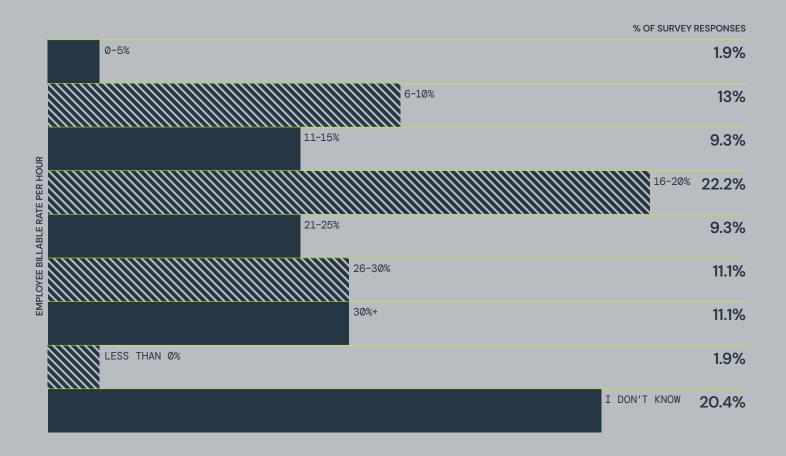
## Project gross margin

Survey responses for average project gross margin:



#### Total company profit margin

Survey responses for total company profit margin for the last financial year:



PLATFORM DATA

23%

of time entries were submitted after the week they were due 3

is the average number of days taken to submit late time entries 7%

of time entries were submitted after both week and month ends



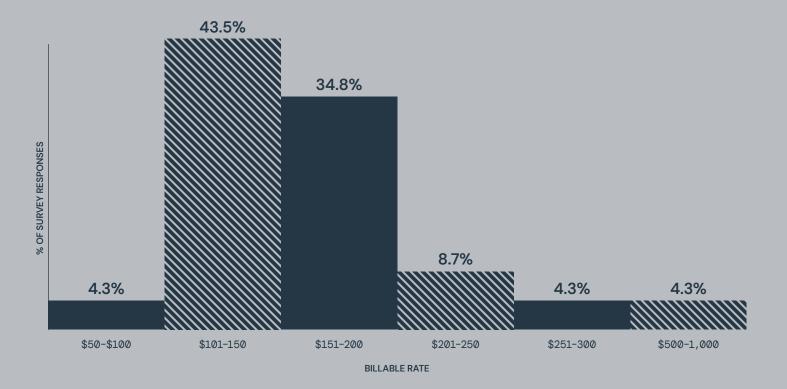
## Software Services

Average billable rate for all service revenue from Projectworks platform data

\$109<sup>USD</sup>

#### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

\$96,527<sup>USD</sup>

Average billable rate

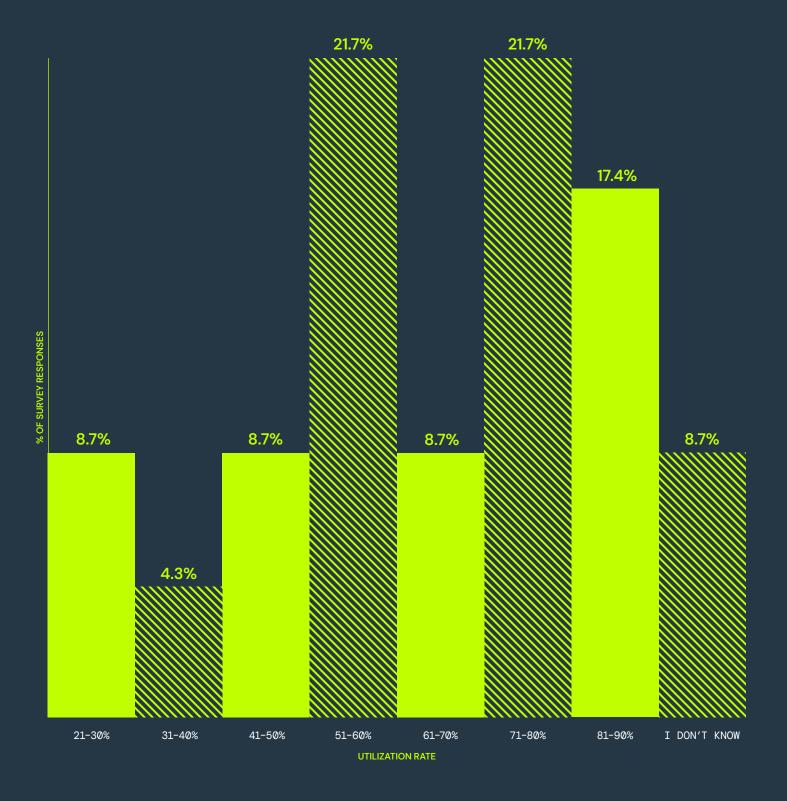
\$109<sup>USD</sup>

#### **PROJECTWORKS TIP**

More than any other industry, software services has a far more established "norm" for billable rates, with 78.3% of respondents pricing between \$101 and \$200 USD per hour. This begs the question - how do you differentiate your firm when the typical pricing is so defined? One suggestion is to consider who exactly is your ideal customer, and what are the unique strengths of your service offering compared to your competitors. Find your niche, and own it.

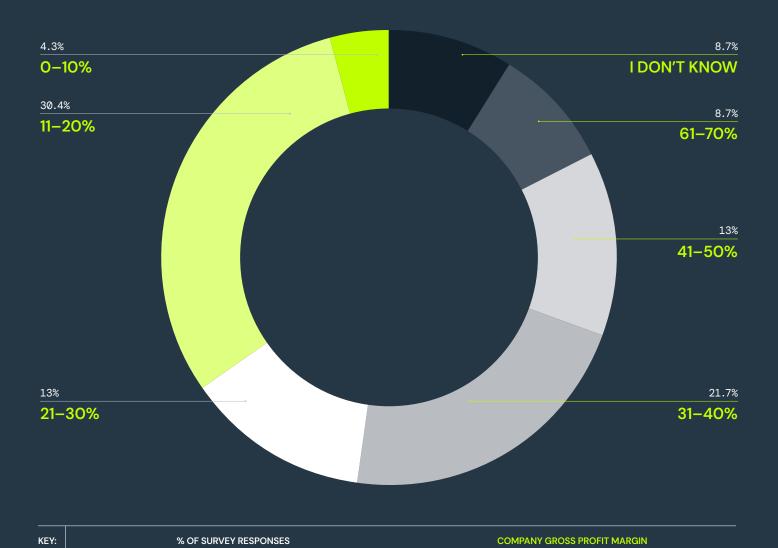
#### **Utilization rates**

Survey responses for average company utilization rate:



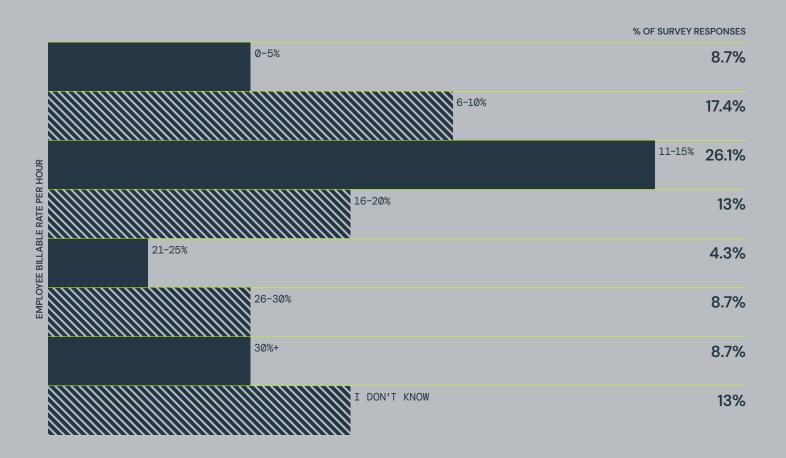
## Project gross margin

Survey responses for average project gross margin:



#### Total company profit margin

Survey responses for total company profit margin for the last financial year:



PLATFORM DATA

19%

of time entries were submitted after the week they were due 3

is the average number of days taken to submit late time entries

4%

of time entries were submitted after both week and month ends



**INDUSTRY BREAKDOWN** 

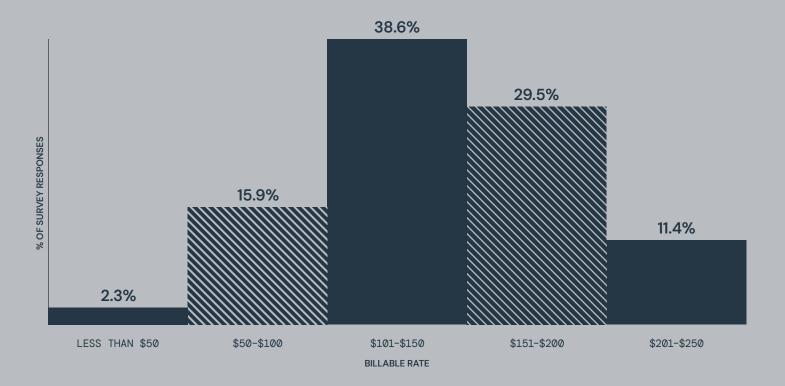
# Engineering

Average billable rate for all service revenue from Projectworks platform data

\$104<sup>USD</sup>

### **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

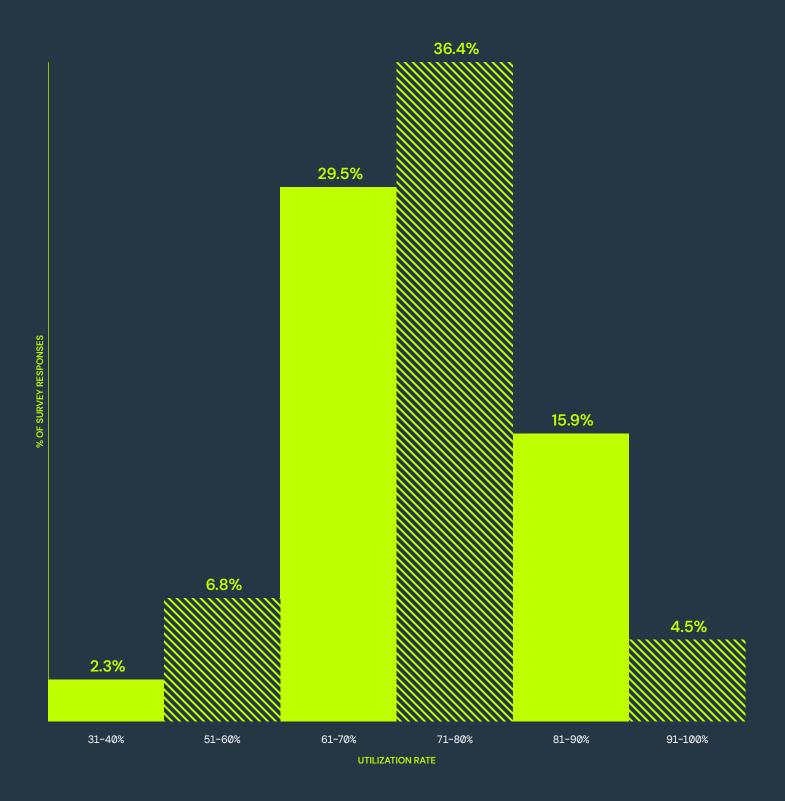
\$106,841<sup>USD</sup>

Average billable rate

\$104<sup>USD</sup>

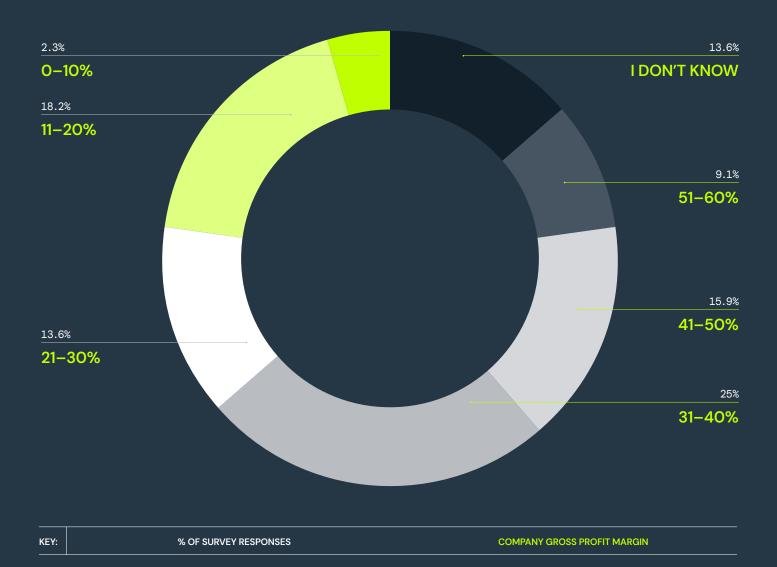
# **Utilization rates**

Survey responses for average company utilization rate:



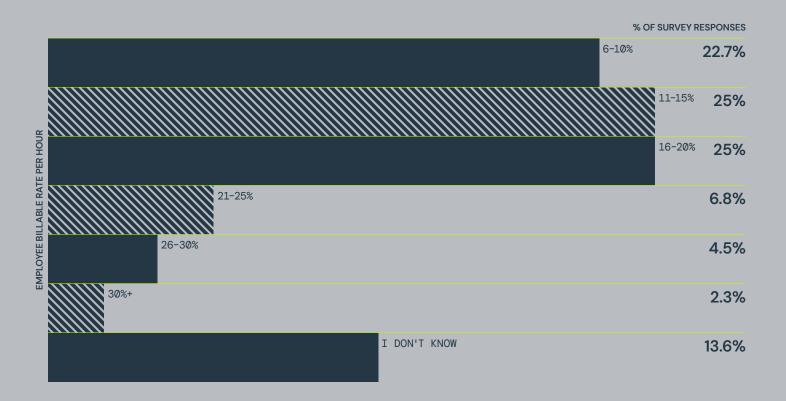
# Project gross margin

Survey responses for average project gross margin:



# Total company profit margin

Survey responses for total company profit margin for the last financial year:



PLATFORM DATA

**21**%

of time entries were submitted after the week they were due 4

is the average number of days taken to submit late time entries 5%

of time entries were submitted after both week and month ends

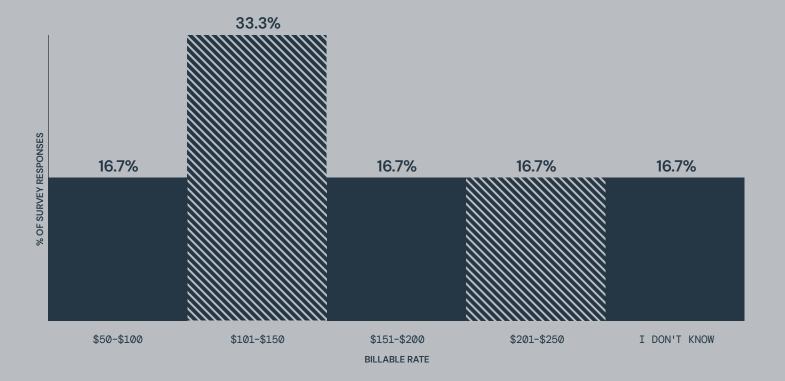


INDUSTRY BREAKDOWN

# Architecture

## **Financials**

Survey responses for average billable rate per hour in USD:



PLATFORM DATA

Average services revenue per full-time employee

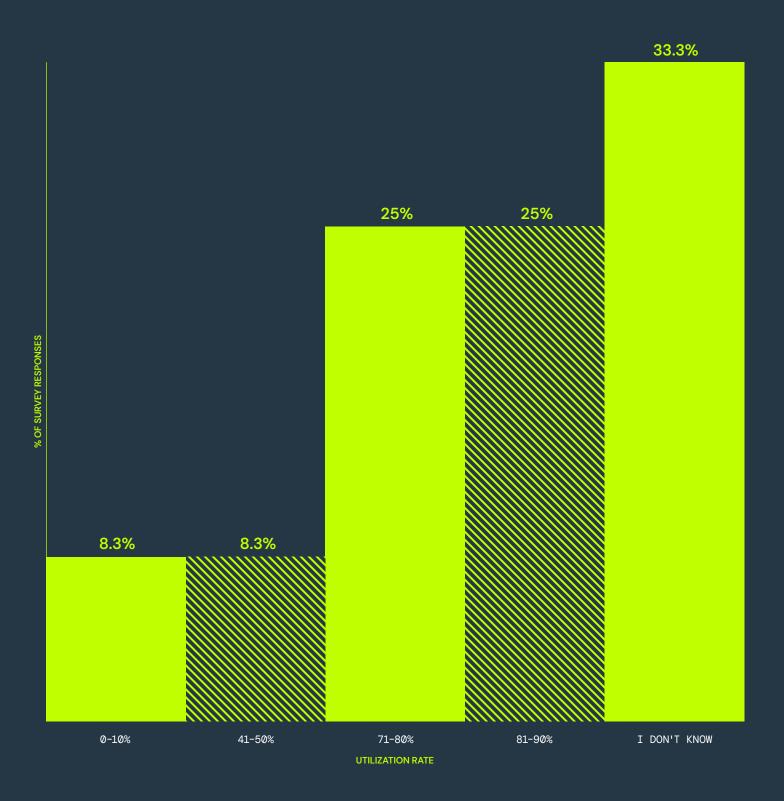
\$85,693<sup>USD</sup>

Average billable rate

\$98<sup>USD</sup>

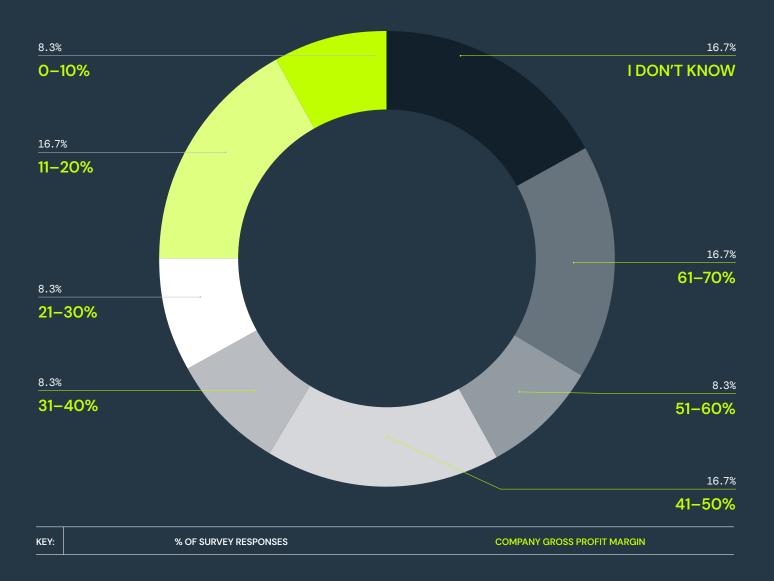
# **Utilization rates**

Survey responses for average company utilization rate:



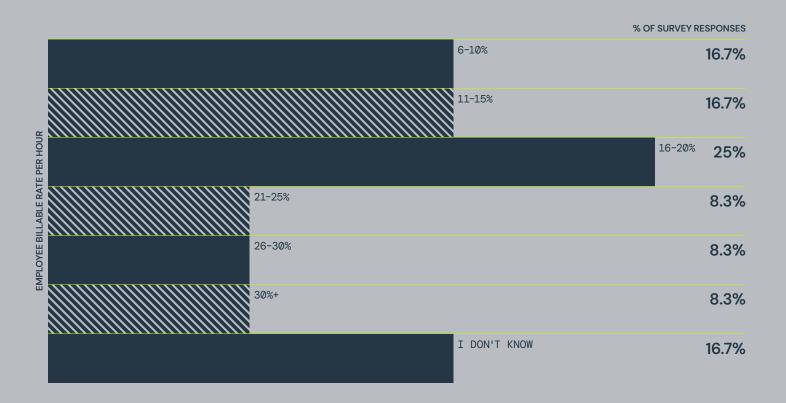
# Project gross margin

Survey responses for average project gross margin:



# Total company profit margin

Survey responses for total company profit margin for the last financial year:



**PLATFORM DATA** 

21%

of time entries were submitted after the week they were due 2

is the average number of days taken to submit late time entries **7**%

of time entries were submitted after both week and month ends

FACING THE FUTURE:

# Insights for 2025 and beyond

Projectworks.io

Benchmarking Guide

BIGGEST CHALLENGES CONSULTING FIRM LEADERS ARE EXPECTING IN THE COMING 12 MONTHS:

# Finding new clients

47.5% OF SURVEY RESPONDENTS

# Hiring and/or retaining great employees

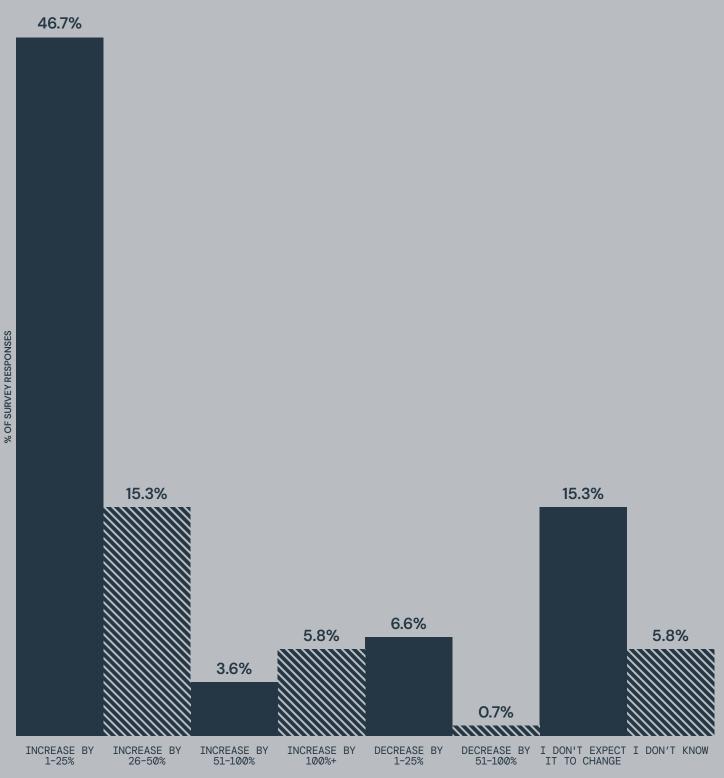
45.3% OF SURVEY RESPONDENTS

# Retaining my existing clients and/or generating new business from them

25.9% OF SURVEY RESPONDENTS

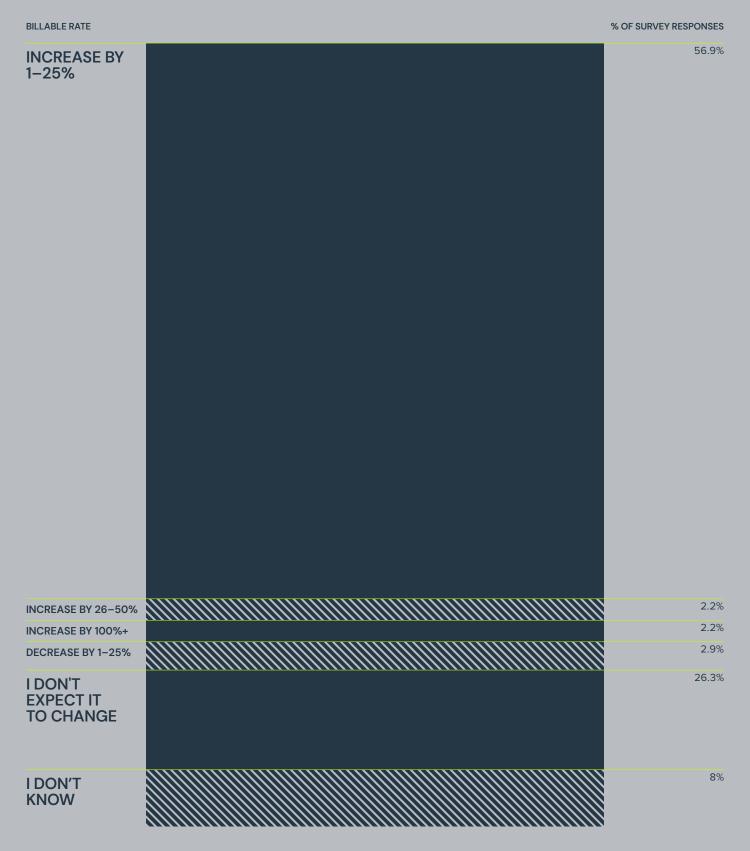
# Expected change in headcount

Survey response percentages for "In the coming 12 months, to what degree do you expect your employee headcount to change?"



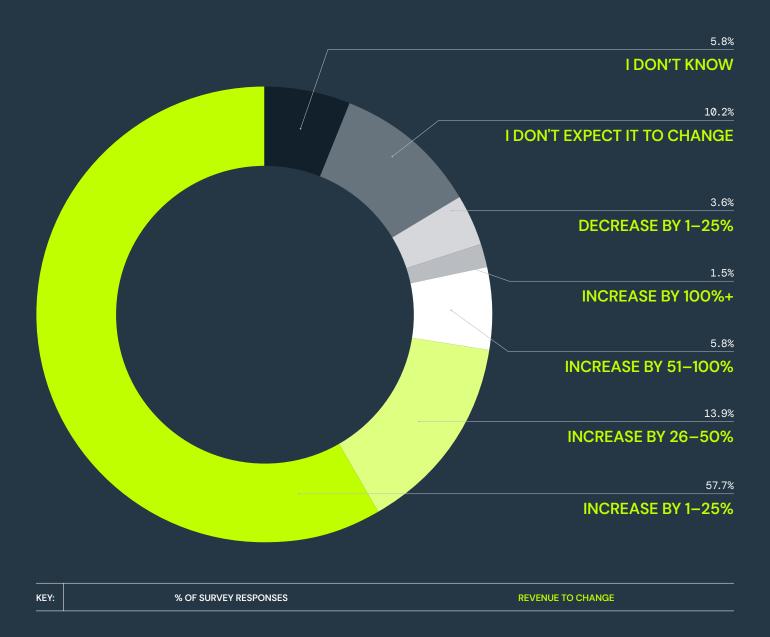
## Billable rate

Survey response percentages for "In the coming 12 months, to what degree do you plan to change your average billable rate?"



## Revenue to change

Survey response percentages for "In the coming 12 months, to what degree do you expect your services revenue to change?"



# **Insights**

Despite the challenges services firms face, such as finding new clients and hiring or retaining employees, the overall sentiment regarding the year ahead is a generally positive one with:

Respondents feeling optimistic about the year ahead in services

71.6%

Respondents feeling neutral about the year ahead in services

23.3%

Respondents feeling pessimistic about the year ahead in services

5.1%

When asked about the level of confidence respondents have regarding whether their firms have unique competitive advantage:

54.4%

of CEO respondents were confident they do, and 45.6% neutral or not confident

73.7%

of CFO/Finance Leader respondents were confident they do, and 26.3% neutral or not confident

70.6%

of Ops & Admin respondents were confident they do, and 29.4% neutral or not confident

50%

of Service Delivery respondents were confident they do, and 50% neutral or not confident



#### Conclusion

As we look ahead to the future in services, we hope the insights you've drawn from this benchmarking report serve as a useful tool for you and your firm to understand how you compare and contrast across the various metrics shared. Keep in mind, there will never be a one-size-fits-all approach to services performance, so reflect on the data we've shared with a healthy dose of perspective based on your specific business model and unique approach to delivering your services.



As our world and the challenges we face continue to evolve, the opportunity ahead for consulting firms is enormous. The depth of expertise that services firms contain is exactly the resource we need to solve these global challenges. However, to maximize your impact, you need to remove as much unnecessary admin work as possible. In doing so you'll maximize your team's billable time, improve your profitability, your team will be more engaged in their work, your projects will be delivered on time and budget, and your clients will love you for it.

If you don't already use software that supports you in all of this, consider booking a demo or starting a free trial of Projectworks. Our PSA platform was originally built inside a services firm, so we understand your pain points uniquely. Projectworks is tailored for consulting firms, easy-to-use, and connects with your broader technology ecosystem from your CRM through to accounting software. We help hundreds of consulting firms around the globe save a ton of time and cost by reducing unnecessary admin, human error, and double handling of data, which has helped them to grow by an average of 20% while using our software.

# PIII PROJECTWORKS