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GLOBAL MARKET INTELLIGENCE SERVICE

Global Environmental Consulting Market

SAMPLE REPORT

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This report was researched and edited by:

Liz Trew
Editorial Director,
Market Intelligence Service

Anya Hembrough
Deputy Editor and Senior Analyst

Stuart Foxon
Director

Thanks to the environmental consulting firms that have assisted us by responding to our surveys, participating in email/phone/face-to-face interviews and verifying/commenting on their company profiles.

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If you have any queries, comments or feedback, please contact:

Liz Trew

Email: liz@environment-analyst.com

Tel: 020 3603 2106

Environment Analyst Ltd
Talbot House
Market Street
Shrewsbury
SY1 1LG
United Kingdom

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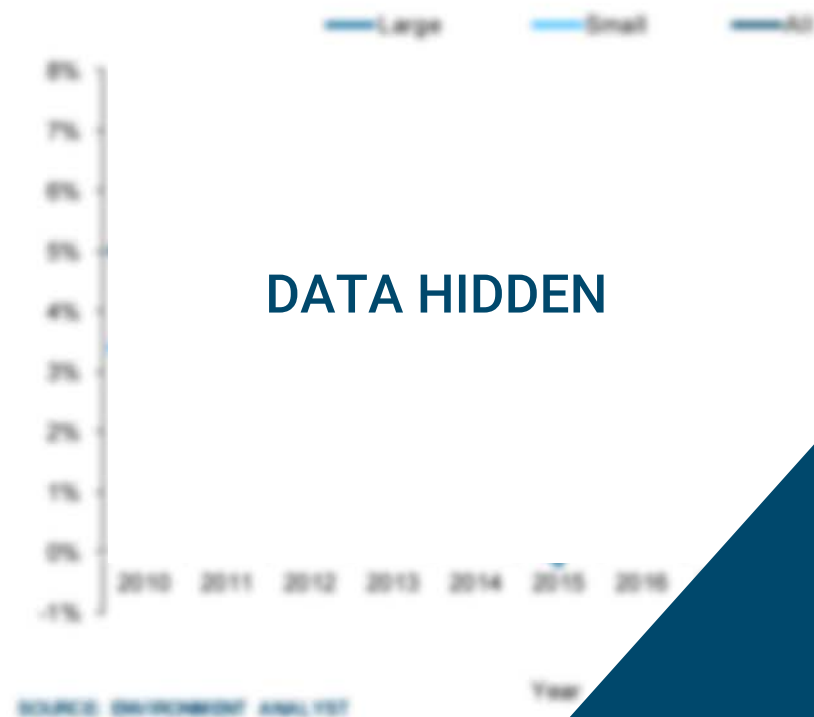
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6. Financial trends

- **Average global revenue growth inched up to 2.6% in 2018, with large players enjoying significantly improved fortunes.** Global EC revenues for the survey sample increased by a mean (unweighted) average of 2.6% in 2018, up from 2.2% in 2017. This compares to the IMF's reported level of global economic growth for last year at 3.6% and also represents a slightly more optimistic outlook compared to the 2.2% as forecast for 2018 by last year's survey participants.
- **Reversal of last year's trend with large firms outperforming smaller ones** - crucially the tables have turned yet again with smaller consultancies (with EC revenues <\$15m) reporting a modest 1.2% growth against a more bullish 4.1% for the large consultancies (>\$15m EC revenues), in contrast with 2.7% growth and 1.6% growth respectively in 2017. This indicates a strong upward swing for the larger EC practices year-on-year, and a continuation of the see-saw fortunes experienced by this group during the period we have undertaken this survey (see figures below). Although growth expectations for the next couple of years are quite similar, whether large or small.

Fig 5 Average global revenue growth, 2010-2020e



- One-fifth of firms see negative overall positive average growth in contracted revenue last year (to see year-on-year increase 64% in the same period year).
- Over 80% of firms business performance began to exceed a forecast level.

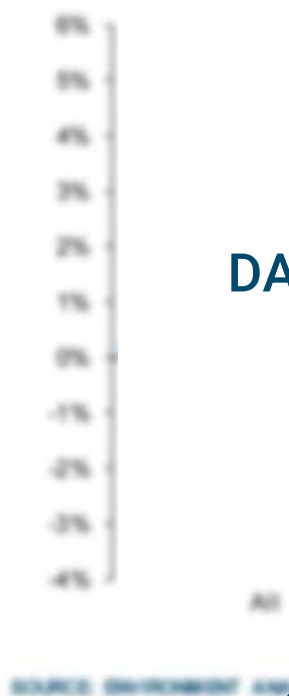
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7. Staff trends & fee rates

7.1 Human resources - trends in redundancy & recruitment

- **Peak in recruitment with around two-thirds reporting an organic headcount increase, averaging +4%.** 63% of respondents report growing their EC teams with the average staff change at 4.3% in 2018, compared with a -0.9% decline the previous year. Increases have been strongest amongst large firms where the average increase was 4.9% compared with small firms whose EC staff numbers rose by an average 3.1%. The figures suggest recruitment is at its highest level for the last five years (see figure below).
- **Small and large firms equally likely to be shedding staff.** This year, whilst the large firms outperformed in growing their staff numbers, there is little difference between large and small firms in terms staff redundancies during the past year, with just 8% and 7% respectively reporting job losses. This indicates a continued wave of redundancies rippling through the sector as a result of the integration process of large-scale M&As seen recently together with the global natural resources market downturn. Job losses are expected by 6% of all firms in 2019.
- **Recruitment frozen for just under a third of small practices but not for any large firms - there not insignificant - but shrinking - proportion (7%) of those surveyed who said their teams had actually got smaller over the last 12 months.** Recruitment was frozen completely in 29% of small firms surveyed (compared to 47% last year and 51%, 44% and 39% in the preceding years before that). Meanwhile, none of the large firms surveyed maintained a policy to freeze recruitment compared to 7% the previous year.

Fig 11 Change in employee numbers over last 12 months



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Fig 32 Mean revenue prospects across first 5 of 15 client sectors, comparison 2010-2019

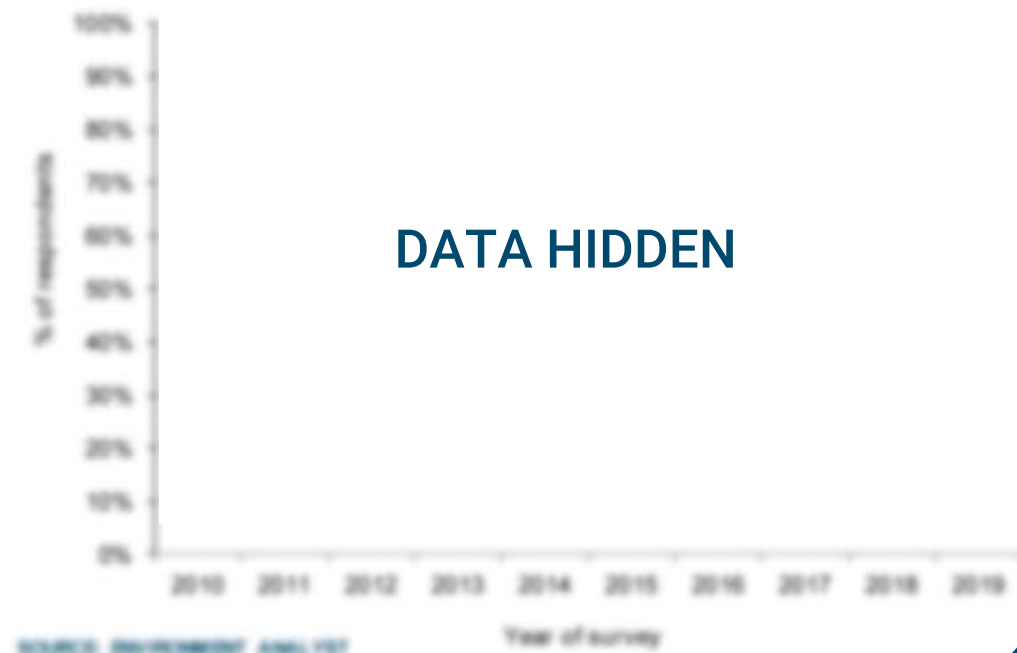


Fig 33 Mean revenue prospects across second 5 of 15 client sectors, comparison 2010-2019



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Fig 40 Strategic business drivers for next 5 years across third 5 of 19 drivers, comparison 2010-2019



SOURCE: ENVIRONMENT ANALYST

* % of respondents stating the issue is a driver or significant driver in next few years

10. Market forecast trends

In this section, we present the growth forecasts made by environment response to the market trends survey carried out during the first half of the country's EC sector and the global EC market as whole, and also in

In Environment Analyst's separate Global Environmental Strategy (the year), we will present its own market forecasts for the account consultants' growth estimates presented in this economic indicators, historic market demand patterns, also the Global Market Intelligence Service news from constraints.

10.1 Own country market trend

- **Business confidence generally** managers were asked to prospects for 2019 and qualitative assessment last, up from 78% anticipate a weak
- **Even higher** with 95% current
- **Smaller**

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Fig 43 Own country mean annual revenue growth expectations, 2019-2023

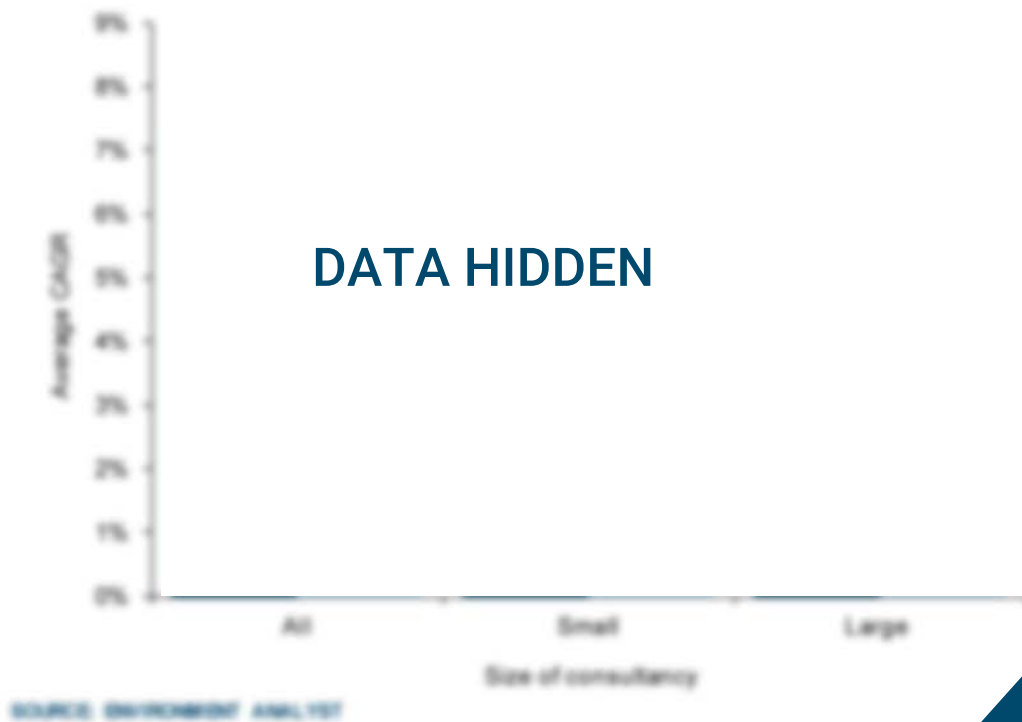
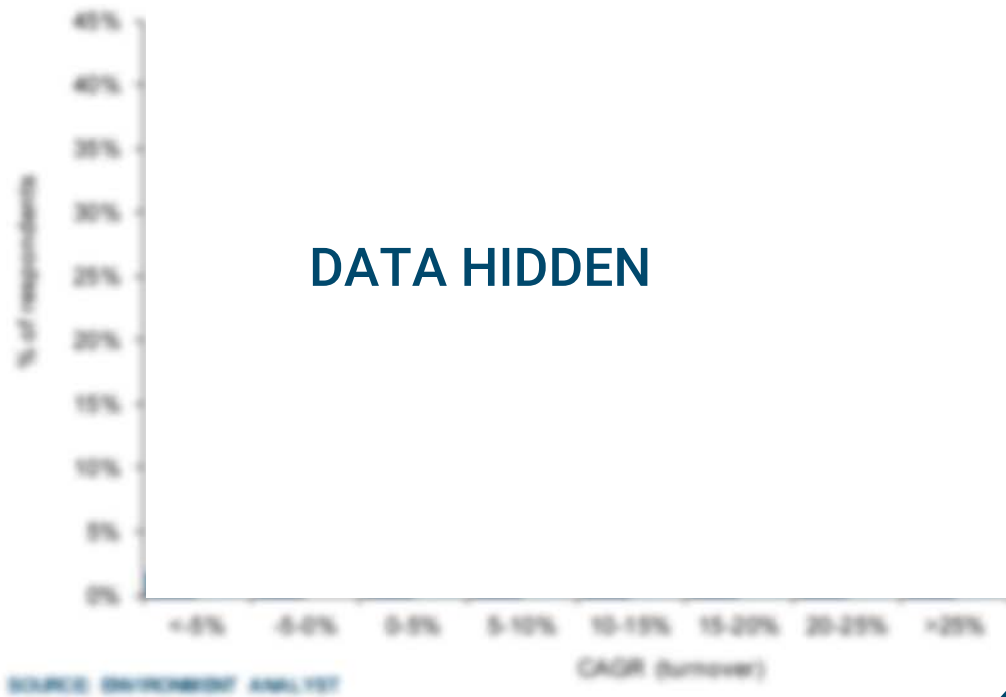


Fig 44 Own country mean annual revenue growth expectations, comparison 2010-2011



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Fig 48 Global annual growth expectations for next 5 years



10.3 Global regional growth prospects

Survey respondents who operate globally were asked to evaluate the future prospects for their international business by region. Reflecting a generally improving outlook, prospects for the next five years to 2023 have risen in all regions, but most notably in East Asia (incl. China).

- In a turnaround from last year, North America, the region this year with half of all respondents saying prospects are good, translating into a mean CAGR of 7.9% (compared to 6.5% last year). Respondents confident of strong or substantial growth rose to 50% compared to 25% last year. This marks the highest level in the history of this survey since 2010.
- Indian sub-continent takes second place for growth prospects (up from 37% last year) with a mean CAGR of 5.5% last year.
- Latin America takes third place for growth prospects, reflecting a recession which has led to a more optimistic outlook, translating into a mean CAGR of 5.5% last year.
- Africa ranks a distant fourth for growth prospects, with a mean CAGR of 3.5% last year.
- In contrast, Europe still has the lowest prospects for growth, with a mean CAGR of 3.5% last year.

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