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2025 Business Outlook

Challenges & Opportunities for Consulting Firms

Brockmann & Büchner · CURZON CONSULTING · EURO GROUP CONSULTING · EUROGROUP CONSULTING · ingenics CONSULTING · nexe the way of change · Paradigma · YCP

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Introduction

In 2025, global companies are facing a complex environment marked by moderate economic growth, intensifying geopolitical tensions, and an accelerating trend toward deglobalization. Moreover, uneven regional recoveries, rapid technological shifts, and mounting but inconsistent pressure to integrate sustainability into long-term strategies are putting additional strain on traditional business models and pushing companies to rethink their investments, supply chains, and workforce structures.

As corporate agendas shift, so does the role of consulting. In a context of slower decision-making and constrained resources, companies are looking for more targeted, faster, and value-driven advisory support. At the same time, consulting firms must adapt—redefining their service models to stay aligned with changing client needs and sector dynamics.

This paper explores how the megatrends outlined above are reshaping client needs and creating both challenges and opportunities for the consulting industry. It examines the key forces driving change in 2025 and identifies where and how consulting firms must reposition themselves to stay relevant, competitive, and impactful in an increasingly demanding business environment.

01

The Global Consulting Landscape in 2025: Navigating Moderate Growth Amid Geopolitical and Economic Headwinds

In 2025, global corporations are operating under intense geopolitical and economic pressure, particularly in regions facing acute instability. Strategic initiatives are being delayed, downsized, or reoriented—directly impacting demand for consulting services. As clients become more selective, consulting firms must adapt rapidly to deliver faster, leaner, and more targeted support.

1.1. A Challenging Macroeconomic Backdrop

As we move further into 2025, the global business environment is shaped by persistent geopolitical tensions and economic uncertainties that continue to weigh heavily on the outlook for the consulting industry. While global growth is projected at a moderate pace of 3.3%[1], it remains below historical averages and fails to deliver the momentum needed for a robust recovery in consulting demand.

The geopolitical context is particularly volatile. Ongoing conflicts such as the Russia-Ukraine war and escalating tensions in the Middle East, combined with the recent return of Donald Trump to the U.S. presidency, are reshaping international relations and trade dynamics. Protectionist trends are resurfacing, with U.S. tariffs briefly set at 10% on all global imports and up to 125% on Chinese goods in April 2025. Although these measures were reversed after 15 hours, they prompted an 84% retaliatory tariff from China and led to temporary market volatility, including declines on Wall Street and rising U.S. Treasury yields. In a context where U.S. federal debt exceeds $36 trillion, such movements drew attention to the sensitivity of financial markets to trade policy[2]. This episode illustrates the broader unpredictability of the current global trade environment, which adds complexity to strategic planning for multinational corporations and the consulting firms that advise them.

In parallel, the transmission effects of prior interest rate hikes are still unfolding, adding friction to investment and growth. Yet this dynamic is not uniform across regions. In the United States, although headline inflation stands at a moderate +2.3% in April 2025[3], market expectations remain elevated, with forecasts reaching 7.3% over the next year[4]. This is driven by political uncertainty and renewed trade tensions. As a result, the Federal Reserve has kept its policy rate high (4.25%–4.5%[5]) and maintains a cautious stance, with no firm commitment to easing in the short term. In contrast, the euro area benefits from a more stable inflation environment (+2.2% in April 2025), enabling the European Central Bank to lower its benchmark rate to 2.5% and initiate a more predictable easing cycle. In China, the picture is starkly different: the economy is facing persistent deflation (–0.1%), prompting the People's Bank of China to maintain a highly accommodative stance to support domestic demand. In Latin America, inflation remains comparatively high (ranging from 4% to 6% in key economies). However, some central banks, notably in Mexico, have initiated rate cuts, moving from 9% to 8.5% in May 2025[6], even if limited fiscal space across the region constrains the scope for further stimulus.

[1]OCDE, "Perspectives économiques de l'OCDE, Rapport intermédiaire, mars 2025," 17 mars 2025, https://www.oecd.org/fr/publications/perspectives-economiques-de-l-ocde-rapport-intermediaire-mars-2025_092e5f31-fr.html.
[2]RFI, "Donald Trump's Tariffs: Why Did He Change His Mind Again?" April 10, 2025, https://www.rfi.fr/fr/podcasts/aujourd-hui-l-%C3%A9conomie/20250410-droits-de-douane-de-donald-trump-pourquoi-a-t-il-encore-chang%C3%A9-d-avis.
[3] Trading Economics, June 2, 2025, https://tradingeconomics.com/world/full-year-gdp-growth.
[4]World Economic Forum, "Chief Economists Outlook: May 2025," May 28, 2025, https://reports.weforum.org/docs/WEF_Chief_Economists_Outlook_May_2025.pdf.
[5]J.P. Morgan, "May 2025 Fed Meeting: Rates Hold Firm Again as FOMC Takes 'Wait and See' Approach," May 8, 2025, https://www.jpmorgan.com/insights/outlook/economic-outlook/fed-meeting-may-2025.
[6]Trading Economics, June 2, 2025, https://tradingeconomics.com/world/full-year-gdp-growth.

This growing monetary fragmentation creates an unstable environment for international businesses: financing decisions are more complex, currency risks are heightened, and credit conditions vary sharply by region. For consulting firms, this calls for more region-specific strategies, and tailored support in financing, investment, and macro risk management.

These divergent monetary dynamics are contributing to an uneven economic recovery. In some regions, elevated borrowing costs continue to weigh on corporate performance. Business insolvencies increased by 11% globally in 2024 and are projected to rise by a further 2% in 2025, potentially putting 1.6 million jobs at risk worldwide[7]. However, early signs of monetary easing in parts of Europe and Latin America may begin to ease these pressures and slow the wave of corporate failures in the second half of the year.

Despite this fragile backdrop, executive sentiment remains cautiously optimistic. According to recent surveys, 62% of corporate leaders express confidence in their business outlook for 2025[8]. Their strategic priorities are shifting toward operational efficiency, supply chain resilience, and sustainable growth, as they adapt to persistent volatility and widening regional disparities in market conditions.

Key Insight

Despite moderate global GDP growth, the consulting industry is facing pressure due to the combination of geopolitical instability, fragmented monetary conditions, and increased corporate caution. These factors are delaying investment decisions and strengthening the need for region-specific strategic guidance.

1.2. Divergent Regional Dynamics and Their Impact on Consulting Demand

Growth is increasingly fragmented across regions. The U.S. remains relatively resilient, supported by strong corporate balance sheets and high productivity. Pro-business policies, such as deregulation, tax cuts, and investment incentives, are helping sustain internal demand and offer a stable outlook for consulting services focused on corporate transformation and growth initiatives.

[7] Allianz Trade, "Global Insolvencies Outlook – A Broad-Based but Gradual Normalization," October 15, 2024, https://www.allianz-trade.com/content/dam/onemarketing/aztrade/allianz-trade_com/de_CH/presse/15-10-2024-Global-insolvencies-AZT.pdf
[8] Capgemini, Navigating Uncertainty with Confidence: Investment Priorities for 2025, February 2025, https://www.capgemini.com/wp-content/uploads/2025/02/2025_Davos_Investment-trends-CRI-Report_Final2.pdf.

Conversely, the Eurozone is experiencing a more subdued recovery. Structural issues, particularly related to trade frictions and lagging productivity, are compounded by ongoing energy supply constraints and elevated input costs. These factors are creating downward pressure on consulting budgets and delaying decision-making processes across key European markets such as Germany, France, and the UK.

Emerging economies, meanwhile, are contributing to 60%[9] of global growth. However, their economic convergence with advanced nations is slowing. Weaker infrastructure, vulnerability to external shocks, and limited fiscal space are constraining their capacity to sustain demand for high-end strategic advisory services.
At the same time, the revival of protectionist trade policies is compounding economic uncertainty. New trade barriers risk inflating costs across supply chains and reducing cross-border investments—trends that directly affect consulting firms engaged in global M&A, operations, or supply chain strategy.

Key Insight
Regional divergence is widening, while the U.S. maintains a relatively healthy appetite for consulting, Europe and developing markets are showing signs of stagnation, creating a two-speed recovery for the industry.

1.3. Implications for Strategy Consulting Firms

In this context, the strategy consulting sector is experiencing a moderate recovery that remains fragile and uneven. The industry's primary revenue bases, North America and Western Europe, are facing a mix of structural maturity and economic unpredictability. In mature markets, many corporations have already implemented first-wave cost optimization plans, leaving limited room for further cuts. Meanwhile, macroeconomic volatility has triggered widespread budget freezes or reductions, particularly in discretionary spending like consulting.

[9]World Bank, Global Economy Stabilizes, But Developing Economies Face Tougher Slog, January 16, 2025, https://www.worldbank.org/en/news/press-release/2025/01/16/gep-january-2025-press-release.

This has led to tangible operational impacts across the consulting industry:

Numerous projects are being postponed, rescheduled, or cancelled outright.

Project sizes are shrinking as clients tighten scopes to focus on immediate ROI.

Demand is shifting away from efficiency-driven mandates toward revenue-generating, top-line growth initiatives.

Hiring freezes and headcount reductions became widespread in 2024, with firms also slowing down compensation growth.

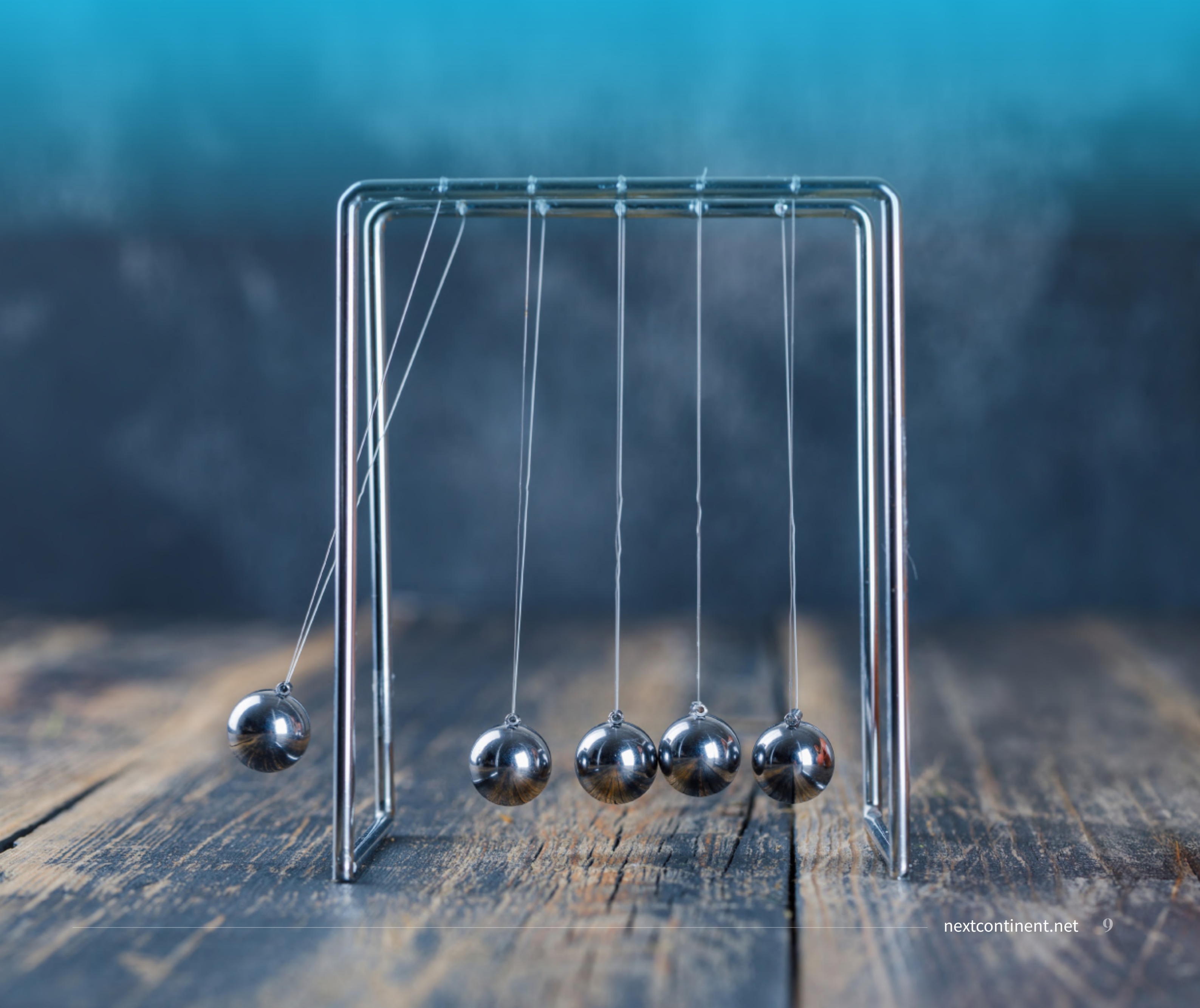
Interestingly, smaller and more agile consulting firms appear to be weathering the storm more effectively. Their flexibility allows them to adapt quickly to changing client demands, offer more customized approaches, and operate with leaner structures, making them more attractive to cost-conscious clients.

Key Insight

Consulting firms must pivot toward growth-oriented mandates and adopt more agile delivery models. The ability to demonstrate fast, measurable value is becoming a competitive differentiator in a cautious client landscape.

02 A Cautious Rebound: The M&A Market in Search of Momentum

The M&A market shows signs of recovery in 2025, but the rebound remains fragile, with significant differences between regions and sectors. Geopolitical volatility and regulatory concerns slow decision-making, although sectors like technology and energy are seeing growing attention.



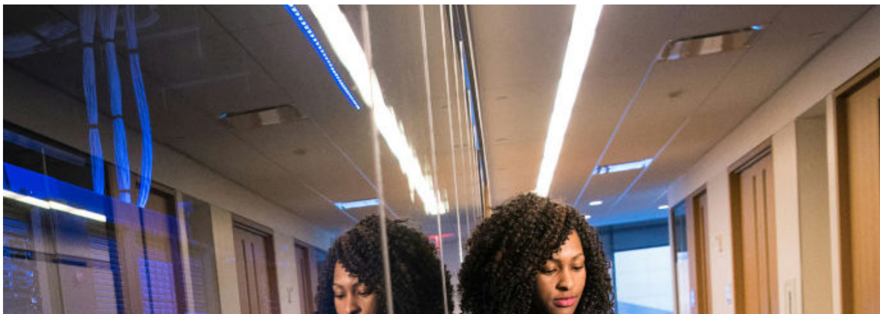
2.1. Gradual Recovery in a Fragile Environment

After two subdued years, the global M&A market is showing early signs of recovery in 2025. This rebound is supported by a favorable macroeconomic shift: inflation is declining, interest rates are easing, and valuations are becoming more attractive. Corporates and private equity firms are also sitting on considerable dry powder, providing the financial firepower for a return to dealmaking.

However, the recovery remains cautious. Persistent uncertainty—related to inflationary pressures, volatile growth forecasts, and geopolitical instability—continues to weigh on investor sentiment. Decision-making is slow, especially for complex or cross-border transactions, and risk appetite remains selective.

2.2. Diverging Patterns Across Regions and Sectors

The momentum varies significantly across geographies. North America is leading the recovery, driven by a resilient economic backdrop and a more flexible regulatory tone, fostering large-scale deals in high-growth sectors. Europe shows tentative signs of improvement but remains exposed to economic and political fragilities. In Asia-Pacific, long-term potential persists, yet current instability hampers activity. Meanwhile, the Middle East is gaining prominence as a strategic buyer, with sovereign wealth funds increasingly acquiring Western assets in future-oriented sectors.



At the sector level, the focus is shifting. Technology, especially artificial intelligence, continues to attract strong interest from both strategic and financial investors. Energy (notably renewables), healthcare, and infrastructure-related sectors such as logistics and aviation are also gaining traction, driven by global transitions around sustainability and resilience. In contrast, consumer and industrial goods remain sluggish, weighed down by overcapacity, margin pressures, and weak demand recovery.

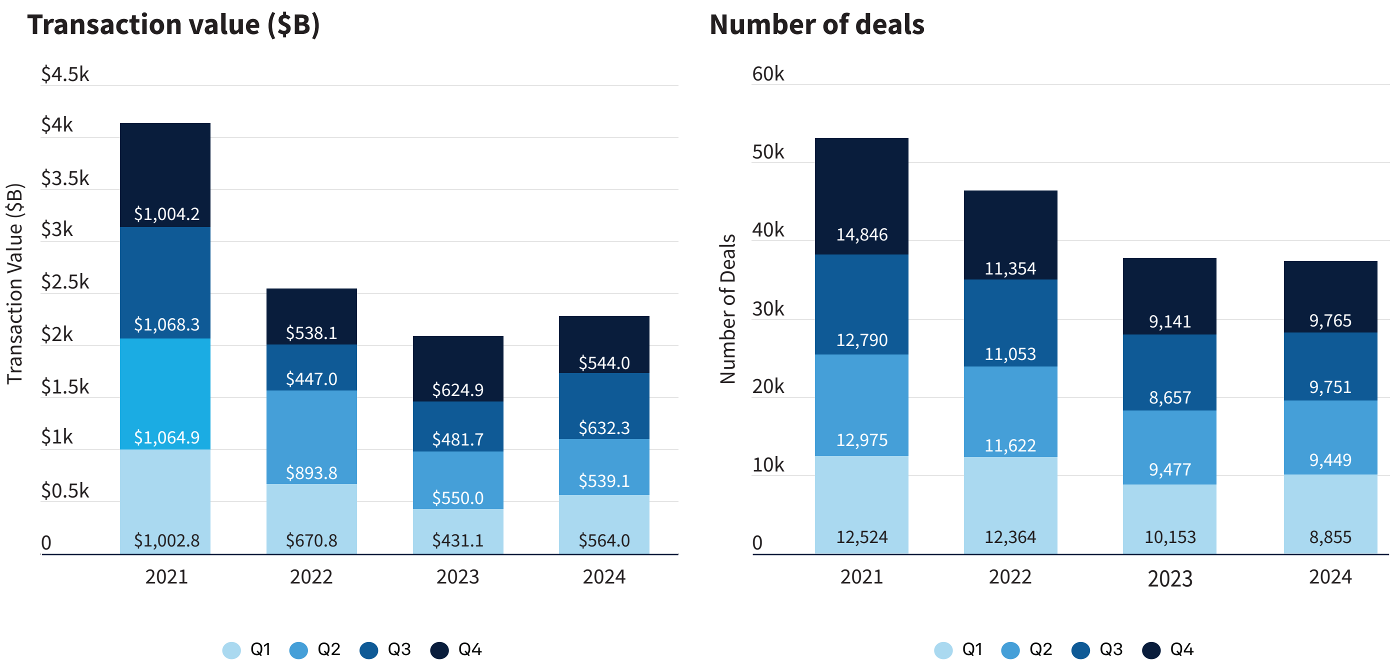
2.3. A More Complex Regulatory and Strategic Landscape

Regulatory environments remain demanding. While some jurisdictions, like the U.S., have relaxed certain rules, antitrust scrutiny and foreign investment controls are tightening elsewhere, often linked to national security concerns. These barriers are affecting deal structures and execution timelines.

Moreover, ESG criteria, data protection, and cybersecurity have evolved from secondary considerations to central components of due diligence and valuation. Their integration into M&A strategy is now essential, shaping the overall success of transactions.
On the numbers side, the global M&A market reached $2.1 trillion in 2024—up 3% from 2023, but still well below the 10-year average of $3.0 trillion[10]. Deal volume remains well below peak levels: 37,800 transactions were completed in 2024, only slightly above the 37,300 recorded in 2023, and still far below the 2021 peak of 53,000[11].

This divergence between value and volume signals a strategic recalibration: fewer deals, but with greater financial and strategic significance, as investors prioritize long-term value creation and risk mitigation.

Global M&A activity by year



Source: S&P Global Market Intelligence, Global M&A by numbers: 2024 in Review, January 21, 2025. [11]

[10]S&P Global Market Intelligence, Global M&A by the Numbers Q4 2023, January 30, 2024, https://www.spglobal.com/market-intelligence/en/news-insights/research/global-ma-by-the-numbers-q4-2023.
[11]S&P Global Market Intelligence, Global M&A by the Numbers: 2024 in Review, January 21, 2025, https://www.spglobal.com/market-intelligence/en/news-insights/research/global-ma-by-the-numbers-2024-in-review.

Key Insight

The M&A market in 2025 is experiencing a cautious recovery, with regional and sectoral differences shaping the landscape. While North America leads the rebound, geopolitical and economic fragilities continue to influence global activity. The regulatory environment remains complex, and factors like ESG criteria and cybersecurity are now central to M&A strategies. Despite an uptick in value, deal volume is on the decline, indicating that investors are focusing on fewer, but more strategically significant transactions.

Opportunities for Consulting Firms

While the global M&A market is recovering, geopolitical risks and regulatory complexities continue to slow down deal-making. Consulting firms can capitalize on this by offering advisory services in strategic due diligence, helping clients navigate regulatory challenges, and ensuring smooth post-deal integration. Focus should be placed on high-growth sectors, including AI, technology, energy, and healthcare, where deal activity is likely to accelerate. By leveraging their expertise in M&A, consulting firms can help organizations identify valuable acquisition targets, assess synergies, and optimize value creation post-merger.

03

Supply Chains Under Pressure: From Resilience and Performance Challenges to Digital Transformation

Global supply chains continue to face pressure, balancing resilience against crises with performance challenges. Digital transformation and adaptation strategies are becoming critical, but obstacles such as governance gaps and talent shortages hinder necessary progress.

3.1. Resilience and Cost Control in a High-Inflation World

In a world defined by geopolitical instability, deglobalization, energy volatility, and cybersecurity risks, resilience has shifted from a competitive advantage to a critical strategic necessity. Visibility across supply networks, particularly beyond Tier 1 suppliers, is increasingly limited, creating vulnerabilities that cannot be ignored. In 2024, 90% of companies reported experiencing disruptions in their supply chains[12], highlighting the ongoing instability in global logistics. To counter these risks, companies are investing heavily in digital twins and advanced risk management technologies to gain real-time predictive insights and improve response times.

Despite these investments, governance remains underdeveloped: only 25% of organizations have formal board-level processes for supply chain risk management[12]. This lack of oversight presents a significant blind spot, making resilience a top priority for the C-suite. Additionally, global economic uncertainties, particularly inflation, have forced companies to adopt more granular cost-to-serve strategies, using artificial intelligence and advanced analytics to monitor profitability at granular levels. Regionalization, particularly nearshoring in Southeast Asia, has also become more prevalent in response to geopolitical and logistical risks. However, structural inertia and high costs continue to slow the execution of regionalization strategies, leaving many firms exposed to the same risks they aim to mitigate.

3.2. Digital Transformation and Talent Challenges

The rapid pace of digitalization is starting to plateau as organizations struggle to realize the full potential of technologies such as AI, IoT, blockchain, and digital twins. The core issue is no longer the availability of technology but the lack of cohesive data infrastructure and system interoperability. Siloed systems and poor data governance hinder cross-functional visibility and decision-making, requiring companies to shift focus toward platform consolidation, data quality enhancement, and stronger governance frameworks.

Compounding this issue is the persistent talent shortage: 90% of companies lack the digital expertise necessary to implement and scale their supply chain transformations[13]. This gap in digital talent remains a major bottleneck to achieving true AI-driven performance improvements, further delaying progress. Without addressing this shortage, firms will continue to fall short of their transformation ambitions.

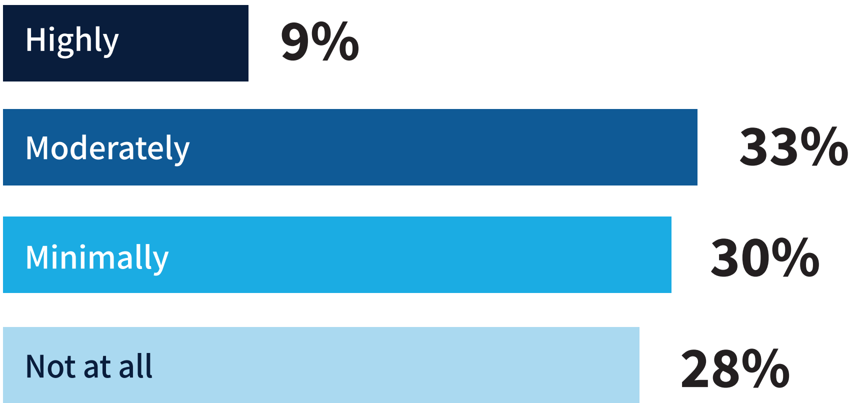
3.3. Regulatory and Sustainability Pressures

Sustainability is becoming an increasingly urgent issue, driven by stricter environmental regulations and stakeholder expectations. Net-zero commitments are prompting companies to reevaluate their operations across sourcing, logistics, and waste management. However, there remains a gap between ambition and execution. According to a recent survey

[12] McKinsey & Company, Supply Chains: Still Vulnerable, 2024, https://www.mckinsey.com/capabilities/operations/our-insights/supply-chain-risk-survey.
[13] McKinsey & Company, Supply Chains: Still Vulnerable, 2024, https://www.mckinsey.com/capabilities/operations/our-insights/supply-chain-risk-survey.

conducted by Diligent in collaboration with OCEG, less than half of respondents reported having a formal, documented ESG program in place, and fewer than 10% expressed strong confidence in their organization's maturity and documentation of ESG capabilities[14]. Sustainability, once a secondary concern, is now a key driver of supply chain strategy, but progress on key issues such as transport emissions, packaging efficiency, and circular economy principles remains inconsistent.

Confidence there is mature, well-documented ESG capability



Source: World Economic Forum, The No. 1 ESG Challenge? Data, October 6, 2021[14].

Key Insight

The convergence of geopolitical, economic, regulatory, and digital challenges is pushing supply chains to their limits. While companies are taking steps to address resilience, digital transformation, and sustainability, the lack of governance, talent, and effective execution continues to hinder meaningful progress. Supply chain leaders must shift from a reactive to a proactive approach to navigate these mounting pressures and secure long-term stability.

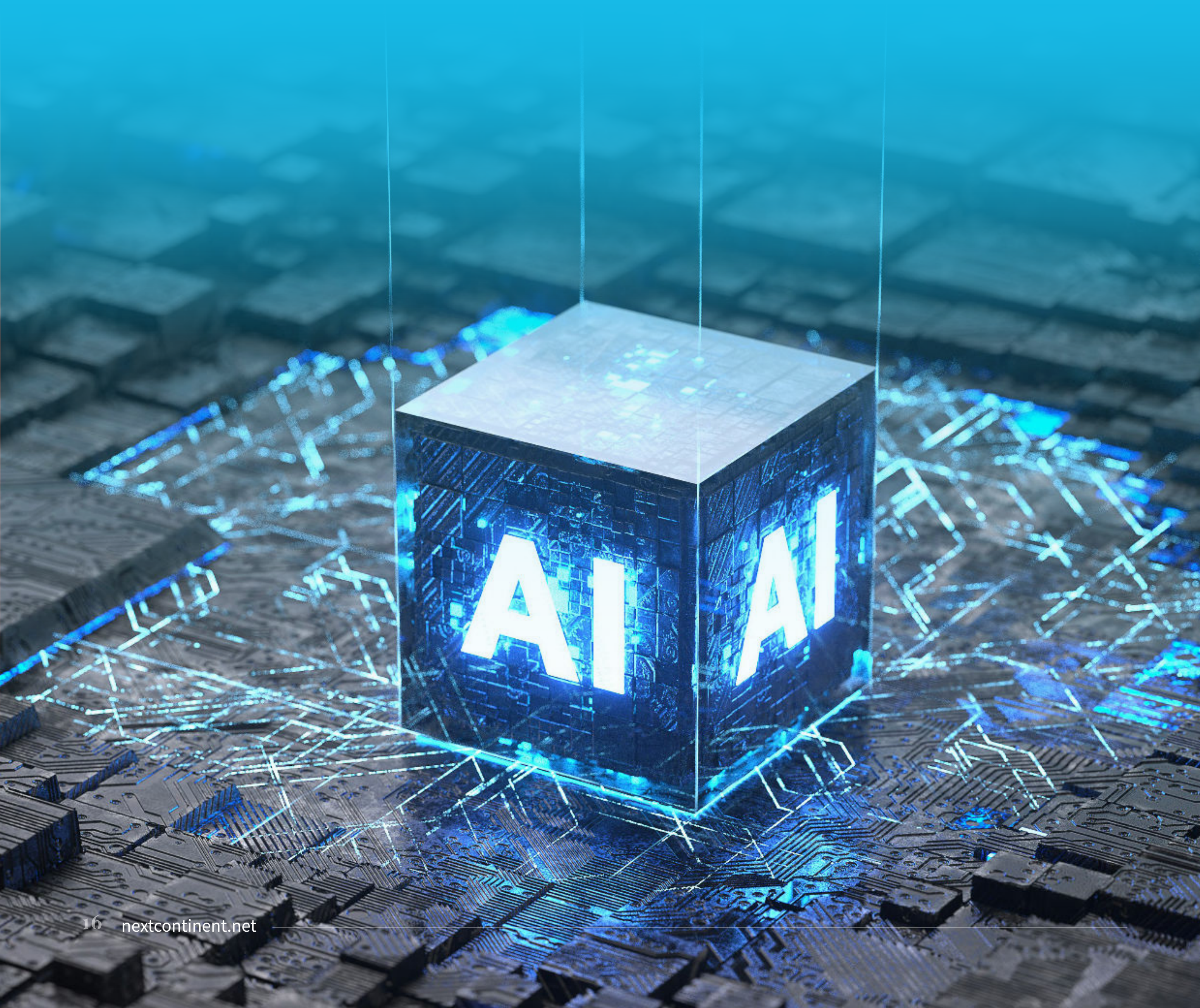
Opportunities for Consulting Firms

Companies are increasingly focusing on supply chain resilience and performance, adopting digital tools like AI, blockchain, and IoT. However, many organizations struggle with fragmented data and limited integration of these technologies. Consulting firms can help bridge this gap by offering solutions that improve supply chain visibility, streamline data integration, and enhance risk management. Furthermore, as regionalization and nearshoring become more prominent, consulting firms can support clients in optimizing their supply chain strategies to reduce dependency on distant suppliers and mitigate the risks associated with geopolitical tensions.

[14]World Economic Forum, The No. 1 ESG Challenge? Data, October 6, 2021, https://www.weforum.org/stories/2021/10/no-1-esg-challenge-data-environmental-social-governance-reporting/.

04 Technology Acceleration Driving Massive Investments in AI, Data, Automation, and Cybersecurity

Technological acceleration, driven by massive investments in AI, data, and cybersecurity, is transforming the business landscape. However, challenges remain, particularly in managing unstructured data and integrating AI into existing systems, requiring effective change management to maximize productivity gains.



4.1. AI and Automation: The Next Wave of Enterprise Transformation

AI is evolving from assistive tools to autonomous decision-making systems, marking a major shift in enterprise transformation. By 2025, AI agents are expected to move beyond the role of copilots to become fully autonomous reasoning systems. Executives and investors alike rank these technologies among the most transformative for the coming years.

Already, 58% of AI leaders report exponential productivity gains from generative AI[15], although few organizations have implemented reliable methods to measure these benefits. Despite the promise of AI-driven efficiency, there are still no clear signs of mass layoffs. Meanwhile, a 2024 survey by the Capgemini Research Institute involving 846 organizations found that 82% plan to integrate AI agents within the next 1–3 years to enhance automation and operational efficiency[16]. However, organizations face a major barrier to adoption: change management, rather than technological capability itself.

% of organization using or planning to use AI agents

Source: Capgemini, Harnessing the Value of Generative AI, May 2024. [16]

4.2. Data Utilization Challenges: Unstructured Data as a Key Opportunity

While companies increasingly describe themselves as "data-driven," the path to real transformation remains slow. Many still struggle to turn their data ambitions into operational reality. One of the key challenges lies in managing unstructured data, which can account for up to 80% of global data[17].

Despite significant investment, structuring and utilizing this data effectively remains difficult. Fully automating unstructured data management is unlikely by 2025, and human intervention remains essential for generating insights. Companies must now prioritize this issue, applying advanced techniques while addressing the broader organizational inertia that hinders change.

[15] DataIQ, 2025 AI & Data Leadership Executive Benchmark Survey, 2025, https://static1.squarespace.com/static/62adf3ca029a6808a6c5be30/t/67642c0d40b42a7d7e684f49/1734618125933/2025+AI+%26+Data+Leadership+Executive+Benchmark+Survey+120624.pdf.
[16] Capgemini, Harnessing the Value of Generative AI, May 2024, https://www.capgemini.com/wp-content/uploads/2024/05/Final-Web-Version-Report-Gen-AI-in-Organization-Refresh.pdf.
[17] Forbes Technology Council, Unleashing The Power Of Unstructured Data: The Rise Of Large AI Models, July 24, 2023, https://www.forbes.com/councils/forbestechcouncil/2023/07/24/unleashing-the-power-of-unstructured-data-the-rise-of-large-ai-models.

4.3. The Dual Nature of AI in Cybersecurity

AI is reshaping cybersecurity by simultaneously fortifying defenses and enabling more sophisticated attacks. This dual role makes cybersecurity the top-ranked concern among industry leaders heading into 2025. AI-driven technologies are now central to both offensive and defensive cyber strategies, requiring companies to stay ahead through continuous investment in machine learning, predictive analytics, and adaptive protection.

As digital transformation accelerates, regulatory scrutiny is also intensifying. Businesses must now embed risk management, transparency, and compliance into their technology strategies to meet growing expectations around data protection, AI ethics, and cybersecurity regulations.

4.4. Workforce Transformation and Robotics

AI and robotics are redefining workforce structures and operational hierarchies. Collaborative robots (cobots) and automation systems are boosting productivity and improving safety, while also shifting how decisions are made across organizations. Traditional authority structures are being challenged as AI becomes more embedded in core functions.

By 2025, up to 50% of current work activities could be automated, creating both opportunities and pressure on employees to reskill[18]. Companies must support continuous learning and agile role evolution, with a focus on human-machine collaboration rather than replacement. Simultaneously, widespread 5G adoption (potentially reaching 89% in the United States and 88% in China by 2030[19]) will enhance connectivity, enabling more seamless digital interactions and automation across industries.

[18]BBC News, Machines to ‘Do Half of All Work Tasks by 2025’, October 21, 2020, https://www.bbc.com/news/business-54622189.
[19]Statista, 5G share of total mobile connections from 2023 to 2030, by region, February 2025, https://www.statista.com/statistics/1100828/forecast-5g-adoption-2025/

Key Insight

By 2025, AI will move into autonomous decision-making roles, with adoption accelerated by high perceived productivity gains. Yet companies will still face major challenges with unstructured data, which remains largely human-dependent. Cybersecurity will be dominated by AI-powered defense and offense, requiring constant adaptation. Finally, workforce transformation through robotics and AI will demand flexible organizational models and continuous upskilling to unlock full productivity gains.

Opportunities for Consulting Firms

The rapid acceleration of AI, data analytics, and automation presents a significant opportunity for consulting firms. While many businesses claim to be data-driven, the transformation remains slow. Consulting firms can help clients leverage AI to automate processes, improve decision-making, and enhance operational efficiency. Additionally, as AI and automation reshape workforce dynamics, consulting firms can support clients in managing change, upskilling employees, and integrating AI-driven tools in a way that complements human talent. Cybersecurity will also become a critical area, as AI simultaneously strengthens defenses and introduces new vulnerabilities. Firms can provide specialized consulting services to help clients navigate this evolving landscape.

05

The Workplace Revolution: A New Era of Talent and Work Habits

Hybrid work and evolving employee expectations are shaping the future of work. Companies must adapt to demographic and technological shifts, focusing on inclusivity, flexibility, and change management to meet the demands of modern talent.

5.1. Hybrid Work and the Evolving Nature of Productivity

The COVID-19 pandemic marked a lasting shift in work habits, turning hybrid and remote work into the norm. Daily office attendance has stabilized at around 3.5 days per week[20], especially in knowledge-intensive sectors and high-cost urban areas. Senior, well-compensated employees are the most inclined to prefer remote work, citing time efficiency and convenience. Meanwhile, in-person attendance is often driven by collaboration needs, corporate culture, or perceptions of higher productivity.

However, productivity trade-offs exist: research suggests that fully remote setups can lead to up to 10% lower productivity compared to fully in-person work[21]. As a result, companies continue refining hybrid models, balancing employee autonomy with performance and cohesion. This shift also carries physical implications: according to a McKinsey model, office space demand could decline by 13% by 2030 in the median city under a moderate scenario, and by as much as 38% in the most heavily affected cities[22].

At the same time, workforce expectations are evolving. People increasingly seek purpose, flexibility, and work-life balance, adding pressure on companies to rethink their employee value proposition and long-term work strategies.

5.2. Technological and Demographic Disruptions Reshaping Work

Parallel to changes in work modalities, AI and automation are transforming the types of work into demand. Growth is concentrated in high-skill domains like STEM and healthcare, while roles in production, customer service, and administrative support continue to decline. The automation potential is significant: in a moderate generative AI adoption scenario, up to 30% of current working hours could be automated by 2030[23].

This shift generates widespread talent shortages in areas requiring digital fluency, emotional intelligence, and advanced cognitive skills. Organizations must act quickly to reskill and upskill their existing workforce and redesign roles to match new demands. Simultaneously, the aging of the workforce adds a demographic layer to this transformation. According to a global study by Bain & Company, 150 million jobs will be held by older workers worldwide by 2030[24]. This requires companies to develop age-inclusive employment models, rethink job design, enhance flexibility, and invest in lifelong learning and health policies to maintain productivity and engagement.

[20]Stanford Institute for Economic Policy Research (SIEPR), Working from Home in 2025: Five Key Facts, April 2025, https://siepr.stanford.edu/publications/essay/working-home-2025-five-key-facts.
[21]Microsoft, Hybrid Work Is Just Work. Are We Doing It Wrong?, September 22, 2022, https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work.
[22]McKinsey Global Institute, Empty Spaces and Hybrid Places: The Pandemic's Lasting Impact on Real Estate, July 13, 2023, https://www.mckinsey.com/mgi/our-research/empty-spaces-and-hybrid-places.
[23]International Monetary Fund, Gen-AI: Artificial Intelligence and the Future of Work, 2024, SDN/2024/001.
[24]Bain & Company, Better with Age: The Rising Importance of Older Workers, October 24, 2023, https://www.bain.com/insights/better-with-age-the-rising-importance-of-older-workers/.

5.3. Leadership, Culture, and the Human Side of Transformation

In a rapidly shifting work landscape, leadership and organizational culture are emerging as decisive factors. According to a global survey by McKinsey & Company, companies are 5.3 times more likely to succeed in transformation initiatives when leaders visibly demonstrate the behaviors they want to see[25]. Whether it is adopting digital tools, enabling hybrid work, or promoting inclusivity, leadership behaviors function as powerful cultural signals.

Building a successful post-pandemic workplace also means fostering empathy, adaptability, and trust. Organizations need to embrace human-centered leadership, create inclusive environments, and reinforce values through rituals, symbols, and consistent communication.

These cultural foundations are not just soft elements, they are critical enablers of transformation in a world where employees expect purpose, belonging, and authentic leadership.

Key Insight

The future of work is hybrid, automated, aging and profoundly human. To thrive, organizations must lead with empathy, adapt to technological and demographic shifts, and build inclusive, purpose-driven cultures rooted in strong, visible leadership.

Opportunities for Consulting Firms

The future of work is rapidly changing, with remote work and automation altering organizational structures. Consulting firms have an opportunity to assist clients in redefining their talent management strategies. This includes helping businesses transition to hybrid work models, optimizing office space utilization, and addressing skills shortages in high-demand sectors like STEM, healthcare, and technology. Firms can also advise on leadership transformation, promoting human-centered management practices that reflect shifting employee expectations and changing workforce demographics.

[25] McKinsey & Company, “Losing from Day One: Why Even Successful Transformations Fall Short,” December 7, 2021, https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/successful-transformations.

06

ESG Transformations at a Crossroads: Between Acceleration and Retreat

ESG initiatives are at a crossroads, with notable setbacks in certain regions. While environmental awareness remains high, economic and political challenges are slowing the implementation of ESG strategies, forcing companies to reassess their commitments in the face of short-term financial pressures.

6.1. The ESG Backlash: Political, Economic, and Strategic Setbacks

After years of growing regulatory pressure and bold corporate commitments, ESG transformations are now facing a turbulent turning point. While significant advances have been achieved in sectors such as energy, food systems, finance, and materials, recent global developments—particularly in the United States—are prompting companies to reevaluate their ESG strategies.

The U.S. has once again exited the Paris Agreement in 2025, loosened emissions standards, and rolled back incentives for clean energy. At the same time, diversity, equity, and inclusion (DEI) programs are being dismantled, and several major firms are retreating from their ESG ambitions in response to shifting political winds and rising economic pressures. In Europe, despite historically stricter ESG regulations, there is now a trend toward regulatory simplification that increasingly mirrors the U.S. approach, leading to a clear slowdown in ESG enforcement.

This dual shift in both the U.S. and Europe is encouraging companies to reassess, delay, or even abandon their ESG targets, particularly when short-term financial imperatives take precedence. ESG is no longer progressing in a straight line; it is becoming increasingly shaped by geopolitical forces and inconsistent regulatory commitment.

6.2. From Urgency to Inertia: ESG Struggles for Executive Attention

While executives largely acknowledge the pressing nature of climate challenges, in practice, sustainability is losing ground to other emerging priorities such as AI innovation, economic recovery, inflation control, and geopolitical uncertainty. Many companies still perceive ESG as a compliance burden or a cost center, rather than as a core element of long-term strategy and value creation.

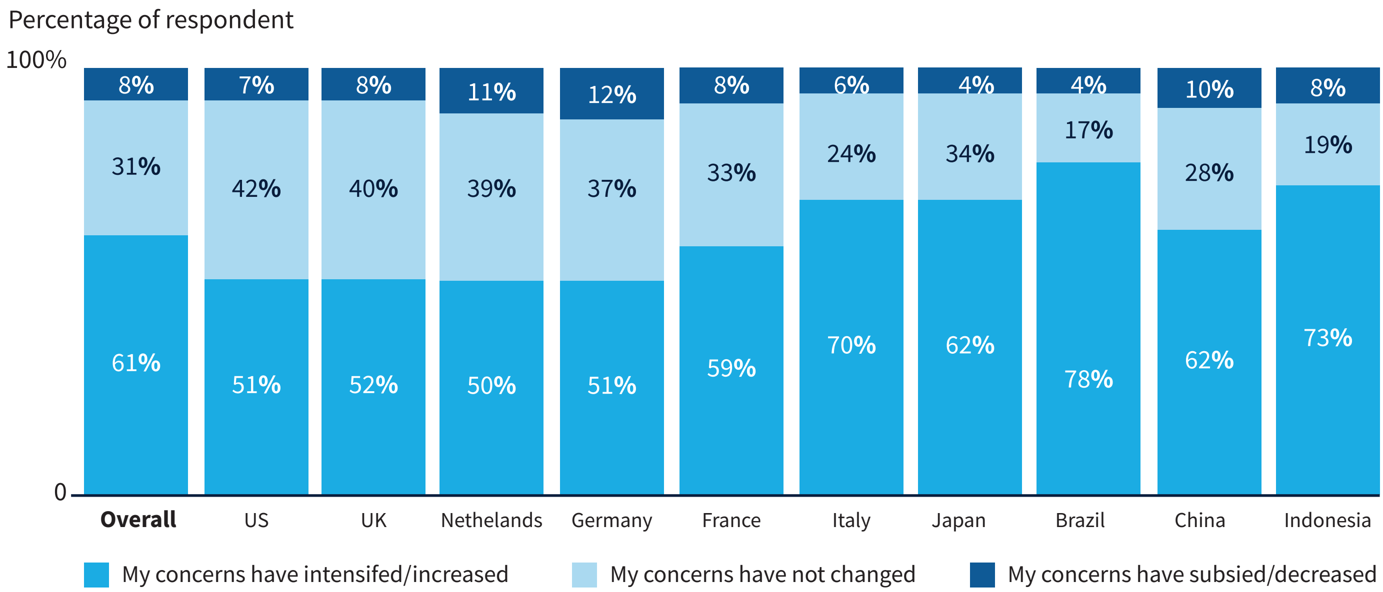
This disconnect is visible in the data: 36% of companies are currently behind on their Scope 1 and 2 emissions targets, and 51% are off track on Scope 3 emissions , which are notoriously difficult to manage due to the complexity of value chains. As ESG continues to slide down the executive agenda, the gap between ambition and execution widens further. This widening gap not only increases reputational risk but also threatens long-term financial resilience. For instance, a global temperature rise of 2°C could result in a $6 trillion loss in market value from the S&P 500[26]—highlighting the economic stakes tied to meaningful climate action.

[26] Bain & Company, The Visionary CEO’s Guide to Sustainability, 2024, https://www.bain.com/globalassets/noindex/2024/bain_report_the_visionary_ceos_guide_to_sustainability-2024.pdf.

6.3. The Future of ESG: Trust, Technology, and Consumer Expectations

As corporate attention wavers, consumer demand for authentic and responsible environmental action is intensifying. Climate anxiety is growing rapidly, especially in regions that are increasingly affected by extreme weather events. Sixty-one percent of consumers say they are more concerned about climate change than they were just two years ago, often because of direct personal experiences[26].

Figure 1: When asked, most consumers say their concerns about climate change have increased in the past two years
Q : How have your climate change concerns changed over the past two years?



Source : Bain & Company, The Visionary CEO's Guide to Sustainability, 2024. [26]

In parallel, public trust is shifting: smaller businesses are now seen as more genuine and committed to sustainable practices than large corporations. This perception is beginning to influence behavior across sectors— for example, according to a Bain & Company survey conducted with 500 B2B buyers, 36% would stop working with suppliers that fail to meet their sustainability expectations[27]. ESG is no longer just about meeting regulations; it has become a key driver of trust among increasingly skeptical and climate-conscious stakeholders.

[26] Bain & Company, The Visionary CEO's Guide to Sustainability, 2024, https://www.bain.com/globalassets/noindex/2024/bain_report_the_visionary_ceos_guide_to_sustainability-2024.pdf.
[27] Bain & Company, The Visionary CEO's Guide to Sustainability, 2024, https://www.bain.com/globalassets/noindex/2024/bain_report_the_visionary_ceos_guide_to_sustainability-2024.pdf

Technology, particularly artificial intelligence, adds another layer of complexity. AI is unlocking new possibilities for sustainability, enabling real-time carbon tracking, predictive risk modeling, and operational efficiencies. However, the energy-intensive nature of large AI models poses a serious environmental trade-off. As AI adoption accelerates, companies must account for the growing digital carbon footprint and incorporate it into their broader sustainability strategies. The challenge lies in harnessing AI's potential while ensuring that its deployment does not undermine ESG progress.

Ultimately, ESG is not disappearing—it is evolving. Companies that embrace this shift with integrity, agility, and innovation will not only navigate uncertainty more effectively but also position themselves as leaders in a redefined sustainable economy.

Key Insight

ESG is at a crossroads, not disappearing but evolving in response to shifting political, economic, and societal forces. While some companies are scaling back their ESG commitments due to short-term pressures, others are rethinking their approach by embedding sustainability deeper into their core strategy, leveraging responsible technologies like AI, and responding to growing consumer demands for authenticity and real impact. The companies that navigate this transformation with agility, integrity, and innovation will lead the way in tomorrow's sustainable economy.

Opportunities for Consulting Firms

Sustainability and ESG commitments remain top priorities for many organizations, yet execution often lags behind strategy. Consulting firms can assist clients in reevaluating their ESG goals, particularly in light of shifting regulatory environments and growing consumer expectations. There is an opportunity to help companies create more effective, actionable sustainability strategies that align with both environmental goals and business performance. Consulting firms can also help businesses stay ahead of regulatory requirements by offering compliance advisory services and leveraging technology, such as AI, to improve data management and reporting in line with ESG standards.

Conclusion

In 2025, the consulting industry is navigating a complex and fragmented global landscape. Geopolitical instability, economic uncertainty, and rapid technological advancements are reshaping client expectations and testing traditional consulting models. While growth prospects for the industry remain modest, significant opportunities exist for firms that can adapt to regional dynamics, technological transformations, and the increasing demand for sustainability and resilience.

Consulting firms must remain agile, focusing on strategic areas like AI, digital transformation, and supply chain optimization, while embracing more flexible delivery models that prioritize rapid value realization and client-centric solutions. At the same time, they need to navigate the regulatory complexities of global markets, particularly regarding ESG and cybersecurity issues.

The consulting industry in 2025 stands at a pivotal point. Firms that align their strategies with emerging megatrends, while staying mindful of regional and sectoral nuances, will be best positioned to thrive in this new era. The key to success lies in anticipating change, driving innovation, and continuously evolving to meet the shifting needs of clients in a volatile, unpredictable world.

Who We Are

We are a major international network of consulting firms that we like to call *Citizens.*

12 **citizens:** diverse, independent consulting firms

30 **countries:** in Europe, Americas, Asia, Oceania and Africa

71 **offices:** in most major cities in the world

3,000 **consultants:** professionals in the global Nextcontinent network

Vision

Who do we want to be in 5-10 years?

We will be competing successfully in the top tier of the management consultancy market as a big, broad, strong international network of independent consulting firms, having aggregated all our strengths.

We will be known for maximizing results for clients through local and global expertise.

- Recognized as an attractive, alternative model to traditional global consultancies — differentiated by being more pragmatic, outcomes-focused, people-centred, tailored in approach, and attuned to local client cultures
- Seamlessly collaborating to innovate and deliver the results that matter most to our clients — unlocking value through synergy of worldwide expertise and local market knowledge
- Stronger together — each Citizen's independence strengthened through our global reach, blending world-class teamwork with agile, flexible, personalized service to local clients

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2025 Business Outlook:
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