

Competition

The Professional Services industry is very competitive within its different specialized sectors. The industry at large is a broad umbrella of sectors that all sell knowledge and human capital, however, many of these sectors operate completely independent of one another and do not directly compete with each other – clearly an architecture firm does not compete with a strategy consulting firm. However, within each sector, competition is fierce as, generally, there are no legal moats that these companies can rely on to shield them from competition. They all rely on knowledge that is either available or easily accessible, as well as on human capital that is up for grabs to the highest bidder.

KEY INDUSTRY DATA

\$5.7tn

GLOBAL PROFESSIONAL
SERVICES INDUSTRY SIZE IN 2018

9% est.

GLOBAL FINANCIAL SERVICES INDUSTRY SIZE
GROWTH IN 2020

8% est.

GLOBAL FINANCIAL SERVICES INDUSTRY ANNU-
ALIZED MARKET SIZE GROWTH 2014-2022

Customer

Professional Services firms have a wide range of clients, from the single homeowner needing an architect for a home expansion to the largest corporations and governments that need accounting and strategy advice. Generally, the size of the supplier will be similar to the relative size of the buyer. Meaning, individuals that are purchasing professional services are unlikely to do so from huge companies, and huge companies that purchase these services will generally only do so from other large professional services companies that have the capabilities and human capital to serve their needs:

- **Individuals:** Individuals have diverse needs - from architecture to engineering to doing taxes. More and more, these services are being aggregated by corporations or being completely automated (ex: Turbo Tax).
- **Small Businesses:** Possess similar needs to individuals but on a larger scale – i.e., engineering, safety consultants, accountants. Much of this segment still tends to be small business to small business, as many SMEs don't need the