MANAGEMENT CONSULTED

CONSULTING MARKET OUTLOOK

March 2026

$18B	-92K	3rd
Accenture Q2 revenue	Feb nonfarm payrolls	Year of flat entry salaries

IN THIS ISSUE

- AI delivery: from pilot to platform
- PwC One & subscription pricing signals
- Post-quantum risk as premium advisory
- Talent redesign: judgment over output
- PE activity & regional spotlights

MANAGEMENT CONSULTED

Prepared and created by the professionals at Management Consulted

ABOUT OUR COMPANY



Management Consulted (MC) is the expert on all things consulting. The firm was founded in 2008 as the internet's only dedicated source for consulting industry news, case interview help, and corporate strategy insight. Due to a combination of straight talk, helpful advice, detailed content, a popular podcast (*Strategy Simplified*), and humor, MC has grown into the world's largest source for consulting news with 4M+ readers and listeners per year.

Directed by ex-MBB consultants and powered by a global team of over 30 staff, MC has grown to work with 150+ partners – including universities, consulting firms, and Fortune 1000 companies – to help organizations achieve goals ranging from building consulting skills to recruiting for strategy roles.

Learn more about how MC can help your firm **attract top talent** from our community of 4M+ qualified job seekers.

If your organization needs a bespoke training program to up-skill your teams' **advisory effectiveness** or **project management chops**, click the links to learn more about how companies like Meta, American Express, eBay, and others achieve results through our training programs.

Our live, interactive training sets your team on the path to transformational performance in under 10 hours. We support pre-boarding, onboarding, and ongoing training initiatives as well as 1:1 coaching for staff.

In addition, Management Consulted is the world's largest and most premier advisor to prospective consultants when developing application strategy, practicing for case interviews, and honing analytical skills through **key personalized services** (editing, case coaching, Excel/PowerPoint courses, and a private community). MC works with thousands of private clients each year.



EXECUTIVE SUMMARY

The last 30 days further reinforced that consulting is no longer a "strategy vs. implementation" business. It is increasingly a **build-and-run transformation model** powered by AI, delivered through platforms, governed workflows, and repeatable assets. The strongest client demand remains concentrated in AI implementation, cybersecurity, digital transformation, and performance improvement, but buyers continue to push harder on measurable ROI, tighter scopes, and faster time-to-value. That pressure is encouraging more insourcing, more procurement scrutiny, and more demand for offerings that look less like bespoke strategy work and more like integrated execution engines.

What changed most in the last month is how visibly the largest firms are operationalizing AI inside delivery. PwC launched **PwC One**, an AI-enabled environment that combines firm expertise, proprietary methods, and AI capabilities, while also signaling that parts of the firm's commercial model may evolve toward subscription- or consumption-based pricing. **Bain partnered with IBM** to deliver post-quantum cryptography assessments, illustrating how consulting firms are moving into narrow, high-value, technically complex advisory domains tied to emerging enterprise risks. J.S. Held launched **AI Disputes Monitor**, a litigation-intelligence product that reflects the broader shift toward assetized and monitor-based consulting offerings.

Talent signals also evolved. PwC UK's previously reported surge in graduate applications still points to intense competition for brand-name consulting roles, but the newest development is **role redesign rather than volume expansion**. KPMG is piloting an internship model that puts more emphasis on judgment, communication, and teamwork in AI-assisted environments, suggesting firms increasingly want junior talent that can interpret AI outputs rather than simply perform routine technical work. Meanwhile, MBB application timelines for the 2026 cycle continue to move earlier, reinforcing the increasingly compressed recruiting calendar.

Capability-building in March was also clearly partnership-led. Accenture reported **$18 billion** in Q2 FY2026 revenue, **$22.1 billion** in new bookings, and raised its full-year local-currency growth outlook to **3%-5%,** showing that scaled integrators are still converting AI and transformation demand into commercial momentum. Alvarez & Marsal also signaled aggressive expansion ambitions, with plans to push toward **$8 billion in revenue by 2028** and add hundreds of partners. Together, these developments reinforce the core industry pattern: The firms pulling ahead are either scaling ecosystem-led delivery at the top end or winning with sharp technical specialization at the boutique end.

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1. Industry Pulse: Economic and Market Drivers

Macroeconomic Conditions

- **Inflation:** February 2026 CPI showed **headline inflation at 2.4% YoY** and **core inflation at 2.5% YoY;** month over month, CPI rose **0.3%** and core CPI rose **0.2%.** Shelter remained a key driver, though rent growth moderated.

- **Labor Market:** The February 2026 jobs report showed **nonfarm payrolls down 92,000** and the **unemployment rate at 4.4%.** Payrolls in information and federal government continued to trend lower, and prior months were revised down by a combined **69,000.**

- **GDP / Growth:** BEA's second estimate for **Q4 2025 GDP** revised growth down to **0.7% annualized,** from 1.4% in the advance estimate. BEA said the federal shutdown subtracted about **1 percentage point** from Q4 real GDP growth

- **Budget / Fiscal:** Treasury's fiscal tracker now shows the federal government has run roughly a **$1 trillion FY2026 deficit** so far, and the February Monthly Treasury Statement showed a **$267 billion** monthly deficit. Fiscal pressure remains elevated even if timing effects continue to distort month-to-month comparisons.

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1. Economic and Market Drivers (cont.)

Private Equity Activity

Holding periods remain extended

- Exit-ready backlogs remain heavy, and sponsors are still managing longer ownership periods amid valuation discipline and refinancing complexity. Preqin estimates roughly **$989 billion** of U.S. buyout overhang remains exit-ready.

Deal value stayed strong

- Bain's 2026 Global PE Report says **buyout value rose 44% to $904 billion** in 2025, showing that large transactions are again driving the market.

Exit momentum improved

- Bain reported **exit value up 47% to $717 billion** in 2025, though recovery was concentrated in larger deals.

Fundraising remains selective

- Preqin reports US-focused buyout fundraising topped **$100 billion** in 2025 for only the second time since 2015, but manager quality still matters heavily.

APAC liquidity is improving

- Bain's Asia-Pacific PE update says exit values rebounded for a second straight year and LP net cash flows turned positive for the first time since 2021.

Consulting Industry Sentiment - Latest Survey Results

Sentiment in the consulting industry remains cautious as consultants look ahead to the next 12 months. While half of respondents reported neutral outlooks, the remaining half expressed bearish views, with one indicating a "very bearish" stance. Client demand over the past six months has largely held steady or declined, with only 25% noting a slight increase. Despite this, there is clear momentum in areas like **technology**, **digital transformation**, **AI**, and **advanced analytics**, which multiple respondents identified as growth segments. However, **strategy consulting** was repeatedly cited as a shrinking practice, along with M&A and ESG.

Client budgets continue to tighten, with all respondents reporting either slight or significant decreases in spend. AI and automation consulting remains top-of-mind, rated "very important" or "critical" across the board. Hiring is expected to contract slightly across most firms, with demand focused heavily on **data science**, **AI/ML experts**, and **tech consultants**, though some firms still seek generalist talent.

Revenue forecasts are pessimistic: 75% of respondents expect revenues to either decline or remain flat over the next two years. Clients are also shifting behavior - there's growing pressure for **outcome-based pricing**, a trend toward **in-house capability building**, and signs of **longer sales cycles**, greater **price sensitivity**, and **hesitancy to launch new initiatives**. At the same time, clients are launching larger, multi-year transformations with heightened expectations for speed and digital impact.

Are you currently working in management consulting? Take this quarter's Sentiment Survey.

2. Consulting Firm Activity Highlights

Accenture reported strong Q2 FY2026 results, with **$18 billion** in revenue, **$22.1 billion** in new bookings, and a higher full-year growth outlook of **3%-5%** in local currency.

PwC launched PwC One, an AI-enabled environment combining firm expertise, proprietary methods, and AI capabilities; management also signaled that pricing could evolve toward subscription or consumption-based models.

Bain & Company partnered with IBM to deliver post-quantum cryptography assessments for private equity and corporate clients, highlighting cybersecurity/quantum readiness as an emerging premium advisory niche.

ERM partnered with Ecolumix to offer EHS benchmarking and data-driven risk/compliance insights, showing continued productization in sustainability and operational risk consulting.

J.S. Held launched AI Disputes Monitor, a dashboard-style intelligence product for AI-related litigation, underscoring the shift toward assetized, monitor-based advisory tools.

Uniqus Consultech launched a valuation practice, expanding beyond accounting/reporting, GRC, sustainability, and technology consulting.

Alvarez & Marsal said it aims to reach $8 billion in revenue by 2028 and plans to add hundreds of partners over the next two years, including continued expansion in transactions, PE, and M&A.

3. Talent Market Update

Hiring Trends

Overall recruiting still looks **selective rather than broad-based**, but competition for top firms remains intense. The strongest current signal is continued compression of recruiting cycles and a greater focus on role fit, AI fluency, and judgment-heavy work rather than generic analytical capacity. PwC UK's recent application surge still supports the idea that top brands remain highly attractive, while KPMG's redesign of junior training suggests firms are actively redefining what entry-level talent should do in AI-enabled environments.

- **Recruiting remains above last year's pace**, though still below longer-run norms, and firms continue using more just-in-time approaches.
- **Top roles in demand** still skew toward transformation, technology, ERP, cybersecurity, and implementation-heavy roles.
- **MBB deadlines are moving to as early as** this month, and candidates should assume a faster recruiting cadence than in prior years.
- Management Consulted's 2026 Consulting Salary Report shows that entry-level base salaries remaining flat for an unprecedented 3rd straight year. Firms appear more willing to **reallocate value toward specialists and productivity-linked roles** than to broadly raise entry-level pay, while demanding stronger AI fluency and domain specificity (case in point: PwC's public push for more data specialists).

In-Demand Skillsets

- AI literacy and machine learning strategy
- ERP / cloud transformation
- Cybersecurity and post-quantum cryptography risk
- Corporate restructuring and cost optimization
- Valuation and transaction support
- EHS analytics / compliance benchmarking
- Supply chain resilience and operational improvement

These additions reflect recent firm moves in post-quantum cybersecurity, valuation, and EHS data-driven advisory.

Salary Trends

- Lateral candidates with AI or trade expertise can command a **~10% salary premium**.
- Even senior lateral candidates (8+ years professional experience) are seeing l**ower signing bonuses and base salaries** than entry-level MBA hires; instead, firms are increasing the max variable comp that these new hires can earn (**spoiler**: most won't).
- In short, candidates recruiting through on-campus channels or those with non-premium experience have **no room to negotiate. Worse, 2026 starting salaries remain flat.**

Workplace Considerations

- The newest external evidence supports the case that **"human judgment still matters"**. Both PwC and KPMG are signaling that the winning profile is not a generalist doing repetitive work, but a consultant who can interpret AI output, communicate clearly, and make high-quality decisions.
- Many consultants continue to report **tightening performance standards** across firms (including McKinsey and EY) as firms use elevated standards to limit bonuses and increase attrition, with utilization rates climbing above 2024 levels. However, top-end performers can still secure outsized bonus payments, as firms look to aggressively reward these individuals.
- Despite base salary freezes at many top firms, many new hires are being offered **extra sign-on bonuses** to start early following the completion of their respective undergraduate or MBA degrees.

4. Consulting Skills in Demand

Technical

- AI operating model design
- Agent governance / AI workflow supervision
- Post-quantum cryptography assessment
- Cloud architecture
- ERP modernization
- Valuation
- EHS data benchmarking and compliance analytics
- Advanced analytics and data storytelling

These reflect the newest public capability launches and partnerships from Bain, PwC, ERM, and Uniqus.

Soft Skills

- Human judgement in AI-assisted workflows
- Executive communication in ambiguous environments
- Client relationship management under ROI pressure
- Hypothesis-driven problem solving
- Results-oriented execution mindset

KPMG's redesigned internship model is a strong public signal that firms increasingly prize these traits in AI-enabled delivery settings.

5. Candidate Watch: Advice for Job Seekers

Start earlier. MBB 2026 deadlines are already live, and candidates should prepare earlier than in prior cycles.

Lean harder into specialization. The strongest near-term bets now include AI implementation, cybersecurity, post-quantum risk, valuation, and regulated-industry compliance.

Expect more AI-judgment screening. Firms are increasingly signaling that they care about how candidates interpret outputs, communicate uncertainty, and exercise judgment - not just technical execution.

Assume hybrid processes remain the norm. Many first-round interviews remain virtual, but superdays and final rounds are increasingly in-person (e.g., McKinsey). Virtual interviews require you to be overly structured and overly communicative.

Expect digital assessments. Firms are increasingly asking candidates to solve digital assessments in advance of first round interview invites. Our All Access Pass ($700 for 1 year) includes access to Bain, BCG, and other practice digital assessments.

Just in time hiring is ongoing: McKinsey, Bain, BCG, and other firms are actively hiring now. See latest openings on our job board.

6. Regional Spotlights

North America

- North America looks **more platform-led than it did in February.** PwC One, IBM Consulting's expanded agent-monitoring model, and Accenture's strong quarter all point to a market where large enterprises still spend on transformation - but increasingly want packaged, governed, and scalable AI-enabled delivery rather than strategy-only work.

- The pricing conversation is shifting too: Subscription, consumption, and outcome-linked models are no longer theoretical.

Europe

- Europe still looks **resilient but selective,** with recent activity skewing toward **cost/procurement effectiveness and operational AI implementation.** In the last 30 days, Consultancy.eu highlighted a Benelux procurement partnership and AI implementation work at Bleckmann, reinforcing that buyers are funding practical efficiency and growth-enablement use cases rather than broad discretionary transformation.

- EU AI and digital-sovereignty initiatives are moving into implementation, increasing consulting pull-through in **public sector modernization and compliance-heavy transformation**. **Operational AI and procurement/cost levers** are especially visible in public deal flow and project announcements.

- Competitive dynamics favor firms with **local regulatory fluency** as large multinationals become more selective in lower-margin markets.

Middle East

- Consulting demand remains structurally strong around **giga-projects, infrastructure, energy transition, and economic diversification**, supported by multi-year national programs.

- Fast-rising opportunity areas: **Sovereign AI, data-center buildouts, AI governance, and public-sector digitization**, with localization requirements shaping vendor choice.

- Mid-tier/regional firms continue winning share in **ESG, family enterprise governance, and SME enablement**, while global firms face sharper price and localization competition.

- Consultancy ME reported that **Accenture opened a new Connected Innovation Center in Riyadh** on February 26, reinforcing the region's AI and public-sector digitization momentum.

- Broader regional conflict has begun to affect hiring/travel sentiment, even if major firms like Accenture remain constructive on overall growth.

6. Regional Spotlights (cont.)

Asia-Pacific

- APAC continues to grow rapidly, led by **AI implementation and delivery hubs**, with India strengthening its role as a regional/global engine for AI-enabled consulting.
- Better liquidity and improving investor confidence - rather than just AI policy - are buttressing the region's prospects. Bain's new APAC PE report says exits rebounded for a second straight year and LP net cash flows turned positive for the first time since 2021, which should support transaction, diligence, and value-creation advisory.
- Growth is dispersed: Stronger in India/ASEAN/ANZ transformation; more mixed where macro conditions are softer. APAC's near-term tailwind is increasingly coming from a mix of **AI scale-up plus better private-capital liquidity**.

Where Growth is Accelerating vs Cooling

Region	Growth	Accelerating	Cooling	Buyer Signal
North America	Stable	AI platforms, agent-driven delivery, ERP/cloud, ops improvement	Big-bang transformations, strategy-only work	ROI-first, shift to outcome & subscription pricing
Europe	Cautious	Cost/procurement, operational AI, compliance, sovereign data	Broad transformation programs, discretionary spend	Efficiency-focused, compliance-driven buying
Middle East	Accelerating	Infrastructure, sovereign AI, data centers, public-sector digitization	Minimal cooling; pricing & geopolitical risk	Local delivery, government-led demand
Asia-Pacific	Mixed	India hubs, AI implementation, cybersecurity, PE advisory	Macro softness, price competition	Execution-heavy, policy & liquidity-driven demand

7. Future Outlook and Key Trends to Watch

AI is becoming a productized operating layer.
The new March evidence - PwC One, IBM's dashboard-based consulting model, and J.S. Held's AI disputes monitor - suggests the next step is not more AI pilots, but more **asset-based consulting.**

Specialization is broadening from AI into regulated tech risk.
Post-quantum cryptography, EHS benchmarking, and AI litigation intelligence are all examples of firms monetizing narrow, high-stakes niches.

Human judgment is being repositioned as the premium layer of consulting labor.
KPMG's intern redesign is one of the clearest public signs yet that firms expect AI to handle more routine work while people focus on interpretation, judgment, and client interaction.

The Dual Imperative for Consulting Firms in 2026

Consulting firms face a clear two-sided mandate:

1. Retool the firm for the AI era.
This means embedding AI into internal workflows, flattening delivery structures, upskilling talent, standardizing repeatable assets, and redesigning pricing models around measurable outcomes rather than billable hours.

2. Rebuild and reinforce client trust through verifiable impact.
Clients are increasingly skeptical of broad transformation promises. They expect implementation rigor, quantified ROI, operational discipline, and sustainable capability transfer. Overpromising on AI or digital transformation is no longer tolerated; proof of value must be embedded into every engagement.

The firms best positioned for 2026 and beyond will combine **technical fluency, sector depth, partnership ecosystems, operational efficiency, and a relentless focus on measurable results**. Insight alone is no longer sufficient - execution excellence is the new differentiator.