



The DNA of the Independent Consultant in 2020:

**Resilience and Flexibility
in Challenging Times**

co
MATCH

Table of Contents

The DNA of the Independent Consultant - Editorial by Christoph Hardt	4
An Expert Opinion on Management Consulting - Editorial by Thierry Boudès	6
About this Survey	8
What Drives Independent Consultants?	10
The Happiness of Independent Consultants	14
The Impact of Coronavirus on Independent Consultants	16
How Independent Consultants Adapted to an Uncertain Economy	18
The Legal Environment for Independent Consulting	20
The Future of Corporate Strategy and Independent Consulting	22
About the Sample	28
Women in Independent Consulting	30
Country Focus (France, Germany, UK)	32

The DNA of the Independent Consultant in Light of the COVID-19 Pandemic: Christoph Hardt

4

For the second time since 2017, we have asked independent consultants and industry experts in our network why they transitioned into self-employment. The international trend towards independent consulting has become firmly established for good reason. Our survey results clearly show that highly qualified consultants are choosing to become self-employed to pursue greater personal freedom and to have more control over their work-life. We also discovered that most independent consultants are successful in achieving these goals.

When the Coronavirus pandemic struck and led to nationwide lockdowns, we set up a second questionnaire to better understand whether consultants' perceptions of their situation had changed. For now, it seems that the highly qualified self-employed consultants are remarkably crisis-resilient, and still highly content with their careers. Despite the fact that most consultants are dealing with economic uncertainty, they prefer being independent to working for an organization. This is because they seek flexibility and autonomy. Consequently, most are open to change and keen to advise companies on how to adapt to the crisis.

5

With almost 1000 respondents for each of the two questionnaires, representing 55 different countries, our study is the largest and most comprehensive study of the professional situation of top-tier independent consultants worldwide. We looked closely at Germany, France, the United Kingdom and the United States and found that although the motivations for self-employment are largely the same in all countries, there are some differences. The level of legal uncertainty for the self-employed also varies markedly between the countries we examined in detail.

I hope you enjoy the insight we gathered into the working life of independent consultants around the globe and I am looking forward to hearing your thoughts on our study.



Dr. Christoph Hardt is co-founder and Managing Director of COMATCH. Previously, he worked for McKinsey & Company for almost eight years, where he was mainly responsible for marketing and sales projects for clients from the energy and chemical industries. In this role, he was also a mentor for junior consultants and a member of the recruiting team. He holds a PhD in economics from the University of Bayreuth and had several teaching assignments in B2B marketing & sales.

An Expert Perspective on Management Consulting: Thierry Boudès

6

Management consulting is a fascinating industry with often unclear boundaries. It generates between 100 and 280 billion dollars in global revenue depending on the scope of the sector chosen by analysts. However, one thing is certain—since 2014, the sector has enjoyed strong growth (between 5% and 9% per year, depending on the source). There is no doubt that the health crisis of 2020 will change the situation with an anticipated drop in revenue of 15% in the USA (49% of global revenue) and 28% in Europe (28% of global revenue, according to consultancy.org). But the sector will rebound, as it did in 2011 after the 2008 crisis.

Consulting firms, especially the larger ones, are the subject of much analysis. However, the situation of independents remains more mysterious. Therefore, we've decided to study the independent situation—to reveal the contours and trends of independent consulting and to show how the self-employed are facing unprecedented health and economic crises. We found that only 22% of consultants said that their project has not been impacted, 30% say their planned project was postponed and almost three quarters (73%) anticipate a drop in their income.

In this difficult context, we observed three trends revealed by independent consultants which are worth highlighting. Firstly, the majority of independent consultants became independent by choice (they resigned from their previous position) and not out of necessity. The current crisis does not call this choice into question—more than 89% of respondents would recommend self-employment to their friends and colleagues, and the respondents' willingness to remain independent has not changed with the current crisis. The search for autonomy feeds this decision (freedom of choice of clients, projects, and organizations).

7

Secondly, this is a group of highly experienced people (average age over 45). Independent consultants, therefore, capitalize on existing experience, which is mainly divided into three fields: organization and information systems, operations management, and strategy.

Thirdly, they anticipate a threefold impact of the health crisis on their clients—a lasting shift towards remote working, a redesign of supply chains, and the quest for greater organizational agility.

During this crisis, the flexibility that characterizes the self-employed is an asset that will be recognized. Therefore, the competition between independent consultants and those organized in firms will accelerate.



Thierry Boudès is a Professor of Strategy at ESCP Business School. He manages the specialized Master's Degrees in Strategy, Consulting and Organization, and Strategy and Consulting. He is one of the co-authors of "Pro en consulting", published in 2018 by Vuibert Éditions.

About this Survey

8

This research was led by COMATCH to illuminate the drivers and challenges faced by our network of independent consultants. We benefited immensely from the expertise and insight provided by Professor Thierry Boudes, a strategy and consulting expert from ESCP.

Our survey sample is made up of independent consultants from the COMATCH network. Consultants are either management consultants with at least two years of experience in a consulting firm, or industry experts with at least ten years of experience in a given sector or function. All consultants in the COMATCH network are only accepted after passing a two-stage selection process to ensure that clients have access to the best talent on the market.

We sent out two questionnaires to 7,513 recipients. The first survey was open from February 7th, 2020 to March 3rd, 2020 and had 915 respondents. The second was open from April 9th, 2020 to April 19th, 2020 and had 966 respondents. The range of age, gender, and years of experience were similar in both respondent groups, as shown in the appendix. Individual telephone interviews were also carried out with five members of the COMATCH consulting network in April 2020.

Throughout this report, and for each of the questions, the percentages of respondents are presented without taking into account those who did not answer the question. The sample size (n) of each question can be found in the respective graphic. In total, the average percentage of non-responses for all questions is 12% (excluding filter questions).

Please contact us if you require more detailed information on the survey.

9



Founded in Berlin at the end of 2014 by two McKinsey alumni, COMATCH is a curated marketplace that connects independent consultants and industry experts with organizations of all sizes and focus areas. COMATCH combines a high level of personal service and technology to create a world where teams of the most qualified experts collaborate to achieve long-lasting results. COMATCH is based in Berlin and maintains a strong presence throughout Europe with offices in Paris and London.

What Drives Independent Consultants?

10

UK-based independent consultant Mark started his career in large organizations, jumping from a consumer goods powerhouse to a multinational consulting firm. But he couldn't escape the feeling of being branded—tarred with the same brush whenever someone had a negative experience with his employer. He began to feel less like an individual, shackled by his reliance on other people at the organization. So Mark handed in his resignation and plunged headfirst into the world of independent consulting.

Self-employment brought Mark freedom. He says that his reputation improved, his income grew, and he feels a sense of accomplishment after building his own company and learning the ins and outs of independent employment. But COVID-19 has not been easy on Mark—not unlike the consultants we surveyed to better understand the impact of the pandemic on independents. However, our research showed that many consultants expressed a remarkable level of optimism and resilience in the face of economic turmoil.

We also discovered that independent consultants are a group of people motivated by career ambition, work-life balance, and autonomy—and like Mark—the quest for self-determination was one of the top reasons they transitioned into independent employment.



Consultants Choose Self-Employment

Our survey results revealed that the vast majority of independent consultants choose self-employment. **70%** of survey respondents said they quit their former role to transition into independent work.

11

Financial Incentive and Free Time

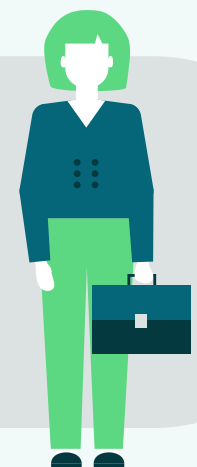
Even though a higher salary is not one of the top reasons consultants choose self-employment, **47%** of independents revealed that they make more money now that they are self-employed, at the same time, **63%** report having more free time.



Although the drivers of independent consultants are varied, one thing remains clear—they are motivated by a desire to pursue their passions and follow their own career path. One UK-based consultant explained, “I wanted to return to what made me fall in love with consulting in the first place, which is working directly with clients. As a partner in a firm, I had responsibility for recruiting, speaking, publishing, and oversight work. I wanted to roll up my sleeves and get back to front line client delivery.” Many of the consultants we interviewed expressed similar sentiment explaining that self-employment was the means to greater freedom and fulfillment in their work-life.

Entrepreneurial Spirit

More than one-third of consultants decided to pursue a career in independent consulting to start their own companies. Of the respondents who cited entrepreneurship as a main driver, **56%** have successfully started their own company.



According to our survey data, consultants feel that their expectations around self-employment were largely met. They report having more flexibility (86%), the freedom to choose what topics they work on (70%) and who they work for (65%). A majority of respondents also say they have more free time (63%). We also observed that when a consultant indicated that they wanted something specific out of self-employment (e.g. more free time, more flexibility, etc.), they were highly likely to achieve this aim.

Why Consultants Choose to Go Independent

% of respondents rating driver as “quite important” or “very important” for their decision

I CHOSE INDEPENDENT CONSULTING BECAUSE I WANTED TO...



N=915

What Consultants Achieved When They Went Independent

% of respondents that indicated that they achieved what they wanted out of independent consulting

AS AN INDEPENDENT CONSULTANT I...



● global ● France ● Germany ● UK ● USA

The Happiness of Independent Consultants

14

Although independent consulting is by no means an easy career path, autonomy and the ability to pursue one's passions might account for the extremely high satisfaction rates among independent consultants. In our first survey, conducted between February and March 2020 before the Coronavirus pandemic, 89% of respondents said that they would recommend independent consulting to a friend or former colleague, and 94% are as happy or happier than they were in their former role. The second survey we conducted in April 2020 after the Coronavirus pandemic struck, revealed similar satisfaction rates. 89% of respondents said that they would recommend independent consulting to a friend or former colleague and 91% are as happy or happier than they were in their previous job.

Consultant Insight

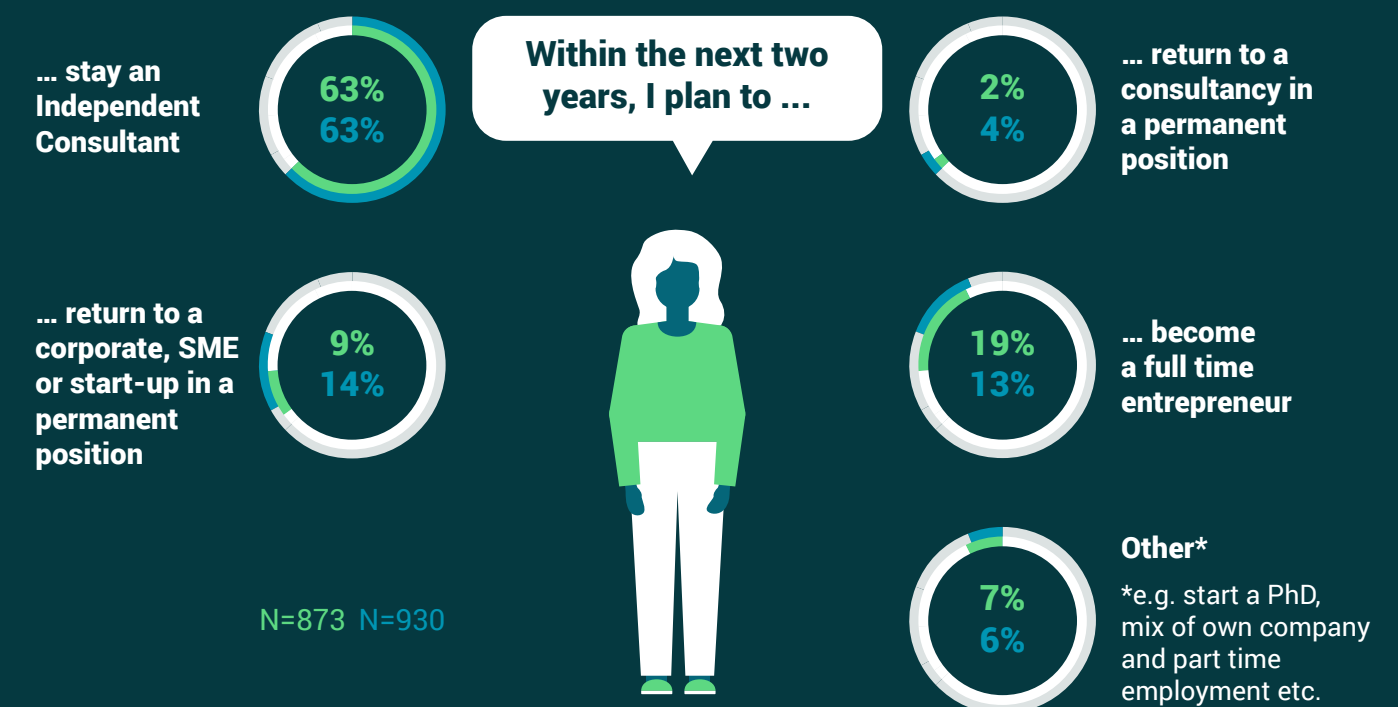
"Being an independent consultant is the only way for me to respect my first priority—to live the life I want. In terms of income and flexibility, it is the only way I can achieve my goals. Having a full-time job, or even working part-time continuously throughout the year, would not allow me to achieve my life goals."

Charles, France



JOB SATISFACTION BEFORE VS DURING THE PANDEMIC

Before the pandemic refers to survey data collected in Feb/March 2020, during the pandemic refers to survey data collected in April 2020.



The Impact of Coronavirus on Independent Consulting

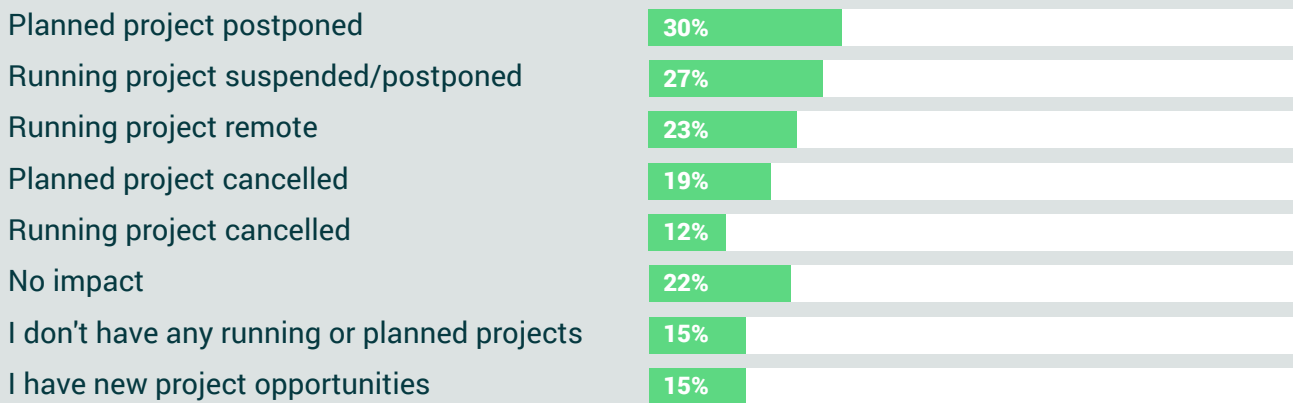
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Coronavirus has had a profound impact on independent consulting, leaving many with less income and delayed project work. However, survey respondents revealed a sense of optimism and resilience in the face of crisis. Although most have felt the economic backlash of COVID-19, they remain committed to their craft with eyes set on the path forward.

The Coronavirus pandemic has had pretty significant implications for independents. Roughly 30% of independent consultants said their running and/or planned project was postponed. 12% of respondents said that a running project was cancelled, while 19% said that a planned project was cancelled. Only 22% of those surveyed said that their project work was not impacted.

The Impact of Coronanvirus on Project Work

Multiple answers were possible.



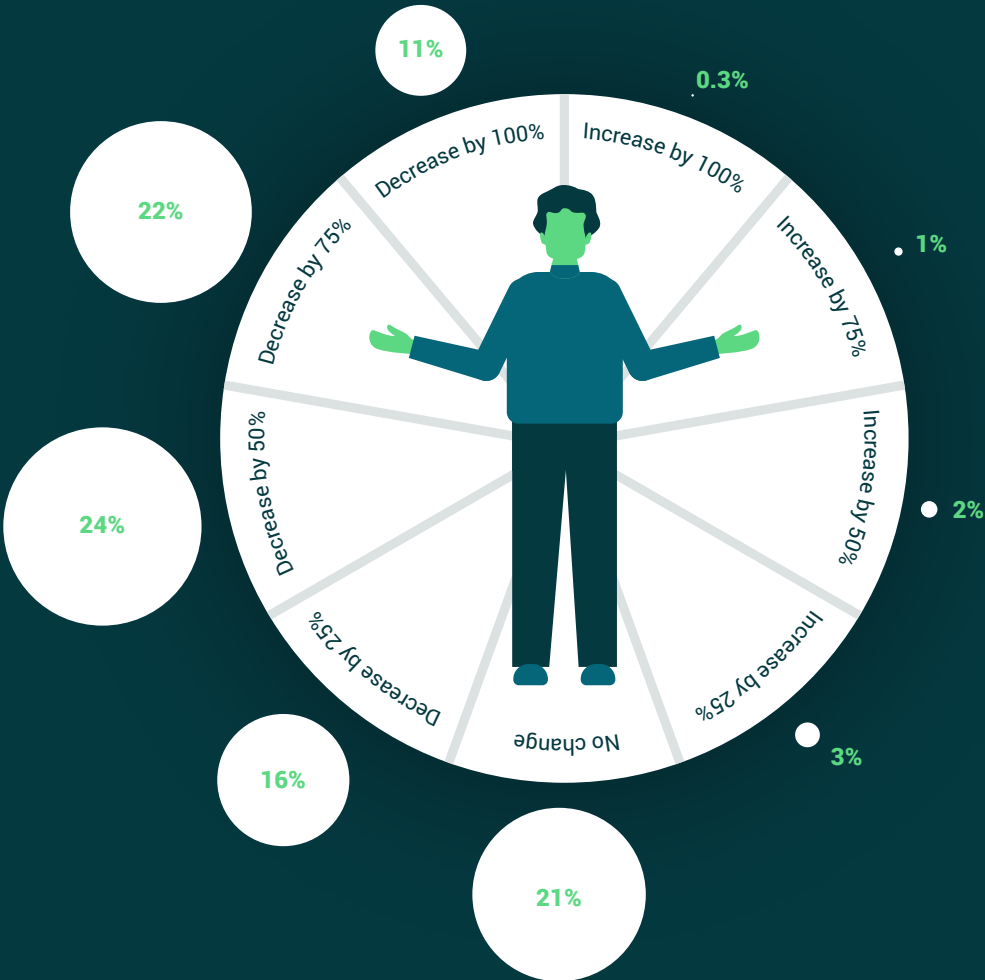
N=950

Furthermore, many believe that their income will continue to decline for the foreseeable future, with 73% saying that their earnings will be negatively impacted over the next 3-4 months.

EXPECTED CHANGES IN EARNINGS

OVER THE NEXT 3-4 MONTHS

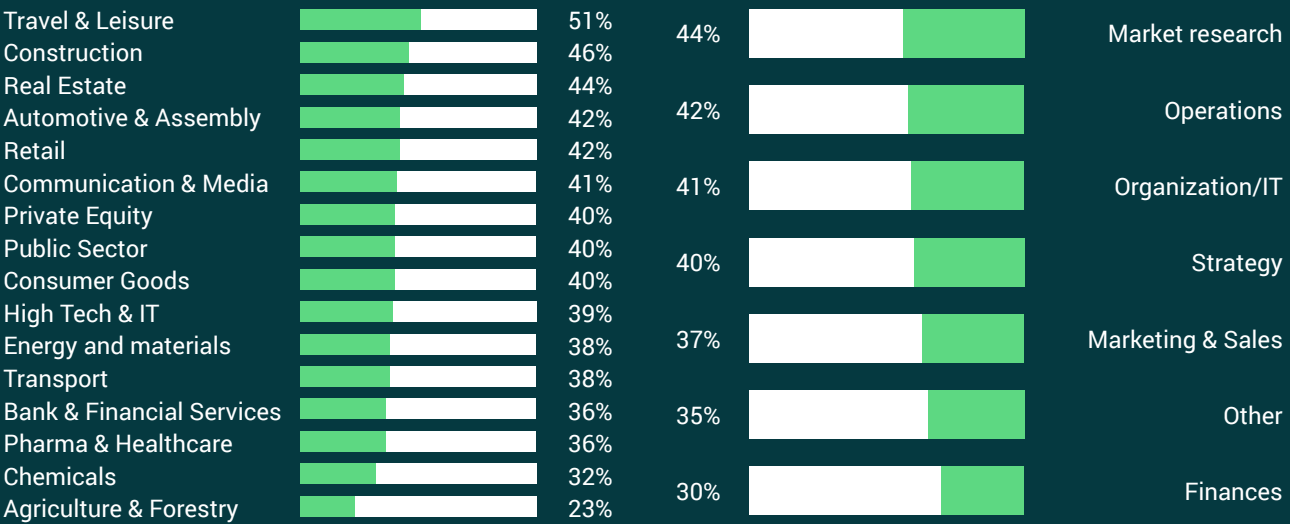
N=936



BY INDUSTRY

AVERAGE EXPECTED DECREASE IN EARNINGS

BY FUNCTION



N=943

N=943

How Independent Consultants Adapted to an Uncertain Economy

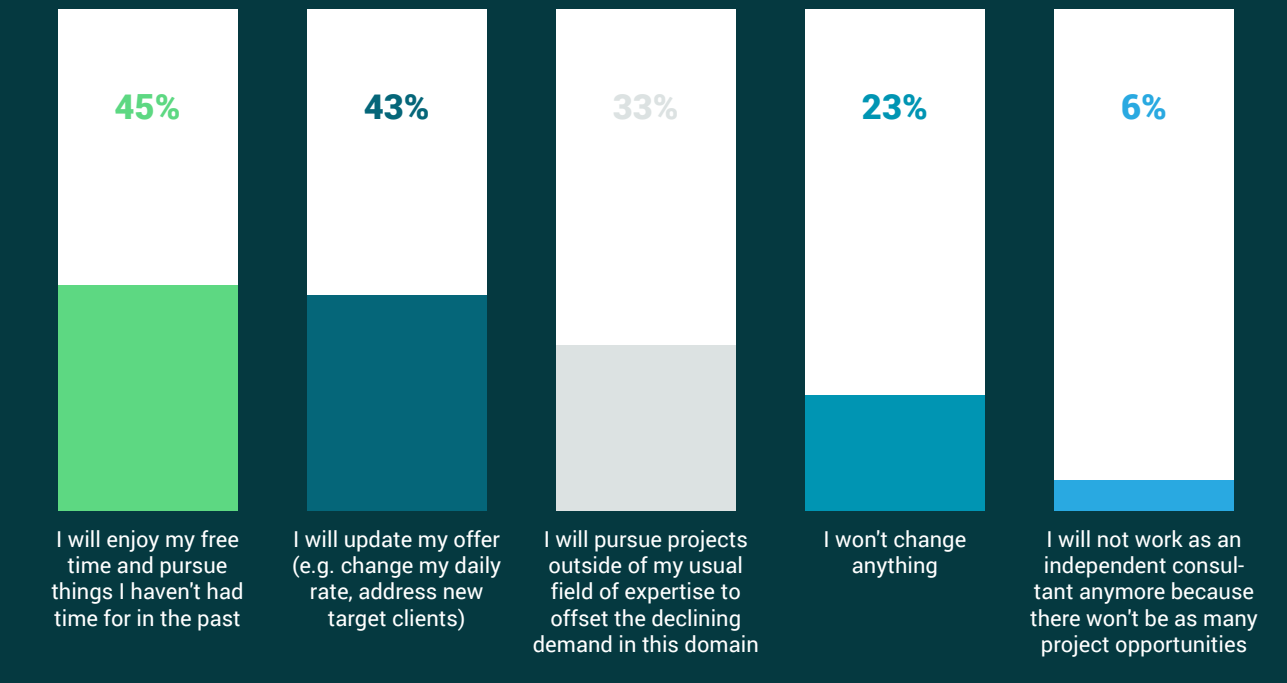
18

Despite the challenges brought on by Coronavirus, our survey data suggests that independent consultants have taken strides to adjust to an uncertain economy.

77% of survey respondents shared that they will make changes to adapt to the new environment. 43% of those surveyed said they would update their professional offer to attract new clients, 33% will pursue projects outside of their usual field of expertise, and 45% will enjoy their newfound free time.

Very few consultants said that they will seek a new career path, with only 6% of respondents stating that they will not work as an independent consultant anymore.

How Independent Consultants have Adapted During the Coronavirus Pandemic



N= 955 / Multiple answers possible.

Consultant
Insight

"Independent consultants are able to adapt to trends. This will help them in the crisis."

Joerg, Germany

"As a self-employed person, you change clients, you change activities, you change locations. Today, I have short term vision. One is always obliged to adapt. A project begins, a project ends. Given our lifestyles, I am constantly adapting."

Clarisse, France



The Legal Environment for Independent Consultants

20

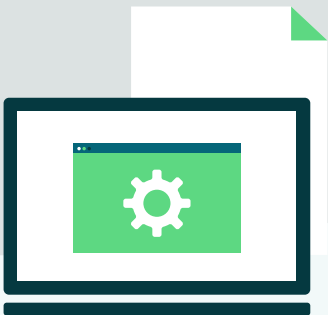
Government relief measures in response to the Coronavirus crisis have provided substantial financial support for small businesses and the self-employed, such as tax deferrals, special loans, or direct financial aid. However, many see room for improvement. 31% of consultants say that government support for independents has been insufficient. Only 19% of independent consultants believe that adequate assistance has been provided for them.

In February 2020, we asked consultants if they were satisfied with the legal environment for independent consultants in their respective countries before the pandemic and many expressed a desire for improvement around things like healthcare, retirement planning, and tax regulations.

21

The Path to Becoming an Independent Consultant

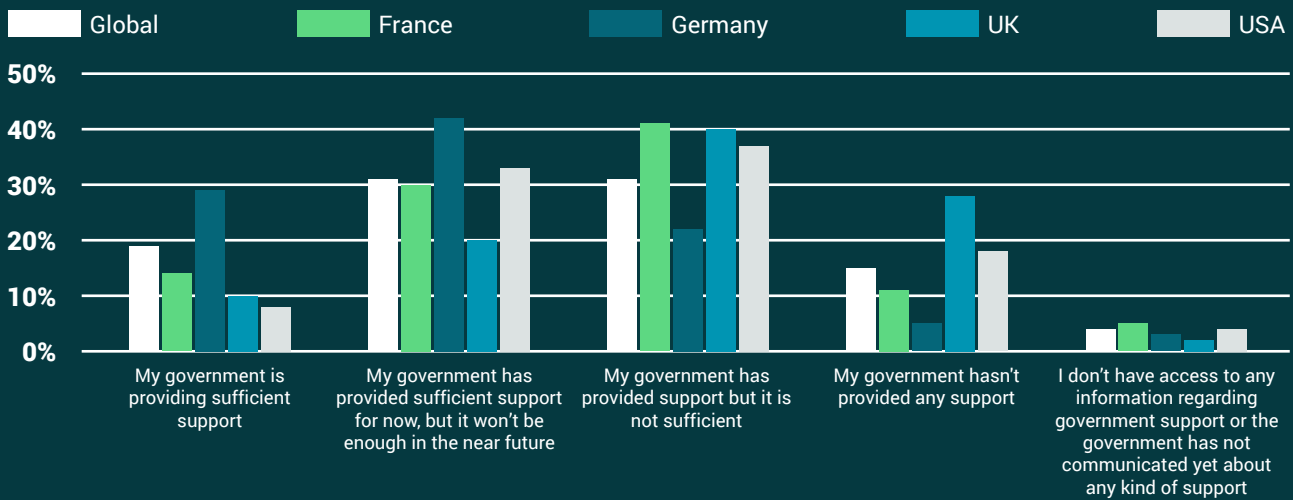
76% of consultants believe that the administrative procedures for obtaining independent status or setting up a company are simple.



How Independent Consultants Perceive Coronavirus Relief Measures

N=835

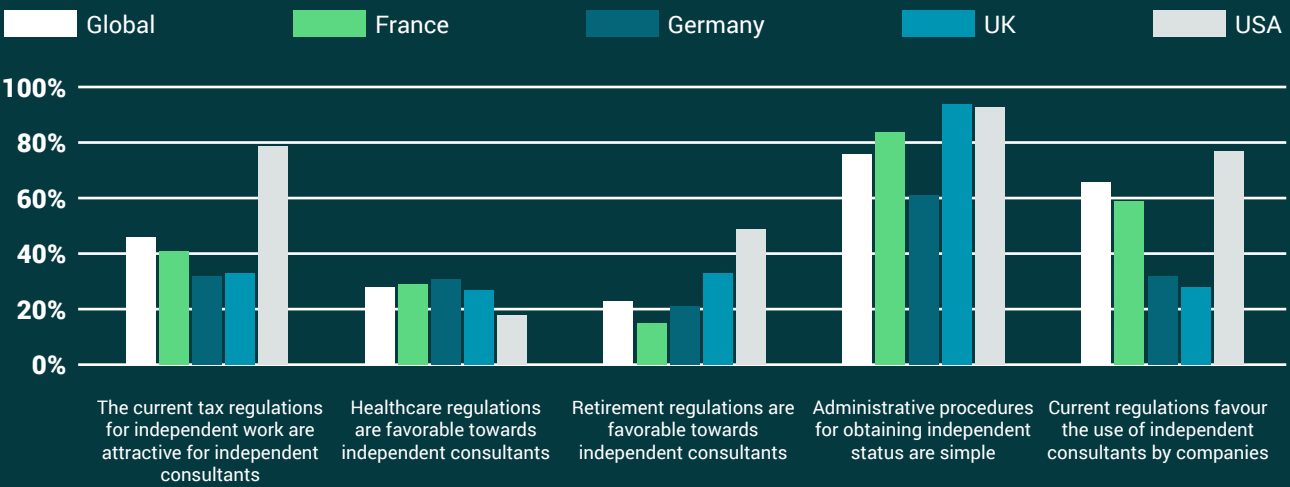
Percentage of respondents that agree with the statement



The Legal Environment for Independent Consultants

N=859

Percentage of respondents that agree with the statement



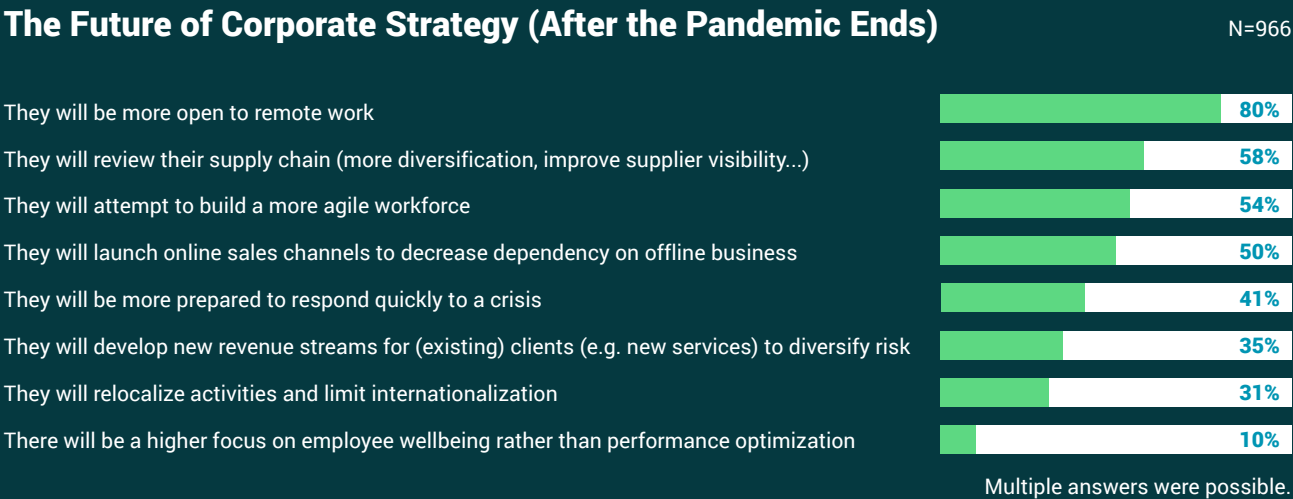
The Future of Corporate Strategy
and Independent Consulting22

The world after the Coronavirus pandemic ends might be a very different place for independent consultants and corporations. Many have shifted to conducting business virtually during the lockdown, plans for growth and expansion have been deprioritized, and economic survival has become a key focus. But what will independent consulting look like after Coronavirus and how will companies adapt to the post COVID-19 economy?

Consultant
Insight

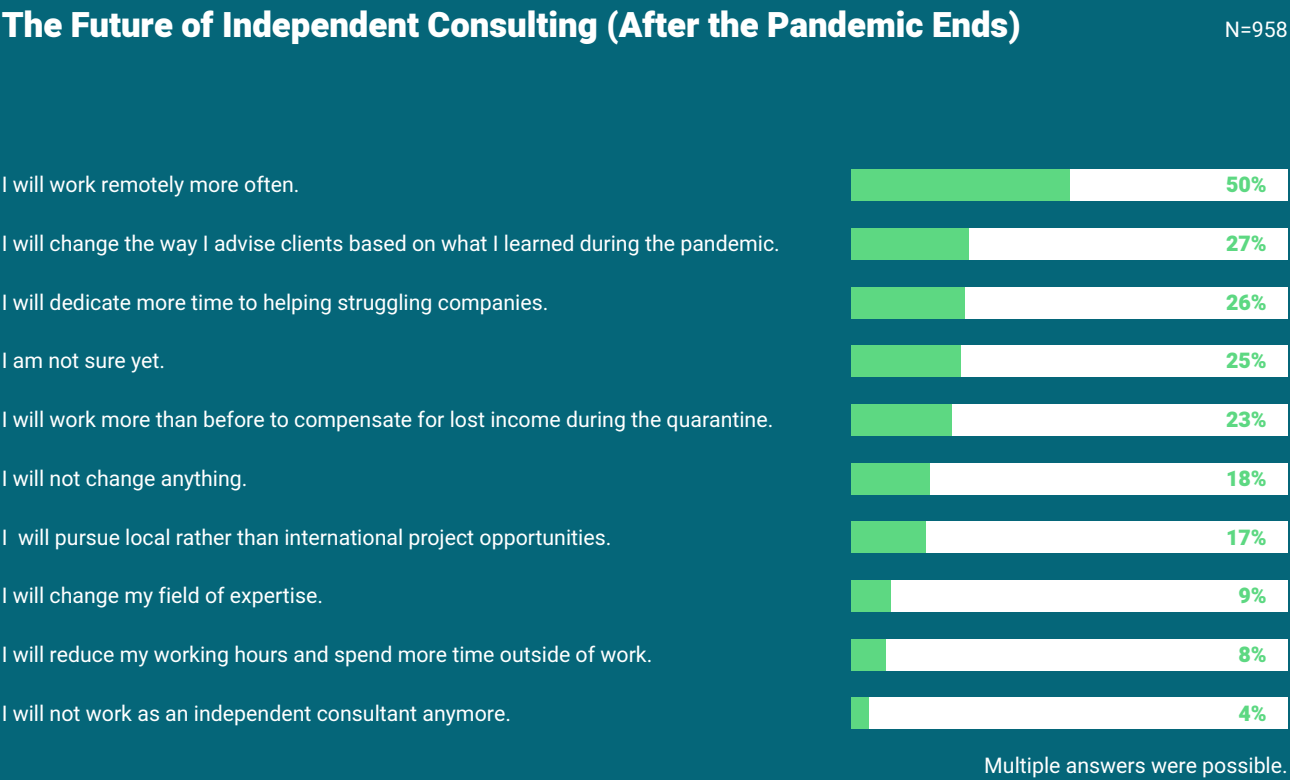
27% of consultants said that the pandemic will change the way they advise clients. One independent said, “A company must be ready to think and adapt to change. Management should be prepared to handle their operations beyond the regular situation.”

Surveyed consultants said that companies will embrace remote work, review supply chains, and develop a more agile workforce.



The Bright Outlook of Remote Work

Consultants whose projects shifted to a remote setup during the lockdown and those who plan to work remotely more often post-crisis reported the highest job satisfaction rates.



Reinvention is perhaps too strong of a word to use when referring to the future of independent consulting and corporate strategy, however, the Coronavirus pandemic has proven capable of effecting pretty substantial change. Companies that weren't prepared for a crisis or remote work have been challenged to rethink their business priorities, and independent consultants are dealing with the repercussions of this.

However, despite the financial uncertainty many independent consultants are facing, they are hopeful for the future. UK-based consultant Mark believes that the demand for independent consulting will grow and posits that those who are able to ride out the storm will reap the benefits of ample new project work post-COVID-19.

Will the Demand for Independent Consultants Grow Over the Next 2 years?



What I Learned from the Coronavirus Pandemic



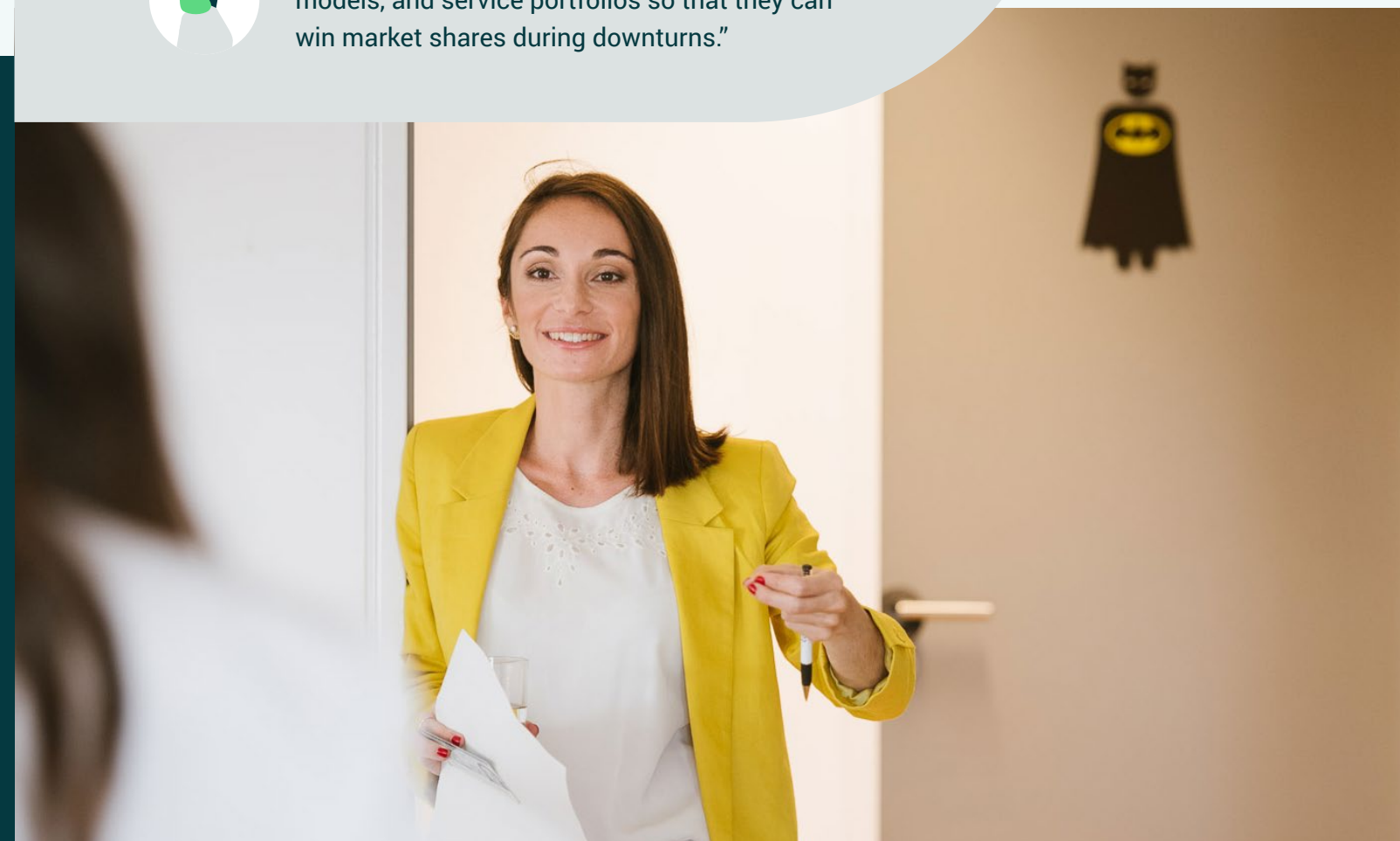
"I tell my clients to optimize global supply chains to provide greater redundancy in the event of rapidly changing social, economic, political, and even pandemic conditions."



"Don't panic in a crisis. The solution is inside your organization—your people!"



"I help companies innovate products, business models, and service portfolios so that they can win market shares during downturns."



Appendix

PRESENTATION OF SURVEY RESPONDENTS

	Feb/March Survey	April Survey
Respondents that answered minimum 1 question	915	966
Located in France	143	177
Located in Germany	255	285
Located in the UK and Northern Ireland	56	95
Located in the US	56	57
Total Number of countries of residence	48	55

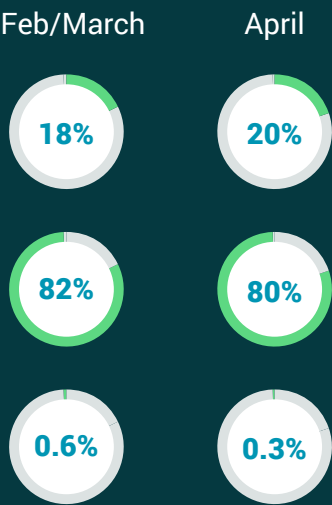
AVERAGE DAILY RATE IN EURO (FEB/MARCH SURVEY)



AVERAGE PROJECT DAYS BILLED/YEAR (FEB/MARCH SURVEY)



GENDER DISTRIBUTION



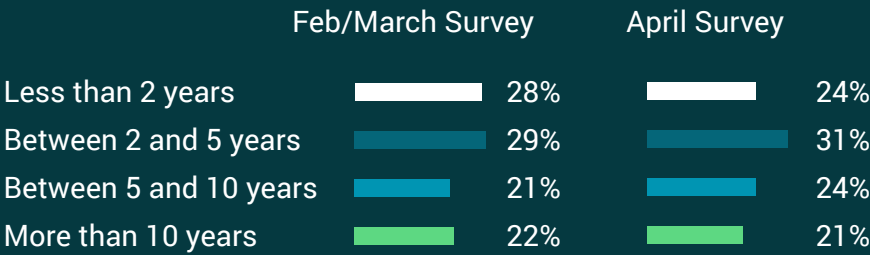
49

AVERAGE AGE

46

50

EXPERIENCE AS AN INDEPENDENT CONSULTANT



PROFESSIONAL BACKGROUND (FEB/MARCH SURVEY)



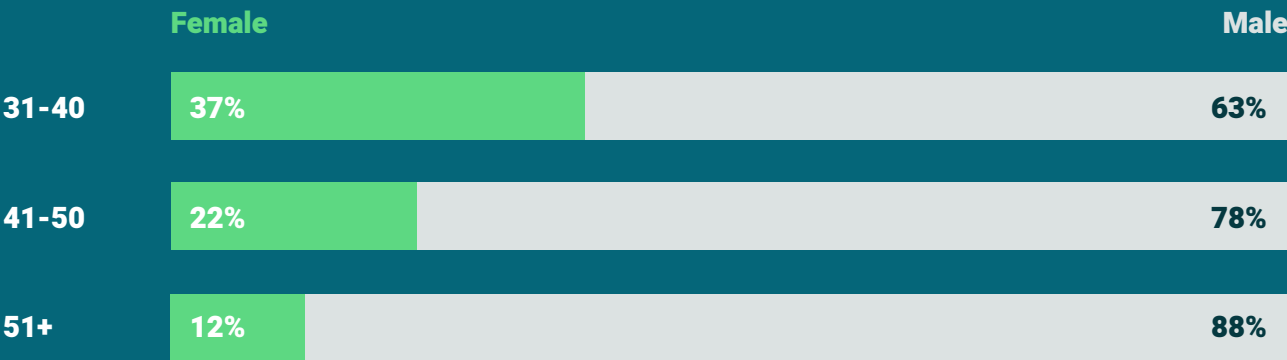
Women in Independent Consulting

30

Consulting and self-employment in Europe and the US are male-dominated careers. We therefore sought to better understand how women’s experiences in independent consulting differed from men’s. Here are our three key findings:

- 1. Women choose similar daily rates to men based on their experience and expertise, but they bill fewer days per year. However, the percentage of consultants who would like to find more project work is similar for men and women.
- 2. Female consultants are more likely to get what they want out of self-employment. For seven out of the ten drivers to transition into independent consulting (see pg. 13), women report higher achievement scores than men. For example, 67% of the women who listed remote work as an important driver, ultimately achieved this—compared to only 52% of men seeking more remote work opportunities.
- 3. The younger the age group, the more equal the gender distribution. While women are represented pretty equally in each age group, around half of the men we surveyed were 50+.

Distribution of Men and Women By Age Group

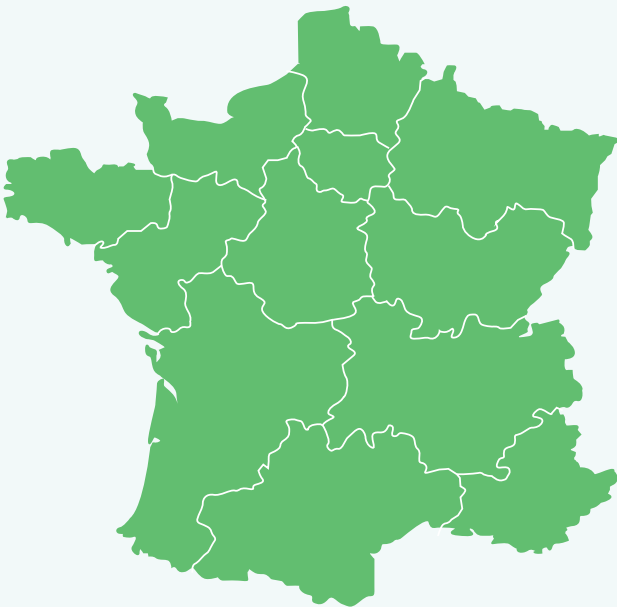


N=605



Country Focus: France

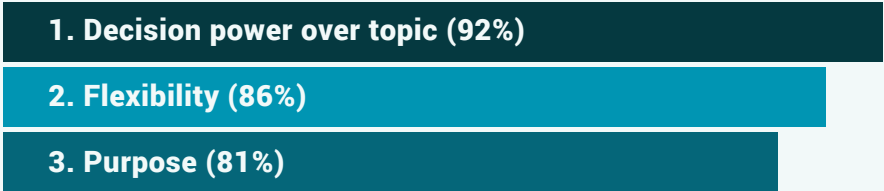
32



Average age	48.5
Women	21.5%
Men	77.0%
Non-binary	1.5%
Average daily rate (Euro)	1,130
Average days billed/year	128
Average income/year (Euro)	144,640

Average of value of both samples

Top 3 Motivations for Self Employment



Entrepreneurial Spirit and the Search for Purpose

French consultants are motivated by the desire to choose what topics they work on and seek the flexibility self-employment brings. Our research revealed that they largely achieve these aims. French consultants look for purpose in their professional life (81%) and are the most likely to have entrepreneurial aspirations (44% vs. 31% global average).

They struggle more than other consultants to make more money (51% vs. 61% global average) and to avoid work-related travelling (41% vs. 60% global average). On the other hand, they were the most likely to have more opportunities to work remotely (64% vs 55% global average).

33

They Wish for a Better Legal Environment, Especially in regards to Pension Plans

Independent consultants based in France are happy with the simplicity of becoming legally self-employed. Regulations for the collaboration between external consultants and clients are also perceived as more supportive than in Germany (59% vs. 32%). But tax, healthcare and especially retirement regulations were rated positively by very few respondents. 85% of independent consultants think that their pension plan is not favorable to them. However, 41% of French consultants think that Coronavirus relief measures provided by the government for independent consultants are sufficient for now.

Nonetheless, 92% of French respondents are at least as happy as independent consultants as they were in their previous role and 64% plan to stay independent. Furthermore, two-thirds of French consultants think that the demand for their expertise will grow over the next two years.

Bernhard Ney, Managing Director International

“I am delighted that the majority of independent consultants are as happy or even happier being self-employed as they were before, despite the challenging times. The results reveal that the main motivations that led them to this career move have been met, but also that the phenomenon of self-employed work in consulting is comparably new. With the growing demand for independent consultants—which French independents predict-and maturity of the market, their self-determination will become even more significant. As the French consultants currently do not consider the legal environment to be in their favor, I would appreciate seeing measures taken to make their lives easier and support them in playing a crucial role in the post-crisis recovery period.”



Country Focus: Germany

34



Average Age	48.5
Women	17.5%
Men	82.0%
Non-binary	0.5%
Average daily rate (Euro)	1,216
Average days billed/year	152
Average income/year (Euro)	184,832

Average of value of both samples

Top 3 Motivations for Self Employment

- 1. Decision power over topic (96%)
- 2. Flexibility (83%)
- 3. Decision power over client (83%)

Yes to Decision Power, Money and Responsibility—No to Remote Work

German consultants indicated that choosing their own topics is the key driver that led them to self-employment (96%). This was the highest value across our three focus countries. Decision power over which clients to work with ranks in the top 3 drivers. German consultants are also the least motivated by the desire to work remotely more often (58%) and those who wanted to work from home have trouble achieving this (48% compared to 64% in the UK or France). Our survey data also showed that making more money (66%) or having greater responsibility (59%) seems easier to achieve in Germany than in other countries (for those who said they consider these key drivers).

35

Critical with the Legal Environment, but Satisfied during the Crisis

Bureaucracy is a challenge. Only 61% of consultants think that administrative procedures to become self-employed are simple, versus 94% of consultants in the UK. They were also the least satisfied with tax regulations with only 32% judging them as favorable. Furthermore, only 32% of respondents based in Germany agree that government regulations support the collaboration between companies and independent consultants—in France 59% do. In general they are the most critical with the legal environment for the self-employed. However, German consultants are more satisfied than all other focus countries with health-care regulations which 31% of them approve of.

In the face of the pandemic, they seem the most content with relief measures with 29% having said that government support is sufficient and a further 42% think it is sufficient at least for now.

They are the Happiest!

Despite the crisis, 96% of German consultants are at least as happy with independent consulting as they were when being employed. They are also the most likely to stay independent consultants or to start a business in the near future. Only 8% plan to return to permanent employment soon.

Christoph Hardt,
Co-Founder & Managing Director

“The German consulting market is the largest in Europe and independent consultants have established themselves as important players within this market in the last few years. The numbers in our study reflect this as well as their happiness and ability to benefit financially from this career path. They are, however, critical of the legal environment for independents and would like clearer guidelines around pseudo-self-employment (“Scheinselbständigkeit”). Nonetheless, they appreciate the measures taken by the German government to provide Coronavirus relief measures.”



Country Focus: UK

36



Average Age	48.5
Women	25.5%
Men	74.0%
Non-binary	0.5%
Average daily rate (Euro/GBP)	1,104 /980
Average days billed/year	148
Average income/year (Euro/GBP)	163,392 /144,974

Average of value of both samples

Top 3 Motivations for Self Employment

- 1. Flexibility (83%)
- 2. Decision power over topic (82%)
- 3. Free time (81%)

A Mature Market Helps Them to Achieve Their Goals

Consultants in the UK chose free time as a top motivator for switching to independent employment. Travelling less is especially important and was a key driver for 49% of UK-based consultants (vs. 29% globally). 77% of these consultants reported that they do in fact travel less now that they are self-employed. In general, it seems like consultants in the UK are more likely to achieve what they hoped to find in self-employment in comparison to other consultants around the globe. For nine out of ten drivers (see page 12-13), they reported higher than average achievement scores. For example 82% of those who sought more decision-making power over which clients to work with achieved this aim (vs. 70% globally).

37

But They Experience Uncertainty at an Economic, Legal and Political Level

95% of UK-based consultants appreciate how simple it is to become legally self-employed, but in general they judge most legal regulations like their European counterparts. The anticipated impact of IR35 is reflected in the low percentage of consultants (28%) who agree that government regulations favor the use of independent consultants by companies. This was the lowest number across all of our focus countries (the UK, France, and Germany).

IR35 was designed to tackle tax disguised employment. The fear that its complexity will scare companies away from working with externals is one main criticism. As one consultant said: “Many businesses will blank all roles within IR35. It will destroy true independent consulting.” Another quote from the sample: “There’s fear about hiring, education is required.” The proposed rollout of IR35 to the private sector in April has been postponed for one year as a result of COVID-19.

IR35

UK consultants also reported the lowest perception of Coronavirus relief measures. Only 30% think they are sufficient for now, and 28% say the government has not provided any form of support for them.

While their happiness doesn’t differ too much from other countries, with 89% being happier or as happy than before, they feel more unsure about the future. 42% are uncertain if the demand for independents will grow (versus 30% globally). They were also most likely to indicate wanting to return to a permanent position (25% vs. 18% global average).

**Charlotte Gregson,
Managing Partner UK & Ireland**



"We see two things in these numbers: the maturity of the market and the uncertainties that UK-based consultants face. Brexit and the long road to it, the announcement of IR35 and now the pandemic have taken a toll on both the economy and individual consultant opportunities. But, there is a history of successful collaboration with the clients. It is estimated that one-fifth of the 12 Billion Pound consulting industry volume goes to independent consultants. They create enormous value for their clients and get out of self-employment what they search for. From discussions with multiple consultants, there is hope that COVID-19 will result in more clients considering innovative consulting models, greater comfort with remote work, and an openness to projects around sustainability and flexible organization structures of the future."

**Collaborate.
Succeed.
Repeat.**



