



Lifting the lid on the professional gig economy

How Growth in Demand for Independent Consultants is Supporting Enterprise

Research Study & Analysis by Odgers Connect
May 2017

SUMMARY

Rising economic uncertainty is fuelling growth at the top-end of the professional gig economy

Odgers Connect, a subsidiary of the global executive search firm Odgers Berndtson, was formed to meet rising demand from the private and public sector for independent professional consultants. Our parent group works with thousands of companies and organisations across the private, public and voluntary sectors.

From these we hear that many organisations seek more cost effective and flexible ways of working with high-level professionals, part of a quiet revolution in professional employment. We believe independent management consultants, in particular, as a highly capable group, are in the vanguard of this change.

Yet, whilst there is considerable interest in this fast-growing segment of the so-called professional “gig economy”, it is poorly understood. The reasons for consultants working independently are often over-simplified or stereotyped. Meantime little attention is given to the organisations employing them: who they are, why they choose to work with independents and for what kind of assignments.

Our experience is that, faced with unprecedented economic pressures – from Brexit to squeezed public spending – both private and public sector organisations are making increasing use of independent consultants to identify their best options. Rising economic uncertainty is, we believe, fuelling growth at the high end of the professional gig economy.

Public and private sector demand broadly equal

This study is the first of a number of initiatives from Odgers Connect to help lift the lid on this emerging sector. Our intention is to shed light on the dynamics of demand from the organisations we work with – private and public sector - as well as the consultants themselves.

There is significant demand for independent consultants from big, publicly-quoted companies. From an analysis of enquiries to us over the past 18 months we can see that around a third come from this group. However, private companies – including those with private equity backing – account for a slightly larger share of total enquiries, at 36%. The government, not-for-profit and the public sector represents a further 30%.

Independent consultants are chosen by many organisations in the public and voluntary sectors as a cost-effective way to access high-level expertise. Government, not-for-profit, public private partnerships and other public sector all face requirements to deliver more with less, and, as pressure grows on public spending, this group represents a significant source of demand for independent professionals.

One client, for example, was a social housing association where the CEO recently needed a senior individual to support the development of a plan to transform the business. Meantime a number of independent consultants we work with have recently conducted work for NHS Trusts.

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Summary of findings

Among other key findings about demand from organisations to work with independent professionals, this analysis found that:

- External pressures on organisations feature in most organisations' decisions to hire independent consultants (88%)
- The need to find new opportunities for growth (91%) and address digital transformation (88%) are the biggest external issues concerning organisations but anxiety over Brexit (80%) and economic slowdown (82%) are also major concerns
- Almost all consultants polled (96%) expect demand from organisations to work with independents to grow
- Organisations typically choose to work with an independent consultant because this provides an objective resource focused on a specific challenge (74%):
- Independent consultancy projects are typically driven from the top, either by the chief executive, or one of his or her direct reports (91%)

Our analysis also revealed that consultants had overwhelmingly chosen to work independently, albeit for a variety of reasons, and most (77%) anticipate continuing to do so – or build their own businesses – over the next five to ten years.

In addition we found:

- Three-quarters of respondents chose to work independently to take control of their professional lives
- Around three-quarters also cited work/life balance, including caring for family, as a benefit of independent working
- Almost 40% of independent consultants surveyed are under 45 and predominantly male. Significant numbers (around 10%) are younger – 25 to 35 – or older than 56.

We believe that any fresh thinking around policy or regulation to the changing workplace should take into account not only the realities of how individuals choose to manage their professional lives, but also how both private and public sector organisations are choosing to resource professional talent in new and more cost-effective and flexible ways in the face of unprecedented economic challenges and pressures.

In our view, there is significant evidence that individual independent consultants contribute to enterprise across the UK economy – either directly, via their own businesses, or indirectly, by helping larger organisations grow and address a range of economic challenges.

Meantime organisations both public sector and private seek greater flexibility in how they hire professional talent. Access to the focused and high-level skills of independent consultants helps them to address a range of commercial challenges at a time of almost unprecedented economic uncertainty.

Chris Preston, Managing Partner Odgers Connect

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Both private and public sector organisations are choosing to resource professional talent in new, more cost-effective and flexible ways, in the face of a range of economic challenges and pressures