GLG

The Impact of COVID-19 on Consulting

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Background

COVID-19 has required companies and their employees to quickly pivot to a new way of working this year. Businesses embraced collaboration tools and technologies and evolved their processes to effectively work remotely.

With only a few weeks left in 2020, GLG has conducted a study to understand the impact of the global pandemic on the management consulting industry in the U.S. We looked to get a sense of how consultancies adapted and evolved in 2020.

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Topics Investigated

1. The type of projects consultants are expecting to see in 2021
2. How much work is currently related to the pandemic
3. Impact of COVID-19 on client relationships
4. The industries expected to thrive and fail as a result of the pandemic
5. How consultants have adapted to the challenges of 2020

Methodology

- Online survey hosted and administered by GLG
- Respondents are U.S.-based consultants from management consultancies

Fielding Time

- November 2020
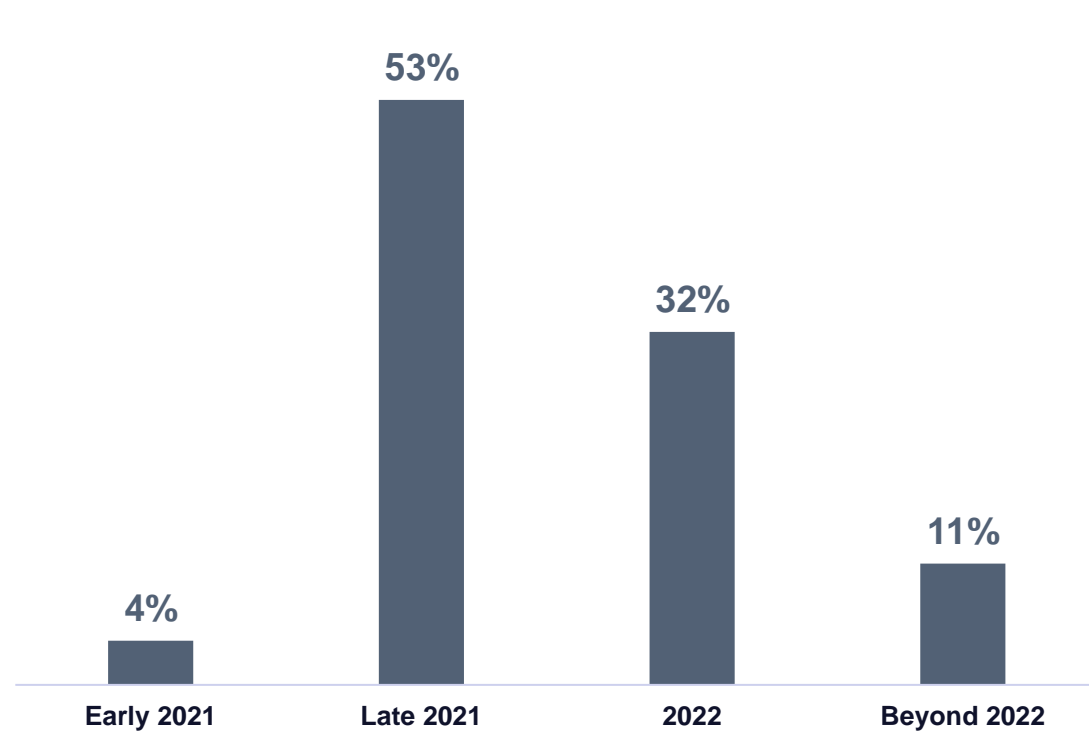
Summary

Key Findings

- **Directly related pandemic work is slowing as traditional work rises again.** Of the 75% of respondents who had some work related to the pandemic, 53% said it was less than a quarter of their current work.

- **The top three projects named going into 2021 were: strategy work, transactional due diligence work and digital transformation work.**

- **Most consultants expect to remain grounded as far as travel goes until at least late 2021.**

- Post-COVID, consultants are expecting a shift in how client work is done. **Half of respondents expect a more even balance between on-site and remote work in the future.**

- Consultants are using technology to continue to engage client. **Top tools included - virtual whiteboards, Miro boards, virtual breakout rooms and hosting virtual educational/topical workshops.**

- The consultants viewed the following sectors as ripe for growth: **the tech sector, remote working and collaboration tools, and telemedicine and digital health.**

- On the flip side, when asked which sectors would take the longest to rebound, most respondents (61%) named **travel/hospitality/transportation.**
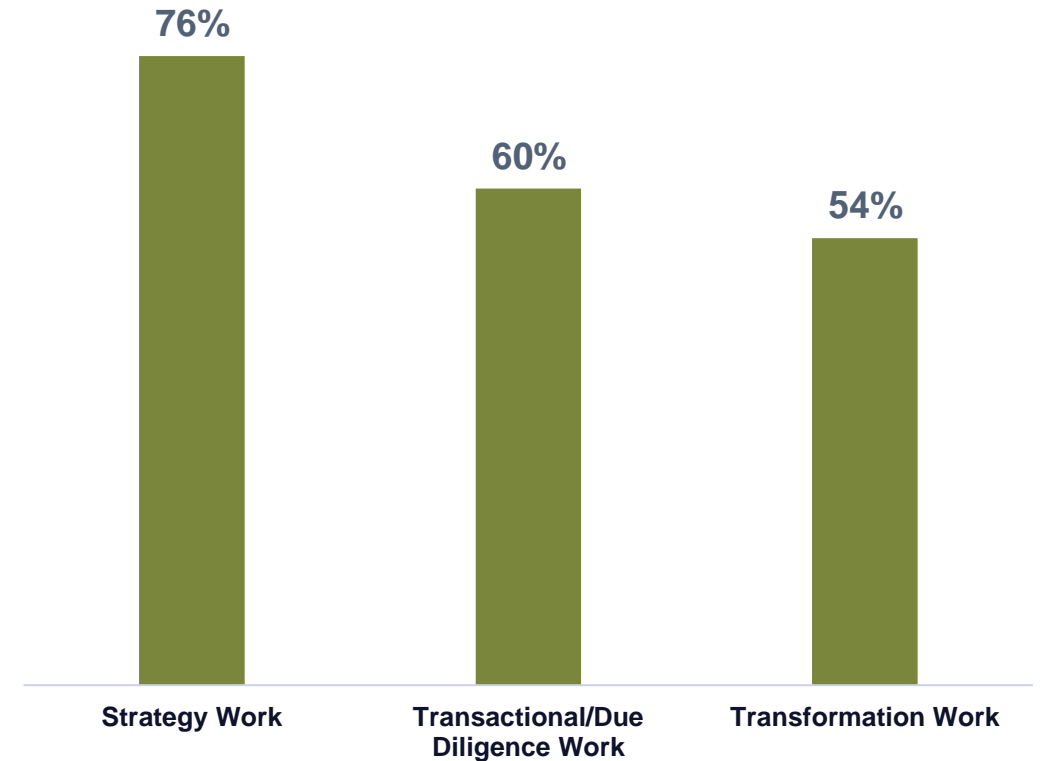
Where are you working from?

1 Despite the lack of business travel and the need to work remotely for many months (and still counting in some cases), GLG also uncovered some interesting places that consultants have found themselves working this year. **From sailboats in the Caribbean, to remote islands off Maine, South America, Greece, and cabins in the woods, many of our respondents didn't stay in their "home location" the whole time. It will be interesting to see what this means for the future of the workplace moving forward.**

2 And, of course, many consultants have worked from less glamorous locales to accommodate sometimes crowded homes: **in their car in store parking lots and sharing the kitchen table with their kids' virtual school. One respondent even claims to have worked from the bathtub.**

3 COVID has forced consultants, like many professionals, to react and adapt quickly to continue to meet client needs while also surviving these chaotic times. **Despite it all, and the expectation that it will be many more months until any type of new normal returns, consultants are not idling at home but continuing to build relationships and delivering on critical projects for clients.**

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Key Findings

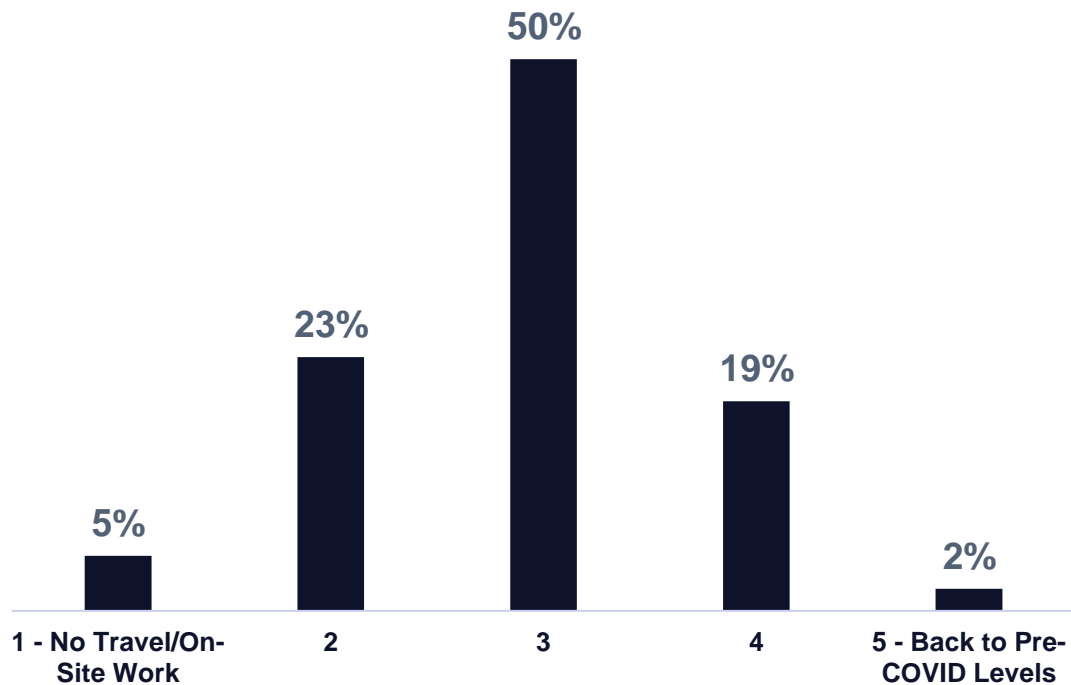**When do you think business travel will return to near normal or new normal levels?**

| Early 2021 | Late 2021 | 2022 | Beyond 2022 |
| 4% | 53% | 32% | 11% |

What types of projects do you expect to see through the remainder of 2020 and into 2021?

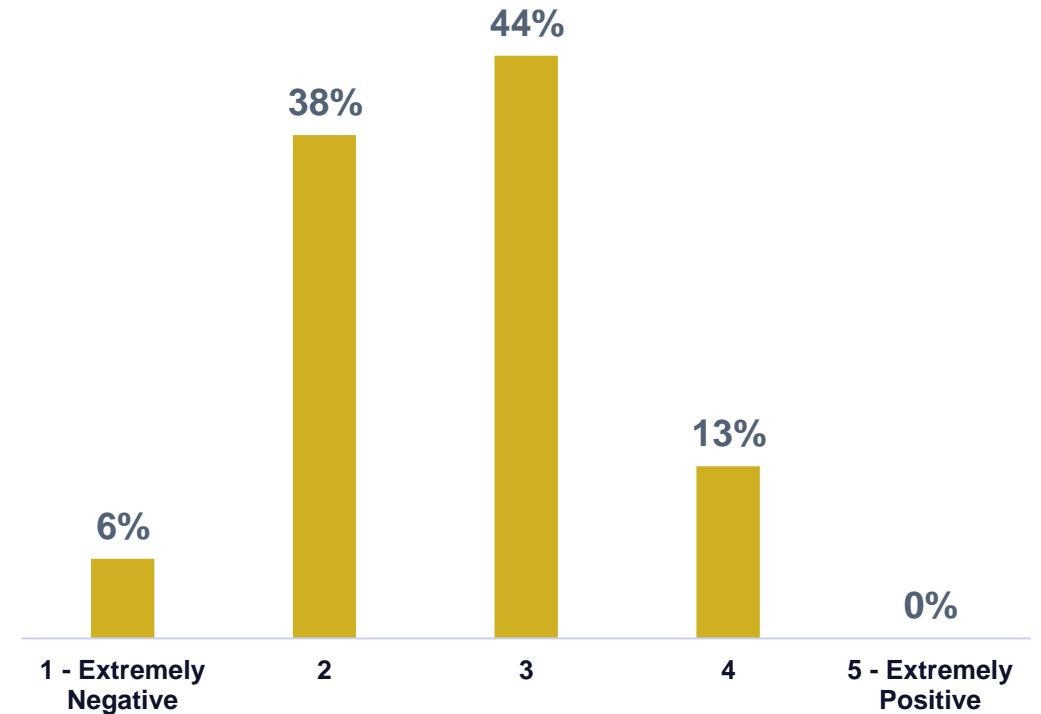| Strategy Work | Transactional/Due Diligence Work | Transformation Work |
| 76% | 60% | 54% |

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Key Findings

When thinking about a post-COVID world, how do you see the role of travel to clients changing? Do you think your firm will move to more remote work than previously?

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                   23%    │      │
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  1 - No Travel/On-   2        3        4    5 - Back to Pre-
    Site Work                                COVID Levels
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On a scale of 1-5, where 1=extremely negative and 5=extremely positive, how would you rate the impact COVID-19 has had on building and evolving client relationships?

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                                 44%
                              ┌──────┐
                    38%       │      │
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       6%        │      │     │      │ ┌──────┐       0%
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  1 - Extremely     2            3        4      5 - Extremely
   Negative                                        Positive
```

Detailed Findings

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What is the coolest/most interesting place that you or one of your colleagues has worked from during COVID-19?

> I have a friend driving around the country in a van and consulting from wherever he is that day.

> 50-foot sailing catamaran with satellite Wi-Fi in the Caribbean.

> The Hamptons — by the pool.

> An island off southeast Georgia.

> Spent MUCH more time than usual at a cabin on an island in coastal Maine (where, fortunately, we had installed high-speed internet in 2019).

> In the car while driving to Canada and hot-spotting my phone... I was not the driver but in the passenger seat

What is the coolest/most interesting place that you or one of your colleagues has worked from during COVID-19?

A Walmart parking lot.

I know of someone who took advantage of a remote work visa in the Bahamas, rented a house on the beach, and is working from there until spring/summer.

One friend has been traveling around to different Airbnbs in the country and went from Vermont to out west.

With my 4-year-old daughters at the kitchen table while they concentrated on their lessons in ABCmouse.

Snow-clad mountains.

Mountain house in Norway.

What is the coolest/most interesting place that you or one of your colleagues has worked from during COVID-19?

The beach. We've set up picnic tables by the water and worked from there.

Log cabin by the lake in Michigan.

An RV as they were living in it for a month while visiting national parks with their family.

Their porch area overlooking the greenery and the hills in Joshua Tree, CA.

From my new floating home — a 34-foot sailboat.

I'm currently a COVID nomad and traveling all over the U.S.

What creative ways have you adapted to drive client relationships virtually?

- Lots more visual connections using video for many touch points that would have been phone previously. We are also getting good at conducting virtual interactive workshops using a video platform and a range of interactive tools

- Typically things are a lot more structured now, so it is tough to get extra time to get to drive client relationships. We will usually try to open calls with a fun question or topic vs. just diving into work.

- We've held happy hours with clients and have also designed virtual working sessions.

- Holding virtual workshops using collaborative polling technologies, games like Kahoot!, and whiteboarding to make sure everyone is included.

- We are making use of polling features of Zoom and using interactive features of PPT and Adobe Experience Manager sites to relay messages.

- Scheduling random coffee chats.

- Digital "water cooler chats" one-on-one for 15 minutes to form a

relationship outside Zoom meetings.

- Video catch-ups.

- Sending small experiential gifts (champagne and orange juice for team meetings).

- Collaborative workshop tools like Miro.

- Asked them to bring family, pets, favorite home artifacts into the Zoom meeting and to share a bit more personally about themselves.

- Using Miro boards.

- Using technology measures (MS Teams) and using application tools such as whiteboards to draw clients into the engagement outside of a traditional readout. I have noticed a lot of my clients call me on my cell directly, so that connectivity is further extended.

- MS Teams.

What creative ways have you adapted to drive client relationships virtually?

- My industry has been virtual for quite some time now so it's a bit more normal for us. I think one small thing our team has tried to do is be open about sharing our home life with clients. I've seen directors bring their kids in to say hi or a quick show-and-tell of pets. Things like that are what will make these unusual times more relatable and easier to get through. Also, dressing very casual goes a long way in showing that we're people too (T-shirts, alma mater caps, etc.).

- Working with new technology to drive interaction — e.g., live polling and Miro boards.

- Making the effort to always have five minutes of off-topic chat at the beginning of calls. Finding ways to bring humor into situations (e.g., using a funny Zoom background).

- Virtual happy hours, icebreaker or team-bonding questions at some weekly meetings.

- Deliberate scheduling of times to connect outside of existing projects, offering to connect on informal or educational topics, hosting/facilitating topical webinars to deliver a point of view on what is happening currently.

- Virtual wine tastings.

- Zoom cocktail class to celebrate end of a project.

- To be very deliberate in what I want to cover and to simplify how I interact. For instance, in workshops, being very targeted and keeping breakouts sharp and focused, delivering the content in simple ways and using one metaphor only for achieving the overall objective or driving home that overarching point.

- A lot more videoconferencing... Icebreakers (via video) during larger workshops to get people engaged — e.g., what is your work superhero alter ego?

- Be on video, especially if you are presenting.

- On informal, catch-up calls, try different backgrounds, keep things fun and light.

- Ask them about their day.

- See their pets, kids, etc., and make them feel comfortable. Show them your kids and pets (don't shush the family out).

What percentage of your work today is directly correlated to COVID-19/impacts of the pandemic?

| None	1-25%	26-50%	51-75%	76-100%	Don't Know
20%	53%	13%	6%	3%	5%

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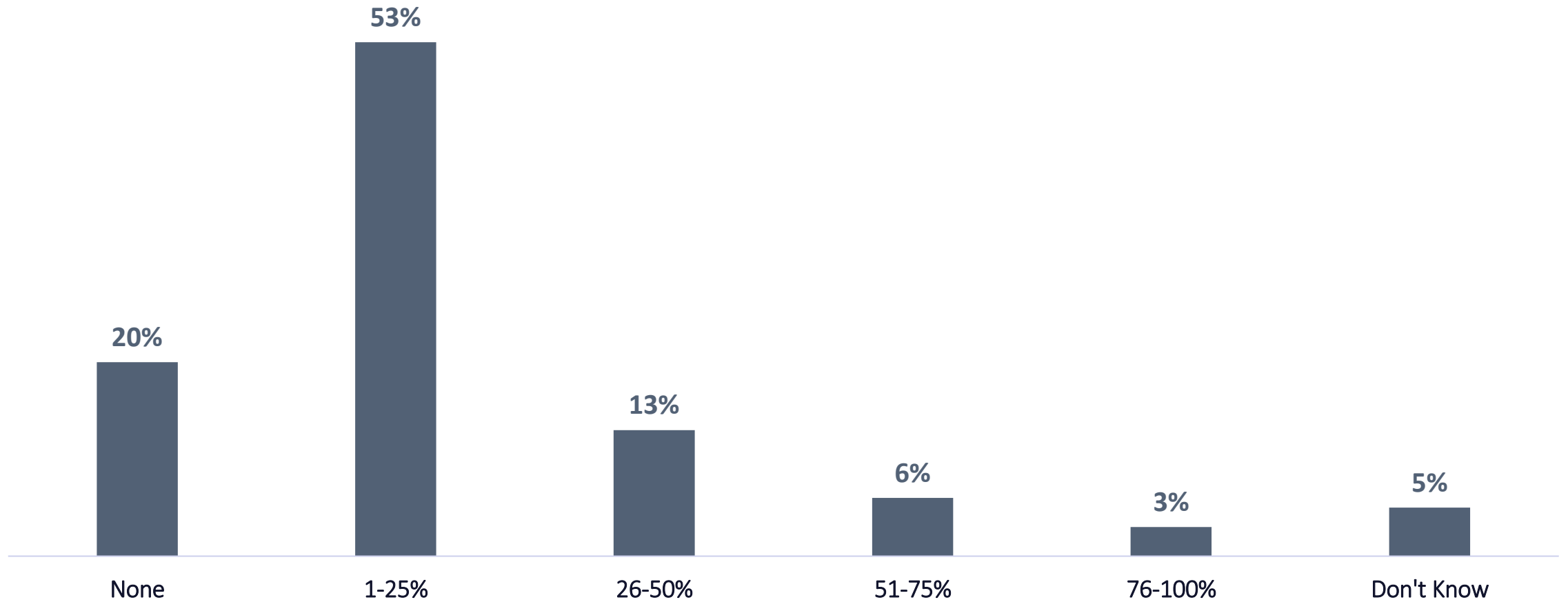
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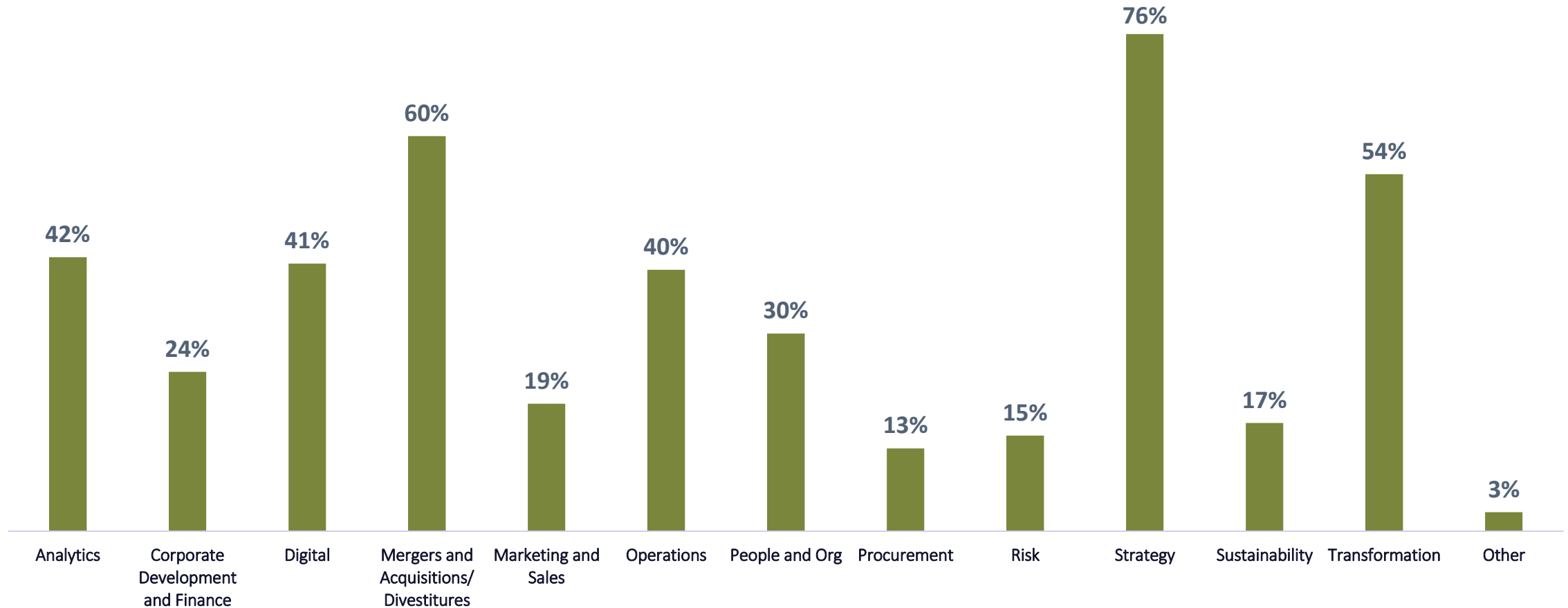
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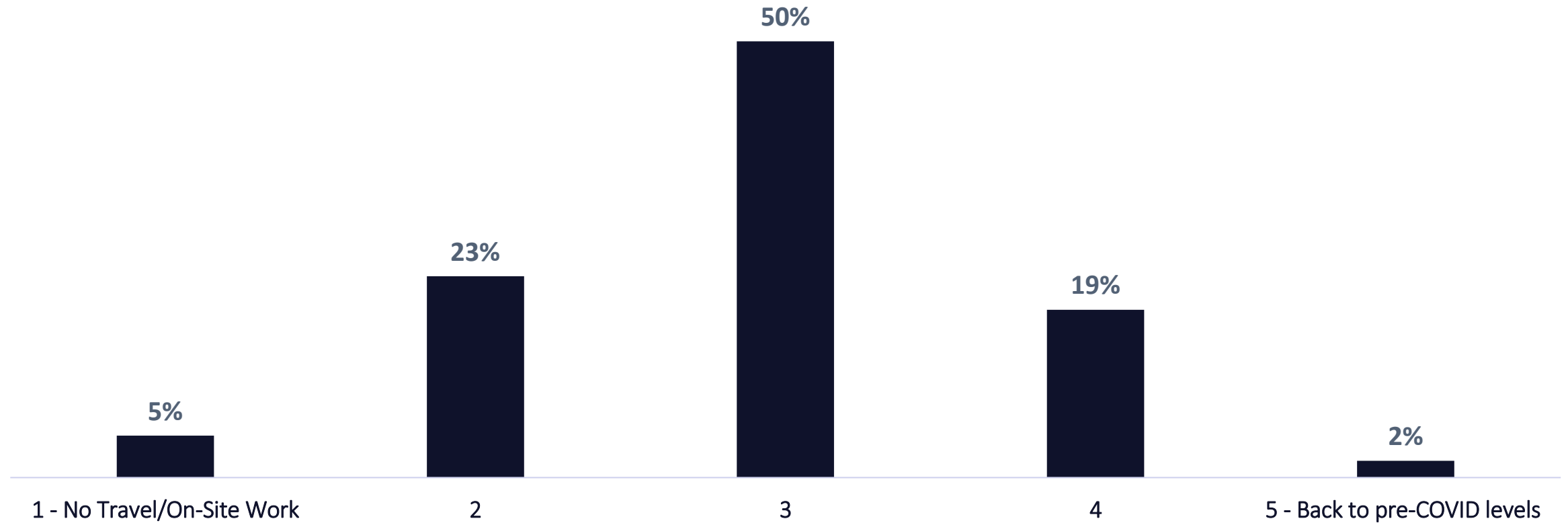
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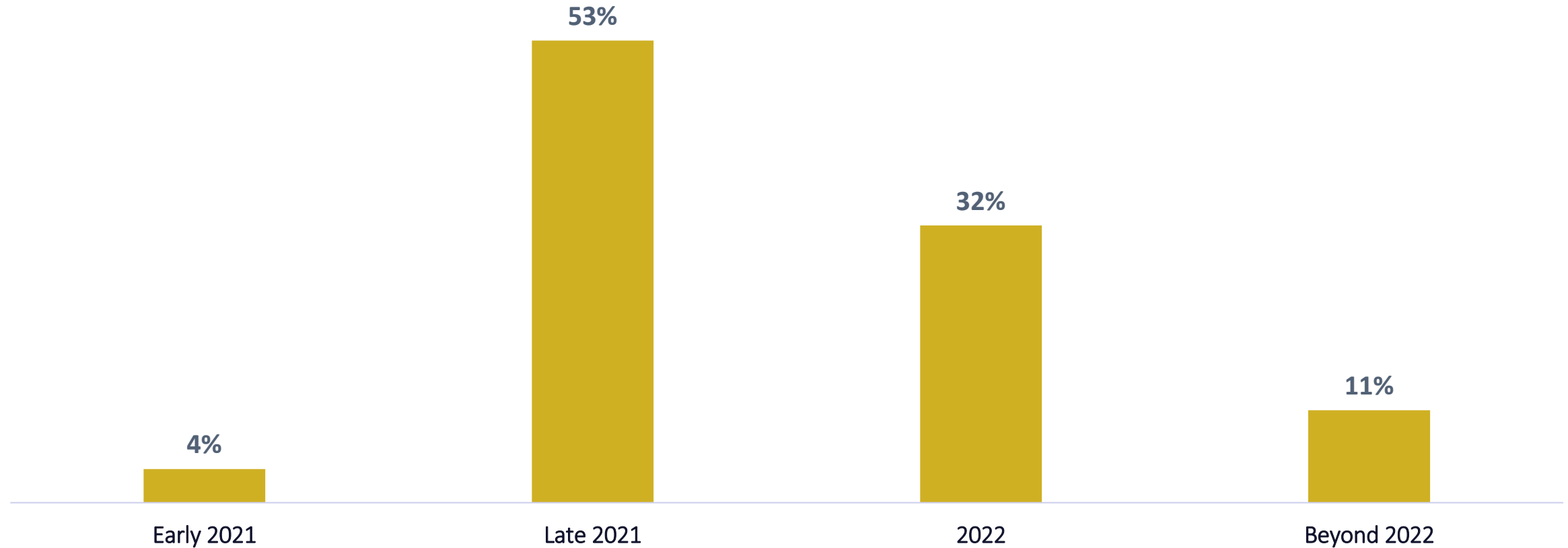
Which sectors or technologies do you believe are poised to grow coming out of COVID?
Top 3 Sectors/Technologies
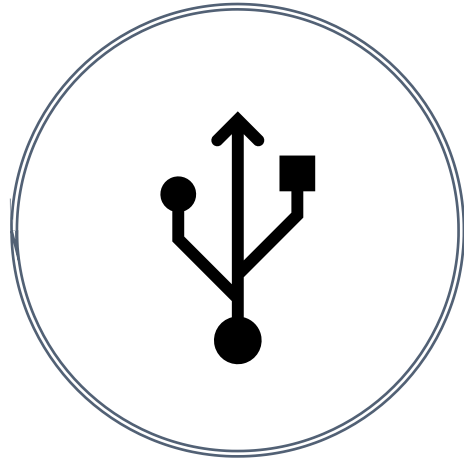
Technology

Health Care
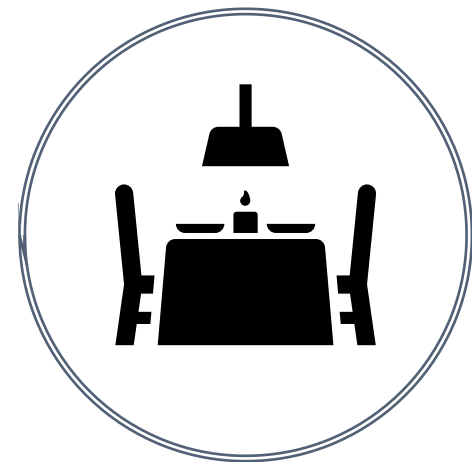(including digital
health and telemedicine)

**Remote Working/
Collaboration**

Which industry do you think will take the longest to recover post-COVID?

Travel/Hospitality/Transportation

Retail

Restaurant

Why?

- Because people are getting used to the new norms and it will take time for people to feel comfortable with travel and hospitality.

- People want/need to travel for pleasure. Reducing business travel saves money for employers and saves time for employees. Only senior people will travel and only for more critical meetings going forward. It will take longer to recover because it doesn't hinge on a vaccine or a sense of security, it's about fighting the alternative of remote meetings that has taken hold.

- Too many people have become used to not traveling for work — the majority of people I work with under the age of 35 do not want to return to travel. It will take a long time for that to recover.

- Trust and safety hesitancy and reprioritizing expendable income.

- People will always travel for vacations; however, most are likely

more attune to local destinations, aware/conscious of regions that are continually impacted by COVID (i.e., inconsistent containment of the virus), aware of the cost savings through staycations.

- Permanently reduced levels of business travel.

- Less business travel, more regionalization of the supply chains, desire to decarbonize the economy.

- The COVID pandemic has fundamentally changed how people think about activities away from the home. Restaurants must become experience destinations in the future, as food can be takeout otherwise. With less business travel, and less accrued points, vacation travel will decrease, as well.
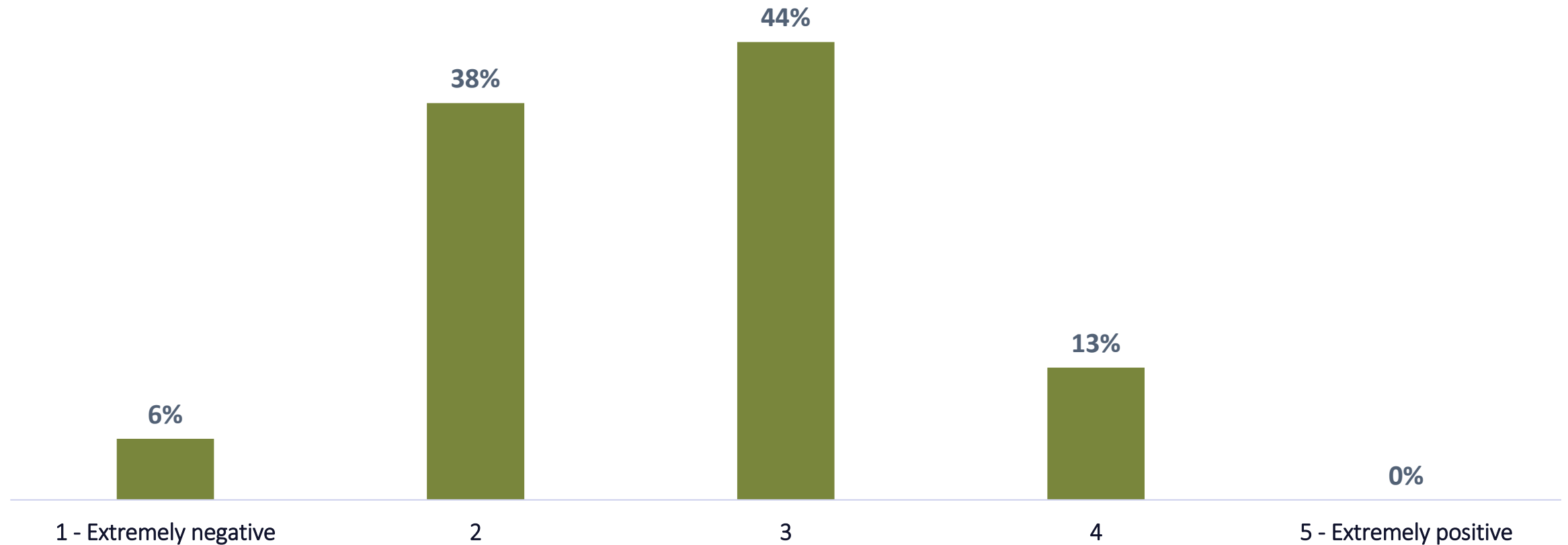
Why?

- It may never fully recover. The convenience of buying online has created permanent patterns.

- People will not want to go out to purchase products. High unemployment #s will cause issues too.

- The model has been totally disrupted.

- Reduced consumer spending.

- Consumption trends have significantly reduced the necessity of certain clothing.

- People not originally familiar with online shopping are now familiar with the technology and are more comfortable shopping online.

- Significant structural challenges.

- Even when travel resumes, with people more engrossed in online shopping, travel retail would likely slowly come back to pre-pandemic levels due to preconceived notions around cleanliness maintained at these stores.

Why?

- Lockdowns.

- Once you lose customers, you lose the $ needed to have space, pay staff, etc., Most independent restaurants had very narrow margins. So they went under. Restarting needs massive recapitalization and often reskilling.

- I think that many are scared to open back up and there will likely be another shutdown.

- Ongoing travel restrictions combined with new tech competition (delivery apps, Airbnb/VRBO, etc.).

- Core value proposition is challenged by COVID. Restaurants/ hotels/retailers have done a great job at adapting, but there are limitations to the changes that can be made, while still delivering any sort of value prop. The COVID-era value prop is diluted, making it harder to command high prices.

- Off-premise competition is fierce and enhanced technology and packaging are required to maintain customer demand. Additionally, third-party delivery impacts brand association and creates competitions as proximity is no longer relevant.

On a scale of 1-5, where 1=extremely negative and 5=extremely positive, how would you rate the impact COVID-19 has had on building and evolving client relationships?

6%   **38%**   **44%**   **13%**   **0%**

1 - Extremely negative   2   3   4   5 - Extremely positive

Thank you.