



# **CONSULTING EXCELLENCE AFTER BREXIT**

Quarterly EU Survey findings

Survey 1 | October 2016



## INTRODUCTION

This document comprises the findings from the first of our quarterly surveys of MCA member firms on the impact of the decision to leave the European Union.

Just over one third of firms participated. The respondents constitute a representative sample of the MCA membership.

The survey will act as a baseline against which we will track changes and developments over the coming months.

Since the survey of MCA firms conducted prior to the EU referendum showed overwhelming opposition to Brexit, the tone of some of the responses here is unsurprising. MCA members, in common with many other business leaders, are very unlikely to want to see a 'hard' Brexit, and will favour the retention of many of the benefits of the EU, in particular access to skilled labour and the Single Market. Nevertheless, since the referendum, MCA firms have expressed both a desire to get on the front foot and to help make Brexit work. The findings here are also in keeping with that desire. For example, respondents seeking clarity about the nature of the Government's Brexit intentions want this both for themselves, but also for their clients. Consultants create value in the economy by helping clients with their challenges. Clarity about the nature of those challenges is accordingly useful. Consultants can help clients solve problems, but only if they know the nature of those problems.

Despite the inevitably 'too early to say' nature of some of the replies here, there are already some noteworthy findings. These include:

- 11% of respondents already record a negative effect on their business
- 50% note negative impacts on clients
- Over 70% record negative impacts already on Financial Services
- While most are as yet unaffected, 6% already indicate an impact on their ability to recruit

- Many report negative feedback from overseas networks, including bewilderment

It should be noted that these impacts are not post-Brexit. The UK has not yet left the EU. They are post-Brexit decision impacts. We will see how they change as we move nearer to the invocation of Article 50 and final disengagement.

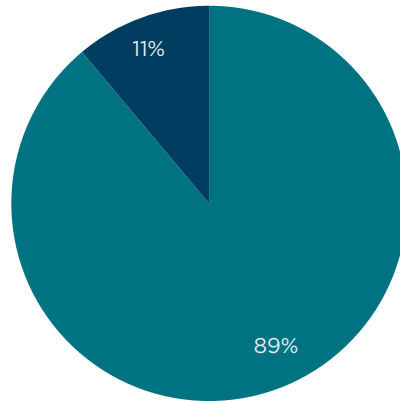
We also asked member firms about percentages of overseas versus UK employees in their companies. Inevitably the results here are indicative, rather than an aggregate picture, since each respondent is accorded equal weight in the sample. However, the results give a snapshot of the consulting industry's diversity. They may be compared with our survey of young consultants earlier this year. Only around 75% of respondents in that exercise self-identified as British, with around 12% being non-UK EU nationals.

78% of respondents record that Single Market Access matters to their clients, 56% to them, and 22% to employees from beyond the EU. Unsurprisingly, the areas they want the Government to focus on reflect this. Most respondents want Government to focus on ensuring that some approximations of the benefits of Single Market Access and free movement of labour are retained in the new settlement.

The MCA will publish its next quarterly survey early in 2017.

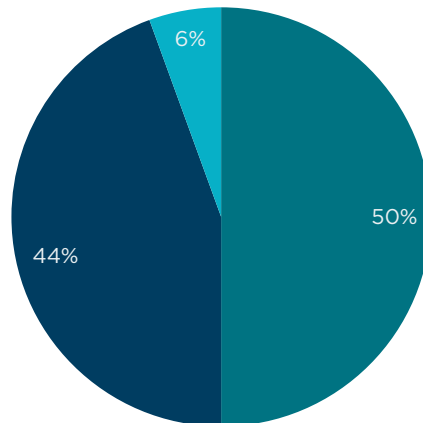
## SURVEY FINDINGS

### What effect has the Brexit vote had on your firm's revenues?



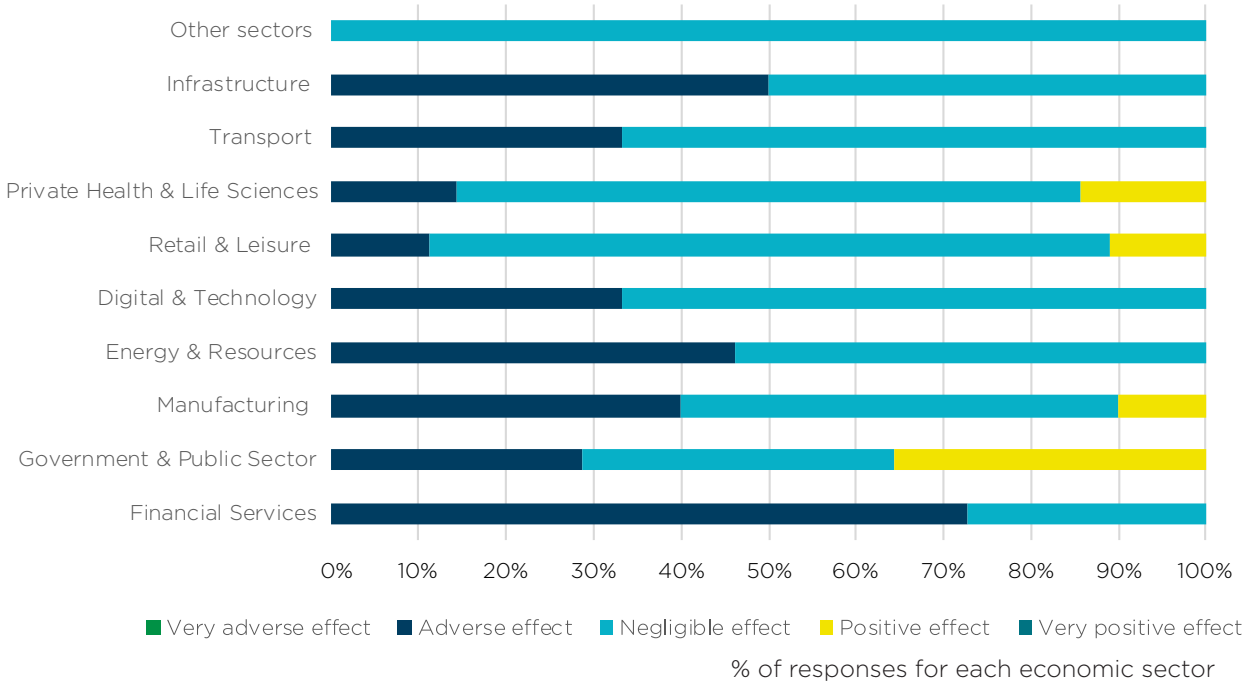
■ Negligible effect   ■ Negative effect   ■ Very positive effect  
■ Positive effect   ■ Very negative effect  
% of all responses

### What effect has the Brexit vote had on client growth expectations and confidence?

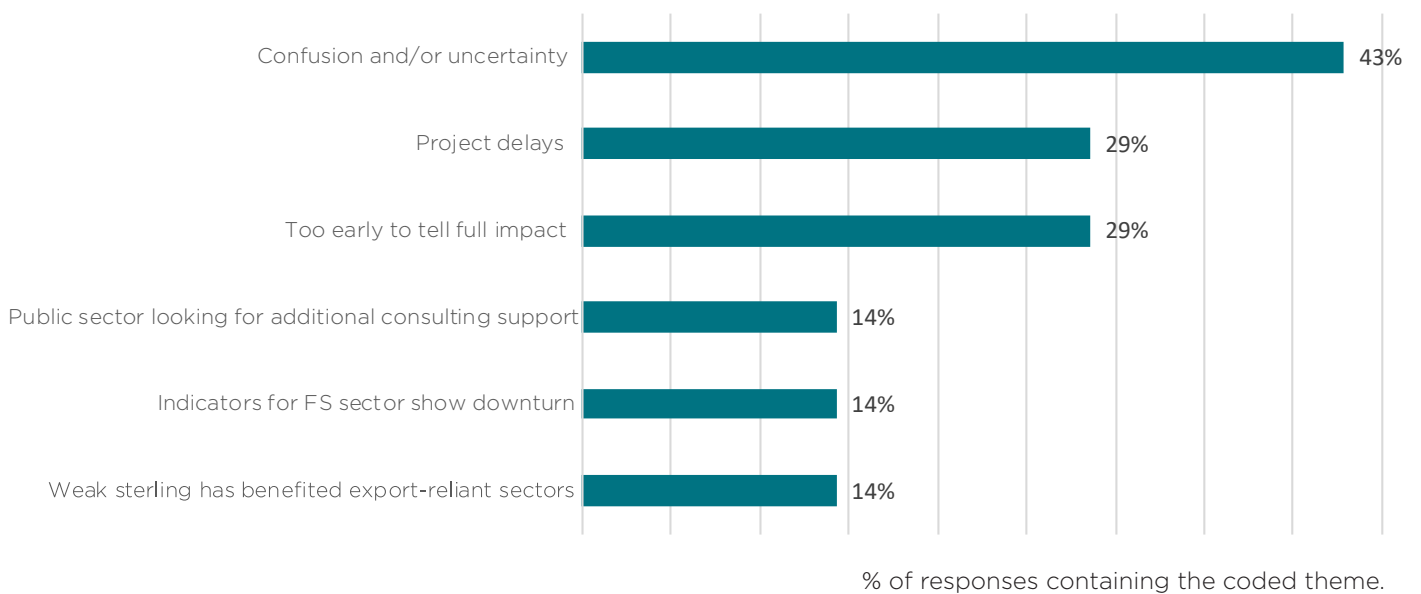


■ Negative effect   ■ Negligible effect   ■ Positive effect  
■ Very negative effect   ■ Very positive effect  
% of all responses

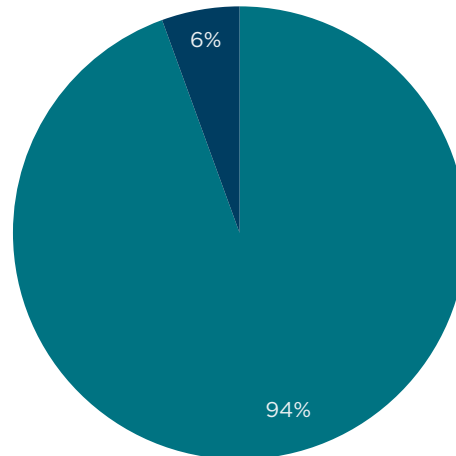
### To what degree are these sectors of the economy being affected by the Brexit vote?



### Please describe the nature of these effects.



### What effect has the Brexit vote had on your ability to recruit skilled labour?



■ Negligible effect 
 ■ Negative effect 
 ■ Positive effect 
 ■ Very negative effect 
 ■ Very positive effect

% of all responses

### What percentage of your employees are UK, EU, Non-EU nationals?

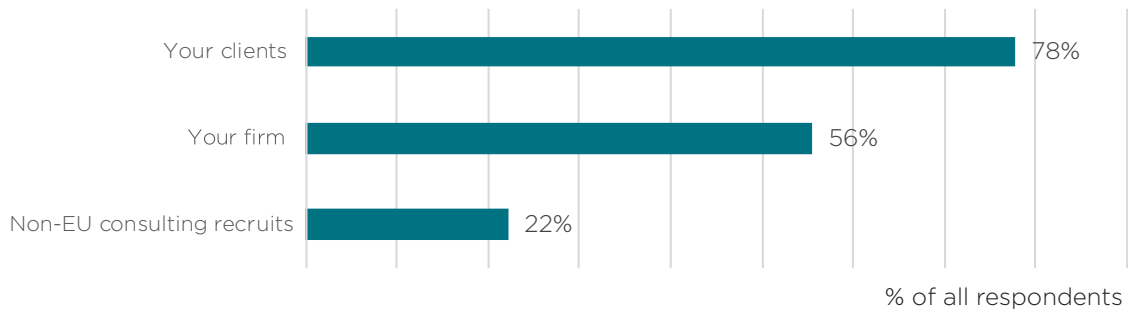
	Mean	Median	Max	Min
UK Nationals	78%	90%	100%	24%

	Mean	Median	Max	Min
EU Nationals	14%	10%	30%	1%

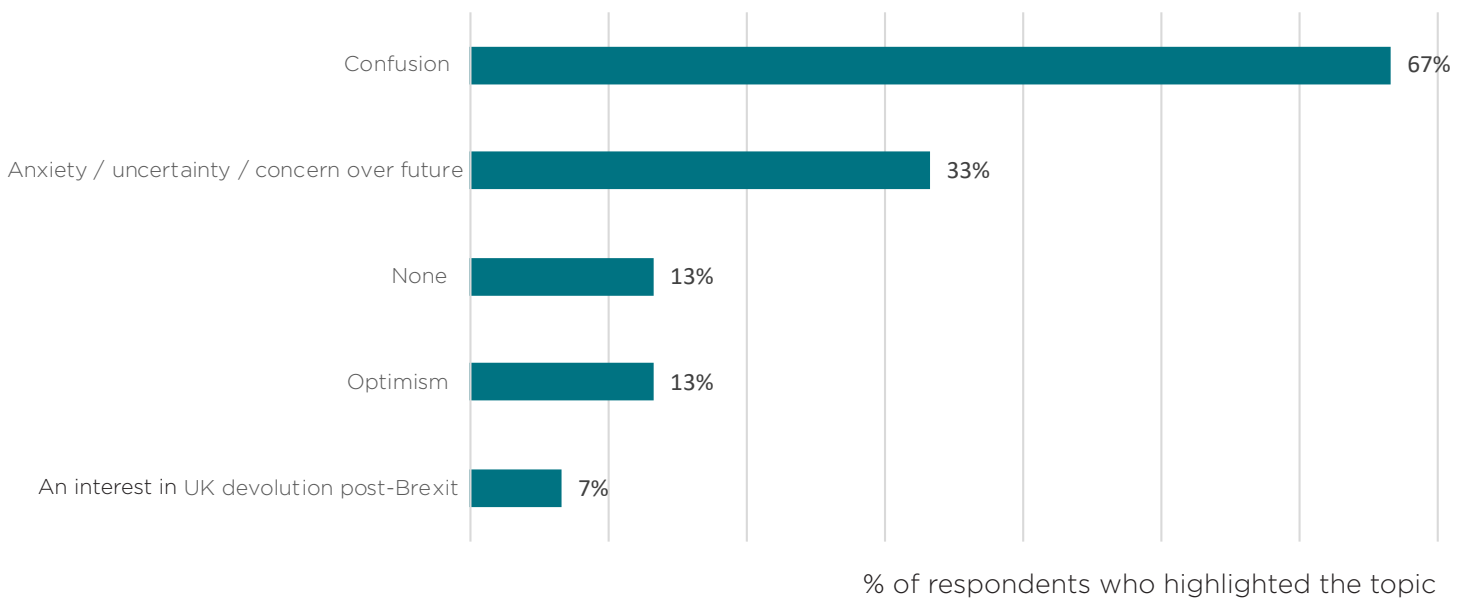
	Mean	Median	Max	Min
Non-EU Nationals	22%	10%	63%	3%

Respondents were asked to provide separate figures for each category, to reach a total of 100%. Due to outliers we recommend using the Median as an indicative measure of the average.

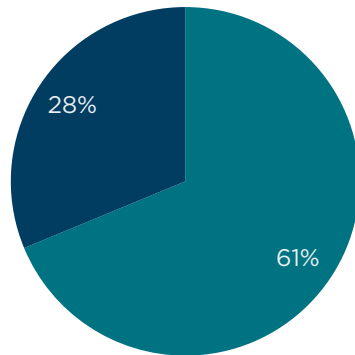
**For which of the following is the UK's access to the Single Market significant?**



**What attitudes has your firm observed from its overseas networks or other sources?**



### Is your firm currently pursuing (or planning to pursue) a Brexit-related initiative?



Of those who said No and Yes

Not at the moment but this may change as things become clearer

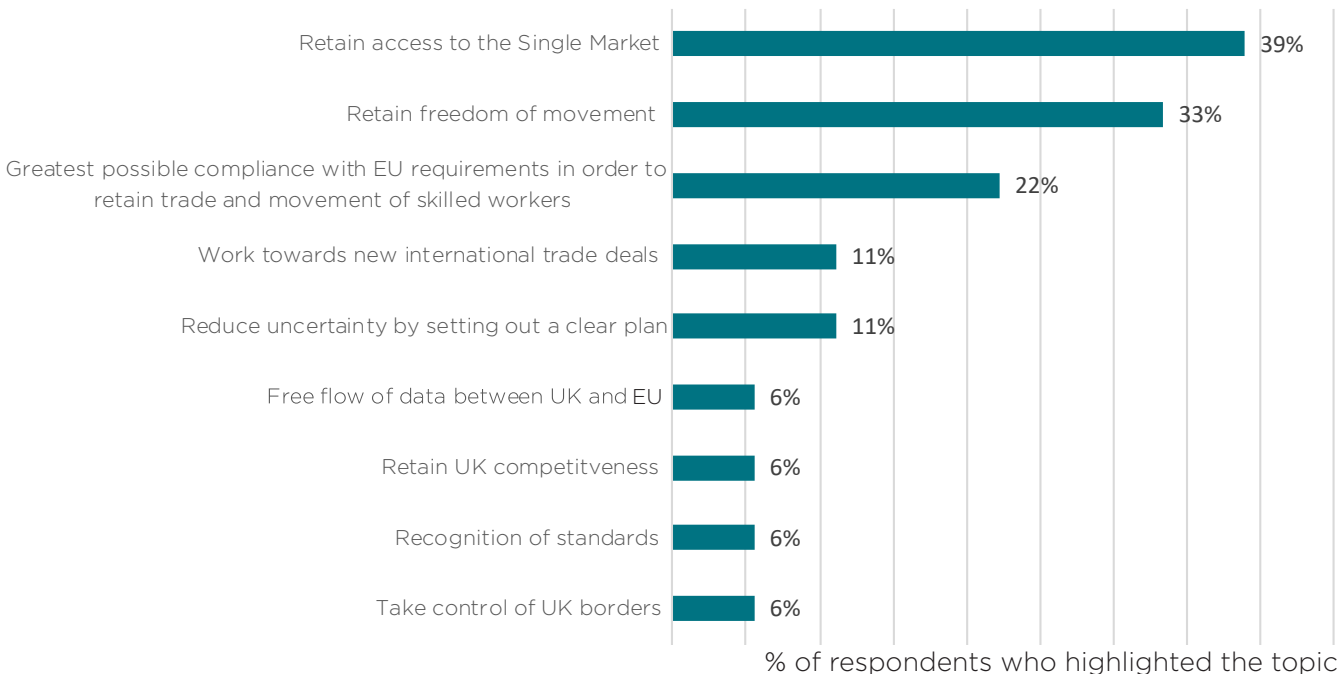
We are planning to pursue in conjunction with our EU offices. They operate directly with EU based Clients - but much of our London Offices business is also EU related. We are looking at operational inter office strategies to mitigate against any negativity of Brexit on the UK operation.

We have established a Brexit Taskforce, developed a suite of Brexit-specific offering and points of view.

Opening a European office (in the EU) depending on initial outcomes

To assist Global organisations to address the commercial issues & opportunities resulting from Brexit. To assist UK Gov't with it's approach to negotiation strategy and execution in relation to both Brexit and other trade negotiations.

### In your view, what policy objectives should the UK government and policymakers pursue to secure the most positive post-Brexit outcome?





**MCA**  
A POSITIVE FORCE  
FOR THE ECONOMY

Management Consultancies Association  
5th Floor, 36-38 Cornhill,  
London, EC3V 3NG

[www.mca.org.uk](http://www.mca.org.uk)

T: +44 (0) 20 7645 7950

E: [info@mca.org.uk](mailto:info@mca.org.uk)

Twitter: [@TheMCA\\_UK](https://twitter.com/TheMCA_UK)