

Quote By Devroop Dhar, India CEO & Co-founder, Primus Partners

Published in The Hindu Business Line

June 26, 2025

Consulting sector sees bright spots in tough environment

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Even as Accenture recently raised concerns on overall bookings decline and the consulting segment specifically being under pressure, there is optimism in the Indian consulting sector.

While salary hikes shrink and revenue growth slows in some areas, consulting firms noted that corporates continue to rely on specialists as they are hit by multiple factors such as shift in technology, wars, tariff uncertainties and other macroeconomic factors.

"While we are seeing a slight dip in clients' willingness to invest, one in two client remains open to making significant investments in technology, AI and efficiency gains," Deepankar Sanwalka, Senior Partner, Grant Thornton Bharat, said.

"We are also observing a growing emphasis on subject matter expertise and industry knowledge when it comes to hiring consultants," Sanwalka added.

PRIORITISING COSTS

Devroop Dhar, Co-Founder & MD, Primus Partners, said that while engagements related to cost reduction and efficiency enhancement are growing, projects involving discretionary spends have slowed down considerably.

"At an overall level, the consulting industry in India will see lower double-digit growth over the next few years. India is probably the only large market which is seeing growth, whereas globally consulting firms, especially in the developed economies, are facing challenges," he said.

But sources noted that in large and global consulting

firms, hikes have gone to single digits and promotion criteria too have become tighter with some of the Big 4s deciding that promotions will be doled out only once in three years.

"Certain practices like tax and transactions are doing well, but projects are hard to come by and companies are also not willing to pay the same kind of contract rates as earlier," a director at a Big4 firm told *businessline*.

Aditya AM, Global CEO SPR Consultech, noted that the nature of engagements has shifted from "optional to ROI-linked mandates".

ROLE OF AI

He added that tech consulting is growing exponentially and AI-led re-engineering has become the driving force with data modernity and cloud cost optimisation.

Ramkumar Ramamoorthy, Partner at Catalinics and former CMD, Cognizant India, said consulting firms are largely winning cost-optimisation deals; large transformation deals at the intersection of technology and business have been slow.

"The more progressive consulting firms that proactively shape the transformation agenda of companies and provide specific solutions are able to navigate it better," he added.

GOVT CONTRACTS

Another area where Indian consulting firms are standing out from the West is on the government contracts.

While DOGE and overall spending cuts have impacted federal contracts for global consulting firms, India's Viksit Bharat goals and the country's economic growth is keeping government projects robust for domestic firms.