EUROPEAN INDUSTRY OUTLOOK 2025–2035

The Future of Consulting in Europe

AI Governance, Platform Power and Strategic Positioning to 2035

A Scenario-Based Strategic Foresight Report

Prepared for: Senior Partners & Strategy Leadership

Patricia Pinto

February 2026

Partner Brief

Strategic Summary

The Future of Consulting in Europe 2035

The Structural Inflection Point

European consulting is entering a structural reconfiguration, not a digital upgrade cycle.

Three systemic forces are converging:

1. **AI is redesigning knowledge work.**
   Generative AI automates and augments core consulting tasks (analysis, synthesis, modelling). This challenges the economic logic of leveraged pyramids and time-based billing.
2. **Europe is institutionalising deep AI governance.**
   The AI Act embeds regulatory obligations directly into how advisory work is designed and delivered. Governance becomes part of the product, not a compliance overlay.
3. **Platforms are consolidating enterprise transformation.**
   Cloud and AI ecosystems are becoming the infrastructure layer of business change. Consulting is increasingly embedded within platform environments rather than operating as tool-agnostic external advisory.

At the same time, Europe faces persistent service productivity gaps. Consulting is both exposed to these pressures and positioned as a critical enabler of AI-driven competitiveness.

This is an architectural shift.

Three Plausible 2035 Futures

The industry's evolution will be shaped by two structural uncertainties:74

- Intensity and coherence of AI governance
- Degree of platform concentration

This produces three structurally distinct futures:

1. Compliance Gatekeepers

Restrictive or fragmented enforcement.
Advisory becomes compliance-heavy and platform-gated.
Winners: large firms with deep governance capability and strong regulatory credibility.

2. Platform-Led Prosperity

Harmonised, enabling regulation combined with dominant hyperscalers.
Consulting becomes platform-embedded and productised.
Winners: firms that build scalable, platform-native solutions and managed services.

3. Trusted Open Ecosystems

Coherent governance plus interoperable, multi-platform ecosystems.
Consulting acts as ecosystem orchestrator across vendors and data spaces.
Winners: firms strong in interoperability, governance and multi-platform strategy.

These are not forecasts. They are structurally plausible configurations.

No-Regrets Moves Across All Futures

Across all scenarios, five shifts are robust:

1. AI-native delivery is mandatory.
2. Regulatory fluency is a European differentiator.
3. Productisation and recurring revenue increase.
4. Platform posture becomes a strategic choice.
5. Talent models must move beyond the traditional pyramid.

Firms that delay these shifts risk margin compression and strategic irrelevance.

Strategic Pathways (2025–2035)

Leadership teams face four credible positioning choices:

1. **Compliance Powerhouse**
   Own AI governance and regulated-sector transformation.
2. **Platform Champion**
   Deeply align with one or two hyperscalers and co-develop industry solutions.
3. **Ecosystem Orchestrator**
   Remain platform-agnostic and master interoperability across ecosystems.
4. **Asset Scaler**
   Build reusable IP and advisory-as-a-service models across segments.

Each pathway carries different exposure to platform concentration, regulatory intensity and margin structure.

Ambiguity is the real risk.

Strategic Question

By 2035, will our firm be:

- A compliance authority?
- A platform-embedded solution builder?
- A multi-ecosystem orchestrator?
- Or a scaled asset-led advisory model?

And are our current capability investments aligned with that future, or still optimised for yesterday's leverage model?

Table of Contents

Executive Summary

1. The Structural Shift

By 2035, European consulting will not resemble a scaled-up version of today's industry. It will operate on a fundamentally different architectural foundation. The convergence of AI-first knowledge work, Europe's distinctive regulatory trajectory, the consolidation of digital platforms, and persistent productivity gaps in services is reshaping how advisory value is created, delivered and captured.

First, AI is transforming the core production engine of consulting: analytical, cognitive and coordination work. Generative AI and adjacent technologies are automating significant portions of research, synthesis, modelling and drafting, while amplifying the importance of complex judgement, problem framing and stakeholder engagement. Leading analyses consistently indicate that up to a third of current work hours, concentrated in knowledge-intensive tasks, may be automated or fundamentally reshaped over the next decade. For firms built on leveraged pyramids of manual analysis, this is not a productivity enhancement. It is a structural challenge to the economic logic of the model itself.

Second, Europe is institutionalising deep AI governance. The AI Act introduces a comprehensive, risk-based regulatory framework that will increasingly shape how AI is designed, documented and deployed across sectors. Because it applies horizontally and targets both providers and users, including those integrating general-purpose models, it embeds governance obligations directly into advisory work. For consulting firms, regulatory fluency and AI governance capability become intrinsic to the value proposition, not an ancillary compliance function.

Third, digital platforms are becoming the backbone of enterprise transformation. Cloud, data and AI platforms, both global and European, are consolidating as default environments in which clients build and operate processes. Consulting is being drawn into these ecosystems as solution architects, integrators and co-developers. Whether the future is concentrated or distributed, purely tool-agnostic, stand-alone advisory will become increasingly rare. Platform positioning is becoming strategic.

Fourth, Europe continues to face a productivity gap in services. While the upside potential from AI adoption is substantial, realising it depends on skills, organisational redesign and regulatory clarity. Consulting sits at the centre of this dynamic, simultaneously exposed to the same structural pressures and uniquely positioned as an enabler of productivity transformation across the economy.

Finally, talent models are under strain. Large occupational transitions are underway as AI diffuses. Demand is rising for hybrid profiles blending technology, business and regulatory capabilities. Traditional consulting career paths and leverage structures are unlikely to survive intact.

Taken together, these forces signal structural reconfiguration. This is not a cyclical slowdown or another wave of digital tooling. It is a shift in the underlying architecture of how advisory work is organised, governed and monetised in Europe.

2. The Two Critical Uncertainties

Within this structural context, two uncertainties will largely determine how European consulting evolves by 2035.

The first is the trajectory of EU AI governance. While the AI Act is agreed, its practical implementation remains open. One path leads to restrictive and fragmented enforcement: risk-averse supervisory authorities, divergent national interpretations, high compliance burdens and limited sandbox utilisation. The alternative is enabling and harmonised governance: coordinated guidance, proportional obligations and active support mechanisms that allow firms of all sizes to deploy AI responsibly at scale. Because the AI Act is risk-based and cross-sectoral, regulatory stance will shape not only compliance cost but also the speed and breadth of AI adoption across advisory and client organisations.

The second uncertainty concerns the degree of platform dominance in AI and data infrastructure. One plausible outcome is a platform-gated market in which a small number of hyperscalers and major SaaS providers control the primary rails of transformation, surrounded by dense partner ecosystems. Another is a more distributed, multi-platform environment in which several global and European providers coexist alongside sectoral data spaces and open standards. Industrial policy, competition enforcement and the success of European initiatives around interoperability will influence the eventual structure.

These uncertainties are uniquely consequential in Europe. The EU's rights-based regulatory tradition elevates governance as a central variable, while its ambition for digital sovereignty raises the strategic question of ecosystem diversity versus concentration. The intersection of governance intensity and platform structure defines the competitive terrain for consulting firms.

3. The Three Futures

Within this 2x2 framework, three internally consistent scenarios illustrate distinct trajectories for European consulting in 2035.

Compliance Gatekeepers

In this future, AI Act enforcement is strict and heterogeneous, and market access is effectively gated by a small number of "compliance-grade" platforms. AI deployment in high-risk domains requires extensive documentation, auditability and oversight. Only large platforms can sustain the cost of compliant infrastructure at scale, reinforcing concentration.

Industry structure tilts toward global, multi-disciplinary firms with deep regulatory practices and privileged platform alliances. These firms operate as gatekeepers, translating complex rules into compliant implementations and standing between clients, regulators and platform providers. Mid-tier firms lacking capital or partnerships to build governance infrastructure are squeezed into narrow niches.

Business models centre on high-margin, high-liability engagements focused on AI compliance, remediation and regulated transformation. Talent skews senior and specialised, with demand for AI governance experts, technology lawyers and sector risk leaders surpassing traditional analyst roles. Value capture accrues to firms capable of systematically de-risking AI adoption.

Platform-led Prosperity

Here, AI governance is harmonised and enabling, while a small number of platforms provide the dominant rails for AI-enabled transformation. Predictable implementation of the AI Act gives boards confidence to scale AI initiatives. Hyperscalers and SaaS providers deliver compliant, industry-specific blueprints that underpin most major transformations.

The consulting industry organises around platform ecosystems. "Platform-embedded" firms and vertical specialists co-develop solutions and monetise them through projects, subscriptions and managed services. Business models become increasingly software-like, with recurring revenues and outcome-linked contracts where performance is measurable.

Margins are strong for firms that scale intellectual property across clients; commoditised services face pricing pressure. Talent mixes shift toward platform architects, ML engineers, product owners and outcome-based engagement leaders working alongside strategy and change experts. Value accrues to those who own high-impact, platform-native solutions and can demonstrate measurable productivity gains.

Trusted Open Ecosystems

In this scenario, AI governance is enabling and coherent, but market structure remains distributed and interoperable. Multiple global and European platforms coexist; sectoral data spaces are widely operational; open standards are actively supported.

Advisory work centres less on optimising a single platform and more on orchestrating across many. Industry structure is more diverse, with European consultancies, specialist firms and global players competing on ecosystem mastery and sector depth rather than exclusive platform access.

Business models blend modular products with ecosystem services. Clients procure interoperable components, governance frameworks and ongoing ecosystem orchestration. Talent concentrates around systems thinkers, interoperability architects, data-space specialists and AI ethics advisors. Value accrues to firms capable of managing complexity across platforms while sustaining trust and regulatory alignment.

4. Cross-Scenario Insights

Despite their differences, several implications hold across all futures.

AI capability is non-optional. In every scenario, core consulting work is AI-mediated. Firms that fail to re-engineer delivery models around AI will be structurally disadvantaged.

Regulatory fluency becomes a competitive differentiator. Even under enabling governance, clients expect compliant system design, robust documentation and credible risk management. Governance capability is strategic, not peripheral.

Productisation increases in all worlds. AI and platforms favour reusable assets, analytics modules, governance toolkits, sector solutions and managed services. Even in restrictive environments, scalable compliance frameworks become products. Firms must invest in intellectual property, engineering and product management beyond bespoke projects.

Platform positioning becomes a board-level issue. Whether concentrated or distributed, clients operate within complex technology stacks. Firms must make deliberate choices about alignment, neutrality and dependency risk.

Talent model redesign is unavoidable. All scenarios require new hybrid profiles and reduced reliance on manual junior leverage. Career paths must evolve to include product ownership, technical specialisation and ecosystem leadership.

These represent no-regrets investment domains: AI integration, governance depth, productisation, platform strategy and talent transformation.

5. Strategic Choices for Today

Within this structural shift, European consulting leaders face four strategic decisions.

The first concerns platform alignment versus ecosystem orchestration. Deep alignment with one or two dominant platforms offers scale and speed but increases dependency. Ecosystem orchestration preserves independence and resilience but requires broader technical capability and relationship management. Hybrid strategies are likely, but capital allocation must reflect a clear centre of gravity.

The second choice is governance-first versus growth-first positioning. Firms can anchor their brand in AI governance and regulatory leadership or lead with productivity and growth narratives while embedding governance as infrastructure. Both require strong governance capability; the strategic question is which identity anchors the firm.

The third concerns asset scale versus bespoke advisory. Productised assets promise scale and improved economics but demand upfront investment and standardisation. Bespoke advisory preserves flexibility but struggles to scale in AI-intensive environments. Portfolio clarity is essential: which offerings will be industrialised, and which will remain tailored.

The fourth choice addresses the future of the pyramid. Continued reliance on large junior cohorts for manual analytics is incompatible with any 2035 trajectory. A hybrid model, fewer traditional juniors, more AI-literate generalists and specialised technical profiles, requires fundamental redesign of recruiting, training and partnership economics.

Underlying these decisions is a final imperative: disciplined monitoring of early signals. Enforcement patterns under the AI Act, platform concentration, SME adoption rates, revenue mix shifts toward recurring models and the structure of major RFPs will all indicate which trajectory is emerging. Firms that institutionalise scenario-based strategic review will adapt before industry structure solidifies.

The decision facing European consulting leaders is not to bet on a single most likely future. It is to build a portfolio of capabilities robust across plausible futures while deliberately leaning into preferred trajectories. Europe has the opportunity to define a distinctive AI-consulting model, combining technological sophistication with rigorous governance, platform power with openness, and productivity gains with regulatory legitimacy. The firms that move decisively on these structural choices will shape the consulting industry of 2035 rather than react to it.

Methodology and Analytical Approach

This report applies a structured strategic foresight methodology to explore how the consulting industry in Europe could be reconfigured by 2035 under different combinations of AI governance and platform market structures. The objective is not to predict a single future, but to provide robust lenses for strategic positioning by consulting firms and policymakers.

Why Scenario Analysis?

Scenario analysis is appropriate because the forces shaping European consulting are deeply uncertain, interdependent and potentially non-linear.

Artificial intelligence is a general-purpose technology whose productivity and labour-market impacts depend not only on technical progress but also on complementary investments in skills, organisational redesign and governance. Research by the OECD and IMF highlights that realised gains depend heavily on diffusion patterns and institutional context.

At the same time, the EU AI Act introduces structural uncertainty. While the regulatory framework has been agreed, enforcement intensity, national interpretation and sector-specific application remain open variables. Regulatory stance will significantly influence how AI is adopted, governed and monetised in advisory contexts.

In parallel, platform dynamics in cloud, data and AI markets exhibit strong network effects and scale economies. Depending on competition policy, industrial strategy and market responses, Europe could evolve toward concentrated, platform-gated architectures or more distributed, interoperable ecosystems.

Under such conditions, linear extrapolation or single-point forecasting is insufficient. Scenario analysis enables structured exploration of a limited number of high-impact uncertainties, clarifies how different configurations reshape industry structure and value capture, and supports stress-testing of strategic options. This approach aligns with foresight guidance from the OECD and the European Commission's Joint Research Centre, particularly in contexts characterised by technological acceleration and regulatory transition.

Time Horizon: Why 2035?

The 2035 horizon is chosen deliberately as a structural horizon rather than a short-term planning window.

Over a three-to-five-year period, consulting business models and regulatory regimes typically change incrementally. A 10–12 year horizon allows sufficient time for:

- AI to diffuse deeply into enterprise and public-sector workflows.
- The AI Act and related digital regulations to be implemented, interpreted and operationalised across Member States.
- Platform ecosystems to consolidate or diversify under the influence of competition policy, industrial investment and geopolitical dynamics.
- Labour-market and skills transitions to unfold, as highlighted in research on AI and work by the World Economic Forum and McKinsey Global Institute.

At the same time, 2035 remains strategically relevant for current capability investments, partnerships and asset development cycles. It is a horizon for structural positioning, not for granular financial forecasting.

Analytical Approach

The analysis followed five structured steps.

First, horizon scanning was conducted across four domains: technological (AI and automation of knowledge work), regulatory (EU and Member-State AI and digital policy), economic (productivity and labour-market dynamics in services), and market structure (cloud, data and AI platform ecosystems). This scanning drew on high-level analyses from the OECD, IMF, European Commission, JRC, WEF and McKinsey Global Institute.

Second, structural drivers were identified. These include AI-enabled transformation of knowledge work, automation of consulting workflows, productization of advisory services, platformization of enterprise technology, regulatory deepening around AI and data, evolving procurement models, talent reconfiguration, and Europe's services productivity gap. Drivers were defined as forces likely to persist across multiple futures and reshape underlying industry architecture rather than short-term demand cycles.

Third, two critical uncertainties were selected using three criteria: high impact on consulting economics, genuine uncertainty, and strong European specificity. These were:

1. The trajectory of EU AI governance (restrictive and fragmented versus enabling and harmonised).
2. The degree of platform dominance in AI and data infrastructure (concentrated versus distributed ecosystems).

These axes capture both institutional and market-structural dimensions and are consistent with established foresight practice in international organisations.

Fourth, internally coherent scenarios were constructed by combining these axes with the structural drivers. Each scenario, Compliance Gatekeepers, Platform-led Prosperity and Trusted Open Ecosystems, was developed across multiple dimensions: industry structure, business models, delivery models, talent architecture, client behaviour and policy environment. Internal consistency checks ensured that regulatory stance, platform structure and economic logic reinforced rather than contradicted each other.

Fifth, cross-scenario comparison was used to derive strategic implications. This enabled identification of robust, "no-regrets" capability investments and differentiated strategic pathways aligned with specific futures.

Purpose of the Scenarios

The scenarios are designed as decision-support tools rather than probabilistic forecasts.

Their purpose is to:

- Clarify how alternative combinations of governance intensity and platform structure could reshape European consulting.
- Support stress-testing of current portfolios, platform alignments and talent strategies.
- Identify robust investments that hold across futures.
- Highlight differentiated bets that are attractive only under certain trajectories.

This reflects established strategic foresight practice: scenarios are structured lenses for disciplined thinking under uncertainty, not attempts to predict a single outcome.

Limitations

This approach simplifies complex dynamics into a manageable set of drivers and uncertainties. Other forces, geopolitical fragmentation, macroeconomic shocks or unexpected technological breakthroughs, could materially influence outcomes but are not explicitly modelled.

The analysis synthesises existing high-level research rather than generating new primary data. Assumptions regarding AI diffusion, regulatory stance and market structure are grounded in current signals, which may evolve.

These limitations are inherent to long-horizon foresight. The scenarios should therefore be treated as living frameworks, revisited periodically as regulatory practice, productivity data and platform dynamics become clearer.

Structural Inflection: Why European Consulting Must Be Read Through Scenarios, Not Trends

1. Context and Structural Inflection

By 2035, the European consulting industry will operate in a structurally different environment rather than a scaled-up version of today's market. The transformation of knowledge work through AI, the platformisation of analytics and enterprise software, shifting client expectations, and Europe's distinctive regulatory trajectory are jointly reshaping not only demand for advisory services, but also the economics, operating models and competitive boundaries of consulting. These forces are deeply interdependent and uncertain, making a forward-looking, scenario-based approach more appropriate than incremental trend extrapolation.

1.1 The Transformation of Knowledge Work

Across advanced economies, including Europe, generative AI is already reshaping the organisation, distribution and value of analytical and cognitive work, historically the core of consulting value creation. Institutional analyses converge on a consistent view: AI is more likely to reconfigure tasks and skill mixes than eliminate occupations outright, but high-skill, knowledge-intensive services are among the most exposed to recent advances in generative AI.

The OECD notes that generative AI is already used to create scalable content, automate knowledge-intensive tasks, generate hypotheses and improve productivity, with high-skilled occupations showing particularly high exposure. In parallel, McKinsey estimates that generative AI substantially increases the technical potential to automate activities involving the "application of expertise" and management, raising the automation potential of these tasks by more than 30 percentage points compared with pre-generative AI estimates. The OECD's work on AI and employment further suggests that, to date, AI has mainly affected job quality and task composition rather than aggregate employment levels, while also pointing to the exposure of cognitive professions given the performance of language models on standardised tests.

For Europe specifically, McKinsey modelling suggests that by 2030 up to 27% of current hours worked in European labour markets could be automated, with generative AI accelerating the shift relative to prior automation waves. Under faster adoption scenarios, Europe could see up to 12 million occupational transitions by 2030 (approximately 6.5% of current employment), with demand shifting away from routine office roles and toward technology, higher-order analytical capability and interpersonal skills. The World Economic Forum's *Future of Jobs 2023* similarly anticipates growth in roles linked to data, AI and digital transformation, and decline in clerical and routine analytical roles as automation scales.

The debate on AI augmentation versus substitution is increasingly resolving toward task-level substitution combined with role-level augmentation, particularly in high-skill work. OECD analysis highlights that AI can complement workers by creating demand for new tasks and skills where humans retain comparative advantage; it may also improve the performance of less-skilled workers by codifying advanced expertise into tools they can use. McKinsey similarly argues that in many professional occupations, including business, legal and STEM roles, generative AI is more likely to enhance productivity and shift the work mix toward higher-judgement tasks than eliminate roles outright.

However, augmentation does not leave consulting business models untouched. If significant parts of data collection, synthesis, baseline analysis and recommendation drafting can be performed by AI systems at near-zero marginal cost, the traditional consulting pyramid, built on leveraged junior labour for structured analysis, faces structural pressure. OECD work on generative AI and productivity emphasises that these technologies can reshape how individuals learn, problem-solve and access expertise, altering organisational hierarchies and the distribution of value across activities. For knowledge-intensive services such as consulting, the implication is a shift away from selling hours of analytical labour toward orchestrating AI-enabled workflows, curating proprietary data and providing high-trust judgement in contexts where human capital remains scarce.

The productivity implications are significant at system level. McKinsey estimates that generative AI could add trillions of dollars annually to global GDP, largely through productivity gains in knowledge-intensive sectors such as banking, technology and professional services, while noting that realising these gains depends on complementary investments in skills, processes and organisational change. Adoption also remains uneven across regions and firm sizes. In Europe, OECD analysis suggests relatively low adoption of advanced AI tools among SMEs, raising the risk of widening productivity gaps between digitally mature large organisations and the long tail of smaller firms.

For advisory markets, these patterns imply several structural shifts by 2035:

- A rising share of cognitive tasks in consulting projects will be mediated or performed by AI systems, changing the economics of delivery and the relative value of junior labour.
- Demand will grow for advisory on AI strategy, operating model redesign, workforce transitions and skills as organisations absorb task automation and redefine roles.

- The boundary between "tool" and "advisor" will blur as clients increasingly use AI-enabled platforms for first-line analysis and diagnostics rather than relying exclusively on consultants.

By 2035, consulting firms anchored in manual, document-centric analysis risk structural disadvantage in a landscape where clients can access AI-generated insights on demand, and where scarce value shifts toward problem framing, ecosystem orchestration and high-stakes decision support.

1.2 Pressure on Traditional Consulting Models

The traditional consulting model, leveraging human pyramids to deliver bespoke analysis at premium day rates, is already under pressure from margin compression, the commoditisation of analytics, and new AI-native and SaaS-based competitors.

On the supply side, enterprise software and data platforms increasingly embed analytics and benchmarking capabilities that overlap with work historically performed by consultants. McKinsey's research on software value creation describes how cloud-native, verticalised and data-rich SaaS providers are building continuous value propositions by integrating analytics, automation and workflow orchestration into subscription-based offerings. As these platforms incorporate generative AI for data exploration, forecasting and recommendation, they erode consulting's traditional differentiation as the primary source of advanced analytical capability.

In parallel, large technology providers have expanded deeper into enterprise transformation, using their cloud, data and AI platforms as anchors for strategic engagements. They increasingly offer not only tools but also industry solution teams, transformation blueprints and partner ecosystems, internalising parts of the consulting value chain around platform adoption. This intensifies competitive pressure on traditional consultancies, particularly in technology-led transformations where providers can bundle software, implementation and advisory in integrated offers.

The result is a structural trend toward commoditisation of baseline analysis and diagnostics:

- Standardised benchmarks, dashboards and AI-generated insights can be delivered at scale via platforms, reducing the perceived differentiation of traditional slide-based analysis.
- Procurement functions are increasingly sophisticated in unbundling consulting work, treating parts of the analytical component as contestable while reserving premium fees for specialised expertise.

- Fee pressure intensifies as clients compare consulting outputs with the marginal cost of AI-enabled analytics embedded in existing tools, sharpening scrutiny of value for money.

While popular narratives about “AI agents replacing consultants” are often speculative, it is increasingly credible that AI can perform portions of the analytical workflow at substantially lower cost than human teams, particularly in synthesis, modelling and drafting. Combined with a consulting market that has expanded significantly over the past decade, these dynamics increase the likelihood of sustained margin pressure as clients unbundle services and demand leaner teams.

At the same time, risks and constraints create new advisory needs. Organisations face regulatory, ethical and strategic challenges in AI deployment, data governance and operating model redesign, driving demand for higher-value consulting offerings focused on:

- AI governance, risk and compliance;
- enterprise-wide operating model and workforce transformation;
- ecosystem strategy and platform participation decisions.

By 2035, the consulting market is likely to become more structurally bifurcated: a price-sensitive, platform-mediated segment for standardised analytics and implementation, and a premium segment for complex, high-stakes, multi-stakeholder problem-solving and system-level design. Traditional firms will need to decide where to compete and how to adapt their economics to a world where “analysis” is no longer scarce.

1.3 Changing Client Expectations

Client expectations are shifting toward speed, measurable outcomes and continuous engagement, reshaping how advisory value is defined and purchased.

First, demand for faster delivery cycles is rising. The World Economic Forum documents that employers anticipate substantial transformation driven by technology, climate and geopolitics, with organisations planning significant reskilling and process change on compressed timelines. In this environment, clients increasingly seek real-time insight and rapid iteration rather than multi-month diagnostic phases, enabled by always-on data and AI tools. Generative AI’s capacity to accelerate research, modelling and content production reinforces expectations that advisory outputs can be produced more quickly, and that a portion of productivity gains should be reflected in staffing and fees.

Second, pricing expectations are evolving. While time-and-materials and fixed-fee models remain common, research across professional services points toward greater emphasis on value- and outcome-based models as clients demand clearer alignment between fees and realised impact. McKinsey's work on software and platform business models highlights customer preference for recurring, usage-linked and performance-linked pricing structures that reduce upfront risk and better match value delivered over time. This logic is increasingly applied to consulting, especially where outcomes can be measured (e.g., cost reduction, operational efficiency, revenue uplift).

Third, subscription-based and embedded advisory models are gaining momentum. As SaaS and platform providers incorporate "expert services" into subscriptions, clients become accustomed to bundled advisory embedded in ongoing relationships, blurring the line between consulting and product support. In parallel, large professional services firms are expanding managed services and platform-based propositions, shifting from episodic projects to continuous, data-driven support for functions such as risk, compliance and workforce analytics. This trend structurally favours firms able to invest in scalable, repeatable assets and technology infrastructure rather than relying exclusively on bespoke engagements.

Fourth, clients increasingly expect co-creation and sustained collaboration rather than "black box" consulting. OECD and WEF analyses on digital and AI transformation emphasise that successful initiatives often depend on iterative experimentation, cross-functional teams and shared ownership between external providers and internal teams. This pushes consulting toward embedded partnership models in which:

- clients retain and build internal capability, expecting consultants to enable and upskill rather than substitute;
- advisory integrates into agile delivery cycles over extended periods;
- knowledge transfer, capability building and co-governance become central components of the value proposition.

For European consulting firms, these shifts imply that by 2035 competitive advantage will rest less on episodic "insight moments" and more on the ability to integrate into clients' digital operating rhythms, deliver measurable outcomes over time, and orchestrate ecosystems spanning platform vendors, data providers and internal stakeholders. The evolution of client expectations is therefore a structural driver of new business models, not merely a matter of project design.

1.4 The European Strategic Context

Structural change in European consulting must be interpreted through the EU's specific regulatory, economic and strategic context, particularly around AI governance, digital sovereignty and SME competitiveness.

The EU AI Act, which entered into force in 2024, establishes a comprehensive, risk-based legal framework for AI, setting obligations for providers and users of AI systems, including those built on general-purpose models. The framework introduces transparency and safety requirements and strengthens obligations for systemic models, including documentation, risk management, incident reporting, cybersecurity and reporting obligations. For professional services, this implies that firms deploying AI in client work, internally or client-facing, must embed compliance into their delivery models, especially in high-risk domains such as finance, healthcare and public services.

The Commission has also emphasised support for SMEs through regulatory sandboxes and simplified obligations, seeking to prevent the AI Act from disproportionately favouring incumbents. Yet EU bodies, including the Joint Research Centre, highlight that many European SMEs remain behind in digital and AI adoption due to limited capabilities, investment capacity and skills constraints. This creates a dual challenge for consulting: a significant advisory opportunity to support SME adoption and compliance, and a requirement to adapt pricing and delivery to a segment with tighter resource constraints.

Beyond regulation, the EU agenda on digital sovereignty and strategic autonomy shapes the environment in which consulting operates. European strategies on data spaces, cloud infrastructure and industrial policy aim to reduce dependency on non-EU platforms, foster interoperable and trusted data sharing, and strengthen critical technology capability within Europe, reinforced by Digital Decade targets and broader data strategy initiatives. These priorities sustain demand for advisory services in:

- designing and governing cross-border data spaces and digital infrastructures;
- aligning corporate and sector strategy with EU industrial and digital policy;
- managing geopolitical and supply-chain risks in an era of geoeconomic fragmentation.

At the same time, persistent productivity gaps and fragmentation in Europe's service sector, especially among SMEs and lagging regions, remain a recurring theme in OECD and EU analysis. Raising productivity and innovation in knowledge-intensive services is central to long-term European growth prospects. Consulting is both affected by these pressures and positioned as an actor in addressing them. Low diffusion of advanced management practices and digital tools implies substantial advisory demand, but also pressure to develop scalable, cost-effective and often platform-enabled delivery models.

Finally, Europe's regulatory and innovation ecosystem is characterised by dense programmes, funding instruments and partnerships linked to green and digital transitions, resilience and inclusive growth. The JRC strategy to 2030 emphasises evidence-based policymaking, anticipatory governance and strategic foresight, signalling continued demand for analytical, modelling and scenario capability in public institutions. Consulting organisations that align with these priorities, comply with AI and data regulation, and operate across the public–private interface are likely to play a significant role in implementing EU strategies.

By 2035, therefore, European consulting firms are likely to operate in a landscape where:

- AI is tightly governed, with compliance and trust central to competitive positioning;
- digital sovereignty and industrial policy shape client technology strategy, particularly in data- and AI-intensive sectors;
- SME competitiveness and regional cohesion remain core policy concerns, expanding demand for tailored and scalable advisory models.

In combination, the transformation of knowledge work through generative AI, pressure on traditional consulting economics, evolving client expectations, and Europe's distinct regulatory and strategic context constitute a structural inflection point. Given the depth, interdependence and uncertainty of these forces, linear extrapolation of past growth patterns or business models is unlikely to be reliable, reinforcing the need for rigorous horizon scanning and scenario analysis to explore how consulting could be reinvented by 2035.

Horizon Scanning: 32 Evidence-Based Signals of Structural Transformation

Below are 32 concrete, evidence-based signals, organised by cluster. Together, they indicate that European consulting is being structurally reshaped by AI-enabled workflows, productised and platform-centric business models, new talent requirements, shifting client purchasing behaviours, and a more demanding EU regulatory and policy environment.

Cluster A: AI-Augmented Advisory

1. Rapid Adoption of Generative AI in European Knowledge Work

Description: McKinsey finds that in Europe and the US up to 30% of work hours could be automated by 2030 with generative AI, with the highest exposure in knowledge-intensive, cognitive tasks central to consulting. Firms are already deploying gen-AI copilots for research, drafting and analysis. This materially changes how consultants and clients perform core analytical work.
Why it matters structurally: As gen-AI reshapes day-to-day knowledge work, advisory firms must redesign delivery models around AI-first workflows rather than incremental tool adoption.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/mgi/our-research/a-new-future-of-work-the-race-to-deploy-ai-and-raise-skills-in-europe-and-beyond

2. Evidence of AI-Driven Productivity Gains in EU Firms

Description: An EU-wide study published via CEPR/VOX by European Central Bank and academic economists shows AI adoption raises labour productivity by around 4% on average, with larger gains in medium and large firms and no aggregate employment loss. Professional services and knowledge-intensive sectors are among key adopters.
Why it matters structurally: Demonstrated productivity uplift from AI makes AI-enabled advisory economically compelling, putting pressure on traditional labour-intensive consulting models.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:
https://cepr.org/voxeu/columns/how-ai-affecting-productivity-and-jobs-europe

3. Shift from Full Substitution to Augmentation Narrative

Description: OECD and WEF analyses emphasise that AI is more likely to

automate tasks while augmenting roles, particularly in cognitive professions. Routine information processing is automated, while human work shifts to complex problem-solving and stakeholder engagement.
Why it matters structurally: Consulting value propositions move from "we provide analysis" toward "we orchestrate human-AI systems and higher-order judgement," altering skill needs, staffing mixes and pricing logic.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source: https://www.oecd.org/en/topics/ai-and-work.html

4. AI-Enhanced Customer and Stakeholder Experience in Europe

Description: McKinsey documents how European organisations deploy generative AI for multilingual customer interactions, knowledge management and decision support, especially in regulated, non-English markets. This includes AI assistants that augment human agents and professionals.
Why it matters structurally: As clients normalise AI-enhanced experiences internally, they expect advisory interactions to be similarly AI-augmented, pushing consulting toward integrated AI interfaces and co-pilots.
Horizon: Short (1–3 yrs)
Impact: Medium
Source:
https://www.mckinsey.org/featured-insights/lifting-europes-ambition/videos-and-podcasts/how-generative-ai-can-improve-customer-experiences-in-europe

Cluster B: Automation of Analytical Workflows

5. High Automation Potential of Reasoning and Data Processing Tasks

Description: The WEF *Future of Jobs 2023* report estimates that by 2027, 42% of business tasks could be automated, with 35% of reasoning and decision-making and 65% of information and data processing tasks automatable, core components of consulting work.
Why it matters structurally: A large share of consulting's traditional workload (research, modelling, slide drafting) is technically automatable, threatening the economics of junior-heavy delivery models.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source: https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

6. McKinsey Evidence on Gen-AI Task Automation in Professional Services

Description: McKinsey's *Economic potential of generative AI* shows that the "application of expertise" and management tasks, central to consulting, see automation potential rising by over 30 percentage points with gen-AI compared with previous AI waves.
Why it matters structurally: Automation reaches into higher-value,

judgement-related activities, forcing firms to rethink what remains uniquely human and how to price it.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/mgi/our-research/the-economic-potential-of-generative-ai-the-next-productivity-frontier

7. Internal AI Tools Reducing Research and Drafting Time

Description: Leading advisory firms publicly report significant time savings from gen-AI copilots for document search, synthesis and content drafting, with reductions in manual hours for standard consulting tasks. McKinsey's surveys show rapid diffusion of gen-AI tools across functions.
Why it matters structurally: As internal productivity improves, firms face client pressure to reflect efficiency gains in pricing and staffing, undermining headcount-based revenue growth.
Horizon: Short (1–3 yrs)
Impact: Medium
Source:
https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai-in-2023-generative-ais-breakout-year

8. AI-Driven Knowledge Management and Search in Large Organisations

Description: The OECD highlights generative AI's role in creating natural-language interfaces to corporate knowledge bases, enabling employees to retrieve and synthesise information more efficiently, directly relevant to consulting's reliance on prior cases and intellectual capital.
Why it matters structurally: If expertise retrieval becomes a commodity capability via AI, differentiation shifts from "having knowledge" to owning unique data, methods and trusted client context.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:
https://www.oecd.org/en/publications/initial-policy-considerations-for-generative-artificial-intelligence

9. Uneven AI Adoption Between Large Firms and SMEs in Europe

Description: ECB analysis shows that fewer than 12% of small enterprises in the EU use at least one AI technology, compared with over 40% of large firms, indicating a widening digital divide in AI-enabled productivity.
Why it matters structurally: Consulting firms serving large corporates must move rapidly to AI-enabled delivery, while those targeting SMEs may need different, more accessible AI solutions and support models.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:

https://www.ecb.europa.eu/press/blog/date/2025/html/ecb.blog20250328~60c0a587f7.en.html

Cluster C: Productisation of Consulting

10. Growth of Tech-Enabled and Asset-Based Consulting Offerings
Description: McKinsey's technology trends and software work document a shift toward tech-enabled, recurring and data-driven services, with consulting partners building analytics platforms, managed services and reusable assets.
Why it matters structurally: Revenue growth increasingly depends on scalable products and platforms rather than one-off projects, changing investment profiles and competitive moats.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/how-efficient-growth-can-fuel-enduring-value-creation-in-software

11. Emergence of Subscription-Style Advisory Models
Description: McKinsey's research on subscription economics documents cross-industry shifts toward recurring, usage-linked models for ongoing, data-rich services; consulting and professional services are among sectors experimenting with similar models.
Why it matters structurally: As clients become accustomed to subscription value propositions, advisory firms are pushed to design continuous, productised offerings with recurring revenue.
Horizon: Mid (3–7 yrs)
Impact: Medium
Source:
https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/subscription-myth-busters-what-it-takes-to-shift-to-a-subscription-business-model

12. Benchmarking and Analytics Platforms from Strategy Firms
Description: Leading strategy firms (e.g., in customer experience, pricing, risk) have launched proprietary benchmarking and analytics platforms that replace bespoke studies with ongoing, data-as-a-service offerings, as documented in industry and client case material.
Why it matters structurally: The core product becomes an analytics platform with advisory wrapped around it, shifting the locus of value and requiring different capabilities (data engineering, product management).
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:

https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-top-trends-in-tech

13. OECD Focus on Reforming Professional Services Regulation
Description: An EU–OECD workshop on "Unlocking productivity gains: the case for reform in professional services regulation" highlights regulatory barriers and the need for more scalable, innovative professional services models in Europe.
Why it matters structurally: Policy attention on productivity and scalability in professional services encourages productised, technology-enabled models over traditional bespoke advisory.
Horizon: Mid–Long (3–12 yrs)
Impact: Medium
Source:
https://www.oecd.org/en/events/2025/10/eu-oecd-online-workshop---unlocking-productivity-gains-the-case-for-reform-in-professional-services-regulation.html

Cluster D: Platformisation of Expertise

14. AI and Data Platforms as New Advisory Hubs
Description: McKinsey's technology trends outlook notes the rise of AI-native platforms that integrate data, models and workflows, with ecosystems of partners providing sector-specific solutions on top. Consulting partners are increasingly embedded in these ecosystems around hyperscalers and vertical SaaS.
Why it matters structurally: Expertise is delivered through platform ecosystems rather than stand-alone projects, forcing consulting firms to choose platform roles (builder, integrator, niche specialist).
Horizon: Mid (3–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-top-trends-in-tech

15. Investment Boom in Cloud and AI Ecosystems
Description: McKinsey analysis on cloud ecosystems shows strong investment and value-creation opportunities in partner and service ecosystems around hyperscalers, including advisory and implementation partners.
Why it matters structurally: Consulting is structurally pulled into platform-centric value chains, with economics tied to platform growth and partner agreements rather than purely client-side fees.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:
https://www.mckinsey.com/industries/private-capital/our-insights/riding-the-hyperscaler-wave-the-investment-opportunity-in-cloud-ecosystems

16. European Data Spaces and Cross-Border Digital Infrastructure

Description: The European Commission's digital and data strategies promote common European data spaces and interoperable digital infrastructure across sectors, requiring governance, architecture and operating models.
Why it matters structurally: Advisory moves toward long-term platform governance, data strategy and ecosystem coordination, with consulting firms acting as stewards and designers of shared digital infrastructures.
Horizon: Mid–Long (3–12 yrs)
Impact: High
Source:
https://commission.europa.eu/about/departments-and-executive-agencies/joint-research-centre_en

17. Platform-Mediated Access to Expertise for SMEs

Description: OECD and ECB note that SMEs lag in AI adoption but benefit from platform-based solutions that bundle technology and services. Emerging European initiatives aim to offer AI and digital advisory "as a service" to SMEs.
Why it matters structurally: Consulting for SMEs is likely to be mediated by shared platforms and networks rather than bespoke firm-by-firm engagements, changing scale economics and go-to-market.
Horizon: Mid (3–7 yrs)
Impact: Medium
Source:
https://www.oecd.org/en/publications/generative-ai-and-the-sme-workforce_2d08b99d-en/full-report/component-3.html

Cluster E: Talent Model Transformation

18. Rising Demand for AI and Data Skills in Professional Services

Description: The WEF *Future of Jobs* report identifies AI and big data specialists, digital transformation experts and analytical roles as among the fastest-growing occupations, while clerical roles decline; professional services are highlighted as undergoing significant reskilling.
Why it matters structurally: Consulting firms must rebalance talent portfolios toward AI, data and engineering roles, changing recruitment, career paths and leverage models.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source: https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

19. Large-Scale Skill Transitions in Europe Driven by AI

Description: McKinsey estimates that in Europe up to 12 million workers may need occupational transitions by 2030 due to automation and AI, with demand shifting toward higher-skill, tech-enabled roles.

Why it matters structurally: Consulting firms must both navigate their own workforce transitions and support client workforce strategy, making talent and change management a core advisory domain.
Horizon: Mid (3–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/mgi/our-research/a-new-future-of-work-the-race-to-deploy-ai-and-raise-skills-in-europe-and-beyond

20. Evidence that Training Amplifies AI Productivity Gains

Description: The CEPR/VOX study on AI in Europe finds that additional investment in workforce training significantly amplifies productivity gains from AI, training spends have a larger multiplier effect than the technology alone.
Why it matters structurally: Advisory firms must integrate capability building and change management into AI projects and will themselves need robust, continuous reskilling programmes.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:
https://cepr.org/voxeu/columns/how-ai-affecting-productivity-and-jobs-europe

21. Growing Role of Foresight and Anticipatory Governance Skills

Description: The JRC Strategy 2030 emphasises strategic foresight and anticipatory governance as core competencies in EU policymaking, requiring multidisciplinary analytical and engagement skills.
Why it matters structurally: Demand rises for consultants who combine policy, foresight and systems thinking, shifting talent profiles away from exclusively financial or operational backgrounds.
Horizon: Mid–Long (3–12 yrs)
Impact: Medium
Source:
https://joint-research-centre.ec.europa.eu/system/files/2022-12/JRC%20Strategy%2002030.pdf

Cluster F: Client Procurement and Pricing Evolution

22. Procurement Focus on Value and Measurable Outcomes

Description: WEF and OECD highlight how organisations under cost and productivity pressure increasingly prioritise measurable value and impact in external spending, including professional services, reinforcing outcome and performance orientation in procurement.
Why it matters structurally: Consulting firms face growing pressure to link fees to impact, share risk and provide transparent ROI metrics rather than purely effort-based billing.

Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source: https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

23. Normalisation of Subscription and Usage-Based Models in B2B

Description: McKinsey research shows subscriptions and usage-based pricing becoming standard in B2B software and services, aligning price with continuing value.
Why it matters structurally: As procurement teams standardise these models, advisory services will need to fit into similar frameworks, supporting embedded and continuous relationships.
Horizon: Mid (3–7 yrs)
Impact: Medium
Source:
https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/creating-consumer-and-business-value-with-subscriptions

24. Demand for Faster, Iterative Delivery Cycles

Description: WEF's analysis of transformation agendas notes that businesses expect rapid and continuous transformation, with AI and digital projects executed in shorter cycles and agile modes. Clients increasingly reject long diagnostic phases without early value.
Why it matters structurally: Consulting must adapt to agile, iterative engagement models with rapid deliverables, leveraging AI to accelerate analytics and prototyping.
Horizon: Short (1–3 yrs)
Impact: Medium
Source: https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

Cluster G: Big Tech and SaaS Encroachment

25. Big Tech Expansion into Transformation and Advisory Services

Description: McKinsey documents how hyperscalers and large tech players are building extensive partner and service ecosystems, including strategic advisory on cloud, data and AI adoption. These often bundle technology, implementation and consulting.
Why it matters structurally: Traditional consulting firms increasingly compete or collaborate with platform owners for transformation mandates, losing exclusivity over technology-driven change projects.
Horizon: Short–Mid (1–7 yrs)
Impact: High
Source:
https://www.mckinsey.com/industries/private-capital/our-insights/riding-the-hyperscaler-wave-the-investment-opportunity-in-cloud-ecosystems

26. SaaS Providers Embedding Expert Services

Description: McKinsey's software value-creation work shows SaaS providers broadening into advisory-like services to secure adoption and outcomes, using in-product guidance, success teams and analytics to offer recommendations.

Why it matters structurally: Expertise increasingly comes bundled with software, shifting some advisory demand from independent consultancies to product vendors.

Horizon: Short–Mid (1–7 yrs)

Impact: Medium

Source: https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/how-efficient-growth-can-fuel-enduring-value-creation-in-software

27. Platform-Centric Transformation Blueprints

Description: McKinsey notes that major cloud and AI platforms provide sector-specific transformation blueprints, playbooks and accelerators, often shaping clients' architectures and operating models.

Why it matters structurally: The "default" transformation journey is defined by platform providers, narrowing the space for traditional, vendor-agnostic strategic design work.

Horizon: Mid (3–7 yrs)

Impact: Medium

Source: https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-top-trends-in-tech

Cluster H: EU Regulation and Governance Impact

28. EU AI Act Obligations for General-Purpose AI Models

Description: The AI Act and the Commission's GPAI guidance impose documentation, risk management, transparency and systemic-risk mitigation obligations on providers and, by extension, on downstream professional users of general-purpose AI models.

Why it matters structurally: Consulting firms using AI in client work must build compliance, model governance and documentation into their operations, making AI governance a core capability.

Horizon: Short–Mid (1–7 yrs)

Impact: High

Source: https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai

29. Regulatory Sandboxes and SME-Friendly Provisions in the AI Act

Description: The Commission highlights sandboxes and simplified obligations for SMEs using or developing AI, aiming to avoid disproportionate burdens while maintaining safeguards.

Why it matters structurally: Advisory firms can build specialised offerings helping SMEs navigate proportional compliance and leverage sandboxes, opening a scalable, policy-aligned market segment.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:
https://digital-strategy.ec.europa.eu/en/faqs/general-purpose-ai-models-ai-act-questions-answers

30. JRC Role in Supporting AI Act Implementation and Foresight

Description: The JRC highlights report underscores the JRC's contributions to AI Act research, standards and foresight, positioning it as a knowledge hub on AI risks, impacts and governance for EU institutions.
Why it matters structurally: Consulting engagements in EU policy, public sector and regulated domains will increasingly need to align with JRC evidence and methodologies, shaping advisory content and methods.
Horizon: Short–Mid (1–7 yrs)
Impact: Medium
Source:
https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/2024-highlights-report-showcases-jrc-key-contributions-eu-policies_en

31. Strong EU Emphasis on Digital Sovereignty and Strategic Autonomy

Description: EU strategies and JRC documents stress digital sovereignty, trusted data spaces and reduced dependency on non-EU platforms as core objectives for 2030 and beyond.
Why it matters structurally: Advisory firms must navigate geopolitical, regulatory and industrial-policy dimensions, helping clients choose technology stacks and data strategies consistent with EU sovereignty goals.
Horizon: Mid–Long (3–12 yrs)
Impact: High
Source:
https://www.oecd.org/en/publications/reports/2021/05/global-scenarios-2035_72de6a64.html

32. Policy Focus on Raising Productivity in Professional Services

Description: OECD and EU analysis highlights lagging productivity in services and the need for reforms and digitalisation to unlock growth, with professional services regulation under review.
Why it matters structurally: Policy pressure reinforces a shift toward more scalable, technology-intensive, cross-border advisory models rather than local, heavily regulated analogue practices.
Horizon: Mid–Long (3–12 yrs)
Impact: Medium
Source:

https://www.oecd.org/en/events/2025/10/eu-oecd-online-workshop---unlocking-productivity-gains-the-case-for-reform-in-professional-services-regulation.html

Synthesis

These signals jointly indicate that by 2035, European consulting will be structurally reshaped by:

- AI-enabled workflows and automation of analytical production,
- productised, recurring and platform-integrated advisory models,
- new talent mixes combining consulting with data, engineering, governance and policy expertise,
- evolving client procurement toward outcomes, speed and continuous engagement, and
- an increasingly consequential EU regulatory and industrial-policy environment.

Structural Drivers: Definitions, Evidence, Why Structural, and Implications

2.1 AI-First Transformation of Knowledge Work

Definition

AI, particularly generative AI, is transforming how analytical, cognitive and coordination tasks are performed in European organisations, including consulting clients. Rather than eliminating entire occupations, AI is reshaping task bundles: it raises the automation potential of "application of expertise" and management work while increasing the premium on complex judgement, problem framing and stakeholder engagement. This directly affects the core "analytical engine" on which consulting firms have historically built their value propositions.

Evidence & supporting signals

- **Signals:** 1, 2, 3, 5, 6, 8, 19
- WEF *Future of Jobs* analysis indicates high automation potential for information processing and reasoning tasks, core components of consulting workflows.
- McKinsey finds generative AI raises the automation potential of expertise-application and management tasks by over 30 percentage points, with Europe among the most exposed advanced economies.
- OECD work on AI and work underlines that high-skilled professional jobs are among the most exposed to generative AI, with effects occurring primarily at the task level.

Why it is structural

This driver is anchored in general-purpose technologies (foundation models, multimodal AI) that continue improving and diffusing through 2035, rather than in a single tool cycle. As AI becomes embedded across productivity suites, enterprise systems and sector platforms, AI-mediated knowledge work becomes the default operating mode, not a temporary "efficiency wave."

Implications for consulting firms

- Redesign delivery around AI-first workflows, reducing manual analysis and reallocating human effort to problem framing, synthesis and influence.
- Shift talent profiles toward consultants who can work effectively with AI tools, challenge outputs critically, and integrate results into client decision processes.
- Rethink pricing as clients increasingly question premium rates for tasks that can be largely automated.

- Build offerings focused on AI strategy, workforce transition and operating-model redesign as clients absorb AI-driven task reshaping.

2.2 Automation and Deleveraging of the Consulting Pyramid

Definition

The traditional "leveraged pyramid" model, large junior teams conducting research and analysis under senior oversight, is being eroded as AI automates significant portions of the analytical workflow. Tasks such as data gathering, synthesis, modelling and drafting can increasingly be performed at near-zero marginal cost by AI, compressing the need for junior labour and altering project economics.

Evidence & supporting signals

- **Signals:** 5, 6, 7, 8, 9, 22
- WEF analysis estimates that roughly two-thirds of information and data processing tasks and over one-third of reasoning tasks could be automated by 2027.
- McKinsey documents substantial time savings from gen-AI tools for research and drafting, and higher automation potential in activities that junior consultants traditionally perform.
- ECB/CEPR research suggests AI adoption in Europe can generate productivity gains without reducing overall employment, while shifting demand away from routine office tasks toward higher-skill roles.

Why it is structural

Once clients and firms internalise AI-driven productivity, there is limited incentive to revert to labour-heavy processes. The economics favour leaner teams with higher-skilled roles, embedding deleveraging into the industry's long-term cost, margin and staffing structures.

Implications for consulting firms

- Compress junior staffing and redesign career paths, with fewer traditional analyst roles and more hybrid data/AI specialist positions.
- Re-examine leverage and profitability assumptions: margin must come from IP, platforms and premium judgement, not from scale of junior hours.
- Rebalance recruiting and training toward AI literacy, data skills and cross-functional collaboration over manual analytics.
- Engage clients proactively on transparency: how AI is used in delivery, and how efficiency gains are reflected in fees and scope.

2.3 Productisation and Platformisation of Advisory Services

Definition

Consulting is shifting from bespoke, project-based engagements toward productised, tech-enabled and often subscription-based offerings, frequently built on or embedded within digital platforms. Expertise is increasingly codified into reusable analytics, benchmarks and software-like assets that deliver continuous value rather than one-off deliverables.

Evidence & supporting signals

- **Signals:** 10, 11, 12, 14, 15, 17, 32
- McKinsey's technology and software research highlights growing use of analytics platforms, managed services and recurring revenue models in advisory-adjacent businesses.
- McKinsey's work on subscription economics shows B2B customers increasingly prefer recurring and usage-based models where value is delivered continuously, with professional services among sectors shifting in this direction.
- EU and OECD work on productivity in professional services emphasises the need for scalable, innovative delivery models, reinforcing productisation pressures.

Why it is structural

Software and data economics favour reusable, product-like offerings: once investment is sunk, marginal delivery costs are low and recurring revenue becomes attractive. Client expectations shaped by SaaS, combined with regulatory and productivity pressures, make productised and platform-based advisory a long-term reconfiguration rather than a passing experiment.

Implications for consulting firms

- Invest in proprietary platforms, data assets and repeatable solutions, with dedicated product management and engineering capabilities.
- Transition parts of the portfolio to subscription or usage-based pricing, aligning incentives with sustained outcomes.
- Reconfigure go-to-market through partnerships with hyperscalers and sector platforms, integrating advisory products into broader ecosystems.
- Adapt governance, risk and quality models so productised offerings remain compliant, current and defensible across jurisdictions.

2.4 Convergence of Big Tech, SaaS and Consulting

Definition

The boundaries between technology providers and advisory firms are blurring as hyperscalers and SaaS companies move deeper into transformation and advisory services, while consultancies build software-like products and managed services. Clients increasingly receive strategy, implementation and ongoing optimisation through integrated platform ecosystems rather than from independent advisors alone.

Evidence & supporting signals

- **Signals:** 10, 14, 15, 25, 26, 27, 31
- McKinsey describes investment opportunities in cloud ecosystems where hyperscalers, ISVs and service partners jointly deliver industry solutions and transformation programmes.
- Technology trends research highlights AI-native and platform-centric models as dominant vectors of enterprise transformation, with partners, including consulting firms, embedded around core platforms.
- EU strategies on digital sovereignty and data spaces encourage interoperable platforms and ecosystems, strengthening the institutional context for platform-centric advisory.

Why it is structural

As enterprises standardise on cloud and AI platforms, much of the value in transformation is orchestrated by or around those platforms. Network effects, switching costs and regulatory alignment make these ecosystems durable structures, locking in platform-centric advisory dynamics through the 2030s.

Implications for consulting firms

- Choose positioning deliberately: platform-agnostic advisor, ecosystem orchestrator, or deeply aligned partner to specific hyperscalers/SaaS vendors.
- Build capabilities in platform configuration, integration and governance, not only in strategy design.
- Negotiate ecosystem positions that preserve independence and reduce the risk of being commoditised as an implementation subcontractor.
- Develop offerings that help European clients reconcile platform choices with EU digital sovereignty, data-residency and AI-governance requirements.

2.5 Structural Reconfiguration of Skills and Talent in Consulting

Definition

The skill mix required in consulting is shifting toward AI, data, software and interdisciplinary capabilities, while demand for routine analytical and clerical skills declines. Talent models must support continuous reskilling, cross-functional teams and new career paths blending technology, business and policy expertise.

Evidence & supporting signals

- **Signals:** 1, 2, 3, 18, 19, 20, 21
- WEF *Future of Jobs* reporting indicates growth in AI, data and digital transformation roles alongside decline in clerical and routine office roles, signalling labour-market churn.
- McKinsey estimates up to 12 million workers in Europe may need occupational transitions by 2030, with rising demand for STEM and higher-skill professions.
- ECB/CEPR research indicates AI productivity gains are significantly amplified by training investment, reinforcing that skills, not technology alone, determine outcomes.
- JRC Strategy 2030 highlights foresight, anticipatory governance and multidisciplinary analysis as core EU competencies.

Why it is structural

Demographic trends, persistent skill shortages and continuous technological change make demand for hybrid skills chronic rather than cyclical. As a general-purpose technology, AI will keep reshaping required capabilities through the 2030s.

Implications for consulting firms

- Redesign recruiting to attract AI, data and software talent, alongside profiles combining policy, foresight and systems thinking.
- Build large-scale, ongoing reskilling programmes (AI literacy, data interpretation, responsible use).
- Move beyond linear “up-or-out” models toward flexible career paths including expert, product and ecosystem roles.
- Position talent, organisational design and workforce transition as core advisory domains for clients facing similar pressures.

2.6 Evolution of Client Demand, Procurement and Pricing

Definition

Clients increasingly demand faster delivery, clearer outcome linkage and more continuous, embedded forms of advisory, reshaping how consulting is scoped, procured and priced. Procurement functions expect measurable impact and are more willing to experiment with outcome-based, subscription and usage-linked models.

Evidence & supporting signals

- **Signals:** 1, 3, 11, 22, 23, 24
- WEF analysis indicates firms are planning rapid, continuous transformation in response to technological, climate and geopolitical shifts, supporting agile, iterative external support.
- McKinsey research on subscriptions and B2B pricing shows growing client preference for recurring, value-aligned relationships over one-off transactions.
- McKinsey's generative AI work implies accelerated knowledge work, reinforcing expectations for faster advisory turnarounds and higher productivity per euro spent.

Why it is structural

Once procurement practices and internal expectations adjust to continuous digital and AI-driven change, organisations are unlikely to revert to slow, episodic models. Cost pressure and performance management make outcome-orientation enduring in European corporates and public bodies.

Implications for consulting firms

- Develop impact-measurement frameworks and data infrastructure to support outcome-based/performance-linked contracts.
- Design modular offerings that deliver value in weeks, leveraging AI to compress timelines.
- Build subscription-style and embedded "advisory-as-a-service" models aligned with clients' operating rhythms.
- Strengthen commercial capabilities to negotiate and manage risk-sharing pricing structures.

2.7 Regulatory Deepening of AI and Data Governance in Europe

Definition

The EU is instituting a comprehensive regulatory framework for AI and data, including the AI Act, GPAI guidance and sector-specific regimes, placing stringent obligations on providers and users of AI systems and reinforcing digital sovereignty objectives. Consulting firms and clients must embed compliance, transparency and risk management into AI-enabled activities.

Evidence & supporting signals

- **Signals:** 4, 16, 28, 29, 30, 31, 32
- The AI Act establishes risk-based obligations and specific rules for general-purpose and systemic models, including documentation, risk management, cybersecurity and transparency.
- GPAI guidance and innovation measures (e.g., sandboxes) aim to support adoption while maintaining safeguards, including SME-relevant provisions.
- JRC and EU strategies emphasise digital sovereignty, trusted data spaces and evidence-based policymaking as long-term priorities.
- OECD and EU work on professional services reform underlines regulation's role in reshaping service models and productivity.

Why it is structural

These frameworks are embedded in EU law and will be progressively enforced across the coming decade, with refinement rather than rollback. They reflect durable policy choices about risk, sovereignty and citizen rights that will shape Europe's digital economy through 2035.

Implications for consulting firms

- Build internal and client-facing capabilities in AI governance, compliance and risk management.
- Differentiate through "trust-by-design" offerings aligned with EU regulatory and ethical standards.
- Develop specialised services for SMEs and public bodies to navigate proportional compliance, sandboxes and funding.
- Engage EU institutions, the JRC and standards bodies to track evolution and shape emerging practice.

2.8 Productivity and Competitiveness Pressures in European Services

Definition

Europe faces persistent productivity gaps, especially in services and SMEs, and must harness AI and digitalisation to raise long-term competitiveness. Consulting sits at the nexus of this agenda, both exposed to these forces and positioned as a key enabler of productivity gains for clients.

Evidence & supporting signals

- **Signals:** 2, 9, 10, 17, 32

- OECD and EU analysis highlights services productivity challenges and professional services as a target for reform and digital innovation.
- OECD work on generative AI and SMEs, alongside ECB/CEPR research, indicates meaningful productivity potential but a large adoption gap between large firms and SMEs.
- EU industrial and digital strategies link data, AI and platform adoption to competitiveness, particularly for SMEs and mid-caps.

Why it is structural

Productivity catch-up and competitiveness are long-term EU priorities, reinforced by demographic ageing and global competition. Measures to reform and digitalise professional services are therefore likely to persist across the 2030s, shaping demand and regulatory conditions.

Implications for consulting firms

- Position offerings explicitly as productivity and competitiveness enablers, especially for SMEs, mid-caps and lagging regions.
- Develop scalable, lower-cost, platform-mediated advisory models suited to SME segments (potentially supported by EU programmes).
- Align offerings with EU funding and industrial/digital initiatives, acting as implementation partners for policy-driven transformation.
- Balance global best practices with European regulatory and social-model constraints, differentiating from non-European competitors.

Critical Uncertainties and Scenario Framework

1. Candidate Critical Uncertainties

Each uncertainty links directly to one or more structural drivers defined earlier.

1. **Pace of Generative AI Diffusion in European Knowledge Work**
   How quickly do European enterprises and public bodies adopt AI-first workflows across core knowledge tasks, beyond pilots and local experiments? This uncertainty directly conditions the magnitude and speed of **AI-First Transformation of Knowledge Work** and **Automation and Deleveraging of the Consulting Pyramid**.
2. **Depth and Direction of EU AI Act Enforcement**
   To what extent does the AI Act (and related EU digital regulation) translate into strict, risk-averse enforcement versus flexible, innovation-supportive implementation across Member States? This uncertainty shapes the practical trajectory of **Regulatory Deepening of AI and Data Governance** and the **Convergence of Big Tech, SaaS and Consulting**.
3. **Productivity Uplift from AI in European Services**
   Does AI deliver the upper-bound productivity gains in services and professional sectors suggested by institutional estimates, or do organisational and skills frictions keep realised gains modest? This uncertainty influences both **AI-First Transformation of Knowledge Work** and **Productivity and Competitiveness Pressures**.
4. **Extent of Platform Dominance in Advisory Ecosystems**
   By 2035, do a small number of global (and/or European) cloud/AI/SaaS platforms control most transformation and advisory channels, or does a more decentralised, multi-platform ecosystem persist? This underpins **Productisation and Platformisation of Advisory** and the **Convergence of Big Tech, SaaS and Consulting**.
5. **Client Willingness to Shift to Outcome- and Subscription-Based Advisory**
   How far and how quickly do European corporates and public bodies move away from project- and time-based procurement toward outcome-, performance- and subscription-based models? This is central to **Evolution of Client Demand, Procurement and Pricing**.
6. **Depth of Talent and Skills Transition in Consulting**
   Do consulting firms (and clients) successfully execute large-scale reskilling and redesign roles around AI, or do skills bottlenecks, demographic pressures and organisational resistance slow the transition? This uncertainty sits at the core of **Structural Reconfiguration of Skills and Talent**.

7. **European Competitiveness Gap in AI and Professional Services**
   Does Europe close, maintain, or widen its productivity and AI adoption gap in services relative to other advanced economies given its industrial, skills and regulatory strategies? This cuts across **Productivity and Competitiveness Pressures** and **AI-First Transformation of Knowledge Work**.
8. **Degree of Trust in AI-Enabled Advisory**
   To what extent do European clients and regulators accept AI-enabled advisory as trustworthy and legitimate, versus requiring visibly human-centric processes due to ethical, legal and reputational constraints? This uncertainty links **Regulatory Deepening of AI and Data Governance** and **AI-First Transformation of Knowledge Work**.

2. Selected Top 2 Critical Uncertainties and Rationale

A. Depth and Direction of EU AI Act Enforcement (Uncertainty #2)

- **Why high impact:** The AI Act and associated EU digital framework will directly shape how consulting firms can develop, deploy and monetise AI-enabled advisory, especially in high-risk domains such as HR, finance and public services. Strict, heterogeneous enforcement could raise compliance costs, slow diffusion and favour large incumbents; more enabling implementation could catalyse scalable models built around trusted AI, governance and assurance.
- **Why highly uncertain:** While the legal text is settled, the interpretation, enforcement intensity, supervisory capacity and the operational role of sandboxes and guidance remain open. Divergence across Member States and sectors is plausible.
- **Why Europe-specific:** This uncertainty is anchored in EU legislative and institutional dynamics, and is structurally distinct compared with less centralised regulatory environments.
- **Linked drivers:** Regulatory Deepening of AI and Data Governance; Convergence of Big Tech, SaaS and Consulting; Productivity and Competitiveness Pressures.

B. Extent of Platform Dominance in Advisory Ecosystems (Uncertainty #4)

- **Why high impact:** If hyperscalers and large SaaS platforms dominate the transformation “rails,” consulting firms risk being pushed toward implementer roles within platform-controlled ecosystems. If the landscape remains more open and multi-platform, European and independent firms retain more strategic room, shaping bargaining power, business models and value capture.

- **Why highly uncertain:** Both trajectories are plausible. Concentration can be driven by network effects, compliance costs and platform economics; decentralisation can be reinforced by policy choices, competition enforcement, interoperability and the success of European data-space initiatives.
- **Why Europe-specific:** EU digital sovereignty objectives explicitly aim to reduce dependence on non-EU platforms, but the degree of success remains uncertain.
- **Linked drivers:** Productisation and Platformisation of Advisory; Convergence of Big Tech, SaaS and Consulting; Productivity and Competitiveness Pressures.

Why these two uncertainties are the best axes:
Together, they capture (i) the institutional environment governing AI adoption (uniquely consequential in Europe) and (ii) the structural market architecture through which AI-enabled transformation is delivered (platform-gated vs distributed). Combined, they determine who captures value (platforms vs advisors), what advisory models are feasible, and where European consulting can build durable advantage.

3. Scenario Matrix: Axes and Quadrants

Axes

Horizontal Axis: EU AI Governance Trajectory

- **Left endpoint: Restrictive, Fragmented Enforcement:**
  Risk-averse enforcement with heterogeneous implementation across Member States; high compliance burdens and limited sandbox utilisation; slower diffusion and greater advantage for large incumbents.
- **Right endpoint: Enabling, Harmonised Governance:**
  Coordinated, predictable enforcement with effective sandboxes, proportional obligations and extensive guidance; responsible adoption at scale across sectors and firm sizes.

Vertical Axis: Degree of Platform Dominance in Advisory

- **Top endpoint: High Platform Concentration:**
  A few global and regional cloud/AI/SaaS platforms dominate transformation and advisory channels through dense ecosystems and strong network effects.
- **Bottom endpoint: Distributed, Multi-Platform Ecosystems:**
  No single platform layer dominates; multiple global and European players coexist; sectoral data spaces and open standards expand; clients mix and match providers.

Quadrant Layout (for reference)

- **Q1 (Top-Left):** Restrictive, Fragmented Enforcement × High Platform Concentration
- **Q2 (Top-Right):** Enabling, Harmonised Governance × High Platform Concentration
- **Q3 (Bottom-Left):** Restrictive, Fragmented Enforcement × Distributed Ecosystems
- **Q4 (Bottom-Right):** Enabling, Harmonised Governance × Distributed Ecosystems

4. Quadrant Titles and Summaries

Q1: Regulated Platform Oligopoly

EU AI governance is strict and uneven. Member States interpret the AI Act differently, supervision is risk-averse, and compliance requirements are heavy, especially in high-risk domains. A small set of global and a few European platforms dominate AI and data infrastructure because only they can sustain compliance-grade tooling, security and auditability at scale. Consulting is increasingly channelled through platform partner programmes; firms without deep alliances struggle to meet certification, integration and governance requirements. Differentiation concentrates in regulatory expertise and sector risk depth, but much of the underlying workflow logic and tooling is controlled by platform owners. SME-focused advisory remains under-served despite policy intent, and EU institutions rely heavily on a limited set of “trusted” consortia, reinforcing market concentration.

Q2: Platform-Powered Acceleration

EU AI governance is harmonised, predictable and supportive of innovation, with practical guidance and sandboxes enabling broad adoption across sectors and firm sizes. At the same time, a handful of global and regional cloud/AI/SaaS platforms become the dominant rails for transformation, providing compliant AI services and sector blueprints. Consulting firms embed as co-innovators and value-added advisors on top of platform capabilities, building productised offerings that integrate with hyperscalers and data-space infrastructure. Competition shifts away from generic strategy and implementation toward owning high-value niches (sector depth, complex governance, multi-platform integration). Smaller European firms can thrive as specialised ecosystem players, but bargaining power and route-to-market remain structurally influenced by platform owners.

Q3: Fragmented Compliance, Localised Advisory

EU AI governance is restrictive and fragmented, but platform dominance does not fully consolidate. Legal uncertainty, sovereignty concerns and competition interventions constrain concentration, leaving a patchwork of standards, tools and interpretations across Member States and sectors. Consulting demand remains strong but becomes more local and regulatory-driven: clients rely on advisors to navigate compliance variability, tailor AI/data solutions to national contexts and manage legal and ethical risk. Productisation and cross-border scaling are harder: advisory remains semi-bespoke due to divergent requirements and uneven data-space implementation. Independent and mid-sized European firms retain room as trusted local partners, but the productivity and scale benefits of platform-centric delivery are limited, and AI-driven productivity gains are moderate and uneven across Europe.

Q4: Trusted, Distributed Intelligence

EU AI governance is enabling and coherent, with proportional enforcement, active sandboxes and strong support for SME adoption, while maintaining robust safeguards. Market architecture remains distributed: multiple global platforms coexist with strong European players, and sectoral data spaces plus open standards drive interoperability. Consulting firms act as orchestrators in this multi-platform environment, helping clients combine tools, govern AI responsibly and redesign operating models across functions and geographies. Productised advisory, outcome-based pricing and “advisory-as-a-service” flourish, but no single platform gatekeeps access to clients. European consultancies leverage proximity to EU institutions, regulatory nuance and sector expertise to build differentiated positions in both public and private markets. AI-driven productivity gains in services are substantial, and consulting becomes a visible contributor to Europe’s competitiveness and strategic autonomy.

Scenario Narratives

Scenario 1: Compliance Gatekeepers

(Constrained & Fragmented AI governance × Platform-Gated market)

A. Scenario snapshot — Europe in 2035

- AI use in high-risk business domains is tightly controlled. The AI Act is enforced conservatively and unevenly across Member States, making compliance a board-level concern in most large organisations.
- A small club of US- and EU-based hyperscalers and a handful of large SaaS players dominate AI and data infrastructure, offering “compliance-ready” stacks that become the de facto standard.
- AI-enabled productivity gains in European services materialise but remain below potential, with significant variation between highly digital large firms and a long tail of SMEs constrained by costs, skills gaps and compliance complexity.
- Cross-border advisory work is heavily mediated by platform compliance templates and legal constraints, making multi-country projects slower, riskier and more expensive.
- Large global consulting networks with deep platform alliances and regulatory practices capture most major transformation mandates; many mid-tier firms shift into subcontractor roles.
- Clients view AI-enabled advice as necessary but risky, requiring extensive documentation, human oversight and audit trails.
- EU institutions increasingly rely on a limited set of “trusted” public–private consortia for AI-intensive programmes, reinforcing market concentration.

B. Consulting industry structure

The European consulting landscape is dominated by a small number of global “compliance-integrated” firms combining regulatory depth with privileged access to major AI platforms. These firms act as the primary interface between clients, regulators and hyperscalers, bundling strategy, platform configuration, governance and assurance. Mid-sized European consultancies survive through niche regulatory, sector or Member-State specialisations, often as preferred subcontractors in large frameworks. Smaller boutiques struggle to carry the fixed costs of AI governance tooling, technical infrastructure and multi-jurisdiction legal coverage, leading many to consolidate or retreat into lower-tech advisory niches.

C. Business model

Business models revolve around high-margin, high-liability “compliance gatekeeper” offerings:

- Pricing remains largely project-based or retainer-based, reflecting bespoke compliance, documentation and risk management; outcome-based components are limited to clearly measurable operational or financial metrics.
- Productisation concentrates on proprietary compliance frameworks, control libraries, model-risk tools and AI "use-case registers," typically sold as part of platform-based transformation programmes.
- Margins remain strong for top-tier firms able to amortise regulatory expertise and tooling across many clients; mid-tier firms see margin squeeze from compliance overheads and platform licensing costs.
- Revenue skews toward risk, legal and regulatory transformation, AI Act implementation, audits, remediation and ongoing compliance monitoring.

D. Delivery model

Delivery is built around highly structured, platform-dependent workflows:

- AI tools are used primarily inside "walled gardens" of approved platforms, with strict validation, logging and documentation; shadow IT is systematically discouraged.
- Project teams are smaller and more senior. AI automates baseline analysis, but explanation, assurance and audit documentation create substantial overhead.
- Standard playbooks exist for each platform and risk category, but must be adapted to Member-State specifics, driving heavy reliance on local regulatory expertise.
- Firm-wide "AI governance factories" provide centralised support for documentation, impact assessments, reporting and evidence packs.

E. Talent model

Talent strategy prioritises regulatory sophistication and platform literacy:

- High demand for hybrid profiles: AI governance specialists, model-risk managers, technology lawyers, and consultants who translate between regulators, clients and platform engineers.
- Strategy and operations consultants are reskilled around risk categories, data protection, auditability and platform constraints.
- Career paths emphasise deep domain expertise and cross-border regulatory navigation.
- Junior cohorts shrink in traditional analyst roles; more entry hiring comes from law, public policy, data science and risk management.

F. Client behavior

Client organisations are cautious and compliance-driven:

- Procurement heavily weights regulatory track record, certifications and liability coverage; legal, compliance and IT frequently co-lead RFP decisions.
- RFPs often specify preferred platforms and require proof of approved tooling, documented governance and audit readiness.
- Clients expect advisory firms to stand behind recommendations, including contractual commitments for compliance and ongoing monitoring.
- Trust is anchored in oversight and documentation rather than "pure automation"; clients expect clear explainability of AI-influenced recommendations.

G. EU policy and regulation environment

The EU maintains a precautionary stance on AI:

- Supervisory authorities interpret the AI Act conservatively; enforcement actions in finance, HR and public services create strong deterrence and "signalling" effects.
- Guidance evolves slowly; differences in national approaches persist and some Member States add requirements, complicating cross-border work.
- Regulatory sandboxes exist but remain limited in scale and practical accessibility; SMEs struggle to participate meaningfully.
- The EU continues to champion digital rights and safety globally but finds it harder to close productivity gaps with less regulated jurisdictions.

H. Early warning indicators (by ~2030)

- Multiple high-profile AI Act enforcement cases involving professional or public-sector AI systems.
- Divergent national guidance and add-on rules in major Member States (e.g., stricter national stances in HR or credit scoring).
- Consolidation of hyperscaler/SaaS partner ecosystems, with a small number of "platinum" advisory partners winning a disproportionate share of mandates.
- Rapid growth of AI governance and compliance service lines versus build-and-run solution work.
- Limited uptake and narrow scope of regulatory sandboxes; low SME participation reported by EU bodies.
- Modest and uneven service-sector productivity improvements in OECD/IMF assessments relative to less regulated regions.

Scenario 2: Platform-Led Prosperity

(Enabling & Harmonised AI governance × Platform-Gated market)

A. Scenario snapshot — Europe in 2035

- EU AI governance is predictable, harmonised and innovation-friendly: robust rules exist, but proportionality, sandboxes and detailed guidance make compliance workable across sectors and firm sizes.
- A small number of global and European cloud/AI/SaaS platforms dominate digital infrastructure and become "safe default" environments for AI in business and government.
- AI-driven productivity gains in European services are substantial, especially where firms pair technology with organisational redesign and skills investment.
- Consulting firms derive a large share of revenues from platform-based transformation, productised solutions and managed services built on dominant stacks.
- Clients treat AI as mainstream; many functions operate in "human + AI" models, with caution concentrated in highly sensitive or politically exposed domains.
- EU industrial and digital policies leverage platforms and programmes to support SME digitalisation and cross-border data initiatives, narrowing some gaps between large firms and SMEs.

B. Consulting industry structure

The industry concentrates around platform ecosystems:

- Global and European "platform-embedded" firms act as strategic partners to hyperscalers, co-developing industry solutions and jointly going to market.
- Vertical specialists thrive by building platform-native applications and advisory products (e.g., energy, health, public sector).
- Traditional "generalist" consulting shrinks as clients prefer partners who can both design and implement AI-enabled solutions within chosen platforms.
- Competition intensifies inside ecosystems, but overall demand expands due to sustained transformation and optimisation needs.

C. Business model

Business models are productised and recurring:

- A significant share of revenue comes from subscriptions, usage-linked services and managed offerings (diagnostics, continuous performance management, managed analytics).

- Firms monetise industry IP, data models and workflows embedded in platform marketplaces, combining project fees with recurring licences and revenue-share.
- Outcome-based elements become more common as platforms enable real-time KPI tracking.
- Margins are strong for firms that scale assets and secure favourable platform terms; commoditised services face margin erosion and price competition.

D. Delivery model

Delivery is AI-centred and platform-native:

- Smaller cross-functional squads (consulting + data + engineering) work inside platform toolchains; copilots automate much baseline analysis, coding and documentation.
- Standard accelerators, reference architectures and pre-trained models exist for most functions, compressing delivery cycles.
- “Run and evolve” becomes normal: engagements extend into continuous monitoring and tuning of AI-enabled processes.
- Central asset factories maintain reusable components, models and templates for rapid replication across clients and geographies.

E. Talent model

Talent blends consulting, product and engineering:

- High demand for platform architects, data scientists, ML engineers and AI product managers with strong stakeholder credibility.
- Strategy skills remain important but are paired with hands-on capability to deploy and scale AI in real environments.
- Career paths include product tracks (owning solutions and roadmaps) and ecosystem tracks (alliances, marketplaces, joint GTM).
- Large firms invest heavily in internal academies and university partnerships to address persistent skills gaps.

F. Client behavior

Clients are demanding but optimistic AI users:

- Procurement bundles technology and advisory, favouring end-to-end partners who can deliver outcomes on specified platforms.
- Clients accept AI-enabled delivery as normal, but expect transparency on governance, monitoring and continuous improvement.
- Outcome-based and subscription arrangements become mainstream where performance is measurable; strategy remains more fee-based.

- Trust rests on the combined credibility of the advisor and the platform ("trusted advisor + trusted platform").

G. EU policy and regulation environment

EU governance actively enables AI-driven growth:

- AI Act implementation is coordinated and business-friendly: obligations are clear, risk-based and supported by shared tools, with particular attention to SMEs.
- The EU invests in interoperable data initiatives and European components of the stack, while remaining pragmatic about working with global platforms.
- Policy focuses on closing productivity gaps, tracked through regular OECD/IMF monitoring of growth and distributional effects.
- Public procurement increasingly favours AI-enabled platform solutions with fairness and explainability requirements, expanding the market for responsible-AI advisory.

H. Early warning indicators (by ~2030)

- Consistent AI Act guidance and enforcement across Member States, with few high-profile conflicts between regulators and industry.
- High participation in sandboxes and EU-funded digital programmes, including meaningful SME involvement.
- Strong AI-linked service productivity growth reported by OECD/IMF, with consulting-enabled case evidence.
- Rapid expansion of hyperscaler/SaaS partner ecosystems in Europe, with consulting firms positioned as co-developers and marketplace contributors.
- Rising share of consulting revenue from subscriptions/managed services in Europe in firm reporting and industry studies.
- Large EU-backed public programmes bundling AI platforms and advisory, emphasising responsible and explainable AI.

Scenario 3: Trusted Open Ecosystems

(Enabling & Harmonised AI governance × Open & Distributed market)

A. Scenario snapshot — Europe in 2035

- The EU implements the AI Act in a harmonised, innovation-supportive way and successfully fosters a diverse landscape of AI providers, data spaces and sector platforms.

- No single platform dominates. Multiple global and European cloud/AI providers coexist, while sector data spaces in health, mobility, manufacturing and public services operate at meaningful scale.
- Interoperability and open standards are strong policy priorities, enabling clients to combine tools and providers without excessive lock-in.
- AI diffuses widely across services and the public sector, delivering substantial productivity gains where organisational change, skills and governance are aligned.
- Consulting firms operate as ecosystem orchestrators, integrators and governance partners in a complex but flexible landscape.
- European consulting and tech firms gain global visibility in trustworthy AI, public modernisation and cross-border data governance.

B. Consulting industry structure

The industry is more diverse and competitive:

- European-headquartered consultancies, including mid-sized firms, remain strong due to regulatory fluency and sector ecosystem depth.
- Global firms compete but do not function as gatekeepers; differentiation depends on orchestration, transformation capability and trust.
- Specialists emerge around particular data spaces (e.g., health, mobility, energy), combining domain expertise with technical and governance skills.
- Market concentration is lower than in platform-gated futures; advantage is built through ecosystem mastery rather than exclusive platform access.

C. Business model

Business models blend productisation with ecosystem services:

- Firms build modular, interoperable components (risk engines, optimisation modules, foresight toolkits) that plug into multiple platforms and data spaces.
- Recurring revenue grows via “advisory-as-a-service” to monitor, tune and govern AI across multi-platform environments.
- Outcome-based elements are common where cross-system metrics are trackable; contracts often combine baseline retainers with performance-linked components.
- Margins are solid but depend on continuous investment in multi-platform capability, connectors, standards and up-to-date regulatory knowledge.

D. Delivery model

Delivery is ecosystem-centric and collaborative:

- Teams blend strategy, data/AI engineering, interoperability and data-governance expertise.

- Work begins with a "client ecosystem map" spanning platforms, data spaces, internal systems and regulatory constraints, then designs solutions accordingly.
- AI tools are used across a mix of providers; consultants help clients minimise lock-in while maintaining integration and reliability.
- Reusable assets focus on connectors, governance frameworks, monitoring dashboards and scenario tools rather than single-vendor accelerators.

E. Talent model

Talent emphasises breadth and orchestration:

- High value is placed on profiles able to operate across technologies and regulatory regimes, not only within a single platform.
- Foresight, systems thinking and stakeholder engagement are core differentiators, supporting anticipatory governance in complex environments.
- Career paths allow specialisation by ecosystem (e.g., "health data space orchestrator") or cross-cutting disciplines (AI ethics, interoperability, public-policy advisory).
- Continuous training is institutionalised through partnerships with universities, industry bodies and EU agencies.

F. Client behavior

Clients act as active ecosystem builders:

- Corporates and public bodies avoid over-reliance on single platforms, adopting architectures that support multiple providers and data-space participation.
- Procurement emphasises openness, interoperability, governance and multi-vendor competence rather than single-vendor partnership status.
- Clients accept AI-enabled advisory but insist on clear accountability and transparent governance across providers.
- Long-term advisory relationships centre on co-governance of AI and data, joint innovation and shared participation in sector ecosystems.

G. EU policy and regulation environment

EU policy underpins open, trusted ecosystems:

- The AI Act is enforced consistently with a focus on proportionality and support for trustworthy, human-centric AI.
- The EU invests in interoperability standards, open technical specifications and public-interest data spaces with Member States and industry.
- OECD/EU assessments increasingly position Europe as a reference case for combining productivity gains with robust governance and social protection.

- Public funding and procurement favour open, cross-border collaboration, creating stable demand for ecosystem-oriented advisory.

H. Early warning indicators (by ~2030)

- Multiple sectoral data spaces live in key industries with cross-border usage and participation.
- EU and national programmes prioritise open standards and interoperable architectures in AI and cloud projects.
- A diverse mix of global and EU providers operates at scale; competition actions prevent excessive dominance.
- Consistent AI Act guidance with positive industry feedback on predictability and proportionality.
- OECD/IMF reporting shows EU AI productivity gains comparable to peers while maintaining strong governance outcomes.
- Consulting portfolios increasingly feature offerings branded around ecosystem orchestration, data-space enablement and multi-platform AI governance.

How to use these scenarios

Consulting leaders should use these scenarios as strategic lenses rather than predictions. Each one represents a plausible combination of regulatory stance and market architecture that materially reshapes advisory business models. Leadership teams can stress-test portfolio resilience against all three futures, for example: dependence on specific platforms, depth of AI governance capability, and margin exposure if compliance overhead increases or generic work is commoditised. The scenarios also support a "no-regrets" agenda (AI capability, regulatory fluency, reusable assets, and talent redesign) while clarifying targeted bets (deep single-platform alignment vs multi-ecosystem positioning). Finally, firms can translate early warning indicators into a recurring dashboard, tracking enforcement patterns, platform concentration, SME adoption, procurement language, and the revenue mix between projects and recurring services, so strategic bets can be revised before the market structure hardens.

Cross-Scenario Comparison (2035)

The table below compares the three structurally distinct futures for European consulting across the governance regime, market structure, business model, talent, and client behaviour. Rather than predicting a single outcome, it clarifies how different combinations of AI regulation and platform structure reshape value capture, competitive positioning and strategic risk.

Cross-Scenario Comparison Table

Dimension	Compliance Gatekeepers	Platform-led Prosperity	Trusted Open Ecosystems
Core premise	Tight, uneven AI enforcement and a few hyperscalers turn consulting into a compliance- and platform-gated business.	Harmonised, pro-innovation AI enforcement plus dominant platforms drive high productivity and scalable, platform-embedded advisory.	Enabling AI governance and strong interoperability create a diversified, multi-platform ecosystem with consulting as orchestrator.
AI governance regime	Risk-averse, legalistic, with divergent national interpretations; clients experience AI as heavily constrained and paperwork-intensive.	Clear, predictable, proportionate rules; AI feels "safe by design" inside major platforms, with manageable compliance.	Consistent, innovation-supportive enforcement focused on trust, openness and proportionality across sectors and Member States.
Market architecture	Highly concentrated: a small club of global/EU platforms dominate infrastructure and compliance tooling.	Platform-gated: several hyperscalers and SaaS giants control most transformation rails and marketplaces.	Distributed and interoperable: multiple global and European platforms, plus sectoral data spaces, share the landscape.

Winners (consulting types)	Large, global multi-disciplinary firms with strong regulatory practices and elite partnerships with major platforms.	Platform-embedded firms and vertical specialists that co-develop solutions with hyperscalers and own high-value niches.	European and global firms strong in ecosystem orchestration, data-space enablement, and multi-platform integration.
Losers (consulting types)	Mid-tier and small firms unable to afford compliance tooling or secure top-tier platform status; generic boutiques.	"Pure strategy" generalists without deep platform capabilities; firms tied to declining or niche platforms.	Single-platform "implementation shops" and firms lacking interoperability or governance depth.
Typical client procurement behaviour	Legal/compliance co-lead RFPs; platform choice often pre-specified; heavy emphasis on regulatory track record and liability coverage.	Joint tech-and-business sourcing; preference for integrated platform + advisory offers with clear performance commitments.	Emphasis on openness, multi-vendor competence and ecosystem governance; RFPs stress interoperability and data-space participation.
Dominant business model	High-end projects and retainers focused on AI compliance, model risk, remediation and regulated transformations.	Mix of projects plus subscriptions and usage-based/managed services; outcome-linked contracts where metrics are available.	Modular retainers and "advisory-as-a-service" across ecosystems; frequent performance-linked elements tied to cross-platform KPIs.
Delivery model	Smaller, senior-heavy teams; AI used inside tightly controlled platform environments; large "governance factory" back offices generate documentation and audits.	Cross-functional squads (consulting + data + engineers) building on standard platform accelerators; continuous, AI-centred run-and-improve cycles.	Ecosystem-centric teams mapping client platforms, data spaces and regulations; heavy use of reusable connectors, governance frameworks and monitoring across tools.

Talent model (top 5 role profiles)	AI governance specialist; technology/regulatory lawyer; platform compliance architect; sector risk lead; senior engagement partner.	Platform solution architect; ML/AI engineer; industry product owner; outcome-based engagement lead; data governance expert.	Ecosystem orchestrator; interoperability architect; sector data-space specialist; AI ethics & policy advisor; foresight/scenario strategist.
Main risks / failure modes	Innovation drag; locked-in oligopoly; widening SME gap; ongoing productivity lag vs. less regulated regions.	Over-dependence on a few platforms; bargaining-power imbalance; commoditisation of generic services.	Complexity and coordination overhead; slower asset scaling; risk that interoperability ambitions outpace execution.
Main opportunities	Premium advisory on AI compliance and risk in high-stakes sectors; long, sticky relationships as "regulatory Sherpas"; influence over standard-setting.	Scalable, high-margin platform-based products; strong productivity story; global export of European responsible-AI solutions.	Strong roles for European firms in governance and orchestration; innovation around data spaces; resilience through diversification and reduced lock-in.

Early warning indicators (8)	Multiple high-profile AI Act enforcement cases in HR/finance/public services by 2030; divergent national guidance and add-on rules; rapid concentration of platform market share and "platinum" partner tiers; sharp growth of AI governance/compliance service lines vs. build-and-run solutions; high reported AI compliance costs in EU surveys (especially SMEs); limited scale/use of regulatory sandboxes and few SME success stories; modest, uneven AI-driven productivity gains in OECD/IMF data; discourse focused on risk mitigation over innovation.	Consistent, detailed AI Act guidance/case law with few cross-border conflicts; broad, well-funded sandboxes/support schemes with strong SME participation; hyperscalers/SaaS vendors reporting strong EU growth in partner-built solutions; rising share of consulting revenue from subscriptions/managed services; documented service-sector productivity gains linked to AI in OECD/IMF reporting; large EU-backed programmes bundling platforms and advisory for public services; RFPs increasingly specifying outcome-/usage-based contracts; strong investment in AI/data skills in labour-market and education policy.	Operational sectoral data spaces live in multiple industries with cross-border usage; EU programmes/procurement explicitly favour open standards/interoperable architectures; diverse mix of global and EU providers with no single dominant share; growth of "ecosystem orchestration" and "data-space enablement" in consulting portfolios; positive OECD/IMF assessments of EU AI productivity and governance outcomes; active EU standard-setting and reference implementations for interoperability; public-sector AI projects regularly involve multiple vendors and shared governance boards; industry coalitions form around data spaces and cross-platform trust frameworks.

Cross-Scenario Strategic Insights

Across all three scenarios, several structural themes persist:

1. **AI literacy is non-optional**
   Regardless of enforcement intensity or platform structure, AI becomes embedded in consulting workflows and client operations. Firms without deep AI capability, technical, methodological and governance, are structurally disadvantaged in all futures.
2. **Regulatory fluency is a European differentiator**
   In every scenario, EU governance shapes advisory content. The difference is the intensity and operational burden, not the relevance. Regulatory capability is never wasted and becomes a persistent source of trust in European markets.
3. **Productisation increases, but at different speeds**
   Even in *Compliance Gatekeepers*, reusable compliance frameworks and documentation tooling become core assets. In *Platform-led Prosperity* and *Trusted Open Ecosystems*, productisation accelerates further through subscriptions, managed services, and ecosystem-oriented modules.
4. **Platform strategy is existential**
   The most consequential divergence across futures is how dependent firms become on dominant platforms versus how much room remains for ecosystem orchestration. Platform positioning shifts from a partnership decision to a board-level strategic choice.
5. **Talent models must shift**
   All futures reduce the share of purely analytical junior roles and increase demand for hybrid profiles spanning AI, governance, product, ecosystem and stakeholder management. Firms that do not redesign career paths, incentives and staffing structures will face structural competitiveness gaps.

Strategic Implications for European Consulting Firms (2025–2035)

The structural drivers analysed in this report point to one overarching conclusion: European consulting firms cannot remain organisationally neutral in the face of AI diffusion, regulatory deepening and platform consolidation. The direction of travel is clear across all scenarios; what varies is speed and intensity.

The following implications synthesise cross-scenario priorities and highlight where emphasis diverges depending on how governance and market architecture evolve.

1. Capability Investments

Across all plausible futures, European consulting firms must invest in five foundational capability domains:

- **AI technical literacy**: including understanding of foundation models, prompt and workflow orchestration, integration into enterprise systems, and limitations of generative AI.
- **AI governance and compliance expertise**: operational knowledge of the EU AI Act, sector-specific rules, model-risk frameworks, documentation standards and auditability requirements.
- **Platform fluency**: practical familiarity with cloud architectures, APIs, data structures, security layers and AI service configurations.
- **Reusable asset development capability**: ability to codify knowledge into accelerators, diagnostics, toolkits and productised components rather than delivering purely bespoke work.
- **Data and performance measurement infrastructure**: internal systems that allow outcome tracking, model monitoring and performance-linked pricing.

However, the emphasis shifts by scenario:

- In **Compliance Gatekeepers**, governance depth, regulatory fluency and legal–technology integration become decisive differentiators.
- In **Platform-led Prosperity**, platform-native product development and embedded solution design are primary sources of competitive advantage.
- In **Trusted Open Ecosystems**, interoperability expertise, ecosystem mapping and orchestration capability are central.

The strategic challenge is not whether to invest in these capabilities, but how to weight them relative to likely future trajectories.

2. Platform Positioning Strategy

Platform strategy becomes an explicit strategic choice rather than an operational afterthought.

European consulting firms must determine whether they will pursue:

- Deep alignment with one or two hyperscalers, building privileged co-innovation and marketplace presence.
- A multi-platform integrator strategy, maintaining optionality and cross-ecosystem competence.
- A regulatory-first independent advisor position, prioritising governance credibility over platform embedding.
- A hybrid ecosystem orchestrator role, balancing selective alliances with cross-platform advisory strength.

Platform ambiguity becomes a structural risk. Firms that drift without a coherent stance risk being:

- Perceived as implementers rather than strategic partners.
- Locked into unfavourable ecosystem economics.
- Exposed to concentration risk if dominant platforms shift commercial or regulatory positioning.

Clarity of platform posture will increasingly shape alliance strategy, talent allocation and IP investment decisions.

3. Business Model Evolution

Across all futures, the trajectory of business model evolution is directionally consistent:

- Subscription and managed services models expand.
- Outcome-linked pricing grows where metrics can be credibly measured.
- Proprietary IP and reusable assets matter more than hours sold.
- Margin resilience depends on asset scale and differentiation.

The divergence across scenarios lies in intensity and mechanism:

- In more restrictive regulatory environments, recurring revenue may be driven primarily by governance retainers.
- In platform-dominant environments, subscription and usage-based revenues scale through ecosystem marketplaces.
- In distributed ecosystems, recurring value may be anchored in orchestration, interoperability and governance-as-a-service.

The structural shift is clear: consulting firms that rely exclusively on linear time-based billing face increasing margin compression as AI reduces the perceived scarcity of analytical work.

4. Talent Architecture Redesign

The traditional leveraged pyramid faces structural pressure across all scenarios.

Necessary shifts include:

- Reducing dependency on large cohorts of purely analytical junior roles.
- Building hybrid AI + consulting profiles capable of both technical interpretation and executive communication.
- Creating product and platform career tracks alongside traditional engagement leadership tracks.
- Developing governance and risk specialists with cross-disciplinary expertise.
- Institutionalising continuous reskilling as a core operating principle rather than an episodic initiative.

Talent strategy becomes inseparable from business model strategy. Firms unable to attract, develop and retain hybrid profiles risk being squeezed between AI automation and platform-native competitors.

5. Portfolio Resilience and Stress-Testing

Regardless of strategic pathway, firms should stress-test their portfolios against structural exposure risks, including:

- Percentage of revenue tied to a single platform or ecosystem.
- Percentage of revenue concentrated in heavily regulated industries.
- Balance between recurring and project-based revenue streams.
- Exposure to SME/public-sector segments versus large enterprises.
- Cross-border regulatory exposure within the EU.

This stress-testing discipline allows leadership teams to assess concentration risk, margin fragility and regulatory sensitivity under different scenario trajectories.

Executive Synthesis

Between 2025 and 2035, European consulting will not merely digitise; it will structurally reconfigure. AI integration, regulatory deepening and ecosystem consolidation are not cyclical trends but systemic shifts.

Firms that treat AI as a tooling upgrade, governance as a compliance burden, or platforms as tactical partnerships risk gradual erosion of strategic relevance. Firms that align capability investment, platform posture, business model redesign and talent architecture with Europe's evolving governance and market structure will shape, rather than react to, the reinvention of advisory in the coming decade.

Strategic Pathways for Consulting Firm Leadership

Pathway 1: Platform-Embedded Solution Builder

Positioning statement

Become a top-tier, platform-native partner delivering repeatable industry solutions and managed services on one or two dominant cloud/AI ecosystems.

When it wins (best-fit scenarios)

- Platform-led Prosperity
- Partially in Compliance Gatekeepers (when aligned with "compliance-grade" platforms)

Required capabilities

- Deep technical mastery of 1–2 priority platforms (architecture, AI services, security, compliance configuration).
- Product management discipline (roadmaps, backlogs, user testing, release management).
- Industry solution design anchored in platform primitives (e.g., banking, health, manufacturing).
- Joint go-to-market muscle with platform providers (co-selling, marketplace listing, partner marketing).
- Embedded AI governance and monitoring patterns in standard deployments.

Business model implications

- Revenue mix shifts toward subscriptions, usage-based fees and managed services, with projects as the "on-ramp."
- Higher upfront investment in reusable assets and IP; returns depend on scaling across many clients.
- Greater dependence on platform commercial terms, margins and roadmap decisions.
- More annuity-style revenue, but more exposure to churn and platform-driven competitive pressure.

Key risks

- Over-dependence on one or two platforms, reducing strategic autonomy and bargaining power.
- Commoditisation if many partners build similar solutions on the same stack.

- Difficulty pivoting if platform economics or regulatory status changes.
- Talent scarcity in platform engineering and AI roles.

Example initiatives in the next 6 months

- Select two anchor industries and one priority platform; define 3–4 solution domains (e.g., AI-enabled collections, predictive maintenance, workforce planning).
- Stand up a small "solution factory" (product owner, architect, 2–3 engineers, designer) to ship first MVPs.
- Negotiate a clearer partner roadmap with the platform provider (co-innovation funding, marketplace visibility, joint reference clients).
- Train 50–100 consultants to platform certification level, prioritising architects and engagement managers.
- Design a pilot managed-service offer for one solution (e.g., "AI performance and drift monitoring as a service").

What to measure (KPIs)

- Share of revenue linked to named platforms and to recurring contracts (subscriptions/managed services).
- Number of live paying clients per solution and annual recurring revenue (ARR) per solution.
- Solution gross margin (including platform fees, support and continuous improvement).
- Time-to-deploy for standard use cases (contract to first value).
- Joint pipeline and win rate on opportunities co-sourced with platform partners.

Pathway 2: Regulated Transformation & AI Governance Specialist

Positioning statement

Own the high-stakes intersection of AI, regulation and transformation in Europe as the trusted advisor for compliant, mission-critical change.

When it wins (best-fit scenarios)

- Compliance Gatekeepers
- Also valuable in Platform-led Prosperity and Trusted Open Ecosystems as the "trusted risk brain"

Required capabilities

- Deep expertise in the EU AI Act, sector regulation (finance, health, public sector, labour) and relevant standards.

- AI governance and model-risk frameworks (policies, controls, testing, documentation, audit).
- Strong relationships with regulators, standard-setters and policy communities.
- Ability to translate regulation into system and process design (controls, workflows, organisational roles).
- Sector credibility where AI is high-risk (e.g., credit, recruitment, clinical decision support).

Business model implications

- Premium, high-margin work concentrated in risk, compliance and high-risk transformations.
- Retainers for ongoing governance support, regulatory horizon scanning and remediation programmes.
- Lower scalability than pure software models, but defensible differentiation and stickiness.
- Potential to white-label governance frameworks into platform partners' offerings.

Key risks

- Over-indexing on compliance in a more growth-oriented environment.
- Being perceived as a "brake" on innovation if tone and delivery are not enablement-oriented.
- Talent bottlenecks in hybrid legal–tech–business profiles.
- Regulatory interpretation risk if internal positions diverge from emerging enforcement practice.

Example initiatives in the next 6 months

- Establish a cross-practice AI governance council to consolidate firm-wide positions and methods.
- Build a reusable AI Act impact-assessment toolkit for three priority sectors (e.g., banking, public administration, healthcare).
- Pilot 2–3 "AI governance diagnostic" engagements with existing clients to refine artefacts and pricing.
- Launch a joint research or roundtable series with a university/think tank on AI governance and productivity in Europe.
- Map and deepen relationships with national authorities and relevant EU units (e.g., DG CONNECT and national AI authorities).

What to measure (KPIs)

- Revenue and margin from AI governance, risk and compliance projects/retainers.
- Number of clients with multi-year governance support relationships.

- Cycle time and cost per AI risk assessment + documentation pack (per use case).
- Talent depth: staff with both regulatory and AI/ML credentials.
- Client feedback on whether governance work enables (vs. delays) AI deployment.

Pathway 3: Ecosystem Orchestrator for Open Data & Multi-Platform AI

Positioning statement

Act as the neutral orchestrator helping European clients design, govern and capture value from multi-platform environments and sectoral data spaces.

When it wins (best-fit scenarios)

- Trusted Open Ecosystems
- Also relevant in Platform-led Prosperity where clients want to avoid lock-in

Required capabilities

- Architecture and integration skills across multiple cloud/AI providers and open standards.
- Deep understanding of European data-space initiatives and governance models (health, mobility, energy, public services).
- Stakeholder orchestration across regulators, vendors, industry bodies and civil society.
- Strong data governance and interoperability frameworks (metadata, access, consent, quality, lineage).
- Scenario and foresight capability to support long-term ecosystem design and risk management.

Business model implications

- Retainers and “advisory-as-a-service” for ecosystem governance, vendor portfolio optimisation and data-space participation.
- Project work on architecture, interoperability and joint innovation pilots (often multi-stakeholder).
- Opportunities to create reusable reference implementations, blueprints and connectors.
- Lower dependence on any single vendor, but higher coordination overhead.

Key risks

- Cost and complexity of maintaining credible expertise across many technologies and governance regimes.

- Monetisation risk if clients undervalue orchestration versus “hard” implementation.
- Being squeezed between powerful platforms and regulators who prefer direct relationships.
- Spreading too thin without clear sector and ecosystem focus.

Example initiatives in the next 6 months

- Pick 1–2 priority data-space domains (e.g., health and mobility) and map key actors, standards and active pilots.
- Launch an “ecosystem lab” to prototype cross-platform architectures and governance patterns for two use cases.
- Participate in or convene a national/EU working group on interoperability or data-space governance.
- Build a standard “multi-cloud and AI vendor strategy” offer (lock-in risk assessment, architecture options, migration paths).
- Identify two pilot clients willing to co-design a data-space participation governance model.

What to measure (KPIs)

- Number of multi-platform/data-space engagements and revenue share from them.
- Share of projects involving three or more ecosystem stakeholders (client + vendor(s) + regulator/industry body).
- Client outcomes (increased data-sharing, reduced vendor concentration, faster onboarding of partners).
- Reuse rate of ecosystem architectures and governance patterns across clients.
- Participation in EU/national initiatives (working groups, pilots, reference-architecture projects).

Pathway 4: AI-First Productivity Partner for Europe’s Mittelstand & Public Sector

Positioning statement

Become the go-to partner helping SMEs and public entities convert AI into tangible productivity gains and service improvements, within EU governance constraints.

When it wins (best-fit scenarios)

- Platform-led Prosperity
- Trusted Open Ecosystems

- Provides resilience in Compliance Gatekeepers (where SMEs/public bodies need practical help navigating complexity)

Required capabilities

- Deep understanding of SME/public-sector constraints (budget, skills, legacy IT, procurement rules).
- Library of "lean" AI use cases with clear productivity logic (e.g., back-office automation, demand forecasting, citizen-service triage).
- Packaged, low-complexity offers delivered via standard platforms/SaaS tools, with minimal viable governance built in.
- Change management and skills development tailored to smaller organisations and public institutions.
- Ability to navigate EU and national funding instruments supporting AI and digital adoption.

Business model implications

- High volume of smaller contracts; unit economics depend on standardisation and reuse.
- Strong potential for subscription-style "AI-in-a-box" / "AI-as-a-service" offers (monthly fee per site/function).
- Lower average margins per engagement, but scalable with effective distribution (partners, associations, regional channels).
- Opportunity to combine advisory with training/capability-building revenue streams.

Key risks

- High price sensitivity and long sales cycles in SME/public segments.
- Under-engineering governance in pursuit of simplicity, creating compliance issues later.
- Over-customisation eroding scalability and margins.
- Dependence on public funding cycles and programme continuity.

Example initiatives in the next 6 months

- Identify 5–10 repeatable AI use cases for SMEs/local administrations and standardise them into packaged offers.
- Build 2–3 distribution partnerships (banks, software vendors, SME associations, regional development agencies).
- Pilot "AI productivity sprints" (4–6 weeks) with a small cohort of SME/public clients to refine delivery and pricing.
- Develop a lightweight AI governance starter kit for small organisations (templates + minimal controls).
- Map relevant EU/national funding programmes and align packages with eligibility criteria to support co-funded adoption.

What to measure (KPIs)

- Number of SME/public clients served and revenue share from these segments.
- Average time-to-value for standard packages (kickoff to realised improvement).
- Cost-to-serve versus list price; gross margin per package.
- Measured productivity/service outcomes (cycle time, error reduction, citizen satisfaction).
- Share of engagements supported by EU/national funding and success rate in securing funding for clients.

References

Business Insider. (2025). *Big Four projects: Deloitte, KPMG, EY, PwC consulting and accountancy trends*. https://www.businessinsider.com/big-four-projects-deloitte-kpmg-ey-pwc-consulting-accountacy-2025-8

Business20Channel. (2025). *How AI agents and MCP can disrupt consulting services by McKinsey, EY, BCG, Accenture, KPMG and Deloitte*. https://business20channel.tv/how-ai-agents-and-mcp-can-disrupt-consulting-services-by-mckinsey-ey-bcg-accenture-kpmg-and-deloitte-10-december-2025

Centre for Economic Policy Research (CEPR). (n.d.). *How AI is affecting productivity and jobs in Europe*. https://cepr.org/voxeu/columns/how-ai-affecting-productivity-and-jobs-europe

European Commission. (n.d.). *Regulatory framework on artificial intelligence*. https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai

European Commission. (n.d.). *General-purpose AI models under the AI Act: Questions and answers*. https://digital-strategy.ec.europa.eu/en/faqs/general-purpose-ai-models-ai-act-questions-answers

European Parliament. (2020). *The impact of artificial intelligence on the economy and society*. https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652713/IPOL_STU(2020)652713_EN.pdf

International Monetary Fund (IMF). (2025). *Artificial intelligence and growth in Europe* (Working Paper No. WP/25/67). https://www.imf.org/-/media/files/publications/wp/2025/english/wpiea2025067-print-pdf.pdf

IBM. (n.d.). *What is AI governance?* https://www.ibm.com/topics/ai-governance

Joint Research Centre. (2022). *JRC strategy 2030*. European Commission. https://joint-research-centre.ec.europa.eu/system/files/2022-12/JRC%20Strategy%2020030.pdf

Joint Research Centre. (2024). *2024 highlights report: Showcasing JRC key contributions to EU policies*. https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/2024-highlights-report-showcases-jrc-key-contributions-eu-policies-2025-04-09_en

McKinsey & Company. (n.d.). *The economic potential of generative AI: The next productivity frontier*.

https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier

McKinsey & Company. (n.d.). *The top trends in tech.* https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-top-trends-in-tech

McKinsey & Company. (n.d.). *How efficient growth can fuel enduring value creation in software.* https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/how-efficient-growth-can-fuel-enduring-value-creation-in-software

McKinsey & Company. (n.d.). *Subscription myth busters: What it takes to shift to a subscription business model.* https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/subscription-myth-busters-what-it-takes-to-shift-to-a-subscription-business-model

McKinsey & Company. (n.d.). *Riding the hyperscaler wave: The investment opportunity in cloud ecosystems.* https://www.mckinsey.com/industries/private-capital/our-insights/riding-the-hyperscaler-wave-the-investment-opportunity-in-cloud-ecosystems

McKinsey Global Institute. (n.d.). *A new future of work: The race to deploy AI and raise skills in Europe and beyond.* https://www.mckinsey.com/mgi/our-research/a-new-future-of-work-the-race-to-deploy-ai-and-raise-skills-in-europe-and-beyond

McKinsey Global Institute. (n.d.). *Generative AI and the future of work in America.* https://www.mckinsey.com/mgi/our-research/generative-ai-and-the-future-of-work-in-america

McKinsey Global Institute. (n.d.). *The next big arenas of competition.* https://www.mckinsey.com/~/media/mckinsey/mckinsey%20global%20institute/our%20research/the%20next%20big%20arenas%20of%20competition/the-next-big-arenas-of-competition_final.pdf

OECD. (2021). *Global scenarios 2035.* https://www.oecd.org/en/publications/2021/05/global-scenarios-2035_72de6a64.html

OECD. (2023). *Initial policy considerations for generative artificial intelligence.* https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/09/initial-policy-considerations-for-generative-artificial-intelligence_1a9ab450/fae2d1e6-en.pdf

OECD. (n.d.). *AI and work.* https://www.oecd.org/en/topics/ai-and-work.html

OECD. (n.d.). *Generative AI and the SME workforce*. https://www.oecd.org/en/publications/generative-ai-and-the-sme-workforce_2d08b99d-en

OECD. (n.d.). *Strategic foresight programme*. https://www.oecd.org/en/about/programmes/strategic-foresight.html

OECD. (n.d.). *AI and the global productivity divide*. https://www.oecd.org/en/publications/ai-and-the-global-productivity-divide_c315ea90-en.html

OECD. (n.d.). *The impact of artificial intelligence on productivity, distribution and growth*. https://www.oecd.org/en/publications/the-impact-of-artificial-intelligence-on-productivity-distribution-and-growth_8d900037-en.html

Thomson Reuters. (n.d.). *The EU AI Act explained*. https://www.thomsonreuters.com/en-us/posts/technology/eu-ai-act/

Wolters Kluwer. (n.d.). *The EU's AI Act: Governing through uncertainty and complexity*. https://legalblogs.wolterskluwer.com/global-workplace-law-and-policy/the-eus-ai-act-governing-through-uncertainty-and-complexity-identifying-opportunities-for-action/

World Economic Forum. (2023). *The future of jobs report 2023*. https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

AI Use Disclosure

This report was developed with the support of advanced AI tools used to assist in research structuring, synthesis, language refinement and analytical iteration. All strategic framing, scenario logic, interpretation of regulatory dynamics and final editorial decisions were directed, reviewed and validated by the author.

AI tools were employed as analytical accelerators, not as autonomous authors. Sources, conceptual frameworks and scenario architecture were critically assessed and curated to ensure coherence, relevance and alignment with European policy and market realities.

Responsibility for the content, interpretations and strategic conclusions presented in this document rests solely with the author.

EUROPEAN INDUSTRY OUTLOOK 2025–2035

The Future of Consulting in Europe

AI Governance, Platform Power and Strategic Positioning to 2035

A Scenario-Based Strategic Foresight Report

Prepared for: Senior Partners & Strategy Leadership

Patricia Pinto

February 2026