



BEYOND THE HYPE: THE THREAT AI POSES FOR CONSULTING FIRMS

The First in a Two Part Series

**Consulting is changing fast. AI is cutting time, cost, and headcount.
Here is what your firm needs to know now:**

6 MAJOR SHIFTS THAT WILL FUNDAMENTALLY CHANGE MANAGEMENT CONSULTING

- Here is what Qatalyst has learned and sees for the future
- This report focuses on 6 major shifts
- Next time, we'll present a practical survival guide for firms
- You can read our full report at [\[REPORT\]](#)



MANAGEMENT CONSULTANTS ARE WAKING TO AN UNCOMFORTABLE REALITY

AI changes what we do, how we do it, and who does it. Some estimates suggest 50% of existing firms could exit by 2030.

50%

Consulting jobs could disappear by 2030
(AI-driven automation)

86%



Clients want AI-ENABLED services
66% will drop firms not using AI

91%



Firms report using AI in some capacity

Only 26% meaningfully integrated AI



Reported efficiencies of 30% from AI

38%

Planning to integrate next 12 months

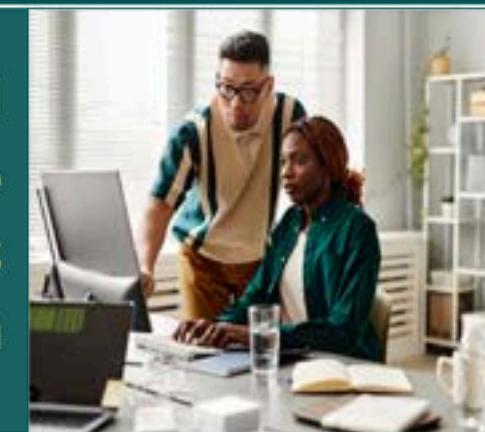
27%

Face technical challenges

42%

Slowed by Data Issues

Small firm size slows adoption



76%

Requiring help to integrate AI effectively

6 MAJOR SHIFTS

- 1 Today's AI is the worst we'll ever use
- 2 Consultants are being replaced by algorithms
- 3 Consulting firms are behind the curve
- 4 Clients and competitors are forcing firms to change
- 5 Firms that are slow to adopt will struggle
- 6 Consulting roles are changing



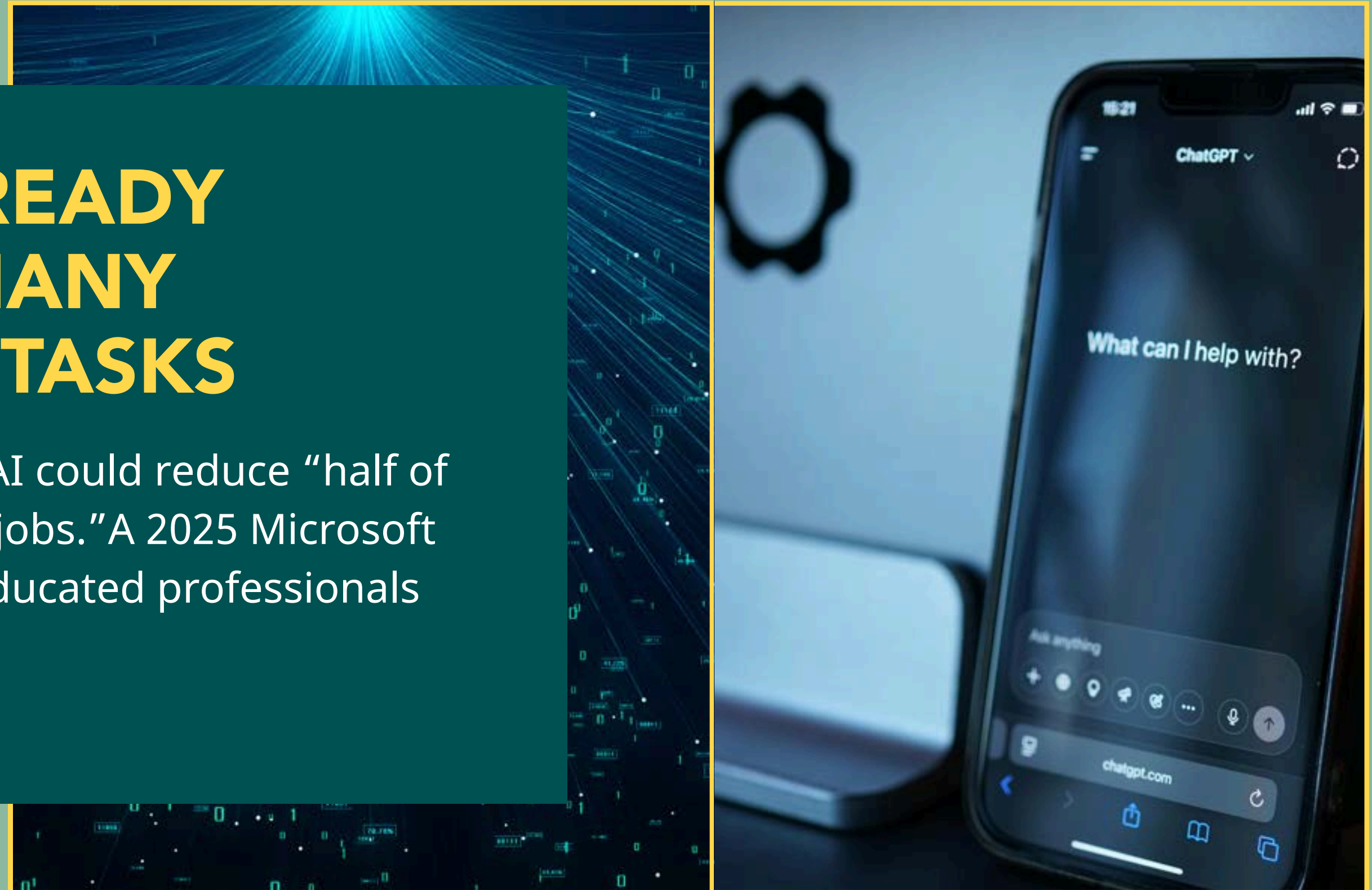
SHIFT #1. TODAY'S AI IS THE WORST WE'LL EVER USE

Newer generations of models can automate more functions, and operate faster and less expensively with few hallucinations.



2. AI CAN ALREADY AUTOMATE MANY CONSULTING TASKS

CEO Dario Amodei warns AI could reduce “half of all entry-level white-collar jobs.” A 2025 Microsoft study found even highly educated professionals (i.e. us) are vulnerable.





3. MOST FIRMS ARE BEHIND THE CURVE

Adoption is slowed by the prevalence of small firms (few have invested in custom tools), entrenched business models and practices, data access and quality issues, and privacy and trust concerns.



4. HOWEVER, CLIENTS AND COMPETITORS WILL SOON FORCE ADOPTION

86% of clients demand AI-powered solutions. In response, new AI-driven competitors are emerging, competitors are adopting AI, and clients are using AI to meet their own needs.

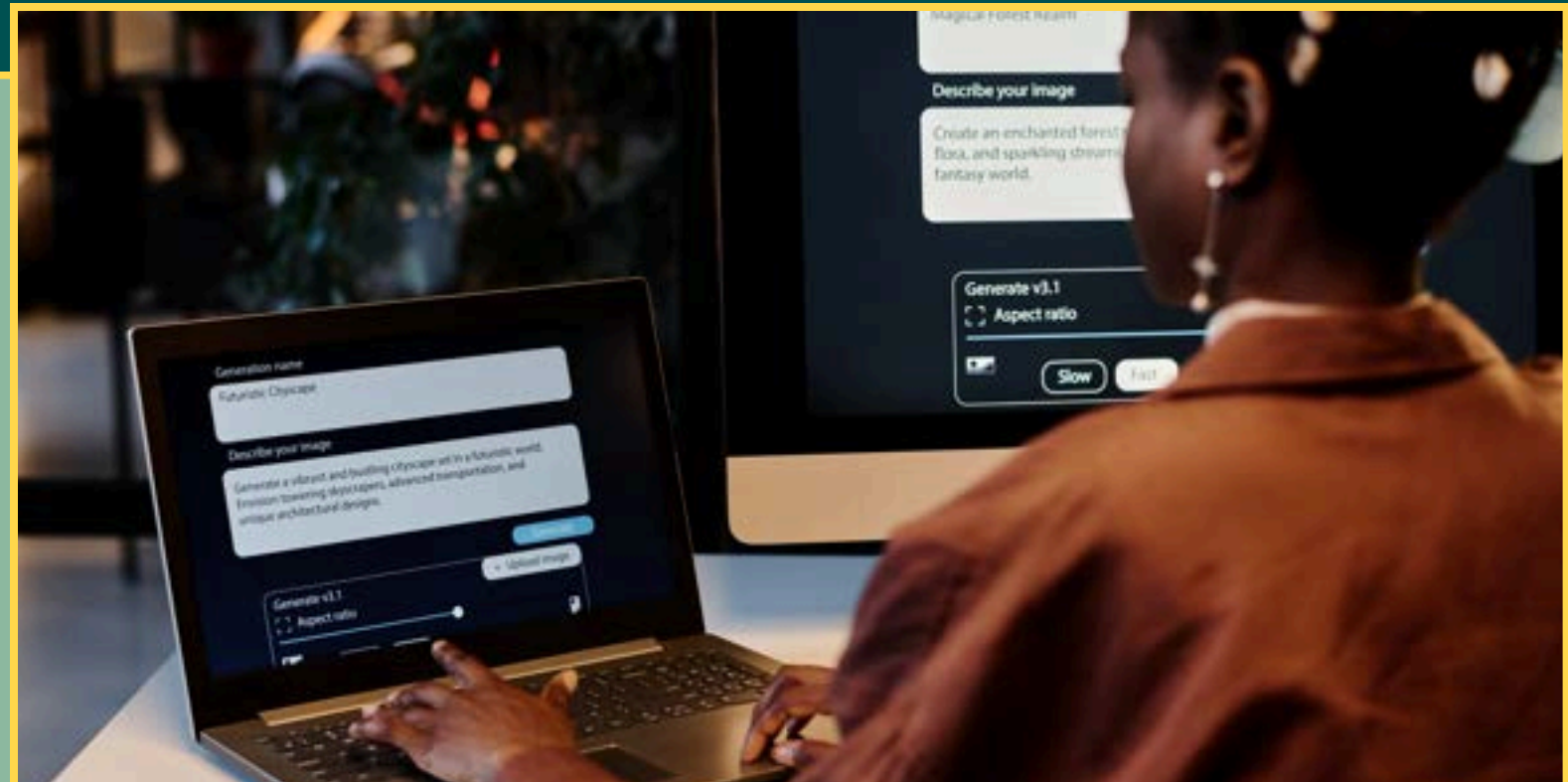


5. THE RESULT WILL BE INCREASED INDUSTRY CAPACITY

Unless the market grows substantially, there will be an oversupply resulting in increased price competition. Lagging firms will be competing in a tougher market without the efficiency advantages of AI.

6. AI WILL REDEFINE CONSULTING ROLES AND SKILLS REQUIREMENTS

AI will mostly augment, not fully replace most positions. However, there will be fewer positions, every role will require AI knowledge, new hybrid roles will emerge, and humans will shift to higher-value, more human-centric work.



CONCLUSION

- The transformation is underway. AI expands changes the competitive environment, increases capacity, and reduces timelines and prices.
- The question isn't whether AI will reshape consulting but rather what firms will lead or be left behind.
- In Part 2, we'll present a practical guide for firms seeking to adapt. We will share the operating moves we are using and believe will work best for others as well.





CONSULTING EXPERTISE, AMPLIFIED BY AI

Blending human insight and advanced technology for faster, more effective results.

At Qatalyst Research Group, we are integrating AI into every aspect of our practice —from sales to research, analysis, and output generation. Combining senior consulting expertise, an in-house development team, and a suite of AI tools, we can assist non-profits, government and other firms in integrating AI into their operations. We offer end-to-end AI transformation services that meet organizations where they are in their digital journey.

Go to <https://qatalyst.ca/> or reach out to **Sushant Tare** at sushant.tare@qatalyst-research.ca to find out more about how we might work together.

READ THE FULL REPORT HERE: [\[REPORT\]](#)