How Flexible Talent Is Transforming Consulting

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As an entrepreneur, your superpower is seeing disruption before everyone else does. Whether you see Netflix before Blockbuster or Uber before taxis, we entrepreneurs live and die by disruption. Thus, our disruption muscles need to be strong, or else we risk being disrupted ourselves.

The disruption muscle is a skill that requires both broad and narrow thinking.

It's *broad* in that you need to understand general trends. For example, ride-share entrepreneurs understood that a smartphone and a handful of applications could create a disruptive transportation experience. Today's entrepreneurs are applying this broad thinking to generative and agentic AI.

It's *narrow* in that you must be able to apply broad trends to industry-specific challenges. It's not enough to understand AI; you must understand how AI advancements are disrupting your specific industry. Without this context, entrepreneurs have no one to pay for their product.

In this article, I'll show you how to combine the broad and narrow brains by focusing on how the flexible workforce is disrupting consulting. I was torn about whether the title should use the words "transforming" or "disrupting."

I went with transforming because whether a venture-backed founder or managing director, entrepreneurship is not a mindset, not a job title; thus, transformation is just as possible as disruption if the entrepreneurial mindset is

applied correctly.

Using consulting as an example of disrupting spotting

If you're leading a consulting firm, what are you most scared of? Is it AI replacing you? Shrinking market demand for advisory, strategy or management consulting? Or is it a shifting talent base choosing different employment models that can make you irrelevant?

You should be scared of the latter. Right now, 27.7M individuals are choosing self-employment over working for traditional firms. At the same time, freelance talent platforms are mobilizing these independent professionals to outcompete traditional consultancies.

This combination makes for a terrifying threat with numerous implications:

- **Looming obsolescence:** Freelance talent platforms can beat traditional consulting firms in speed to talent, speed of project completion, quality, relevance, talent expertise and cost.
- **Rethinking talent strategies and business models:** Instead of focusing on utilization, upskilling and company culture, consultancies should reconsider how they invest in talent. What if building digital networks of consulting freelancers allowed professionals to elastically join or leave projects, offering unmatched flexibility and specialized expertise?
- **The demise of "brand image":** The very foundation of a firm's competitive advantage – its brand, name and logo – is under threat. In a world of independent experts, how can traditional consultancies preserve the value of their "stamp of approval"?

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To some, traditional consulting is hanging by a thread

For decades, consulting has been a coveted career path, offering diverse experiences and exposure to a variety of industries along with a clear trajectory to partnership. However, data reveals deep cracks in this model.

First, there’s an extended path to partnership. Once achievable in 8-10 years, reaching partner status now spans 14-18 years, with fewer roles available. As a result, accounting firms are facing an exodus of experienced partners.

Second, there are strong economic pressures. Many firms are delaying Partner promotions, raising revenue targets, and limiting equity Partner roles. Instead, they promote individuals to Managing Director positions with less financial upside and strategic influence.

Third, and the nail in the coffin, is the appeal of independence.

Of the 27.7 million full-time independent workers in America, a staggering:

- **84%** say they are happier working independently.
- **79%** believe it’s better for their health.
- **65%** feel more secure working for themselves.

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To most, flexible talent is a

solution

Consultancies that prioritize flexible talent are thriving. Interim management, for instance, is a rapidly growing subsector of flexible talent. The term “fractional” reflects a trend in which professionals take on leadership.

A recent Business Talent Group report highlights the surge:

- 116% increase in interim leadership demand year-over-year.
- 103% growth in CFO requests, with 233% growth for interim controllers.
- Rising demand for CHROs and chief transformation officers, both up 100% year-over-year.

Four specific segments in Human Cloud’s Industry Landscape blur the lines between flexible talent platforms with self-employed consultants mobilized through digital networks and utilization-focused consultancies with full-time employees and hierarchy. These are:

1. **Specialized niche platforms:** Focusing on staff augmentation and project-based statements of work.
2. **Hybrid platforms:** Offering team formation and project management while replicating hierarchical structures.
3. **Freelancers as a service (FaaS):** Removing freelancer sourcing and management burdens, delivering specific outcomes.
4. **All-freelancer agencies:** Operating like traditional agencies but without full-time employees.

These hybrid solutions enable a level of speed, cost efficiency, and specialized expertise that a full-time employment-led consultancy strategy simply can’t compete against.

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Can flexible talent disrupt leading consulting firms?

Leading firms are recognizing these changes and quickly adapting. The list goes on, but here are some recent transformations taking place in the traditional consulting landscape:

But is it enough?

Clayton Christensen, the father of modern disruption theory, shines a light on what can happen to traditional consulting firms if they do nothing. In Christensen's view, disruption "describes a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses." It's Uber disrupting taxis. Netflix disrupting Blockbuster.

Consulting has historically seemed immune to disruption, analogous to castles more so than private enterprise. While they might bend, they've been able to put the drawbridge up and let their moat protect them.

However, flexible talent is strongly challenging consulting's historical moat.

Consulting leaders should look to acquire or partner with flexible talent platforms

How should you navigate your consulting firm? Should you close the doors? Should you invest in a project reboot, incentivizing internal entrepreneurs to build a new business?

The path forward is clear: acquisition and partnership.

Talent platforms are already showing how partnerships can

augment consulting. Take the example of Expert Powerhouse, a flexible talent consulting platform in Europe that prioritizes being complementary to consulting by focusing on the front end of the consulting engagement.

On the acquisition side, we have seen multiple instances of smaller consultancies being incorporated into larger ones. Consulting Talent Platform Talmix recently entered into an “Innovative Strategic Partnership” with traditional talent solution eTeam. Ben Thakur, CEO of eTeam, said, “I am excited to add Talmix as our strategic partner and deliver a significant new talent category of consulting expertise to our clients worldwide.”

Traditional consultancies must decide: will they innovate or risk obsolescence? By embracing flexible talent platforms, they can transform disruption into opportunity and secure their place in the future of consulting.

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