

UK design consultancies

There are almost 11,000 design consultancies in the UK. The number of designers working for design consultancies has increased by 35% since 2005, although the number of design consultancies has decreased by 13% over the same period. The financial outlook for design consultancies is positive for most – fee incomes have remained stable since 2005 and more consultancies reported an increase in income compared to the previous year than a decrease. However, the proportion of design consultancies reporting a decrease in their fee income has doubled to 24% since 2005, showing that the recession has had an impact on some. The majority of design consultancies work in communications design and digital and multimedia design and employ fewer than 10 staff.

Number of design consultancies in the UK

How many design consultancies are there in the UK?

There are 10,800 consultancies in the UK. This is 13% down on from 2005.

How many designers work in UK design consultancies?

82,500 designers¹ (36% of all UK designers) work in design consultancies in the UK. This is an increase of 35% on 2005.

Profile of design consultancies in the UK

What disciplines do design consultancies in the UK work in?

Communications and digital & multimedia design are the dominant disciplines for UK design consultancies.

	Design Consultancies '05	Design Consultancies '09	All UK design businesses '09
Communications	61%	63%	62%
Digital	56%	48%	48%
Interior and exhibition	25%	26%	16%
Product and industrial	16%	18%	11%
Fashion and textiles	6%	2%	2%
Service	5%	3%	1%
Other	4%	3%	3%

How long have design consultancies in the UK been operating?

UK design consultancies are a mix of ages. There are plenty of young businesses – just under a quarter of design consultancies have been operating for three years or less – but also a healthy number of established consultancies that have been in operation for more than ten years.

	Design Consultancies '09	All UK design businesses '09
Less than year	4%	9%
1-3 years	20%	28%
4-6 years	21%	23%
7-10 years	18%	14%
11-15 years	12%	7%
15 years or more	25%	19%

Where in the UK are design consultancies located in the UK?

The highest concentration of UK design consultancies is in London and the South East.

	Design Consultancies '09	All UK design businesses '09
London	23%	23%
South East	19%	17%
East	11%	10%
South West	9%	7%
North West	8%	7%
Yorkshire and the Humber	7%	7%
East Midlands	6%	6%
West Midlands	6%	8%
Scotland	5%	7%
Wales	3%	3%
North East	3%	2%
Northern Ireland	2%	3%

How big are design consultancies in the UK?

UK design consultancies are similar in size to other UK private sector businesses – the majority employ fewer than ten staff.

	Design consultancies '09	Businesses in UK private sector
Fewer than 4 staff	60%	65%
5–9 staff	27%	18%
10–49 staff	11%	14%
More than 50 staff	2%	2%

How many designers do design consultancies in the UK employ?

Design consultancies tend to be larger than in-house design teams.

	Design Consultancies '09	UK design businesses 09 (excl. freelances)
Fewer than 4 designers	74%	70%
5-9 designers	19%	19%
10-49 designers	6%	9%
More than 50 designers	1%	1%

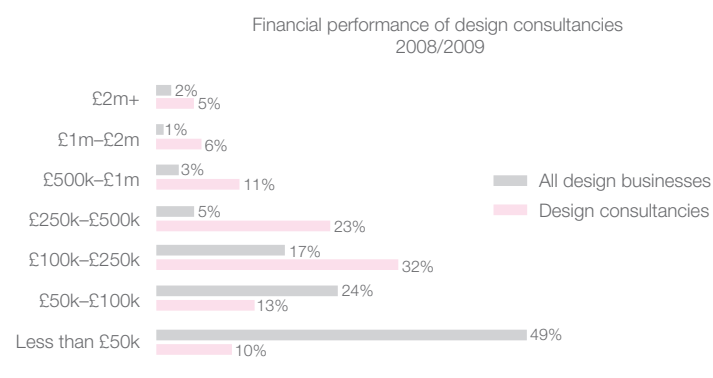
Financial performance of UK design consultancies

What is the collective fee income of design consultancies in the UK?

The total annual fee income of UK design consultancies was estimated to be £7.6bn for the last financial year. This is a 2% increase on 2005².

What was the fee income of design consultancies for the last financial year?

Around a quarter of design consultancies earn less than a £100k per year. Just over 50% earn between £100k and £500k per annum. Only 5% of design consultancies have an annual fee income of more than £2m per annum.



How does the fee income of design consultancies for the last financial year compare with that of the previous year?

Twice as many design consultancies saw an increase in their fee income over the last financial year as suffered, which is positive news given the difficult economic climate.

	Design Consultancies '09	All UK design businesses '09
Substantial decrease	6%	7%
Moderate decrease	18%	19%
No change	14%	16%
Moderate increase	35%	31%
Substantial increase	13%	6%
Don't know	14%	22%

How do design consultancies expect their fee income to change over the next three years?

Design consultancies are optimistic about their financial prospects for the year ahead.

	Design Consultancies '09	All UK design businesses '09
Substantial decrease	4%	2%
Moderate decrease	12%	10%
No change	20%	18%
Moderate increase	46%	47%
Substantial increase	11%	11%
Don't know	8%	12%

How have design consultancies' fee rates changed over the last three years?

The majority of design consultancies have either increased or seen no change in their fee rates over the last three years.

	Design Consultancies '09	All UK design businesses '09
Decreased rates	18%	9%
Increased rates	41%	40%
No change	43%	45%

Has the size of the design consultancies client base changed over last three years?

The majority of design consultancies work for more clients now than they did three years ago.

	Design Consultancies '09	All UK design businesses '09
Increase in the number of clients	60%	56%
Decrease in the number of clients	18%	18%
No change in the number of clients	21%	22%

How much of design consultancies fee income comes from new clients?

On average, 35% of design consultancies' annual fee income for the last financial year came from new clients. By comparison, 44% of freelancers' annual fee income for the last financial year came from new clients.

Clients and competition for design consultancies in the UK

What percentage of design consultancies work for the public, private or third sectors?

More than half of design consultancies work for public sector clients.

	Design Consultancies '09	UK design businesses
Private sector	98%	93%
Public sector	55%	47%
Third sector	26%	21%

Top client industries for design consultancies

Design consultancies are most likely to work for clients in the business services and financial sector.

	Design Consultancies '09	UK design businesses
Business services, financial	40%	40%
Public administration, Health, Education	31%	28%
Wholesale, Retail	31%	28%
Manufacturing	30%	24%
Hotels, Transport and Communications	18%	17%
Recreational, Cultural and Sporting	15%	16%
Construction, Utilities	9%	10%
Agriculture, Mining	2%	2%
Other	30%	33%

Where are design consultancies' main clients located?

The majority of UK design consultancies work for clients based in the UK.

Main clients are based in the UK	90%
Main clients are based in the EU	6%
Clients are based outside of the EU	4%

Where do design consultancies think their main competition comes from?

The location of design consultancies' competition mirrors that of their clients – most of their competition comes from within the UK.

– 92% of UK design consultancies say their main competition comes from within the UK.

– 4% of UK design consultancies say their main competition comes from within the EU.

– 4% of UK design consultancies say their main competition comes from outside of the EU.

How has competition changed for design consultancies over the last three years?

Two thirds of design consultancies say that competition for business has increased over the last three years.

– 11% of UK design consultancies say competition has decreased.

– 24% of UK design consultancies say there has been no change in their competition.

– 66% of UK design consultancies think competition has increased.